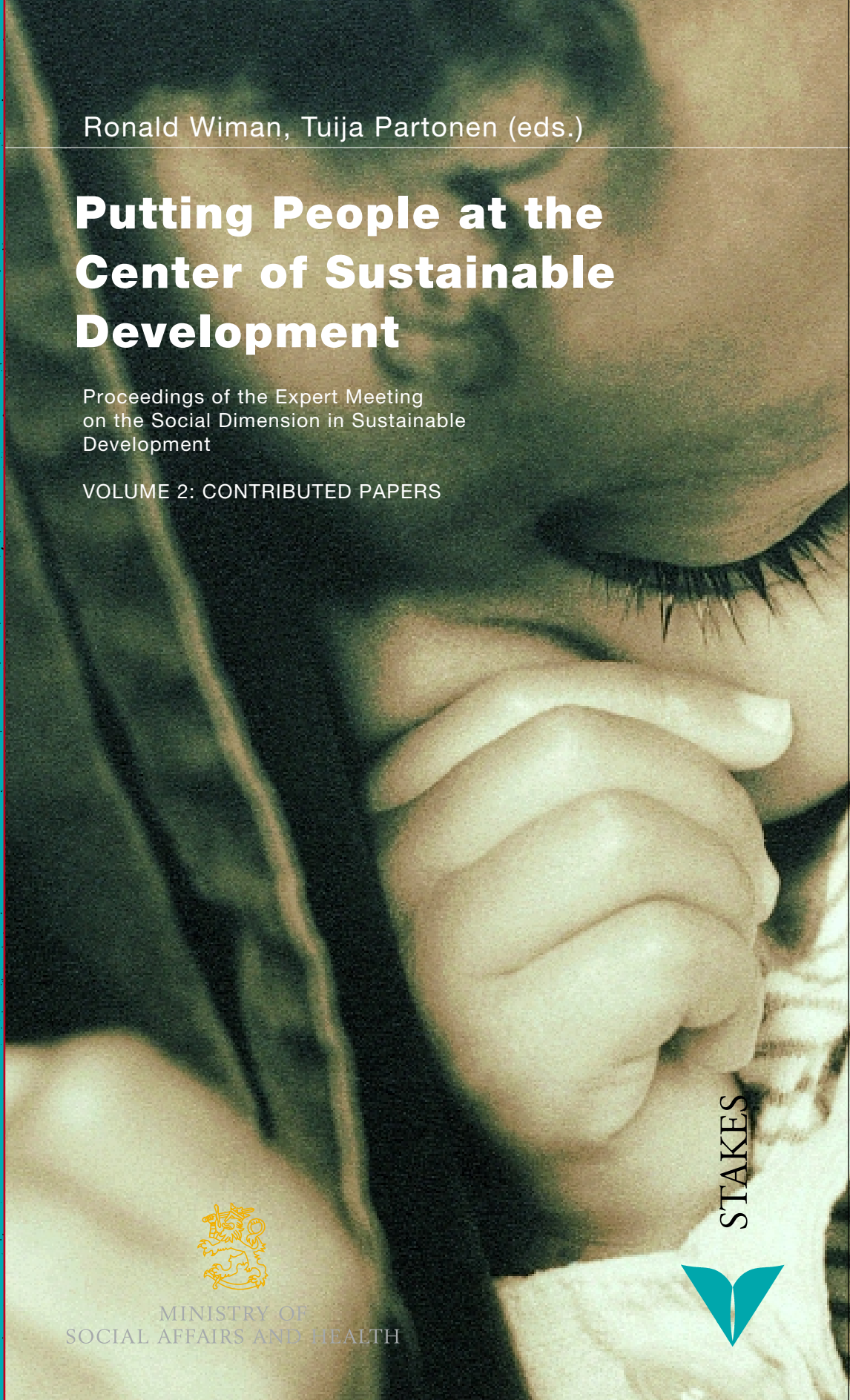
Ronald Wiman, Tuija Partonen (eds.)

Putting People at the Center of Sustainable Development

Proceedings of the Expert Meeting on the Social Dimension in Sustainable Development

VOLUME 2: CONTRIBUTED PAPERS



National Research and Development Centre for Welfare and Health • Finland

MINISTRY OF SOCIAL AFFAIRS AND HEALTH

STAKES

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SOCIAL AFFAIRS AND HEALTH

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Putting People at the Center of Sustainable Development

Proceedings of the Expert Meeting on the Social Dimension in Sustainable Development
October 15–17, 1998 in Helsinki and at the Baltic Sea Centre at Kellokoski, Finland

VOLUME 2: CONTRIBUTED PAPERS
Edited by Ronald Wiman, Rapporteur and Tuija Partonen, Project Secretary

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To the Reader

This document contains the contributed papers of the Expert Meeting on the Social Dimension of Sustainable Development that was held in Helsinki and at the Baltic Sea Centre in Kellokoski Finland, October 15–17, 1998.

This is a reference document for the Volume 1: POLICY THEMES – A SYNTHESIS. The papers are published as they were received with minor changes in layout only. The contributions are numbered with Roman numbers and the references in Volume 1 refer to these numbers accordingly.

The organizers of the Expert Meeting hope that the publication of this material will contribute to a further innovative and forward-looking debate on the social dimension of sustainable development.

Helsinki January 1999

Ronald Wiman
Rapporteur
Development Manager
STAKES

Tuija Partonen
Technical editor
Project Secretary
STAKES

Foreword

The minister of the Environment and Development Cooperation of Finland, Mr Pekka Haavisto, pledged at the 1997 UN General Assembly Special Session that Finland will facilitate the further clarification of the social dimension of sustainable development by convening an international expert meeting on the issue.

The Ministry for Social Affairs and Health and STAKES, the National Research and Development Centre for Welfare and Health, organized the meeting in October1998. There was an open session in Helsinki attended by some 100 participants which was followed by intensive sessions of a core group of 30 experts at the Baltic Sea Centre at Kellokoski. This volume contains the contributed papers by the participants. As these papers constitute on their own a valuable input in the efforts to clarify the essence of the social dimension, we have compiled them into this publication that constitutes Volume 2 of the Expert Meeting proceedings.

The background work was coordinated by Mr. Jaakko Ellisaari, Senior Advisor at the Ministry and Ms. Tuija Partonen, Project Secretary at STAKES. Ronald Wiman, STAKES staff member, who at the time of the Meeting was just completing his three-year assignment as Senior Social Services Advisor in Namibia, was flown in to act as Rapporteur of the Meeting.

On the basis of these contributed papers, Meeting discussions, and a round of comments, and complementing additional material the rapporteur produced the *"Volume 1: Policy Themes – A Synthesis"*. It aims at being a start-up package for a next round of discussions. To facilitate the furthering of this process we have established an Internet discussion forum at the website

<http://www.stakes.fi/sfa/social-development>.

We are convinced that the outcome of this Expert Meeting will have a constructive impact on the World Social Summit follow-up process and the Copenhagen +5 meeting that is scheduled for the year 2000.

We wish to extend our sincere gratitude to all the prominent experts that contributed to this initiative. Their devoted work deserves to be continued! We welcome readers to join the discussion on the social dimension of sustainable development on the Net.

Helsinki January 1999

Vappu Taipale
Director General
STAKES

Jarkko Eskola
Head, Department for
Promotion of Welfare and Health
Ministry of Social Affairs and Health

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I
OPENING ADDRESS

BY
DR SINIKKA MÖNKÄRE
MINISTER OF SOCIAL AFFAIRS AND HEALTH IN FINLAND

Minister Haavisto
Ladies and Gentlemen,

As Minister of Social Affairs and Health and member of the Finnish National Commission on Sustainable Development I wish to offer some opening remarks for your deliberation on the social dimension in sustainable development.

Sustainable development is not achieved by any single strategy or sectoral approach. Sustainability has three interdependent – and if we want to see, mutually reinforcing components: environmental, economic and social. It is crucial to find ways to recognize and reconcile potential conflicts between them, and even more important, to find practical solutions for their positive interaction.

Sustainable development has many faces. The approach of social and health policy aspires to human prosperity, health, equity of the sexes and income distribution, prevention of misery and promotion of civic engagement. All people are stakeholders.

Stable political and legal institutions together with an open and active civil society are clearly the founding stones for viable societies. Recent history proves that market economy needs them for sound functioning.

Environmental degradation, poverty, discrimination against women and impairment to human health are inextricably linked. And not only in developing countries. Industrialized countries have a great deal to do. In the adopted programme of work of the U.N. Commission on Sustainable Development, poverty is one of the overriding themes during the last five years before Rio + 10 -conference in 2002. We would like to see the social dimension, health and good quality of life in this context, as it was agreed in the United Nations World Summit for Social Development in Copenhagen 1995.

Environmental protection has very important economic implications, both positive and negative. The economic benefits of environmental investments are often overlooked, in terms of employment for instance. More often their social and health impact goes unnoticed and unmeasured. Everyday-life examples are our housing areas and streets, energy-effective communities, sound resource management and reduced pollution for example.

As a member of the medical profession I want to put special emphasis on human health: public health services for all and healthy -and

often more important- health supporting environments.

This calls for action not only to curb global warming and preserve the ozone layer, but to prevent the loss of human life and reduce the incidence of disease and disorders stemming from polluted community air.

In this context I might mention the comprehensive national environmental health action plan drawn up by my ministry. We have also contributed to this process in the Nordic-Baltic subregion.

There are reasons to continuously stress the "human face" of sustainable development. Sustainable development policies must have the support of citizens and their communities. We need to encourage personal commitments. There are still lots of people unaware of the global necessity to move towards sustainability. There are also prejudiced views and unfounded opposition. We need better evidence-based knowledge of the negative social consequences and ill health from unhealthy environments to convince these people. We would appreciate scientific innovations to exploit the potential synergy between ecological improvement and economic viability, combined with social progress.

Social security and social protection for all are not economic burdens. On the contrary, they balance growth and redistribute buying power in recession. Economic competitiveness is enhanced by sophisticated social security schemes. In the long run unequal, restrictive and discriminating schemes are the most expensive ones.

Concern for people, particularly the most vulnerable, along with the major groups in society, gives the process of sustainable development new momentum and popularity. Recent Finnish reports on public attitudes towards environmental health reveal that "the man in the street" is most worried about how clean and unpolluted his daily food and drinking water is. He (and she) gives high value to unpolluted air in the house, community air, and safe and secure playing grounds for the children. People want to be heard by their local authorities. Many cities and towns in Finland have started implementing their own "local agenda 21s", and many local environmental health action plans cooperate. It is the good practical examples that pave the way for necessary changes.

Genuine and effective participation of major groups is essential for sustainable policies. In Finland, the involvement of interest groups has

taken place via the Finnish National Committee on Sustainable Development, chaired by the Prime Minister. In addition to local authorities and NGOs, all main economic sectors industry, energy, traffic, agriculture, forestry- have prepared their own sectoral strategies in this context.

To quote Mikko Kuustonen, the recently appointed Finnish ambassador of good will to UNFPA. "The most decisive factor in our quest for sustainability is to improve the situation of women. Two thirds of women are analphabet. They own one per cent of the land area in the world."

We agree. Sustainable development cannot be isolated from the rights of women. I am proud to remind that Finland was the first country in the world to adopt universal right to vote for women. Women in the world still have a long way to reach equality in all aspects of life; livelihood of their own, equal opportunities for education, information technology, credit as well as decision making.

This expert meeting offers a welcome opportunity to take stock of the progress we have made since the Rio conference in 1992. You are going to discuss the elementary conceptual framework of sustainability as well as lessons learned during the first half of the Rio process. You will address some of the critical elements of sustainability, and I hope that an intensive, open discussion will help you find your way to pragmatic, innovative conclusions.

I wish you a rich and rewarding seminar. Thank you.

II
OPENING ADDRESS

BY
Mr Pekka Haavisto
Minister of the Environment and
Development Cooperation in Finland

Madame Minister, distinguished guests, colleagues,

It is my pleasure to open this seminar together with my colleague, Minister Mönkäre. For me as a minister for the environment and development cooperation the subject of the seminar "the Social Dimension in Sustainable Development" is very important. In our daily work in the Ministry for Foreign Affairs as well as in the Ministry for the Environment we often discuss the sustainability issues as regards environment and development co-operation. We feel that we are, after a long practice, already experts in these fields. Still the aspect of the social dimension is not necessarily always adequately considered and therefore I welcome this seminar and hope that it would give additional input in those fields my ministries represent.

Social development can not be separated from cultural, ecological, economic, political and empirical environment. It is also clearly linked to the development of peace, freedom, stability and security both nationally and internationally. To promote social development requires an orientation of values, objectives and priorities towards well-being of all and the strengthening and promotion of conducive institutions and policies. Human dignity, all human rights and fundamental freedoms, equality, equity and social justice constitute the fundamental values of all societies.

The summit report of the Social Summit in Copenhagen in 1995 defined, that the ultimate goal of social development is to improve and enhance the quality of life of all people. This requires democratic institutions, respect for human rights and fundamental freedoms, increased and equal economic opportunities, the rule of law, the promotion of respect for cultural diversity and the rights of persons belonging to minorities and an active involvement of civil society.

Empowerment and participation are essential for democracy, harmony and social development. All members of society should have the opportunity and be able to exercise the right and responsibility to take an active part in the affairs of community in which they live. Gender equality and equity and the full participation of women in all economic, social and political activities are essential. The obstacles that have limited the access of women to decision making, education, health-care services and productive employment must be eliminated and an equitable partnership between men and women established, involving men's full responsibility in family life.

For Finland the requirements I just mentioned are well-known and widely accepted and we are committed to implement them not only in our own country, but also worldwide. We believe that until the ultimate goal of social development has not been reached in the world, sustainable development and peace can not be reached. Therefore, it is in the interest of all developed countries to support the social development in those countries which are still developing or in the stage of transition.

How can we then best support social development? Again I refer to Copenhagen Summit which stated that an enabling environment to sustainable development with the following features should be promoted:

- broad-based participation and involvement of civil society
- broad-based patterns of sustained economic growth and sustainable development and the integration of population issues into economic and development strategies
- equitable and non-discriminatory distribution of the benefits of growth among social groups and countries
- an interaction of market forces conducive to efficiency and social development
- public policies that seek to overcome socially divisive disparities and that respect pluralism and diversity
- a supportive and stable political and legal framework
- political and social processes that avoid exclusion
- a strengthened role for the family
- expanded access to knowledge, technology, education, health-care services and information
- increased solidarity, partnership and co-operation
- public policies that empower people to enjoy good health and productivity throughout their lives
- protection and conversation of the natural environment in the context of people-centered sustainable development.

Finland supports the creation of the enabling environment with these features in our partner countries. Among other means this is possible through the development co-operation activities. As many of you know, the goals of the Finnish development co-operation are to reduce widespread poverty, combat environmental threats, and promote social equality, democracy and human rights. These goals are very much par-

allel to the features mentioned by the Copenhagen Summit.

Ladies and gentlemen, with these few words I would like to welcome you and wish all success to the seminar. I hope especially that those who made a long trip from abroad in order to attend this seminar will enjoy their stay in Finland. This time of the year might not be the best but surely the results of the seminar will compensate the dark and rainy circumstances which are so characteristic for the season.

Thank you.

III
THE DEVELOPMENT OF THE CONCEPT OF SUSTAINABILITY FROM RIO ONWARDS

BY
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While a great deal has been said and written about sustainable development since the Brundtland Commission Report, it is still difficult to agree on an operational definition of it. Many definitions have been offered, probably as many as there are those who have written about it. It is an elusive concept; even its translation into other languages has presented difficulties. One expert has referred to it as:

> "…development that is likely to achieve lasting satisfaction of human needs and improvement of the quality of human life." [1]

Another expert said:

> "…the primary objective is reducing the absolute poverty of the world's poor through providing lasting and secure livelihoods that minimize resource depletion..."[2]

Further:

> "The sustainable society is one that lives within the self-perpetuating limits of its environment. It1 is a society that recognizes the limits of growth... and looks for alternative ways of growing." [3]

Margaret Thatcher said:

> "Stable prosperity can be achieved throughout the world provided the environment is nurtured and safeguarded."

The G-7 leaders meeting at their Halifax Summit in 1995 said:

> The goal of sustainable development is, "A higher quality of life for all people. …democracy, human rights, transparent and accountable governance, investment in people and environmental protection, are the foundations of sustainable development."

The task of definition leads to so many difficulties, that most discussions end with the agreement that it is not even necessary to define it, that we can strive to achieve sustainable development without knowing precisely what it is. I heard one expert say that he couldn't define it, but he would know if he saw it. Some simply dismiss the problem, altogether by saying that if its not sustainable, its not development.

The difficulty in not having an operational definition is the lack of a clear picture of the ultimate goal we are aiming for and how to achieve it. We are faced with the need to design policy measures, develop strategies and make appropriate interventions that will lead us from where we are to a state of existence that is difficult to visualize. Some contend, however, that this lack of precision is positive, in the sense that it has

allowed a consensus to evolve around the main idea, that it is both morally and economically wrong to treat the world as a business in liquidation. [4]

But the lack of precision and consensus on meaning, also leads to confusion. This is probably best exemplified in the recent discussions on the Agenda for Development where it seemed that countries were talking about two different types of development. Sustainable development which is bounded by biophysical constraints and conditionalities and generic development which faces no such constraints. This apparent divide in thinking was finessed in the final Agenda for Development document with appropriate concessions made to both sides of the debate. The document states that, Development is a multi-dimensional undertaking to achieve a higher quality of life for all people. Economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development. [5]

Still there are those who, when you say sustainable development, think first about environment and biophysical resources, while development, as traditionally understood, is about unconstrained growth and prosperity. The Agenda, in fact, goes on to say that, Sustained economic growth is essential to the economic and social development of all countries... There is no acknowledgement that growth-mania, as some call it, may in anyway be incompatible with sustainability. Sustained economic growth assumes ever-growing cycles of production and consumption and an increasing scale of economic activity which the ecosystem may not be able to sustain, particularly if the idea is to generalize the present levels of per capita resource consumption that exist in the US and Western Europe. As Herman Daly says, The growth ideology is extremely attractive politically because it offers a solution to poverty without requiring the... disciplines of sharing and population control. [6]

Moreover, it is possible to have economic growth without improving the standards of living for the great majority of people. Some recent estimates suggest, for example, that in Latin America, poverty has been increasing despite increases in per capita GDP. [7] In fact, one of the main criticisms of GDP as an indicator of development is that it aggregates money flows caused by both good and bad economic changes. Crime, divorce, pollution and depletion of natural resources are all counted as gains. So long as money changes hands, GDP increases. This

is one reason why many organizations, including our own, are trying to find new indicators that provide a more complete picture of human well being, national wealth and development.

Most descriptions of sustainable development include some idea of an equitably distributed level of economic well-being that can be sustained over many generations while maintaining the services and quality of the environment. Hence, what is being sustained in sustainable development is not a rate of growth, but a level of physical resource use, which implies a different direction of technical progress, one that squeezes more service per unit of resource, rather than running more resources through the system. What is being developed is the qualitative capacity to convert that constant level of physical resource use into improved services for satisfying human wants.[8] In this context, sustainable development requires: first, the conservation and enhancement of the resource base; second, the elimination of poverty and deprivation; third, a broadening of the concept of development so that it covers not only economic growth but social and cultural development, and; fourth, the unification of economics and environment in decision-making at all levels. [9]

Aside from the problem of definition and understanding of sustainable development which I have just described, there are two other aspects of the concept that continue to limit its more rapid uptake by society in general. The first concerns the long time horizon of the issues being addressed. Issues of climate change, deforestation, chemical pollution and loss of wetlands and bio-diversity, in many cases, do not present themselves as immediate threats. What is done now affects the environment, maybe fifty to a hundred years from now but has little noticeable affect on what happens today. As human beings, we have difficulty to think practically much beyond the welfare of our own children. There is also the inevitable uncertainty about what the future holds in terms of new problems and new solutions, so that we are not even sure if the issues we are concerned about today will be of the slightest relevance to people living 100 years from now.

The second point has to do with inter-linkages and interconnections, because if sustainable development is about anything, it is about dealing with problems in their relationship with each other. Its most significant area is not the individual components but in the interactions, whether we are talking about science, or the interaction amongst

species, or the interaction of different ecosystems. [10] This also extends to the economic, social and political sphere since sustainable development calls on countries to deal simultaneously with both efficiency and equity which is not only complex and interrelated but laden with value judgements. Unfortunately, the great part of our teaching, learning and research is organized into neat disciplines and categories with ever increasing specialization. This makes it particularly difficult to focus on the linkages and connections between issues.

The Commission on Sustainable Development has tried to foster the idea that sustainable development is a multi-dimensional concept that requires the integrated and balanced treatment of economic, social and environmental factors, But, it is exactly on the inter-linkages where it has been the most difficult to focus attention. The Commission has tended to focus its discussion, so far, on biophysical resource issues and finance. Issues of poverty, social development, population, gender equality and human settlements while included in Agenda 21 and discussed by CSD, have not received the same level of attention. This results partly from the recognition that these elements are covered more fully in other fora.

The International Conference on Population and Development, the World Conference of Human Rights, the World Summit on Social Development, the Fourth World Conference on Women and HABITAT II all have their own follow-up mechanisms and constituencies. The objectives and action plans resulting from these processes, however are essential to the achievement of sustainable development and the objectives of Agenda 21.

While each of these processes tackles sustainable development from a slightly different perspective and offers something unique to the international debate, they build on and reinforce each other in significant ways. Poverty alleviation, education and health, gender equality, empowerment of local groups, better standards of life and care for our natural resources are common themes that run through all these efforts. They are part of an on-going international policy dialogue that seeks to define a more integrated and holistic strategy for human development and welfare.

At the same time, we need to recognize that the institutionalization of conference outcomes can lead to rigidities, territoriality and a compartmentalization that works against the idea of integration and inter-

relationship that is essential to sustainable development. In this context, the initiative you are taking here to examine more fully the social dimension of sustainable development is particularly encouraging. It leads the way in trying to bring together the strands from the different processes.

As you know, in June 1997, we celebrated the fifth anniversary of the Earth Summit with a Special Session of the General Assembly which we called Earth Summit +5. The purpose of the Special Session was to take stock of progress since 1992 and to see where we go in the future. Have we made any progress towards sustainable development?

The programme of change and transformation mapped out in Rio was ambitious and no one thought that it could be accomplished in five years. In fact, the most we can say is that we have taken a few halting steps toward less unsustainable societies and it is clear we still have a long way to go to meet the objectives agreed at Rio. While we have met expectations in some areas, "business as usual," remains the prevailing tendency. The attached annex, in the form of overheads, provides a broad summary of positive and negative trends over the past six years on some key issues.

In essence, the big picture has not changed much in the past six years. The rate of population growth has slowed somewhat, but world population now stands at about 5.6 billion and may reach 7 billion by 2008. Although world food production is increasing, more than, 40,000 people in developing countries die from hunger or hunger related causes every day. Food production in Africa, per head, has declined steadily since the 1960s, in contrast with every other region of the world.[11] 1.2 billion people lack safe drinking water and 2.5 million people in developing countries suffer from illnesses linked to contaminated water and poor sanitation. Desertification continues to spread in some the poorest regions of the world. Deforestation goes forward at an alarming rate with roughly 14 million hectares, about the size of Nepal, cut or burned each year. Nearly four million infants die yearly from diarrhoeal diseases. One million women die every year from preventable reproductive health problems. More than a billion people, the absolute poor subsist on less than a dollar a day, while 23 % of the world's population, the affluent consumers, control 85 % of all income. At the same time, global military spending, despite the end of the cold war, still equals more than $185 a year for every man, woman and child on the planet.

The Programme for the Further Implementation of Agenda 21, adopted at the Special Session, indicates that progress on all three components of sustainable development is not encouraging, despite some positive elements.

In principle we know how to do better. The CSD report on Critical Trends published as part of the documentation for the Special Session, identifies three elements as particularly important:

1. Increased investment in people;
2. Encouragement of clean and efficient technologies;
3. Pricing Reform.

Increased investment in people, through spending on social services, especially basic education and health care, is essential. In addition to the benefits for economic development, an educated, healthy population strengthens the capacity of societies to manage problems and withstand external shocks. Education is fundamental to reducing both individual and national poverty. The Special Session recognized the direct link between the provision of basic services, including water and energy and development. Making such services available is a first step to improving health conditions.

The encouragement of clean and efficient technologies, through regulatory requirements and economic incentives, serves two key objectives. Efficiency and productivity gains usually represent the quickest and cheapest ways to economize on the use of resources. Efficient and clean technologies are cost-effective and reduce the need for government expenditures. For example, energy savings can reduce the need for oil imports, and pollution control reduces environmental clean up and health care costs.

Energy is at the center of sustainable development and must be produced and used efficiently.If we successfully manage the transition to sustainable energy supply and use, including a gradual decarbonization of the fuel cycle, we can look to the future with more confidence. It is a huge technological challenge, that can only be met, if the right incentives are in place. Energy strategies should include, at a minimum, the elements of increased energy efficiency and an increased share of renewables.

Pricing reforms which lead to the internalization of the social and environmental costs of key economic activities are critical if more sus-

tainable use of natural resources is to be achieved. Current market distortions too often encourage or force short-term, wasteful and destructive consumption patterns.

The Programme for the Further Implementation of Agenda 21 urges governments to consider shifting the burden of taxation onto unsustainable patterns of production and consumption, adding that such tax reforms should include a socially responsible process of reduction and elimination of subsidies to environmentally harmful activities. It is now well understood that removing such subsidies, for instance on agricultural inputs, pesticides and fertilizers, on energy and on water is a positive reform, because subsidies create both economic inefficiency and increased environmental damage.

The main challenge of the 20th century, which can justifiably be called a century of war, was whether we humans could continue to live together on this planet without eliminating ourselves through war or nuclear holocaust. This will remain a serious challenge into the 21st century as nuclear weapons continue to proliferate. But, the more subtle challenge for the next century, is whether we can continue to feed, clothe and provide for ourselves without destroying the air, water, soil, plant and animal life on which our existence depends. The Rio Earth Summit expanded our understanding by making clear that development which gradually undermines the basis of our existence is no less destructive than war itself. Only a course of development that is sustainable can ensure the fruits of prosperity for ourselves and future generations.

ANNEX: SIX YEARS AFTER RIO – WHERE DO WE STAND

1 Positive Trends Since UNCED

- Population growth rates have declined globally, largely as a result of expanded basic education and health care programmes;
- Access to education has expanded, infant mortality has declined, and life expectancy has increased in many countries;
- Direct foreign investment has increased due to globalization of world markets, although the benefits of globalization have not reached all countries;

- Technological capacity in transportation and communications has improved;
- Trade deregulation and liberalization has progressed rapidly.

2 Achievements Since UNCED

- Entry into force of conventions on Climate Change, Bio-diversity and Desertification and Agreement on Straddling Fish Stocks and Highly Migratory Species as well as Approval of the Kyoto Protocol.
- Adoption of the Programme of Action for Sustainable Development of Small Island Developing States, the Global Programme of Action for the Protection of Marine Environment from Land Based Activities.
- Considerable progress towards sustainable management of all types of forests and towards a legally binding regime on chemical safety.
- Adoption of more than 1800 local Agenda 21 plans.
- 150 countries have established national-level commissions or coordinating mechanisms for sustainable development, often including a wide range of civil society sectors in the process of agenda-setting and strategy-building.
- Virtually every UN organization has adopted new policies and strategies to promote the objectives of UNCED and Agenda 21. Most of the UN organizations have created some kind of focal entity, often headed by high-level staff, for sustainable development.
- Ministerial conferences (Heads of state level in Latin America) on Sustainable Development were held in all five geographical regions resulting in regional sustainable development action plans.

3 Contrary Trends Since UNCED

- Agenda 21 commitments for financial support to developing countries for sustainable development programmes were not fully met;
- Renewable resources, specifically fresh water, forests, top soil and marine fish stocks, continue to be used globally at unsustainable rates.
- Air and water pollution problems have increased in many countries experiencing rapid economic growth and urbanization. Basic social services such as clean water or sanitation are unavailable to

many in the least developed countries. 1/3 of the world s population lives in countries facing moderate to severe water stress and that may reach 2/3's by 2025. 1/5 of humanity lacks access to safe water and one-half lack proper sanitation.

- Other pollution problems – including toxic substances, greenhouse gases, and garbage waste – continue to rise in the industrialized countries where wasteful production and consumption patterns remain fundamentally unchanged. 20 % of the world s people continue to consume 80 % of its resources.
- Desertification has spread in many poorer regions of the world;
- Deforestation continues at an alarming rate. A total of 13.7 million hectares of forest – roughly the size of Nepal – are cut or burned each year.
- The total number of people living in poverty has increased, along with unemployment in many countries. Income inequality between men and women and the income gap between least developed countries and other countries has increased. Over 1 billion people – 20 % of the world s population- live in absolute poverty, on less than one dollar per day.
- Most governments have failed to allocate sufficient funds to implement sustainable development programmes.

4 Accomplishments of Earth Summit +5

Poverty: Earth Summit +5: Governments agreed that full implementation of the Social Summit programme of Action is essential and listed priority actions. A target to reduce to half by 2015 the proportion of people living in absolute poverty was dropped from the political statement

Consumption/Production: Earth Summit +5: The European Union s proposed target on eco-efficiency was adopted after it was agreed that these were targets only for industrialized countries. The goal is a factor 10 increase in productivity for the long-term and four fold increase in the short term. Governments agreed to promote measures to internalize environmental costs in the price of goods and services and eliminating subsidies that harm the environments.

Forests: Earth Summit +5: No agreement was reached to negotiate an international convention on forests. Instead an Intergovernmental

Forum on Forests (IFF) under the CSD was established to follow-up on the proposals made by the Intergovernmental Panel on Forests (IPF). At the same time, it will seek to build consensus for international mechanisms, such as a convention. It will report back to CSD in 1999.

Fresh Water: Earth Summit +5: Governments gave the issue the highest priority and called for more action beginning at the 1998 session of the CSD to preserve and protect freshwater supplies and to build consensus on means of implementation.

Oceans: Earth Summit +5: Governments agreed on the need to eliminate overfishing, to consider the impact of subsidies on fishing fleets and to strengthen implementation of existing agreements on marine pollution and sustainable use of oceans.

Climate: Earth Summit +5: Governments did not agree on specific targets in advance of the Kyoto Conference of the Parties, but they did agree to consider, legally binding, meaningful, realistic and equitable targets, for developed countries that will result in, significant reductions in greenhouse gas emissions within specified time frames such as 2005, 2010 and 2020. The EU wanted to reduce emissions by 15 % below the 1990 levels.

Energy: Earth Summit +5: It was agreed to encourage governments and the private sector to find ways to internalize environmental costs in energy prices and to gradually reduce and eliminate energy subsidies which exist in various forms. The transfer of clean energy technologies to developing countries was also encouraged.

Land/Desertification: Earth Summit +5: Governments were urged to ratify the Convention to Combat desertification, but donor countries did not agree to provide new and additional financial resources to help implement the convention.

Finance: Earth Summit +5: No new specific financial commitments were made. Governments agreed to a general statement that developed countries should fulfill the commitments made at Rio. A ministerial contact group that sought to set target dates for ODA increases ended without agreement.

Technology Transfer: Earth Summit +5: Governments called for the urgent fulfilment of all Rio commitments regarding ESTs. They also called for the creation of a market environment conducive to technology related investment and public-private partnerships

Participation: Earth Summit +5: In a precedent setting step, all nine major groups made presentations to the General Assembly during the Special Session and during CSD there was half day dialogue sessions with each major group. Some 1000 representatives of NGOs attended the session and dozens of side events put forward a lot of new ideas.

ENDNOTES

[1] **Robert Allen, How to Save the World, 1980.**
[2] **Edward Barbier, Environmental Conservation, 1987**
[3] **James Coomer, The Nature of the Quest for a Sustainable Society, 1979.**
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[5] **Agenda for Development, United Nations, New York, 1997, p. 1**
[6] **Daly, op. cit. p. 242.**
[7] **See UNICEF, The State of the World's Children, 1996 (Oxford and New York, Oxford University Press, 1996), p. 59, fig. 10.**
[8] **Daly, op. cit., p. 249.**
[9] **The Brundtland Commission Report, Our Common Future**
[10] **Theodore Panayotou, Knowledge, Finance and Sustainable Development, Organizing Knowledge for Environmentally and Socially Sustainable Development, Proceedings of the Concurrent Meeting of the Fifth Annual World Bank Conference on Environmentally and Socially Sustainable Development, World Bank, 1998, p. 69.**
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IV
RETHINKING DEVELOPMENT: THE CHALLENGE FOR INTERNATIONAL DEVELOPMENT ORGANIZATIONS

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1 INTRODUCTION

During most of the post-war period, while the ideological duel of the Cold War was conducted, North-South relations have been grounded in an inspiring, publicly-funded experiment in international development. All evidence suggests that the experiment is now in a state of rapid decline. The funding base, stagnant in real terms for over a decade, is now beginning to erode in nominal terms as well.

This situation has generated anxiety and alarm in poor countries, especially in Africa, where words like abandonment and betrayal are used to describe what is taking place. Development organisations – bilateral, multilateral and non-governmental – have been investing heavily in demonstrating that 'development works'. Such demonstrations, their authors hope, will galvanise public and political will in industrial countries for increased allocations of public funds for international development.

Thus, we are witnessing a growing literature which tries to demon strate that economic development is working. With few exceptions, the case being made by development organisations rests on the following:

- average incomes in developing countries have doubled over the past three decades, increasing faster than in the United States, the United Kingdom, or Japan;
- people in developing countries now live some 10 years longer on average than in 1960 – twice the gain the United States could achieve by eliminating both cancer and heart disease; and
- the rate of infant deaths has been nearly halved, child death rates have plummeted and immunisation rates have soared.

The case is valid and the frequency and sophistication of its presentation are increasing. The best that may be said for its influence, however, is that it may be reducing the rate of erosion of public finances for development. It is certainly not stopping or reversing the trend.

Nor, in my view, will it. The problem lies not in the validity of the argument, but in the argument itself. Bluntly stated, whether or not one accepts the validity of the argument, it is the wrong argument. The case which development organisations are making rests, implicitly and explicitly, on four broad propositions:

- The declining commitment to publicly-funded international development is part of the normal economic cycle and the commitment will return when stability is restored to western economies.
- Development has been and remains a 'North-South' issue with the poverty of the South being something that can be eliminated by transferring the 'surplus' of the North.
- The state is the appropriate instrument of intermediation between North and South in redistributing the economic 'surplus'.
- The task of development remains what it has been over the past five decades – to achieve, in the span of one or two generation, the standards of living that the rich nations of the West achieved in four to six generations.

However noble the underlying intent, the problem with these propositions is that some are completely wrong and all fail to account for the dramatically changed context in which development efforts find themselves today. What that context calls for is the re-examination, in a fundamental way, of the meaning of development and of progress.

2 THE NEW CONTEXT FOR DEVELOPMENT

The visions of plenty and happiness that during decades guided the 'catching-up' efforts of the less fortunate nations have become hazy and blurred. Development, in theory and in practice, has rested on and been measured against the material standards of living of the rich nations of the West. Today, it is those very Western standards of living to which all humanity was supposed to aspire which are being questioned. This is not only because of their negative environmental consequences, but also because they were defined primarily in material terms and neglected the social, cultural and spiritual dimensions of human development. The rise of religious fundamentalism and of fierce ethnic rivalries throughout the world indicate the extent to which these neglected non-material dimensions of development have re-emerged, and have acquired a disruptive and even pathological character.

Most of the post-war intellectual architecture of development has derived from economics. 'Development economics', a new area of economic specialisation starting in the 1950s, held that, under the right conditions, development was linear, measurable, predictable, and subject to the universal treatment of economic theory.

Much of this architecture, we now know, requires fundamental rethinking which must take place at a time of unprecedented turmoil and change in practically all aspects of human activity. Most notably, the international order that prevailed for five decades collapsed as we entered the 1990s, and both nations and individuals are facing the uncertainties and instabilities that accompany the difficult transition to a new, and as yet undefined, world order. International security and political concerns, once processed through the relatively stable bi-polar system of confrontation between the East and the West, have now acquired a much more complex and unpredictable character. The world economy is experiencing profound transformations, mainly as a result of shifts in trade patterns, the globalisation of financial markets, the changes in the nature of work and the impact of technological advances, the collapse of the 'Asian miracle', which challenge established economic practices and confound the search for models and strategies to follow.

Accelerated social and cultural changes have turned upside down the time-honoured and cherished assumptions that underpinned the social order in many parts of the world, and particularly in the developing regions and the former socialist countries. The complex web of human values and interpersonal relations that keep communities together has been subjected to unprecedented strains, and in some instances has broken down completely with tragic consequences.

But it is in our capacity to generate and utilise knowledge that changes and transformations have been most profound. Scientific and technological advances have become the main determinants of the paths that much of the world community will take in the new millennium. As a consequence, those who have access to the products of scientific and technological research – as well as the ability to understand, absorb and make use of them – will exert an ever increasing influence in the conduct of human affairs. Moreover, in parallel with the astonishing pace of advances in science and technology during the last few decades, differences between nations in their capacities to generate and utilise knowledge have become more pronounced. This will severely limit the possibility of many nations to pursue their own development objectives, whichever form they take, and, unchecked, will doubtless create a new global apartheid that will apply both between nations and within individual societies.

All of these changes configure a completely new situation. This, in

turn, is embedded in an even larger framework: our very understanding of the essence of humanness is evolving. New findings and discoveries are forcing us to revise drastically our ideas about humanity and its place in the order of things, as well as our conceptions of what human beings are, can be and will be:

> We are beginning to accept and internalise the tight coupling that exists between human beings and the physical and biological world, acknowledging that we cannot act with impunity on the environment, trusting blindly the regenerative capacities of ecosystems. This implies a radical shift away from the perception of 18th and 19th century scientism that human beings are lords and masters with the right to do as we see fit on the planet, and towards considering us as stewards of a precious heritage that must be passed on to our children.
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> We are beginning to realise that advances in information technology are creating a new level of reality ('virtual reality', 'cyberspace') that lies in between the tangible and real world which has been with us since time immemorial, and the world of abstract concepts which has been with us for at least 2,500 years since the invention of theory by the Greeks. Communications technologies are also creating new modes of human interaction, and in the process are altering what we mean by experience, privacy, selfhood, cultural identity and governance.
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> We are becoming aware of our new-found capacity for consciously altering the direction of human evolution, and of the possibility to overcome the limitations of an individuals biological and genetic hardware. However, although we may be developing the possibility of managing evolution, we still have to develop a concept of the governance of evolution and the morality of managing it which would correspond to the newly acquired responsibility of human beings for their own biological, in addition to cultural, future.
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> Advances in expert systems and robotics are forcing us to reconsider what we held as functional attributes of human beings. As we become increasingly aware of the impact that artefacts and mechanical constructions have on the way we live, the idea of 'co-evolution' between humans and machines is beginning to emerge.

All of this suggests that, as the new millennium approaches, humanity is in the midst of a bewildering transition towards something that cannot be visualised clearly as yet. Such momentous changes are accompanied by profound fears of the unknown, by low tolerance for uncertainty, by a desire to escape from real or imagined threats, and, for much of the world, by a crippling sense of helplessness. A retreat to what is perceived as safe, known and familiar emerges as a response, usually expressed in the form of nostalgia for the certainties of the past

and a return to primal loyalties. But our human condition is changing and history tells us that it is not possible to turn around and go back to where we were even a few years ago.

In this context of a turbulent world stumbling towards a new millennium, rethinking the concepts of development and progress has become an urgent task. As Einstein stated many years ago: "We cannot solve the problems we have created with the same thinking that created them".

3 RETHINKING DEVELOPMENT

The New World Order is changing the North-South axis of wealth and poverty. Indeed, the very terms 'North-South' are fast becoming a serious impediment to any understanding of development. A more accurate formulation in terms of our present and emerging reality is found on a geographically heterogeneous 'included-excluded' axis. The New World Order is in the process of spreading the 'included' around more. There are quite a few (and there are going to be more) of them in the South, where much more manufacturing is being done, particularly in Asia. The New Order is also spreading the 'excluded' around more – a higher percentage of them are going to live in the North.

Development thinking and the very language of development will have to be modified. This will not be easy. To quote Keynes: "The difficulty lies not in new ideas, but escaping from old ones". We have grown accustomed to political and business leaders addressing themselves only to limited manifestations of the crisis in which we find ourselves and this will complicate any rethinking of development. The strange thing about this crisis is that, unlike previous crises of economic depression or warfare, this one has not generated its own language. We continue to use the language of development, 'enriched', so to speak, through the introduction of precisely the most reactionary principles unearthed from the cemetery of neo-classical economics. The result is that most development discourse continues with a language of unlimited economic growth and expansion in the face of a reality of social and ecological collapse. This places development in a situation of dangerous incoherence: unless changed, its language will be judged as incoherent with our historical reality.

It may be instructive to pause for a moment and to recall a time when

the world approached the end of a previous century and was staggered and bewildered by forces of tidal change. Thomas Paine (1737–1809), renowned in England, France and America as the protagonist of the Rights of Man, looked about his world at the end of the eighteenth century. What he saw was a Europe in disarray; the French revolution; the rise of the Reign of Terror; the American Revolution; Europe coming unstuck and on the verge of the Napoleonic Wars; demagogues rising up everywhere; the breakdown of government; people homeless in the streets as the result of the Industrial Revolution; individuals whose social, economic and cultural roots had disappeared, who were no longer rural and had no place in an urban world; high degrees of violence and criminality; the beginning of the breakdown of the Church.

Thomas Paine stood back from this frightening landscape and wrote the following:

> "We have it in our power to begin the world all over again. A situation similar to the present hath not appeared since the days of Noah until now."

Paine's words would, of course, be total hyperbole were it not for the fact that he was right. The profound crisis at the close of the eighteenth century created precisely the enabling environment for major change. The very nature of society, of government, of the relationship of the individual to the collectivity was transformed in the years of the nineteenth century, as was the pattern of values, attitudes and beliefs. One result of this was a definition of development and progress that we have known and understood them for most of the last 200 years.

The diagnosis of a problem usually proves much easier than does prognosis. Certainly in at least one sense, the dangers today are greater than in the time of Thomas Paine. We have less time to fix things. Yet just as the Chinese ideogram for 'crisis' is made up of two symbols – one for danger and one for opportunity – it is essential that development thinking look beyond the dangers and seek out the opportunities. There is no roadmap to redefining development, but there are in my view three significant clusters of opportunity which represent good beginning points.

The first opportunity I see is in t*he trend towards increasing recognition and acceptance of global interdependence.* To say this may appear at first blush to be naive, to ignore completely the current reality of ever increasing economic globalisation with its unprecedented competition. Yet, in parallel with that globalisation is the fact that the ideo-

logical battles of the past are being replaced by the search for a more pragmatic partnership between market efficiency and social compassion. And humanity is being reminded with the growing force of the rising environmental threat and of the imperative of common survival on this fragile planet, of the fact that we are all in this together.

Although this kind of thinking is far from new, the idea of global interdependence, dangerously slow in taking root, is finding a place in the public mind. The United Nations Conference on Environment and Development, the Earth Summit at Rio, was evidence of this. Of the 182 nations who came to discuss the future of the world, 105 were represented by their heads of government. Also in attendance from all parts of the world and as major new players in international negotiations were non-governmental organisations, women's organisations, youth, and indigenous peoples' movements. Yes, there were different agendas. Yes, some came saying "the problem is in developing countries where population is growing too fast". Yes, some argued that "the villains are industrial countries where consumption is out of control". But, equally true is the fact that they came and that in some modest way initial building blocks were laid for a global framework. Conventions on carbon-gas emissions and bio-diversity were signed. Statements on forestry principles were promulgated. 'Agenda 21' was announced as a global action plan, though one that was much watered down because it was in the end what it had to be: an intergovernmental, consensus document. But for whatever its defects, 'Agenda 21' is a global action plan that assumes interdependence.

Another element of this recognition of interdependence is to be found in the debates within countries and within communities on 'security'. These debates are not on security in the Cold War sense of protection from nuclear attack; they entail a much more complex view of how a lifestyle – be it national or individual – depends on factors that are far removed from direct control, but over which some influence is desirable. Security for the northern hemisphere is seen increasingly in terms of what happens to the rainforests of the Amazon or the dry lands of Africa. Certainly, we do not understand all the linkages, but awareness and concern are growing.

The security debate does not end with environmental concerns. It is expanding to include security in terms of education and health security, food security, employment security and cultural security. And this

is natural for we are already beginning to see that the conflicts of the future will be more between people than between nations. If we succeed in redefining security in this way, we may be able to take advantage of the only opportunity that history has given us to reduce military expenditures. Over the period 1990–1995, we have seen a reduction of global military expenditure of some $250 billion. Never before, at least not in our lifetime, has this happened. There is a peace dividend and we should not be fooled into thinking that it is but an illusion. Military spending increased annually for over forty years, but it has decreased by three percent each year over the past six years.

This notion of interdependence is revolutionary; it requires not merely a change to some of our thoughts, but a change in mindset. And one first step towards that may be the need for a change in language. Language is not mere detail; it hampers or facilitates our ability to look at a new set of relations and concepts that may be better adapted to the future. A characteristic of the current global transformation is that the landscape, or earthscape, is changing even as we attempt to understand and analyse it. A second characteristic is that our concepts and the language we use to express them are increasingly inadequate or, even, erroneous.

Interdependence is a concept of enormous complexity, requiring fresh thinking if we are to *understand* it. Although we know how to *describe* and how to *explain,* we can easily overlook the fact that describing and explaining do not amount to understanding. The former have to do with knowledge, which is the stuff of science, while the latter has to do with meaning, the stuff of enlightenment. I believe that I can describe and explain interdependence, but I know that I do not understand it. I do not understand what it would mean to our theories of society, whether social or economic. What I do know is that the theory and practice of economics and of development will be changed profoundly by an understanding of interdependence. I also know that much of my current language will not fit into an interdependence paradigm. Terms like 'Third World', 'North/South' or even 'developing countries' suggest groups that are homogeneous, whereas we have long known that as labels they obscure as much as they elucidate.

So, recognition of interdependence is a major opportunity and one that will require us to change our mindset and the language of development.

A second opportunity involves *the rise of local initiatives as people and communities around the world demand more control over their lives.* The rate of technological and economic change has far outstripped the rate of social innovation, or even the power of governments to keep up. And this, of course, again challenges us to re-think what we mean by 'development'. Can the international development community bury the mindset which holds that development is something that is done to and for people? Can effective conceptual frameworks and models be generated which move us beyond simple macro-economic formulations and a growing dependence on a globalised marketplace to arbitrate development? Can strategic planning approaches which help build social capital and which are conducive to community ownership be constructed around the rise of local initiatives? In development many actors – donor and government organisations – have lost sight of these factors. In some cases, people have lost sight of them too. We want a clean environment, but it is someone else's responsibility to provide it.

The evidence is growing world-wide of community initiative and the seizing of local control. This is perhaps driven in part by sheer necessity, by the declining capacity of the nation-state to distribute social goods, by the basic drive for survival. But it is happening. There are elements of social innovation, or re-claiming control, that give cause for optimism. The importance of social capital as the engine of development is underscored in an elaborate study by Robert Putnam which demonstrates that the quality of social organisations in the community is a *precondition* to economic growth.

> "Historical reviews in Italy suggest that communities did not become civil because they were rich, but rather became rich because they were civic... The social capital represented by networks of civic engagements seems to be a pre-condition for economic development and effective government. A society that relies on generalised reciprocity and mutual assistance is more effective than a competitive, distrustful society. The network helps to overcome anonymity, cultivates reputation and builds trust of others through communication and interaction. Successful collaboration in one activity builds social capital connections and trust for other activities. The social capital is built from an investment of the time and caring of individuals: it does not deplete the public treasury."

For much of the past forty years, development has been cloaked in the pretence that it was value-free or value-neutral. Nothing was further from the truth. The foundation stone of development thought and

practice was the dominant socio-economic paradigm of the industrial North, emphasising individualism, technology, consumption, personal wealth and the inadvertent neglect of the social fabric of the community. Values and culture were factors which, for the most part, simply 'got in the way'; they were dealt with as incidentals, as 'externalities' to the development model. The rethinking of development must deal with this and not merely with how to 'enhance' and 'refine' our approach.

So people reasserting control, and re-focusing development has tremendous potential and is a powerful opportunity.

A third opportunity cluster lies in *the growing realisation of the importance of knowledge and innovation.* Not only are we in the midst of global transformation based on knowledge, in terms of our production processes, but we require better knowledge overall to respond to the conditions that define the crisis in which we find ourselves. And this demand for knowledge about how to do things better has probably never been more pronounced. The quest for innovation is accelerating and is evident at both the macro and micro levels.

At the macro level, we are emerging from a major ideological battle around the issues of the market and the state. One of the myths that characterised the battle was that the market could do it all. Yet any reading of history tells us that the very qualities of aggressiveness, daring and greed that make markets work also cause them to fail. And that same reading of history tells us that a strong state is needed to deal with market failure or, better still, to prevent the more severe dislocations by preventing market failure. History notwithstanding, we still hear strident claims that socialism is dead and the market has triumphed. The recent events in East Asia have led many to claim this as a major advance for laissez-faire capitalism. If socialism as an ideology is vanquished, we must be sure that it is not also the death of all social objectives. Of course, the efficiency of the marketplace is needed. It is probable that the greatest single challenge of the early part of the third millennium will be to blend the creative energies of capitalism with the social objectives of equity and of human development.

Robert Heilbroner in his 1992 essay 'Twenty-First Century Capitalism' looks to the future and offers a reflection on the possible nature of an innovative economic-social blend:

> "If I were to hazard a description of the capitalisms most likely to succeed, I would think they would be those characterised by a high degree of polit-

> ical pragmatism, a low index of ideological fervour, a well-developed civil service, and a tradition of public cohesion. All successful capitalisms, I further believe, will find ways to assure labour of security of employment and income, management of the right to restructure tasks for efficiency's sake, and government of its legitimate role as a coordinator of national growth...".

The call for appropriate innovation at the macro level is as yet largely unheeded. Globalisation is the current watchword where we all compete for each others internal markets and, in so doing, we continue to dismantle what Heilbroner refers to as the "legitimate" role of government as coordinator of national growth. If development is to be rethought and to be viewed as a credible approach to the crisis, it will have to help formulate appropriate innovations in this area. For it is here in the pragmatic combination of efficiency and equity that the viability of future models of development will be found.

At the micro level, innovation in technology also has a role to play – if not as the all-powerful fixer, at least as the essential helper. We know that technology has been a driving factor in all cases of rapid economic growth. This proved as true for the United States in the 19th century, Japan in the 19th and early 20th centuries, as it has been for South Korea, Taiwan, or Singapore over the past few years. Entirely new technologies open fantastic new opportunities. But ongoing adaptation, enrichment and innovation to technologies is the key to more sustained economic growth. Again development thinking must move beyond the simplistic macro-economic formulations on which it has depended for so many years and development institutions must discover approaches that stimulate appropriate technological innovations.

4 CONCLUSION

I have tried to demonstrate why international development organisations will be ignored and marginalised increasingly unless they move quickly beyond their current and limiting preoccupation with demonstrating their own effectiveness. I have also argued that it is imperative that development itself be rethought – and rethought urgently – in order to take account of the principal features of change in the global context, of the profound and wrenching transformations that the world is undergoing. And I have suggested three 'clusters of opportunity' as possible starting points for the rethinking of development.

Building on the recognition of interdependence will require an international institutional framework that is more effective and more robust than the one we now have. The present set of institutions and mechanisms is inadequate for dealing with the changes that have already taken place in our world, much less those that are still to come.

People will expect and demand a more direct role in their own development and in the international, regional and national institutions which undertake development. NGOs are going to play a bigger role in the UN either directly or through parallel but influential channels such as occurred at Rio. More experimentation and use will be made of inclusive means of consultation and consensus-building. Social innovation, building on our social capital, must invigorate our communities and our interactions.

The quest for innovation presents enormous challenges to development organisations and especially to knowledge-based institutions in helping to build a global partnership of knowledge by strengthening developing countries' capacity to participate and contribute to creating and using it for development. For knowledge to be used requires that those using it 'appropriate' it, assume ownership of it, and this requires capacity.

The 21st century could be a time when human knowledge supports a new vision of global sustainable and equitable development. International development organisations would be wise to heed the words of Harvey Brooks, distinguished scientist and professor emeritus of Harvard University. In a recent lecture, he stated:

> "We find ourselves at a unique moment in human history on the planet... a time not only of unprecedented problems but also of unprecedented opportunities... We are thus in a time of transition – a transition leading either towards catastrophe and social disintegration or towards a sustainably growing world society...".

There is an urgent need for leadership if that positive transition is to occur. The world's international development community should be an important part of this. If this is to happen, that community must rethink what it is and remake what it does. This will involve both the controversy that goes with the dismantling of conventional wisdoms that have become incoherent with reality and the high risks that go with real leadership.

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V

SOCIAL PROTECTION AS SOCIAL RISK MANAGEMENT

CONCEPTUAL UNDERPINNINGS FOR THE SOCIAL PROTECTION SECTOR STRATEGY PAPER

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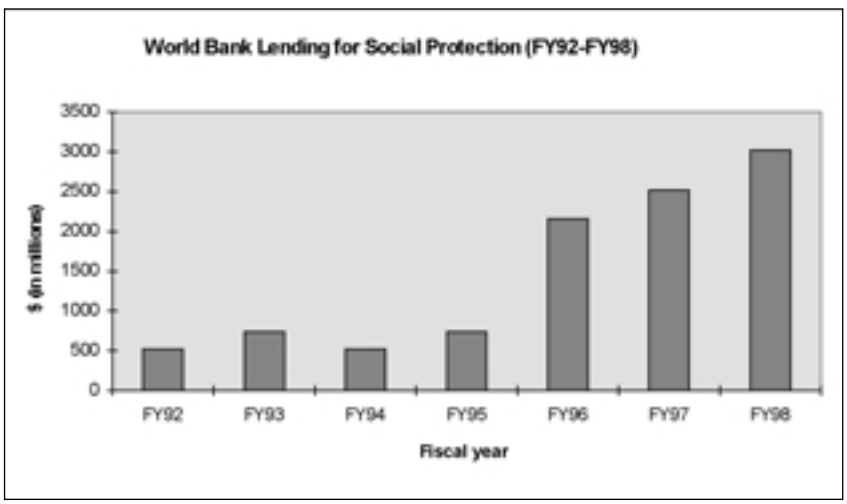
1 BACKGROUND

The Social Protection Family of the World Bank is scheduled to develop its Sector Strategy Paper (SSP) by the fall of 1999. This is an opportunity for the sector to take stock of its accomplishments and to develop the strategic thrust of the Bank's future work in this area. This note serves as a conceptual background piece for this work, and is currently (December 1998) being used as background for the development of regional social protection (SP) strategy papers.

SP is a young, but very dynamic portfolio of the World Bank. While elements of SP have always been present in Bank activities, recent economic developments have brought the need for appropriate social safety nets, labor market programs, and retirement income schemes into sharper focus. These include the restructuring of Eastern Europe begun in the early 90s, the enhanced emphasis on poverty reduction in the recent years, and the current financial crisis in East Asia. As a result, Bank lending in this increased nearly six-fold since 1992 with a lending volume of $ 3015 billion in FY98 amounting to over 13 percent of total Bank lending. An important shift has been towards increasing use of policy-based lending (e.g., Russia, Kazakhstan, Korea, and Brazil).

The lending and non-lending activities by the World Bank in the SP area cover a wide range of activities, including:

- crisis support for the poor,
- development of job placement offices and retraining programs,



- the technical and financial support of pension reform in many countries, and
- conceptual work on labor standards, child labor, and disability.

While all of these activities fall clearly within the domain of SP, a convincing conceptual framework which links those programs together credibly is only slowing emerging. Yet such a conceptual framework is required if past activities are to be appropriately assessed and compared, current activities improved upon, and new activities better designed. The development and presentation of such a conceptual framework is the purpose of this note. This exercise is an ongoing process, in which each draft reflects feedback from the World Bank's regional, policy and research departments, and feedback from clients, international partners and academic institutions. Feedback and comments should be sent to either of the authors.

To develop the conceptual underpinnings, the objectives and instruments of SP are viewed under the rubric of Social Risk Management (SRM). SRM consists of public measures intended to assist individuals, households and communities in managing income risks in order to reduce vulnerability, improve consumption smoothing, and enhanced equity while contributing to economic development in a participatory manner.

To support the approach and its logic, the structure of this note is as follows: Chapter 2 sets the stage and presents global trends, definitions and outlook. Chapter 3 presents key issues of SRM, from the reasons for World Bank concern to a typology of strategies and instruments and ending with the role of the main actors. Chapter 4 focuses on the boundaries of SP/SRM and on three key policy issues to balance: equity, efficiency and political sustainability. Chapter 5 ends with preliminary list of how the new framework may effect our view of SP and the development of new and better instruments.

2 SETTING THE STAGE: GLOBAL TRENDS, DEFINITIONS AND OUTLOOK

2.1 Global trends and increases in risk

Recent trends in the evolution of trade, technology, and political systems have created great opportunities for improvements in welfare

around the world. Globalization of trade in goods, services, and factors of production has the world community poised to reap the fruits of global comparative advantages. Technology is helping to speed innovation and holds the potential to remove the major constraints to development for many people. Political systems are increasingly open, setting the stage for improved governance by holding those in power accountable to larger segments of the population. Combined, these trends create a unique opportunity for unprecedented social and economic development.

Issues for poverty reduction

"The key issue for the early part of the next century is how to bridge [the] gap between opportunity and risk. The challenge for policy makers is the design and implementation of institutions, mechanisms and policies at various levels to harness the potential for poverty reduction, by setting a long term course which will access global and local opportunity but allow broad sharing of the gains from development, while managing the short term risks of inequality, vulnerability, marginalization and social dissolution. This is not an easy task, and crucially important will be learning from a detailed evaluation of experiences with actual interventions in the past. It is important to go beyond broad strategies, to draw lessons for implementation which take into account time horizons and social constraints that policy makers actually face."

Dr. Ravi Kanbur, Staff Director, World Development Report 2000 on Poverty, in "WDR2000: Poverty and Development: An Overview of the Work Program" May 1998

The other side of the coin, however, reveals that the exact same processes that increase the opportunity for welfare improvements also increases the variability of the outcome for society as a whole and even more so for specific groups. This was demonstrated on a worldwide scale in 1998 with the global financial crisis. There is no certainty that any such improvements will be widely shared across individuals, households, ethnic groups, communities, and countries. Increased trade or better technology can increase the differences between the "have" and "have-nots" just as it can increase the opportunity for all, depending on the social context into which it is introduced and the policy measures taken. Globalization-induced increases in income variability combined with marginalization and social exclusion can, in fact, increase the vulnerability of major groups in the population.

In other words, the risks are as large as the potential rewards are large. To further complicate matters, the trend towards globalization and the higher mobility of production factors also reduce the ability of Governments to raise revenues and pursue independent economic policies and, thus, to have national policies when they are needed most. This three-part challenge is the background for a strategy of Social Protection. This strategy paper will outline what governments can and should do to help individuals, households and communities to better manage income risk and, most importantly, what the World Bank can and should do to support these efforts.

2.2 What is social protection and what should it do?

Social Protection (SP) consists of public interventions to assist individuals, households and communities better manage income[1] risks. The objectives of these interventions are a subset of the overall development objectives of economically sustainable participatory development with poverty reduction. Specifically, SP seeks to:

- Reduce the vulnerability of low-income households with regard to consumption and access to basic services;
- Allow for better consumption smoothing over the lifecycle for all households and, consequently, for more equal welfare distribution of households;
- Enhance equity particularly with regard to the exposure to shocks and the effects of shocks.

In addition, well-designed and well-implemented SP interventions fostered by government actions contribute to solidarity, social cohesion and social stability of a country.

Public interventions for more effective risk management can be:

- indirect (such as fostering the capacities of households to reduce the variability of income, improving saving capacities and risk-sharing, or facilitating the operations of market institutions such as banks, insurance companies and pension funds) or
- direct (such as providing transfers, subsidizing assets or goods, implementing public works programs, or mandating old-age income insurance).

2.3 How does thinking about SP as social risk management help improve our work?

Currently, social protection is often defined as a collection of measures that includes: (1) social assistance, (2) social investment and development funds, (3) labor market interventions, and (4) pensions and other insurance-type programs. The overall concept unifying these areas deals with improving or protecting human capital.[2] Within each of the areas that Social Protection covers, there are, generally, a well-developed theory and operational practice. However, all too often we end up operating within the four cylinders and not looking at cross-cutting issues or we do not analyze the social protection system as a whole.

There are several advantages to using social risk management as the analytical framework for social protection, including:

- The concept is universal (i.e., time-space-independent) in that it brings a series of different interventions under one framework which can be applied both to all countries and over time. The appropriate mix between public/private, formal/informal, and ex-ante/ex-post arrangements differs among countries due to types of income shocks, level of economic and institutional development, culture and traditions. This precludes blueprints for countries, but also avoids seeing each country as specific case from which few lessons can be drawn.
- It also provides a unifying framework to assess the economic development effects of risk management arrangements. While some informal risk-sharing arrangements are rational from the individual or household point of view, they may impede economic development. While some formal and public arrangements work in their risk reducing capacity, they may hinder economic growth.
- The concept is institution-oriented, stressing the importance of functioning informal/formal, private/public institutions and, hence, institution-building to manage income risk optimally. It covers the gamut of institutions from the family (and the need of appropriate rules to prevent child labor supply and spousal abuse) to community support networks, public employment agencies and private pension funds (and the appropriate regulatory and supervisory framework).
- It forces the discussion of appropriate interventions to begin at the individual and household level. This means that all interventions

(direct public provision, public financing, regulations of the market etc.) should be judged by how they help individuals and households to better manage risk.

3 KEY ISSUES OF SOCIAL RISK MANAGEMENT

3.1 Why are we concerned with social risk management?

There are four main reasons why the World Bank is concerned with social risk management. First, the fight against poverty is the central mission of the World Bank, and a better understanding can be achieved and improved instruments developed if poverty is gauged in terms of vulnerability, that is, the increased probability of the lower income strata to become or to remain poor. Second, improved consumption smoothing due to better arrangements to management income risk for all does not only increase individual and societal welfare, but improves the welfare distribution in society as well. Third, improved equity is a major societal concern which importance increase with the number and depths of income shocks. And last, the form of risk management has an important bearing on economic development – some may hinder, some may support.

Vulnerability (within a poverty eradication concept) can be defined as the risk of economic units (such as individuals, households, and communities) to fall below the poverty line (i.e., having insufficient consumption and access to basic services) or, for those already below the poverty line, to remain in or to fall further into poverty. Anti-vulnerability policies are designed to prevent this from happening – ex-ante – and, as a result, to reduce the cost of ex-post poverty alleviation measures once individuals are below the poverty line. Traditional anti-poverty policy is only concerned with bringing individuals up to the poverty line or at least reducing the depth of poverty (Lipton and Ravallion, 1995). Enhancing the static anti-poverty concept with the dynamic vulnerability concept through risk management measures should prove to be welfare enhancing. It will also build concern for the social and economic processes that drive movements around and below the poverty line. This, in turn, will provide focus on the development (dynamic aspects) of poverty eradication and the social context in

which vulnerability reduction must take place (including highlighting the importance of social exclusion and marginalization).

Special cases are the individuals at the bottom of the income distribution. These people are so close to a "survival line" that they become extremely risk adverse, and exhibit other non-linearities in behavior and outcome (Ravallion, 1997). In our understanding, these are the most vulnerable. For individuals higher up in the income distribution, small shocks (i.e., loss of income) may have the same probability of occurring as for those in the lower strata. The severity of the effect, however, will be lower because they can rely on accumulated assets, while, for the people close to a survival line, all shocks are catastrophic endangering even the most basic consumption (Jalan and Ravallion, 1998). Even though this is a special case, the basic conceptual framework still applies. The goal is to help these people better manage their risks – they just have an extreme form of risk and almost no capacity to manage risk by themselves. The intervention most often used is a direct transfer (in-kind or in-cash, by the state or community members) or an asset reallocation. This lifts the household far enough above the "survival line" to allow them to take more risk and engage in higher return activities.

Consumption Smoothing and welfare distribution: Economic considerations and empirical evidence suggests that economic units have a preference for smooth consumption, spreading the consumptive use of expected income over a long period, even a lifetime (Alderman and Paxson, 1992; Besley, 1995; Deaton, 1997; Gerowitz, 1988). Because income realization is mostly stochastic and, during periods of negative shocks, income can be very low or even negative, this requires appropriate risk management instruments, such as saving and dis-saving possibilities in order to achieve a welfare-enhancing smooth consumption path. Yet, societal welfare is not only increased because the welfare of all individuals rises because of better risk management.

If society values a more equal welfare distribution across individuals, better risk management can enhance the welfare distribution and societal welfare without actually re-distributing income among individuals. Under the likely scenario that the lower income strata is more constrained with consumption smoothing capacities, enhanced public support for risk management arrangements lift the constraint on the welfare level of this income segment to a larger extent, leading to a

more equal distribution of individual welfare.[3]

Improved Equity is a main objective of SRM. The importance of direct public interventions for equity reasons increases once the concept of shocks is taken into consideration. The discussion of equity is traditionally gauged in two polar concepts: equity of opportunity and equity of outcome. While libertarians support the former, more leftist positions support the latter and consider the first insufficient. The concept of equity of opportunity has much appeal if resulting differences in income distribution are due to differences in individual efforts only, but it falters if main shocks threatening the survival of individuals are taken into account, strengthening the demand for ex-post corrections. The concept of equity of outcome has a lot of appeal on moral ground, but it falters once changes in individual behavior are accounted for. As a consequence, improving equity treads a fine line between the minimum concept of furthering equal opportunity and the maximum concept of attempting equal outcome.

Economic Development: The instruments of social risk management are not neutral in economic development (Ahmad, Dreze and Sen, 1991). Sending children to work as a measure to cope with income loss by the household is detrimental to their future income chances and the growth of the economy. Providing overly generous public pension benefits financed by labor taxes is likely to distort individual labor supply and saving decisions with static and dynamic efficiency losses. Risk management instruments may also foster economic development. A functioning family is, perhaps, the best instrument to reduce and mitigate individual income risk. Appropriately regulated and supervised funded pension provisions may contribute to financial market development and economic growth. Hence, risk management arrangements need to be carefully evaluated, changed or re-designed in order to maximize their contribution to the development of our client countries.

3.2 How to conceptualize social risk management?

We will suggest a typology for types of risk, strategies, instruments and institutions involved in risk management. This section briefly introduces the typology, while the following sections (C through F) goes into more detail, explaining what we mean by the different definitions.

The basic typology breaks down into four main categories

I The **type of income risk** incurred, with three main distinctions:
- Catastrophic vs. non-catastrophic shocks
- Idiosyncratic vs. covariant shocks
- Single vs. repeated shocks

II. The **type of strategies to address these income shocks** with three main distinctions and subcategories:
- **Risk reduction strategies** (introduced ex-ante in order to increase the level of expected income and/or reduce the variance) such as active labor market policies.
- **Risk mitigating strategies** (introduced ex-ante in order to reduce the income variance with occasional costs for the expected income) in the form of:
  - Portfolio diversification (multiple assets with different risk characteristics)
  - Insurance (pooled coverage through payment of insurance premium)
  - Hedging (risk exchange)
- **Risk-coping strategies** (introduced ex-post, i.e., once the risk has occurred) such as dis-saving/borrowing, charity, means-tested transfers and public works.

III. The **type of instruments by the formality of arrangements,** with three main distinctions:
- Informal/personal arrangements (such as marriage, mutual community support, and real assets such as cattle, estate and gold)
- Formal/market based arrangements (such as financial assets and insurance contracts)
- Formal/publicly mandated or provided arrangements (such as rules and regulations, social insurance, transfers, and public works)

IV. The **type of institutions/actors** in social risk management:
- Individuals/households
- Communities
- NGOs
- Market institutions (such as banks and insurance companies)
- Government

3.3 What are the risks considered? – a typology of risks

Income risks have many forms. They may affect individuals/households as a result of sickness, unemployment or bad harvest, or they may hit a whole community or even country as a result of epidemics, natural disaster, environmental problems or inflation. For a better understanding of the possible policy responses and applicable instruments, there are three important categories that aid in the classification of the main circumstances with which individuals/households must cope (Murdoch 1997).

Catastrophic vs. non-catastrophic shocks: In the life of a household, some events occur with *low frequency, but have severe income effects* – like old-age, death in the family, and disabling accidents or illnesses, permanent unemployment, and the technological redundancy of skills. These catastrophic events can hit households hard and may require a continuing flow of transfers to the affected household if it cannot acquire sufficient assets.

At the other end of the scale are *high frequency* events with *non-severe income effects* – like transient illness, crop loss, and temporary unemployment. Protection against these *non-catastrophic events* need not require long-term net transfers to the afflicted household. If appropriate mechanisms are available, households may use savings, loans, or reciprocal gifts with no net transfers from others over time.

Idiosyncratic shocks vs. covariant shocks: The second important distinction is whether or not only some households in a community suffer losses (*idiosyncratic shocks* like non-communicative illness or frictional unemployment) or whether all are hit at the same time (*covariant shocks* like drought, inflation or financial crisis). Many more mechanisms are available for coping with idiosyncratic shocks than covariant shocks. The latter can be particularly devastating, leaving households with nowhere in the community to turn for relief. It should be remembered, however, that, for poor and isolated households, even idiosyncratic shocks may be difficult to cope with.

Single vs. repeated shocks: A third distinction concerns shocks following one another – like drought followed by sickness and death. The recurring nature is also referred to as the degree of *autocorrelation* and highly autocorrelated events are typically difficult to handle through informal means.

3.4 What are the main strategies to address income risk? – a typology of strategies

Background: In a world with complete information, all of the shocks above could potentially be addressed with market-based solutions. Each risk would be known, have a price, and able-bodied individuals could fully insure themselves against them. All non-able-bodied persons (the deserving) would rely on public or private transfers provided for altruistic or other reasons. Yet, complete information is only a theoretical benchmark while asymmetric information in the real world gives rise to:

- transaction costs (and the non-existence of formal inter-temporal market institutions in many developing countries); and
- moral hazard, adverse selection, and insufficient property rights (and the existence of publicly supported and/or mandated provisions).
- As a further implication of asymmetric information, the risk distribution is not necessarily exogenous, but can be influenced by gov ernment measures. Insurance, even if it exists, is not necessarily the best ex-ante strategy compared to pre-saving, for example. And, in face of catastrophic/covariant/repeated shocks, there is a need for ex-post interventions.

In an imperfect world, there are many strategies to help households better manage income risks (Alderman and Paxson, 1992). These can be grouped in three broad categories[4]:

- *Prevention* strategies – to *reduce the occurrence of the risk* giving rise to income loss. They are introduced ex-ante in order to increase the level of expected income and to reduce the income variance.
- *Mitigation* strategies – to *mollify the risks* through improvement or provision of instruments which reduce the income variance ex-ante with occasional costs to the expected income.
- *Coping* strategies – to *relieve the impact* of the shock; to improve instruments or provide transfers and other income support measures once the negative income shock has occurred.

(i) Strategies to prevent or reduce the occurrence of income risks by all economic actors, but mostly by governments, have a very broad range that surpasses the traditional scope of social protection. These strategies are comprised of sound economic policy, public health policy, environmental policy, dam construction and many more areas of public intervention.

Preventive social risk management is typically linked with measures to reduce the risk for income generation, notably of labor. It is concerned with labor standards because occupational health risks impede future labor income and abusive child labor impairs health, education and emotional stability of children and their income chances as adults. It is concerned with vocational education and technical training because lower-skilled workers are more vulnerable to income risk and a well-trained labor force can better cope with macroeconomic and structural shocks. It is also concerned with the (mal-) functioning of the labor market, resulting from bad labor market regulations, wage setting agreements or overly high minimum wages which lead to labor market imbalances and the resulting income loss due to unemployment. But pro-active policies are also applied once the reduction in ability to obtain gainful employment has occurred, such as for the disabled, where policies are designed and implemented to enhance their earning chances, reduce their vulnerability and dependence on private and public transfers.

Types of capital and social risk management

For social risk management the definition of assets needs to be very broad. It would still include physical capital (land, buildings, and livestock), financial and human capital, but should also include social capital (belonging to groups with trust and high levels of cohesion) and the family structure itself (Davies, 19988; Ellis, 1998; Moser, 1998). While our theoretical constructs still have a long way to go in just coming to grips with an operational definition of social capital and an asset-like application of family structure, practical experience and statistical evidence suggests their importance in an asset management framework.

For instance in poor households in many parts of the world, preference is given to expenditures that invest in social capital over investments in human capital. E.g., the household prioritizes gift giving and costs associated with rituals over paying school fees. The giving of gifts and participation in rituals, is a form of membership fee to belong to a certain social group, i.e., an investment in social capital. Much of the literature on women, focus on the role of investing in family structure. E.g., women give up a job with a higher return for the 'protection of the family'.

Other examples indicate that the level social capital (measured via a trust index or a participaption index) is positively related with GDP per capita and has a positive impact on economic growth. Hence appropriate investment in "social capital" is a means to improve income conditions and reduce poverty, but the ways need still to be explored.

(ii) Strategies to mitigate ex-ante income risks can take various forms including assisting with portfolio diversification, insurance and hedging. The objective of these actions is to reduce the variability of income if a shock were to occur. While these actions can happen informally (through personal contracts and networks) or formally (through anonymous market relations), the government can improve the efficiency or equity of existing instruments or provide or mandate the provision of instruments. Again, many of these actions transcend traditional social protection policies. For example, providing the information on field and crop diversification or weather patterns will help reduce harvest and income risk.

A central instrument to reduce the variability of income consists of relying on various assets from which returns are not perfectly correlated, i.e., *portfolio diversification* (Ellis, 1998). This requires the acquisition and management of different assets such as physical capital, financial capital and human capital in their different forms. For example, if individuals can only invest in human capital, they can still diversify in different occupations, but perhaps at the detriment of the average return. If individuals can only invest in physical capital and cannot diversify, they may choose a lower return with a less risky technology. If women cannot own or inherit land and have no access to safe financial instruments, they may acquire gold and jewels. Government policy that improves the access to different assets not only allows a better risk mitigation, but may allow for high rates of return as well.

The second and perhaps most important form of risk mitigation comes in the form of informal and formal *insurance.* It is easy to state the characteristics of formal or market based insurance – the payment of a risk-based insurance premium gives rise to future state-contingent payments. Informal insurance arrangements are a bit trickier to describe because they come in different and often disguised forms because one "institution" serves insurance and non-insurance type functions (such as the family and the community). This mix and the basis of informal insurance – trust as a result of repeated interactions – renders the involvement of government to strengthen the insurance function hazardous. Furthermore, some economists argue that mutual insurance is alien to traditional agrarian societies and, while those informal mechanisms provide insurance, they are guided more by a principle of balanced reciprocity[5].

Dis-saving in human capital: An extreme form of dis-saving is in human capital. There are many examples from Africa and other low-income countries (e.g., World Bank (94)) of how people when faced with a shock cut back on the number and size of meals. I.e. a direct dis-saving in human capital – since this is often the only asset that they possess. Unfortunately there is no way to recuperate this loss, if the lack of meals affect children at certain ages. This is another example of how a family risk management strategy is good in the short run but is detrimental for longer run.

While *hedging* has an increasing importance for financial markets (e.g., forward exchange rate contracts) and is based on risk exchange or payment of a risk premium to somebody for taking over the risk, these arrangements do not appear to work in an income-related environment and formal provisions. The effects of asymmetrical information are too strong. However, elements can be found in informal/personal arrangements. For example, various family arrangements or some labor contracts are more germane to hedging than insurance.

(iii) Coping – to alleviate the impact of the shock once it has occurred. The main forms of coping consist of individual saving/dis-saving – borrowing/repayment or the reliance on non-requitable public or private transfers. Despite these formal and informal instruments, the *government* has an important role in coping with income variability once the risk/loss has occurred. Individual households may not have saved enough to cope with multiple or longer lasting shocks, running out of financial resources to finance their consumption. Households may have accumulated important assets for old age, but are faced with the uncertainty of life span. De-cumulating the assets over the uncertain remaining life span may leave them with too little consumption at high age or too much (unintended) bequests at early death if the assets cannot be converted into a (fair) annuity stream. Finally, individuals may have been poor for their entire lifetime with no possibility to accumulate assets at all, being rendered destitute by the smallest income loss.

3.5 The type of instruments by the formality of arrangements – a typology of instruments

The level of formality can distinguish the instruments/arrangements used under each strategy. Three distinctions are proposed:

- Informal/personal arrangements (such as marriage, mutual community support, and real assets such as cattle, estate and gold);
- Formal/market based arrangements (such as financial assets and insurance contracts);
- Formal/publicly mandated or provided arrangements (such as rules and regulations, social insurance, transfers, and public works).

(i) Informal/personal arrangements: With the lack of market institutions and public provisions, the response taken by the *individual households* is self-protection through informal/personal arrangements. This sidesteps most information and coordination problems, but may be limited in its effectiveness. Examples include: the buying and selling of real assets; informal borrowing and lending; crop and field diversification; the use of safer production technologies (such as growing less risky crops); and the storing of goods for future consumption. Lacking formal (anonymous) insurance markets households may also engage in personalized insurance, i.e., *informal risk sharing*. They build on direct information (which avoids moral hazard and adverse selection) and relationships developed over years or generations (trust). Examples include: marriage and the extended family (and the implicit exchange provisions); remittances between friends and neighbors; investing in social capital; engaging in share tenancy; credit contracts with state-contingent repayment; and the commitment to long-term contracts that guarantee a steady flow of income (tied labor).

A main advantage of informal insurance arrangements is the close interpersonal relationship and, in view of the good information base, the virtual absence of moral hazard and adverse selection. This comparative informational advantage of private agents with local knowledge speaks in favor of private arrangements strengthened by government actions. On the other hand, many elements of such arrangements may appear at odds with familial values such as the strong position of the (male) household head to ensure contract compliance or the forced marriage of (female) members to distant location to ensure risk diversification.

(ii) Formal/market based arrangements: With the existence of market-based institutions such as money, banks and insurance companies for intertemporal exchange, individual households will also use these instruments for managing income risks. But, in view of their limitations due to asymmetric information, their use will be restricted. Their use,

however, will rise with financial market development.

Financial saving as well as the accumulation of other assets that can be sold at fair market prices is perhaps the most important asset management instruments used to address income variability. Pre-saving is inferior to full and fair insurance in as much as it leads to discontinuities in the consumption path (if the income risk no longer exists and the savings is now spent) or to lower lifetime consumption and lifetime utility (if the saving is involuntarily passed on as inheritance). Yet, if no fair insurance arrangements exist, pre-saving is powerful instrument to cope with high frequency and non-autocorrelated income shocks for the poor. This empirical evidence suggests that the establishment of a sound banking system and non-inflationary policy is an important device to cope with consumption vulnerability.

Similar considerations apply to the capacities of individuals to borrow during periods of income loss. Assets may exist, but prices may be temporarily low, transaction costs high or the individual household may not have had the time to accumulate. Borrowing is also important to buy for inputs during period of low cash income and to secure future income streams. Because formal market institutions are reluctant to lend to households without secured earnings, micro-financing is an important instrument of social risk management. In the case of barriers to trade such as private (asymmetric) information, limited communication and limited legal systems, efficient credit delivery systems of financial institutions may require explicit or implicit insurance provisions in loan contracts. And, in doing so, makes (public) interventions in favor of women, poor, and remote areas a redistributive instrument of social policy.

The early acquisition of life savings accounts and annuity contracts allows the handling of catastrophic shocks from disability and old age. Similarly, buying health, property and crop insurance and saving and borrowing facilities facilitate the management of high frequency downturns. Yet, market-based arrangements may not be able to cope with the consequences of asymmetric information (moral hazard and adverse selection) and provide unemployment insurance or pension annuities only at grossly actuarially unfair prices.

(iii) Formal/publicly mandated or provided arrangements: To overcome the effects of adverse selection, governments can mandate insurance of all unemployed (pooling), pursue meritorious goals (income

redistributing and coping with myopia), or safeguard the government against strategic behavior of individuals as a result of minimum benefits. It can mandate or provide insurance for old age, disability, survivorship, accident and sickness. In addition, the government has a whole array of instruments to cope with the consumption effect of lost income. The choice will not only depend on distributive concerns; the available fiscal resources and administrative capacities; and the type of shock. It will also depend on efficiency concerns because the form of provision will impact individual labor supply and saving decisions that the government can insufficiently monitor. Governments may provide public works at below market wage. This self-targeting instrument can substitute for, or complement unemployment benefits. Governments can provide social assistance benefits in-cash or kind in a targeted manner (i.e., means tested) for all below a determined poverty line. Or governments can provide a minimum income in a universal manner to the total population (demogrants) or a subgroup (such as the elderly).

Table 1 fills the intersection of main strategies and arrangements with typical examples.

3.6 Institutional roles – who does what in social risk management

Because the issue of social risk management emerges as a result of private (asymmetric) information, the role of the actors/institutions can be seen in their capacity to best cope with information asymmetry. But because this asymmetry also gives rise to imperfect market institutions (market failure) as well as non-benevolent government behavior (policy failures), the relative roles have to be viewed in perspective.

Because *individuals/households* have all the private information, most risk management can take place on the household level. Risk-mitigating strategies through the acquisition of different assets and risk-coping strategies through accumulation and decumulation decisions optimize the consumption path to a large extent. But, in view of insufficient market institutions (such as access to credit), not all decisions are socially desirable even though they may be perfectly rational for the individual or the household. For instance, taking girls out of school to help fetch water during a drought may be rational in view of lacking access to credit, but the loss to society is much greater than the short

Table 1: *Strategies and Arrangements of Social Risk Management*

Arrangement / Strategies	Informal/Personal	Formal/ Financial market-based	Formal/Publicly-mandated/Provided
Risk reduction			
	Less risky production Migration		Labor standards VET Labor market policies Disability policies
Risk mitigation			
Portfolio	Multiple jobs Investment in human, physical and real assets	Investment in multiple financial assets Old-age annuities	Multi-pillar pension systems Social Investment Funds Asset transfers
Insurance	Marriage/family Community arrangements Share tenancy Tied labor	Disability/Accident	Mandated/provided insurance for unemployment, old age, disability, survivorship, sick-ness, etc.
Hedging	Extended family Labor contracts		
Risk coping			
	Selling of real assets Borrowing from neighbors Intra-community transfers/charity Sending children to work Dis-saving in human capital	Selling of financial assets Borrowing from banks	Transfers/Social assistance Subsidies Public works

term individual gain. SP interventions need to be designed so they work with and build on such strategies. Instead of lowering the cost of schooling, it may be more appropriate from a societal point of view to invest in a better water supply closer to the village or to provide better access to credit.

Next to households, *communities* have a large stock of private information. Hence, lacking the appropriate market institutions, communities have developed various informal mechanism of risk-sharing in developing countries. Examples include 'susu' schemes in West Africa; mutual support arrangements reinforced through celebrations and rituals; and burial societies in Andean countries. But while those mechanisms may provide informal insurance, some of them may be socially undesirable because they perpetuate dependency structures or impede on economic development.

NGOs may not have as much private information as tightly-knit communities, but their local and informal character allows them to monitor individual behavior better then full-blown market institutions. This explains the existence and importance of NGO-sponsored savings and micro-credit schemes in many countries. The latter may also be provided by Social *Investment Funds* which have the rationale of efficiently circumventing (inefficient) public administration and being demand-driven and, consequently, also able to cope with information asymmetry.

Market institutions such as banks and insurance companies have to rely on public information and, as a result, cope with issues of moral hazard and adverse selection. On the other hand, if well-regulated and supervised, the shareholder value concept leads them to transparency and high efficiency providing individuals nationwide with the broad variety of risk management instruments. Market institutions in a competitive environment, however, can also be efficient instruments to deliver public services financed by the public sector (such as job placement, social assistance payments, etc.). The main challenge in coping with this new principal-agent problem between the public and private sector institutions is to draft contracts that circumvent the private information problem as much as possible.

Finally, the *government* has many important roles in the area of social risk management. The most important of these roles are: (i) facilitating the set-up of financial market institutions to this end; (ii)

establishing the regulatory and supervisory framework, including a transparency requirement and consumer information; (iii) providing risk management instruments where the private sector fails (unemployment insurance) or individuals lack the information for self-provisions (myopia); (iv) providing social safety nets and large scale transfers in the case of main or recurrent shocks; and (v) providing income distribution if the market outcome is considered unacceptable from a societal welfare point of view.

4 BOUNDARIES AND BALANCES OF SOCIAL PROTECTION AS SOCIAL RISK MANAGEMENT

Defining Social Protection as SRM raises many key questions, including: (A) the delineation with other sectors; (B) the role and scope of distributive policies; (C) the impact of risk management, or its absence, on static and dynamic efficiency, i.e., economic development and growth; and (D) the political sustainability of the proposed best technical solution.

4.1 Boundaries with other sectors

There are many overlaps with what falls under SP and what is covered by other sectors, particularly in the area of risk prevention and reduction. Any economic and other governmental policy that enhances growth and reduces income variability also supports the objectives of SP. This means that there is a need for delineation at the analytical and institutional levels. This does not mean that the SP strategy for a country should not begin with raising the awareness of a sound and credible economic policy as being crucial for a well-functioning SRM system.

(i) **Building greater awareness** about the importance of broad policies to create a less risky environment for households and communities is primordial. There is still an insufficient understanding among academics in the developed world and policy makers in client countries of sound macroeconomic policy, sound financial markets, enforcement of property rights, respect of basic labor rights, or growth-oriented policies as the first and best ingredients to reduce the consumption effects of variable income. If those policies are in place, households are much less vulnerable and can achieve most of their consumption smoothing

with personal instruments. This calls for measures to build greater awareness within client countries and among donors.

(ii) There may be a specific role in SP alerting other sectors that *preventive measures* are required and are cost efficient in present value calculation. Recent examples are the effects of "El Nimoothing with personal instruments. This calls for measures to build greater awareness within client countries and among donors.

iable income. Ifh the income effects may prove more expensive in present value terms than ex ante measures in the area of public infrastructure (Vos and de Labadista 1998).

(iii) Among the specific measures to reduce the income risk ex-ante, there are many measures that potentially transcend other sectors. The suggested *analytical delineation* is based on labor market relations with SP taking care of measures which reduce the risk of wage income variability, leaving the risk reduction policies for other incomes (from physical and financial capital) to other sectors. While better functioning labor markets contribute to enhanced human capital, there are other sectors that contribute to its protection and improvement (such as education and health).

(iv) The common goal of improving human capital or reducing income risks in agriculture where income accrues to households through joint input of labor, land and capital creates areas of joint ownership of cross-sector activities. Examples include: vocational education and technical training, child labor, disability, and micro-finance. In these areas of joint ownership, an *institutional delineation* is suggested with the lead taken by one sector, joint work or full integration of work depending on the budgetary, personal, and institutional setting.

4.2 Scope, form, and limits of re-distributive activities

On the surface, SRM does little to provide a role for the re-distributive activities traditionally seen as a core element of SP. This impression may result from the fact that, in a SRM setting, there is a more than interpersonal redistribution to enhance the welfare distribution of households, cohorts, and generations. Improved inter-temporal distribution of income allows better consumption smoothing and is welfare enhancing without a re-distribution of income among individuals or cohorts taking place. For example, a re-designed pension system in view of

population aging can contribute to inter-generation equality without an explicit redistribution between cohorts. Still, four issues deserve special attention: (i) resource flows from the "better-off" towards the most vulnerable and lifetime poor; (ii) non-social income; (iii) issues of social inclusion/solidarity/cohesion/stability; and (iv) generation/regional/inter-country inequality needing to be addressed.

(i) The mission of *poverty reduction* dictates that waiting for economic growth to lift everybody above the poverty line is insufficient. At least a minimal amount of resources are needed to help cope with the most drastic forms of poverty. This traditional anti-poverty concern is the reason for social safety net/social assistance programs worldwide. The concept of vulnerability supports these poverty concerns, but puts them in a dynamic framework in which the risk of becoming poor is also accounted for, and risk management mechanisms are assessed in their capacity to minimize this probability in distributive effectiveness and dynamic efficiency terms. Within the traditional poverty view, the level of poverty and available budgetary resources of a country as well as its preferences determine the scope of such interventions. For example, if 60 percent of the population live below $2 per day, the budgetary resources may not be available to address deep poverty. The form of intervention is, in part, determined by efficiency considerations, i.e., supporting the poor while minimizing distortionary effects and poverty traps.

(ii) The concept of SRM is *largely, but not exclusively focused on income variability* with income very broadly defined and encompassing market income, imputed income, income in-kind, etc. This broad definition of income takes care of concerns about social services which cannot readily been bought on the market. These services require public intervention through public provision, financing or regulation to force private provisions (such as rules for children to take care of their elderly parents). Hence, SRM is not restricted to the monetary aspects of income/consumption support for the vulnerable poor of the society, but merely emphasizes the income equivalent for analytical reasons.

(iii) There are, of course, other aspects of SP that cannot readily be cast into income equivalents. The most important of these are concerns for *social exclusion/inclusion, social solidarity, social cohesion, and social stability*. In order to address these qualitative objectives of social policy, a clear definition is required for determining the appropriate instruments. With regard to social exclusion, various definitions exist (see

box) with the solidarity paradigm the most used and, likely, the most useful one. Largely independent of a precise definition, all dimensions of these qualitative social policy objectives – social inclusion, solidarity, cohesion, and stability – can be defined as positive externalities resulting from a well designed and implemented SRM in view of asymmetric information. For example, a well designed income support system for unemployed will not only enhance individual welfare through lower vulnerability and better consumption smoothing, but will also carry toward the qualitative objectives such as social stability.

(iv) Last but not least, SP raises the issue of *income redistribution between generations, regions or nations.* Distributive issues between generations emerge when public transfer programs increase current period consumption at the cost of capital stock formation and, thus, at the detriment of the incomes of future generations or when an aging population squeezes the consumption possibilities of the active generation. Important regional income differences in a country, federation or supra-national body (such as the EU) raise the issue to what extent an income redistribution should take place to support income convergence (through transfers enhancing capital accumulation) or equal social and economic conditions (though transfers increasing the consumption possibility), and the conditions under which these transfers are effective (Hervé and Holzmann, 1998). Finally, the large and often rising income differences between the rich (northern) and the poor (southern) countries give rise to claims of needed redistribution in a globalized world (Deacon et al. 1997). Those issues, while clearly important, transcend SP and touch on many questions of macro, fiscal, and international economics as well as international welfare economics for which the analytical basis, economic effects, and best instruments are not yet fully established.

The three main political paradigms of social exclusion

The first paradigm is usually coined the solidarity paradigm with exclusion defined as "the rupture of a social bond between the individual and the society, referred to as social solidarity". A society is characterized by cultural boundaries, by which the poor, ethnic minorities or unemployed end up as deviant outsiders. The source of integration of these groups would be "moral integration". The state is obliged to aid in the insertion of the excluded.

The second paradigm, represented by Anglo American liberalism, draws exclusion as a consequence of specialization, which refers to social differ-

entiation, economic division of labor and a separation of life spheres. The mere fact that individuals differ does not yet raise concern. It is the discrimination aspect which is seen as a problem. Separation of spheres would not lead to hierarchically ordered social categories, if individuals were free to move across boundaries. In a liberal view of society the contractual exchange of individual rights is a basis of welfare. If this exchange, if mobility between spheres is impossible, then division of labor may end up in social exclusion.

The third paradigm sees exclusion as a consequence of the formation of group monopoly. "Powerful groups, often with distinctive cultural identities and institutions restrict the access of outsiders to valued resources through a process of social closure". A good example is labor market segmentation which draws boundaries of exclusion between and within firms. While in the specialization paradigm the source of integration is exchange, the monopoly paradigm relies on citizens' rights as a means to change the status of exclusion.

Source: Silver, H. (1995) and Badelt (1998)

4.3 Economic development issues

SRM is not neutral to economic development: it may support it through the choice of more productive production technologies, and the way gender is dealt with (see box) but it may also hamper it through the elimination of risk and changes in individual behavior. This renders the choice of risk management instruments an important tool for economic development and may give rise to a trade-off between short-term effectiveness and long-term dynamic efficiency.

SRM and Gender

Effective SRM strategies need to include an understanding of how gender relations affect the implementation and impact of different policies or programs. It is essential in developing SRM approaches that a clear recognition of the different roles of men and women shape how policies are designed and carried out. The structure of gender roles and expectations help shape the capacity of women, households and communities to absorb and adjust to economic shocks.

Policies of Social Risk Management thus require a gender lens that incorporates the needs of individuals into a wider set of social and economic relations. For example, in terms of gender perspectives, these can include such factors as labor markets, credit markets, social conventions, dynamics of local food availability, or women's participation in key tradable' sectors.

(i) There are many arguments for the view that *insufficient risk management instruments impede efficient decisions and economic growth.* Because the poor are risk averse, the absence of adequate risk instruments makes them pay an even higher price and, hence, contributes to poverty. There are various ways in which this can occur. One way is via effects on production decisions. For example, outmoded agricultural technologies can persist because they are less risky and credit is scarce. Another channel is through portfolio behavior. By this argument, uninsured risk induces poor credit-constraint households to hold unproductive wealth. Lastly, one channel is through the investment in human capital. It is argued that lacking access to credits means poor families must pull their children out of school to provide labor in the face of an income shortfall (see box). Against this background (which has economic appeal and some supporting empirical evidence), it is suggested that the provision of adequate risk management instruments allows the choice of more efficient production technologies, portfolio selections or decisions for human capital formation.

SRM and children

Children tend to be invisible in the shaping of policies on poverty reduction and risk management. Generally children are incorporated into the category of the "household", but this can obscure important distinctions in terms of age and gender. Attention to children in SRM initiatives should give attention where possible to the social fabric of the community rather than individualized interventions.

At times of economic shocks, parents and communities face hard decisions in regards to schooling, work and residence. What are adaptive strategies that can help children balance work and school? Boys tend to work more directly in income earning settings, while girls often respond by taking on more household responsibilities. Both take part in household enterprises depending upon the locale and economic needs.

SRM strategies can identify key indicators and areas of vulnerability in the lives of children, and thus shape prevention and coping programs. SRM approaches can provide support for the fabric of the local community in order to reduce the pressures on children to live on the street or accept harsh employment conditions. SRM can also identify programs with local organizations that can remove children from harmful or at risk settings, as the costs to children already at risk will increase in times of economic shock.

(ii) Full insurance against risks allows a choice on the efficiency frontier based on risk preferences. However, private and public insurance is characterized by asymmetric information leading to problems of *moral*

hazard and adverse selection. As a result and as noted above, private insurance markets may not be established or may not be efficient. The public provision of insurance against income risk may improve the outcome for a wide rang of risks, but may also reduce individual efforts (such as job search) or lead to taking too much risk. And may end up in a worse situation than without such protection. It is often feared that the reduction in individual effort may be compounded by pervasive income distribution that is often part of public welfare systems. In addition, welfare state interventions may imply a redistribution paradox where more redistribution results in more inequality (Sinn 1994). This calls for a careful analytic and empirical assessment of publicly provided and managed risk management instruments.

(iii) Starting with informal SRM instruments in less developed economies, one can also be confronted with a trade-off between *distributive effectiveness versus dynamic efficiency.* A wide variety of informal arrangements may be effective in providing risk mitigation for the covered group, but it may come at high costs for current and future income, particularly for the poor. On the other hand, many publicly provided alternatives appear costly in the short run because additional budgetary resources have to be raised and harmful distortions and disincentives are introduced. De-placing informal with public arrangements may imply long-term efficiency gains if, for example, repressive informal institutional structures and low-level production technologies are replaced.

4.4 Political sustainability issues

Discussions about the SP programs (or more generally about the welfare state) have long been seen in a simple trade-off between equity and efficiency once the social welfare function over individual income positions is defined. Yet, the experience with public interventions and attempted reforms has taught us that the best technical solution may not be politically sustainable. As a result, the original, first, best design is blurred or totally reversed, while changes to a potentially sustainable second best solution prove politically difficult or even impossible. This suggests that considerations of political economy have to be part of system design and reforms. And the simple trade-off has to be extended to a "menage-à-trois": equity, efficiency, and political sustainability. At the level of policy design, three approaches are suggested:

(i) The deterioration in system design and implementation of public SP programs is the result of not only changing voter coalitions, but of personal interests by politicians and bureaucrats as well. One method of protecting the original design consists of an appropriate *self-binding mechanism, enhanced transparency, and stricter accountability.* Relatively successful examples of such an approach include the long-term fiscal projections under the US pension system, present value budgeting in New Zealand, and periodic evaluations of all existing programs and of proposed changes in many industrialized countries. While these recent changes often help, more needs to be done with respect to our client countries.

(ii) Once political sustainability becomes a criterion for program design, the resiliency toward *political risk* becomes *an important element for program selection.* The conjectured trade-off between equity, efficiency and sustainability suggests that an explicit second best solution from an efficiency or equity point of view may be selected if they are considered more resilient to political risk. Examples include individual savings accounts to cope with income risk due to unemployment or health compared to unfunded and publicly managed provisions.

(iii) Reforming public programs of risk management such as pensions, unemployment or sickness benefits proves very difficult politically. Entrenched interests, acquired rights or a lack of credibility of the proposed alternatives are among the most common obstacles. While resistance to reform is not specific to SP programs, the problem is particularly prevalent and difficult to overcome. This suggests that, in order to be able to introduce new and better instruments of SRM, *a better understanding of the political economy of reform is required.*

5 HOW DOES THIS AFFECT OUR VIEW OF SOCIAL PROTECTION?

Applying the social risk management concept may change our view of social protection and the instruments needing improvement, redesign or invention. The change will evolve during the work on SPSSP, and the development of country-specific, regional, and a global sector strategy. For this reason no conclusions are here attempted. The following is a tentative list for which comments and suggestions are welcome:

- SRM provides an integrated view on informal, market-based and public risk management arrangements and:

    - Stresses the importance of all arrangements, and the shift in importance and structure with economic development;
    - Allows a common assessment of these arrangements against the benchmark – reduction in vulnerability, improvement in consumption smoothing, enhancement in equity, and contribution to sustainable economic development;
    - Emphasizes that all types of arrangements – while attempting to contribute to risk management – can be detrimental to economic development.
- Moving from the static poverty to dynamic and risk-based vulnerability concept broadens the scope of traditional poverty reduction policies from reactive and transfer-type to pro-active measures.
- Heightens the importance of policy measure to strengthen informal arrangements, such as:
    - Family as pro-active, risk mitigating, and risk coping institution;
    - Communities and importance of social capital;
    - The role of NGOs in providing risk-mitigating and targeted risk-coping support.
- Fosters the importance of new and innovative formal arrangements, such as:
    - Multi-pillar pension systems;
    - Individual social accounts to handle multiple risks (unemployment, sickness disability, survivorship, old-age);
    - New delivery systems of health care.
- Offers legitimacy to many intervention as risk management mechanism, such as:
    - Micro-credit institutions;
    - Targeted credit arrangements to poor, women, and remote areas;
    - Social Investment Funds with pro-active (e.g., income generation and education), risk mitigating (e.g., water supply) and risk coping features (e.g., public works).
- Puts the role of the government in perspective:
    - Governments have in important role for the establishing and functioning of informal and market-based arrangements;
    - Governments and public administration have also their own agenda, exposing such arrangements to political risk.

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ENDNOTES

[1] **Ultimately the goal for individuals and households is to optimize welfare through appropriate consumption choice, including availability of basic goods and services. As a policy variable we are concerned with income, its level and variance, because both determine the consumption possibilities in a free choice setting, and it is a variable we can help influence. We use the widest possible definition of income including in-kind, imputed income etc. This broad definition takes care of concerns about social services which cannot readily been bought on the market and uses monetary equivalents for analytical purposes (see Section 4.2).**

[2] **The link with human capital explains the placement of social protection organizationally within the human development network of the World Bank. As discussed later in the paper, social risk management requires a broad view of assets, and improving and/or protecting human capital is linked to the improvement and/or protection of other types of household' capital.**

[3] **Simulations suggest that this effect of risk management dominates the income re-distributive effect for a large set of parameters. See, Holzmann, R. (1990): The welfare effects of public expenditure programs reconsidered, *IMF Staff Papers* 37, 338-359.**

[4] **For a different taxonomy of risk addressing strategies, see Townsend (1994). The proposed broad differentiation between ex-ante and ex-post measures, however, falls short of distinguishing between measures which prevent or reduce the risk to occur, and those which attempt to mitigate the risk for exogenously given risk distributions.**

[5] **Balanced reciprocity means that for any "gift" there is a strong assumption that at some, as yet unknown, time in the future there will be a counter gift. Hence informal insurance arrangements may be similar to a loan where the repayment loan is state contingent (e.g. see Plateau 1996, Ligon et al. 1997). Evidence for the latter is provided by Udry (1990; 1994) for Nigeria. On average a borrower with good realization repays 20.4% more than he has borrowed while a borrower with bad realization repays 0.6% less than he borrowed. Moreover, repayment are contingent on the lender's realization. A lender with a good realization receives on average 5% less than he lent, but a lender with a bad realization receives 11.8% more than he lent.**

VI

NEW INSTRUMENTS FOR SUSTAINABLE DEVELOPMENT

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ABSTRACT

This paper outlines a number of initiatives launched by the European Foundation in order to support sustainable development. The main instruments concern improved design methodologies, computer aided design tools, guides and manuals as well as information on networks for sustainable product development. The issue of economic incentives to stimulate sustainable production is also addressed. All these activities are based on a holistic approach aimed at the improvement of health and safety of workers and consumers and at securing a sustainable future development for the planet.

1 INTRODUCTION

This paper outlines the activities of the European Foundation for the Improvement of Living and Working Conditions on design for sustainable development. A full list of publications is attached.

2 BACKGROUND AND AIMS OF PROJECT

In the context of the current four year rolling programme, 1997–2000, the Foundation has developed a programme dealing with Sustainable Development. The focus of this challenge is based on the following criteria:

- Integration of the internal working environment with the external environment;
- the areas of interest for the social partners;
- the employment dimension;
- avoiding duplication of other EU bodies.

Against the background, the main theme for 1997–2000 is Sustainable Production and Consumption. The Foundation looks especially at industry.

The relevant projects in the 1998 programme of work are:

- Design for Sustainable Development (0204);
- Economic and Fiscal Instruments for Sustainable Development (0205);
- Sustainability and Labour (0206).

The aims of the project on Design for Sustainable Development are:

- To increase the involvement of the social partners in the implementation of policies and programmes securing the move towards sustainability, health and employment;
- to further develop tools, information networks and training for the main actors concerned, with the implementation of sustainable production such as industry, the social partners and designers;
- to identify environmental management and audit schemes and to assess their impact on health and safety and the interaction between the two;
- to further assess new materials and their impact on the environment, employment potential and the quality of life in the move towards sustainability;
- to provide practical examples of sustainable production and consumption leading to improvement of the environment and health and creation of employment.

The concept of "Design" has a very broad definition in the project. It is not limited to the area of industrial designers, but is used in the project to define ways and means to assist the social partners, decision makers and planners in their move towards sustainable production and consumption.

2.1 Preparatory activities 1993–96

The project "Design for Sustainable Development" takes into account lessons learned from previous Foundation projects in the area, mainly New Materials for Environmental Design, Design for Health and European Workshops on Eco-Products.

2.2 1998 studies

(1) Sustainable Development Networks
- Identification of existing sustainable development oriented European networks and organisations;
- A literature search of the availability of data of organisations and experts in the field. This will also include an exploration of sites, databases, studies and initiatives on the World Wide Web and on Internet;

- Assessment of the possibilities of including Foundation information and tools on the World Wide Web.

Practical examples of sustainable design

- Production of a leaflet and World Wide Web information on practical examples illustrating design and leading to improvement of the environment, health and safety and job creation, with special attention to SMEs;

EU's Environmental Management and Audit Scheme

- A study on the impact of the EU's Environmental Management and Audit Scheme on management of health and safety and the interaction between the two. As a preparatory activity ahead of the Swedish Presidency of the European Union, the Foundation and the Swedish government are organising a conference in Dublin on 3–4 December 1998 on this topic.

Renewable Materials

- A study on the potential impact of renewable materials on the environment, job creation and the quality of working life. Draft reports have been prepared for publication in 1999.

Other activities:
The Foundation has identified a design school (in Sweden) where the Foundation information can be integrated into education and training as a testing activity.

Two reports on Design for Sustainability – overview of design concepts, information sources and design guides – were published in September 1997.

3 ECONOMIC INSTRUMENTS TO SUPPORT SUSTAINABLE DEVELOPMENT

The Foundation's activities on design methodologies facilitated the wider move towards sustainable development. However, this is not enough. Other pressure factors should be considered such as legislation and economic incentives.

3.1 Objectives of the project on economic and fiscal instruments

The project is an attempt to combine health and safety with the external environment, and it is building on previous work by the Foundation in these areas – as well as work by the European Environment Agency.

More specifically the aims are:

- To contribute to the development and promotion of more holistic and better co-ordination and harmonious approaches to the use of economic and fiscal instruments aimed at improving the external environment and the working environment with a view to ensuring that the full potential of such schemes can be achieved in terms of better overall performance and creation of employment;
- to identify the special needs of SMEs in relation to economic and fiscal instruments and the responses required;
- to assess the full impact of these instruments and how they can become more effective as a contributing element in the move towards sustainability.

3.2 Previous activities and existing schemes

Existing economic and fiscal instruments in the external environment: The European Environment Agency's publication "Environmental Taxes – Implementation and Effectiveness" has been introduced to the project. A vast variety of taxes has been described and analysed. There is a clear trend in most EU countries to make better use of environmental taxes. The report recommends that the environmental taxes need to be carefully designed in order to meet their objectives. Very few environmental taxation schemes have been followed up by an assessment of their effectiveness.

Previous Foundation activities on economic and fiscal instruments in the external environment: At workshops in Dublin in 1996, air pollution taxes, waste disposal taxes and taxation of products were presented. The workshops brought ministries and industry together. The proceedings have been published. Furthermore, a draft report "Employment and Sustainability – Work by the European Foundation, 1993–1997" is in progress and will be published in 1998. It includes examples of how industry has responded to environmental taxes.

Foundation activities on economic incentives to improve the working environment: The Foundation has since 1992 studied in great detail the existing economic incentive schemes in the working environment area in Europe and Canada. This research paved the way for the development of some new and forward looking approaches to economic motivation designed so as to enable SMEs to be included. They are reported on in the publication "An Innovative Economic Incentive Model for Improvement of the Working Environment" (EF/95/18). The Foundation's approaches were tested in the French social security system (CNAM). A CD-ROM multi-media presentation of these activities has just been published.

The current activities of the Foundation: The main components of the project in 1998 are:

- Preparation of a first synthesis report on existing and planned economic and fiscal instruments in the areas of the external environment and health and safety at the workplace as well as an overview of the types of instrument applied. This work will be based on the activities of the Foundation 1993–96 and those of the European Environment Agency, the European Commission (including those of the European research network on market-based instruments for sustainable development, funded by DG XII) and OECD within its Group on Economic and Environmental Policy Integration. The synthesis will be discussed and analysed with the co-ordination Group with a view to identifying the benefits of a harmonised approach to the two areas and what is needed as part of an enquiry providing a more complete overview.
- Implementation of a study on the possible impact of external environment-oriented economic and fiscal instruments on the working environment and vice versa, and the scope for a more integrated and balanced approach to the use of such instruments in both areas, highlighting successful examples in this respect.
- Development of a theoretical and conceptual framework for assessment of the employment impact of economic and fiscal incentives for sustainable development.

A draft report has been prepared for publication in 1999.

3.3 Foundation publications on design for sustainable development

'New Materials for Environmental Design', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1994, ISBN 92-826-8612-4.

The above is available in French, European Foundation for the Improvement of Living and Working Conditions, Dublin, 1995, ISBN 92-826-8613-2.

Benjamin, Y. 'The Design for Health Eco Profiler, Information Management in a Computing Environment', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1995. Working paper: WP/95/09/EN.

'Design for Health – Creating a Brochure', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1995, ISBN 92-827-4114-1.

'European Workshops on Eco-Products. Proceedings', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1996, ISBN 92-827-7790-1.

'Design for Sustainable Development – Concepts and Ideas', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1997, ISBN 92-828-0861-0.

'Design for Sustainable Development – Guides and Manuals', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1997, ISBN 92-828-0862-9.

3.4 Foundation publications on economic and fiscal instruments

'Catalogue of Economic Incentive Systems for the Improvement of the Working Environment', European Foundation for the Improvement of Living and Working Conditions, Dublin, 1994. ISBN 92-826-2705-5. Available in English only.

'Economic Incentives to Improve the Working Environment – Summary and conclusions of an international study'. European Foundation for the Improvement of Living and Working Conditions, Dublin, 1994. ISBN 92-826-7685-4. Available in all official languages of the European Union.

'Economic Incentives to Improve Health and Safety at Work – Proceedings of an International Colloquium between Eastern and Western Europe, 12–14 October 1994, Warsaw'. Published by the European Foundation for the Improvement of Living and Working Conditions, Dublin, 1995. ISBN 92-826-9615-4. Available in English only.

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VII

SOCIAL CAPITAL AND ECONOMIC GROWTH

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1 SOCIAL CAPITAL AS AN ECONOMIC PHENOMENON

The concept of social capital is attracting increasing interest within research on economic growth and development. However, the concept has not yet quite established itself in economics. Views are also divided on its significance. In this article I examine the concept of social capital and present new empirical findings. The contribution of Professor James Coleman of the US (Coleman 1990) is considered central to the evolution of the concept of social capital. Social capital consists of institutional relations between people. The concept, then, relates to the institutional structure and functioning of society. The empirical significance of the concept was highlighted in the beginning of the 1990s by the research of Professor Robert Putnam (Putnam 1993).

Putnam's research concerned Italy, where the effects of the reforms of the regional administration were monitored over a period of around 20 years. At the beginning of the 1970s a reform of the regional administration was implemented that was identical throughout the country. Putnam observed 20 years later that the results of the reform were very different in different regions. On the whole, northern Italy appeared to have faired better from the reform than southern Italy. How did that come about? According to Putnam, the central explanation is the greater social capital of northern Italy. In Putnam's definition a key role is ascribed to various horizontal social networks and the information spread via them. In northern Italy these networks were more tightly knit and played a more important role than in the south.

I became interested in the concept of social capital when studying differences in levels of income and development between the peoples of the world at the WIDER Institute, the university of the U.N. I felt that these enormous differences which – at least at the micro level – are growing all the time cannot be explained away by the application of, for example, Robert Solow's highly popular neoclassical model of economic growth and the related convergence theories (Solow 1956; Swan 1956).

According to the convergence theories, less developed countries gradually attain the income level of more developed countries by dint of the principles of the progressive diffusion of technology, mobility of the factors of production and flexible compensation. Although the neoclassical growth theory has proved to be an extremely useful

approach for studying economic growth, it appears entirely inadequate as an explanation for present – and why not also past – differences in countries' levels of development. This, I think, also applies to the most recent versions of the neoclassical growth theory, such as the endogenous growth theory as propounded by Robert Lucas (1988), Robert Barro (1991) and Paul Romer (1990). The endogenous growth theory has undoubtedly produced some innovative angles on economic growth in a neoclassical world, but the impression remains that something fundamental is lacking in the analysis.

Perhaps a further stimulus for my interest in the institutional theory came from studying the doctoral thesis of Mika Maliranta, in which he attempts to explain differences in industrial productivity between Finland, Sweden and the US by means of a very thorough application of neoclassical concepts of growth accountancy to microeconomic material concerning company location. This attempt was particularly interesting because it has been very rare to use accurate microeconomic material to explain international industrial productivity differences. The basic problem with Maliranta's study was that even after factoring in all the neoclassical economic definitions, there were still distinct productivity differences between the countries.

The basic problem of the growth and productivity models mentioned above is that they do not assign any role or explanatory power to differences in the institutions of different societies. The reason for this is simply that the institutions are not explicitly acknowledged in the studies. Implicitly of course they are acknowledged, since the so-called institutions of perfect markets are present in the background. In this institutional environment the only relevant data for accountants are market prices. They contain all the necessary information in the economy. But the examples that I cited in the beginning show that such an institutional operating environment appears inadequate to explain even many of the fundamental phenomena in the world around us.

A practicable route out of this impasse is to consider the institutions of our societies in a broader frame than we as economists would normally do in a neoclassical world. But in endorsing this goal we are throwing ourselves open to a major problem: what ought to fluctuate between our institutions or what ought the variables to be?

The history of institutional economics is a long one. Institutions have been written about at length. It is not possible here to look at insti-

tutional economics in more depth, but it is possible to speak of the 'old' institutional theory (as expounded by i.a. Thorstein Veblen) and the 'new' institutional theory. I consider that the social capital theory falls within the latter camp.

Economists, too, have recently become increasingly receptive to a new institutional approach. A sure sign of this is the recent award of the Nobel Prize to Douglass North and Oliver Williamson, both seminal figures in the 'new institutional economics' of economic history and economics, respectively.

A central tenet of institutional economics is that from the point of view of economic efficiency it is not sufficient simply to study the price system. For the price system to function effectively, it is also necessary to have the right institutions.

North in particular has stressed that economic growth and development are very much dependent on the institutions of society (North 1990). Institutions are understood here in a very broad sense, as principles that guide human actions either formally (consisting of legislation or other written precepts) or informally (consisting of culture or customs).

2 THE PRODUCTION FUNCTION OF THE ECONOMY

In its analysis of production, economics has always included land, labour and (man-made) capital. Physiocrats laid particular emphasis on land. In agrarian societies this was only natural. Land remained important for economic classicists, but with industrialization man-made capital, i.e. machines, equipment, buildings and different physical structures, acquired an increasingly central role in analyses of production and economic growth and development.

Capital and labour were the factors of production defining long-run growth in the most simplified form of the neoclassical Solow-Swan growth model of the 1950s, and in production these factors were mutually and flexibly interchangeable1. The choice of the ratio of factors of production was crucially determined by their relative prices: wages and the interest on capital. With the neoclassical growth model, human capital and technological development also became important factors in analyses of growth. However, technological development in particular was an extraneous element in the model, indeed it was 'manna from

heaven'. The model was unable to explain the rise of technology. This weakness was addressed by the so-called new endogenous growth theory in the 1980s. This theory is founded in neoclassical thinking, but attempts to incorporate human capital and technological development in the model.

For physiocrats, but especially for mercantilists, the role of the state in economic development was central. However, ever since Adam Smith economists have stressed the crucial role of the 'invisible hand' of the markets in the efficient application of resources. An important element in the neoclassical growth theory has been not only the absence of organisations but also a minimal role for the state. Hence in Solow and Swan's neoclassical growth model the state does not have any explicit function. Population growth, technology and relative prices regulate the long-run growth of the economy.

The endogenous growth theory, on the other hand, has in a sense rehabilitated the state's role as an investor in education and a force influencing technological development. At the same time there has been a renaissance in the role of institutions in analyses of economic development. A recent example of this is the world development report of the World Bank (1997a), where the state's role is considered in a new and multifaceted way. The report concludes that 'good governance does matter'. The conscientious state supports growth and development.

3 IMMATERIAL FACTORS IN GROWTH

In the debate on economic growth and development there has been a need for concepts to link the immaterial preconditions of the economy (such as skills, the functioning of institutions, the atmosphere in society) to economic theories so as to complement the material preconditions for production and incorporate them into the scope of the analysis. The concept of human capital is very familiar and an established factor in any debate on economic growth and development.

Human capital comprises both the quantitative dimension of labour employed in production and the pool of knowledge and skills possessed by the labour force. Human capital is tied to the individual: its quantity is dependent on the size of the labour force, and its quality on knowledge and skills which are beneficial for production and which are

supplemented by training. What differentiates social capital from human capital?

Social capital has to do with the relations between people. But in such general terms the concept is somewhat paradoxical. On the one hand it is in a sense patently obvious. But on the other hand it is easy to see it in terms that are too broad and vague for it to be used as an explanatory factor in studies of economic development or in a clearly operative sense in political decision-making. Thus the concept needs focusing and we have to get an analytical hold on it.

For various purposes it would be very important to have a uniform definition of the concept of social capital at the international level. With a more precise and consistent definition we could perhaps better understand the role and importance of social capital.

When analysing the production of a modern society it is a good idea to divide capital into the four components

- human capital
- physical capital
- nature capital, and
- social capital.

The concept of social captal is a new element in analyses of production. The attempt by the World Bank to incorporate social capital in the concept of sustainable development is also a new departure. Therefore we ought to consider what the concept of social capital adds to analyses of economic growth and development. Why is the concept of social capital important in this connection?

4 RULES, NETWORKS, TRUST

My interpretation of Robert Putnam is that social capital consists of the operating rules of society, the networks that mediate those rules and the trust of the members of society in the credibility of the rules.

In my opinion this definition is a sound basis for an analytical examination of social capital. Modern institutional economics stresses the importance of reliable rules of conduct as an important element in a well functioning society. Trust in formal or informal rules forms an essential precondition for an efficiently functioning society. The role of networks is emphasised because broad-based networks form channels

of communication in society and enable an efficient dissemination of information to the different members of society (North 1990). Society's rules of engagement – be it a formal law or informal rules of conduct – and, according to the new institutional economics, observance or non-observance of these determine the economy's transaction costs. Alongside the costs of production, the level of transaction costs is a key factor affecting the efficiency of the economy.

The new institutional economics stresses the importance of unequivocal ownership rights and clear and binding agreements. These are important elements in the definition of social capital. But as far as I can see no-one has yet succeeded in integrating these different concepts into a homogenous whole. Different researchers ascribe different definitions to social capital. Some researchers focus on vertical and hierarchical relations in society and how well they function. A striking feature of Putnam's work is the great importance given to horizontal networks, including different non-governmental and voluntary organisations (such as the Martta union of rural women and the system of chambers of commerce in Finland, to give just two examples).

Social capital, then, relates to the institutional structure of society. Within this one can focus either on good governance and the social cohesion engendered by this or on the importance of a vigorous culture and a civic society. These factors can foster or hinder the productivity and efficiency of society. Thus one can readily endorse the view of the World Bank that all four of the above-mentioned forms of capital are important from the point of view of long-term sustainable development. Social capital is important for progress, and therefore we should accord it due recognition.

Preliminary calculations by the World Bank underline the importance of social capital. According to these calculations, traditional, man-made capital only constitutes 15 – 36 % of the total capital stock in different countries (in the majority of countries the figure is in the region of 20 %). The remaining 64 – 85 % belongs to the three other categories of capital: human, social and nature capital. Putting it another way, if we concentrate on machines alone, we are shutting out the bulk of capital from our analyses! Admittedly these calculations still need to be treated with a good deal of caution, but they provide interesting material for further contemplation.

5 IS SOCIAL CAPITAL CAPITAL?

It is fundamental to the concept of capital that it is a reserve that can be drawn on at all times in the production process. A further characteristic of capital is that it can be added to by means of investment (the accumulation of capital), and depleted by means of depreciation. How is social capital accumulated and depreciated? At present there is no clear answer to these questions.

In the received analysis of economic ideas, capital, production and income are interconnected – production and income are dependent on the amount of capital committed to production. Then again the value of capital is defined by the income flow that the capital generates. The connections and interdependencies of production, the level of income and capital have to be borne in mind for the analysis to be a cogent one.

There is a clear monetary connection between capital and income, but here we are also interested in capital that cannot be measured in money terms. Let us take by way of comparison the concept of nature capital. After a moment's reflection we realise that the concept of nature capital suffers from the same lack of clarity as social capital. We are not entirely sure how we can add to nature capital or where it belongs. Here too, research is incomplete. The concept of social capital is newer still and we know still less about it than about nature capital. There is a need for a scientific debate on the utility and significance of the concept of social capital. The empirical relevance of the concept also needs to be made more robust. Given that, we also need to inquire what the income is that corresponds to this non-monetary social capital. To extend the example of nature capital, the income generated by clean water, fresh air and beautiful landscapes is by its nature contentment – a mental or psychic income, even though it has no immediate monetary value.

We generally suppose that capital has at least four dimensions:

- capital is a reserve which can be drawn on whenever necessary;
- capital can be accumulated by means of certain mechanisms;
- capital can also be depleted; and
- capital generates income.

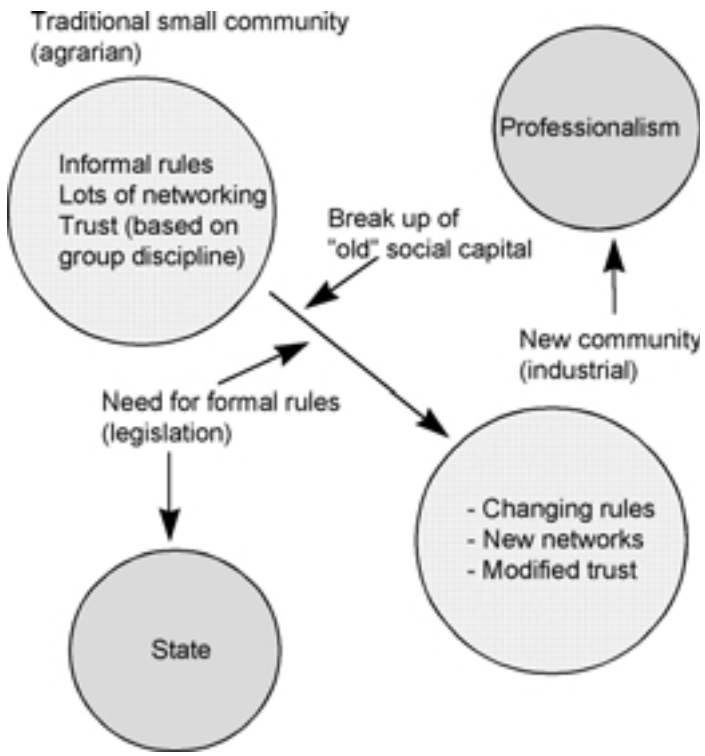
Maintaining the capital reserve at its prior level is crucial for preserving the productive capacity of a company or the economy.

6 THE CREATION OF SOCIAL CAPITAL AND THE PROCESS OF CHANGE

I return to the interpretation set out above of social capital as a set of norms, networks and trust. Presumably one central process by which social capital develops is the industrialisation and urbanisation of society (figure 1). Let us assume that in the traditional society the horizontal communication network is comprehensive, that all members are appraised of the operating rules, even though they are not written down in any formal law, and that there is broad-based trust in the application of the operating rules. It is often imagined that this is the situation in the traditional village society. (Whether this is in fact the case is debatable, but we will not go into that here).

Industrialisation entails a population shift to the cities. Society's operating rules change. The new situation puts relationships of trust to the test. Communication networks change in content, form and number.

Figure 1 *Illustration of social capital*



In order to cement relationships of trust new formal legislation is required. People's faith in the application of legislation also has to be strengthened. Urbanisation and industrialisation also lead to a segregation of professions. A need for expert knowledge is created and thus the phenomenon that we know as professionalism gains ascendancy in the development of society. The practices and rules of professions gain importance alongside traditional authority. The way in which professionalism operates is highly significant. Is the administrative and expert culture based on public fees and salaries or is it regularly based on corrupt relationships and kickbacks? This can have far-reaching effects on the efficiency of society and the type of social capital, i.e. operating rules, communication networks and trust in the operating rules, that is formed.

7 EMPIRICAL EVIDENCE OF THE SIGNIFICANCE OF SOCIAL CAPITAL

Some time ago I wrote on the subject of social capital in the welfare review of Statistics Finland. I made reference to Putnam's work, but I stated that further evidence was required of the empirical significance of the concept (Hjerppe 1997). What is the role of social capital in different societies? Is horizontal social capital, that is to say broad participation by the people, more significant than vertical social capital – communication from the top down? Different components of social capital might be significant in different societies in different ways. What components are most significant of all? Below I make some further observations.

We can find a variety of individual examples of the significance of social capital, or community capital, as it can also be termed. In some societies trust in the rules is largely based on tradition and the culture, in others it may be based on authoritarian application of the law. Singapore springs to mind as an example of the latter. It certain countries it has proved impossible to apply the law despite the efforts of the rulers. Many of Africa's present-day societies provide evidence of this. In such societies the social capital is manifestly weak. In Somalia, for example, the state has relinquished its role completely.

In many development co-operation projects it has been found that the projects fail even though they were carefully planned and much effort was put into their implementation. When an explanation is sought for this, many project leaders say that the most common reason

for failure is the general inability of the society to implement and carry out reforms. The project envisaged does not "fit" with the prevailing administrative culture and the society's ways. This could either be because the social capital in the country concerned is weak or the development project was unable to tap into it. Recognition of these problems has led to changes in development aid projects: now a much greater effort is made to involve the beneficiaries in the plan and to get them to participate in the implementation of the project from the earliest stages. Thus the local social capital is better utilised. There is empirical evidence that "participation" increases a project's likelihood of success (Isham et al, 1995).

There is a recent and more concrete example of change in the social capital in Finland. The liberalisation of the capital markets contributed to the development of the Finnish banking crisis in the beginning of the 1990s was a process of change which fundamentally broke up the earlier rules of conduct of the banking sector; the social capital was breached, and this contributed to the outbreak of the crisis. Trust in the old operating rules was ruptured and to that extent the social capital collapsed.

Much of the probelms of transition in the Eastern Europe can also be seen as a deterioration of the rules, norms and trust i.e. social capital.

8 THE STATE'S CREDIBILITY AND THE CIVIC SOCIETY

In its examination of the role of the state in economic development, the World Bank's annual report (World Bank 1997a) contains much analysis of the significance of the institutions of society. Persuasive evidence is presented that dependable social institutions are a precondition for the state being a credible institution. The credibility of the state, in turn, has a clear impact on economic performance. Credibility increases economic growth and investment.

Credibility was analysed by means of a questionnaire in which companies in 69 countries were asked how credible they felt society's institutions to be. Credibility was measured by five dimensions:

- how unpredictable are legislation and politics
- how unstable is the government
- how secure or insecure is the right of ownership
- how unreliable is the exercise of justice in society
- how significant is corruption.

The replies to these questions were used to construct a credibility index. The OECD countries, with their high level of income, were well in front on credibility. The lowest rankings went to sub-Saharan Africa, Latin America and the ex-Soviet countries of the Commonwealth of Independent States.

Greater credibility was associated with a significantly higher level of economic growth and investment. Corruption was particularly harmful for investment.

The World Bank's latest annual report also highlights the significance of social capital based on the civic society. A study of social capital based on a sample of 1376 Tanzanian households revealed that an increase in the social capital was associated with higher household spending and better standards in schools. Here social capital was measured precisely by studying the interactions between households and their ability to bring about improvements in schools. Thus the focus was on participatory capital. Once again, this finding reinforces the view that advancement of the civic society is also positive for society's economic development.

9 SOCIAL CAPITAL CORRELATES POSITIVELY WITH INCOME LEVEL AND GROWTH

9.1 Trust and income level

I also analysed social capital for the purposes of this article, using a small cross-country sample. I studied the relations between trust, participation, GDP per capita and GDP growth. The sample comprised 27 countries. The trust and participation indices are based on the indices produced by the Inter-university Consortium at the University of Michigan (see Schleifer 1997) (table 1).

The trust index is based on interview studies. Trust is particularly high in the Nordic countries. It is also very high in the United States, Canada and the Netherlands, and fairly high in Switzerland, Japan, Ireland and Iceland. It is considerably lower in central and eastern European countries. The sample includes regrettably few developing countries, but, with the exception of China, trust appears to be considerably lower in these countries.

Figure 2 illustrates that there is a distinctly positive correlation between GDP per capita and the level of trust. China would appear to be very much the exception in this sample. In Europe, too, it is noticeable that certain central and eastern European countries (particularly France) achieve a high per capita level of income with a lower level of trust than for example the United States and the Nordic countries. In this sample the correlation between the trust index and GDP per capita is 0.41. Here China is the outlier: the level of trust is extremely high but the income level is low. There are particular historical reasons for the low income level in China, and therefore in view of our hypotheses perhaps it does not fit all that well with the rest of the sample. If China is removed from the sample, the correlation coefficient becomes considerably higher (0.57).

It should be noted, however, that since no other variables have been controlled for, it is naturally not possible to draw any solid conclusions. Nonetheless the evidence supports the view that high social capital is associated with a high income level.

On the other hand it must be borne in mind that the trust index applied – even if it correctly measures the concept – is only one element in the concept of social capital at hand. The two other elements, clarity of the operating rules and the comprehensiveness of communication networks, are not represented here.

9.2 Participation and income level

Figure 3 illustrates the relation between the participation index and the income level. Here too there is a clearly positive correlation, with a correlation coefficient of 0.54. Switzerland appears to be the odd one out in the sample: the participation index for Switzerland is exceptionally high. This is because the practice of referenda used in Switzerland gives a high weighting to the participation index in the construct. (Without Switzerland the correlation coefficient rises to 0.63).

Each of the indices provides an imperfect measurement of social capital, but in our definition both dimensions are contained in social capital. The positive correlation between the participation index and the per capita income level is in line with the hypothesis that social capital is an important production factor.

Figure 2 Relation between GDP and the trust index

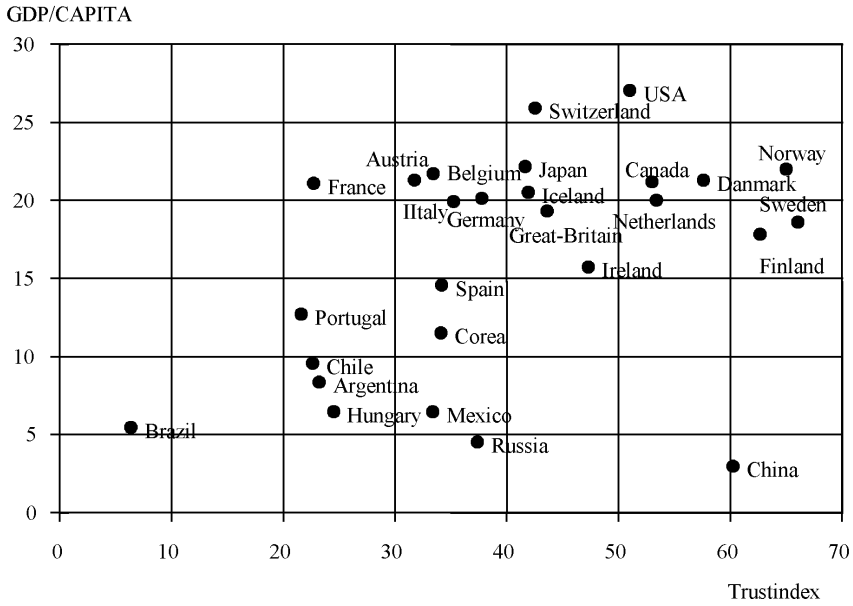


Figure 3 Relation between GDP and the participation index

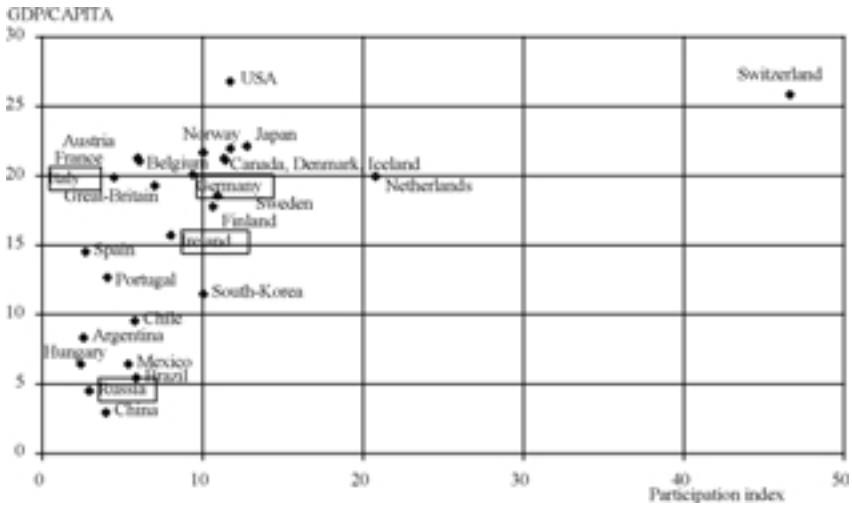


Table 1

Country	GDP per capita[1)]	Trust index[2)] 1990 – 93	Participation index[2)'] 1990 – 93 PCP
Argentina	8,310	23,30	2,58
Austria	21,250	31,82	5,97
Belgium	21,660	33,50	10,05
Brazil	5,400	6,45	5,86
Canada	21,130	53,07	11,42
Chile	9,520	22,70	5,77
China	2,920	60,30	3,97
Denmark	21,230	57,66	11,35
Finland	17,760	62,72	10,66
France	21,030	22,79	6,08
Germany	20,070	37,85	9,39
Hungary	6,410	24,58	2,41
Iceland	20,460	42,00	11,35
Ireland	15,680	47,36	8,04
Italy	19,870	35,30	4,49
Japan	22,110	41,70	12,79
South-Korea	11,450	34,17	10,06
Mexico	6,400	33,45	5,37
Netherlands	19,950	53,47	20,80
Norway	21,940	65,05	11,74
Portugal	12,670	21,67	4,07
Russia	4,480	37,45	2,94
Spain	14,520	34,24	2,70
Sweden	18,540	66,10	10,94
Switzerland	25,860	42,60	46,64
UK	19,260	43,68	7,01
USA	26,980	51,06	11,72

1) Source: World Bank, GDP by purchasing power parity in USD
2) Source: Schleifer (1997), Inter-university Consortium for Political and Social Research, University of Michigan

9.3 Social capital and growth

Using the same sample, I also looked into the impact of the capital of trust and participation on economic growth. My initial regression calculations indicate that the trust index has a positive impact on growth (table 2). The factors affecting growth in the analysis were: GDP per capita, the level of investment (gross investment in relation to GDP), an education variable, being the proportion of the age group in tertiary education, and the proportion of foreign trade of GDP as an indication of the openness of the economy. These variables are taken from the World Bank's latest publication on development indicators (World Bank 1997b). The participation and trust indices are the same as above. Since Switzerland appears to be an exception as far as the participation index is concerned I also performed the calculations without Switzerland. The coefficient obtained by the participation index and its statistical significance do not appear to be materially affected, whether Switzerland is included or not. In neither case does the participation index explain growth with statistical significance. Therefore the table does not report results where the participation index is included.

The GDP per capita variable has a negative effect on growth. This is consistent with numerous other empirical studies of growth. Those countries that have achieved a high level of income appear to grow somewhat more slowly. In this sample, however, the coefficient is not statistically significant, hence the result is inconclusive. The same can be said for the education variable: preconceptions would say that education has a positive impact on growth, but the coefficient is not statistically significant. The investment rate, on the other hand, seems to have a strong and statistically significant effect on growth in all the tests. There is an interesting finding for the subject at hand: the trust index receives a statistically significant coefficient. The impact of the participation index, on the other hand, is insignificant and the sign also appears to be wrong. This result, however, is consistent with the analysis of Barro and Sala-i-Martin (1995) in that their variable describing law and order received a statistically significant value, whereas the value of the democracy variable was to some extent inconclusive. Our result could be interpreted as indicating that trust, in the sense of adherence to the rules, would appear to be important in conjunction with a high level of investment. Or: investment is high because the level of trust is also high and these factors are interrelated so that the level of trust reinforces the investment climate in the economy.

Table 2 *GDP factors affecting growth*

Variable	Coefficient	Mean error	t-value
GNPPC	-0.392	0.618	-0.634
INVRA	0.254	0.047	5.399
OPENN	0.004	0.010	0.440
TRIED	0.008	0.017	0.452
TRUST	0.046	0.021	2.220
C	-3.848	2.075	-1.854

R^2	0.672	Mean value of dependent variable	3.069
Adjusted R2	0.590	Standard deviation of dependent variable	2.180
Mean error of regression	1.395		
Durbin-Watson stat	1.968		

LOG(GNPPC) = logarithmic GDP/capita
INVRA = gross investment/GDP
OPENN = exports/GDP
TRIED = proportion of age group in tertiary education
TRUST = trust index

C = constant term

10 HOW CAN CHANGE IN THE SOCIAL CAPITAL BE MANAGED?

The level of social capital can in fact change all the time as a general consequence of the evolutionary process in society without any individual person being able to influence it very much.

The political culture of a country and the upbringing and education of children are presumably very important forms of action by which significant influence can be exerted on the accumulation of social capital. On the other hand, social conflicts and wars fatally destroy social capital, rapidly and possibly for a very long time. Yugoslavia is an example of this.

New research findings, references to which have also been made

here, reinforce my impression that fluctuations in social capital explain divergences in development and shifts in the pace of development.

My conviction is that social capital carries great significance for the long-run growth and development of societies. The first steps have been taken in the empirical verification of this argument. At any rate it is already evident that important links exist between the institutions of society and economic development. Future research will have an interesting and important task in being more specific in describing and quantifying these links. This is also needed in order to make the whole concept operationally and politically useful and interesting. Research on this is already currently being conducted at the World Bank and the goal appears to be to obtain some quantitative values for the importance of social capital. Whilst we await new findings, however, we could tentatively consider the following hypotheses.

The level of social capital evidently varies greatly between different countries. This is significant for the development of trade relations between different countries, for example. Differences in social capital could hinder the growth and development of trade. Some form of social capital also explains the differences in development between countries, and also why some countries progress and others do not.

Putnam's research indicates that the social capital can be very different in different regions of the same country. This observation could help to explain regional development differences.

Parts of the social capital will change very quickly, whereas other parts may be very long-term by nature. A sudden change in the economic operating rules, for example a rapid liberalisation of the capital markets, may also increase uncertainty as to which operating rules are dominant in society. The result could be insecurity and an increase in distrust. Certain cultural aspects may be very deeply ingrained and persist from one generation to another. It is these aspects that historical researchers often emphasise.

In defining sustainable development we should also bear in mind that the different forms of capital can be substituted for one another. For example, by increasing social capital perhaps the use of nature capital could be partially reduced.

Thus we should seek to understand better the interactions between social capital and other forms of capital in order to find a more durable basis for the long-run sustainable development of society.

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IX

ENVIRONMENTAL HEALTH CHALLENGES IN CHANGING EUROPE

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1 CHANGING PERSPECTIVES IN ENVIRONMENTAL HEALTH

The Rio Conference on Environment and Development indicated clearly that health and development are intimately connected. Insufficient development leading to poverty and inappropriate development resulting in over-consumption, coupled with an expanding world population, can result in severe environmental health problems in both developing and developed countries.

Depending on the country`s development stage environmental health concerns will be given different priority. In many developing countries, higher priority is given to concerns such as poverty alleviation, food security and development (for example providing adequate and safe water supply). In industrial countries many environmental health problems are related to unsustainable consumption and production patterns and lifestyles, for example energy and transport expansion, increased use of chemicals and waste production. The Central and Eastern European (CEE) countries face potentially serious communicable disease problems, as is normal for lower-income economics with less developed health systems. Over 100 million people in this region are estimated to lack safe and reliable water supplies and access to basic sanitation, mainly in the eastern parts of the region.

It has become of critical importance to break the cycle of poverty and poor health by preventing disease, promoting health, and improving quality of life. However, there is a big gap between this aim and the reality in many countries. Prerequisite for the implementation of environmental health actions is solidarity within and among nations and political commitment. Concept of sustainable development has opened political and practical forum for the promotion of environmental health actions at the global, regional, national and local level.

Simplified schema in Figure 1 describes the environmental health development stages (adapted from City planning for health and sustainable development, European Sustainable Development and Health Series:2, 1997).

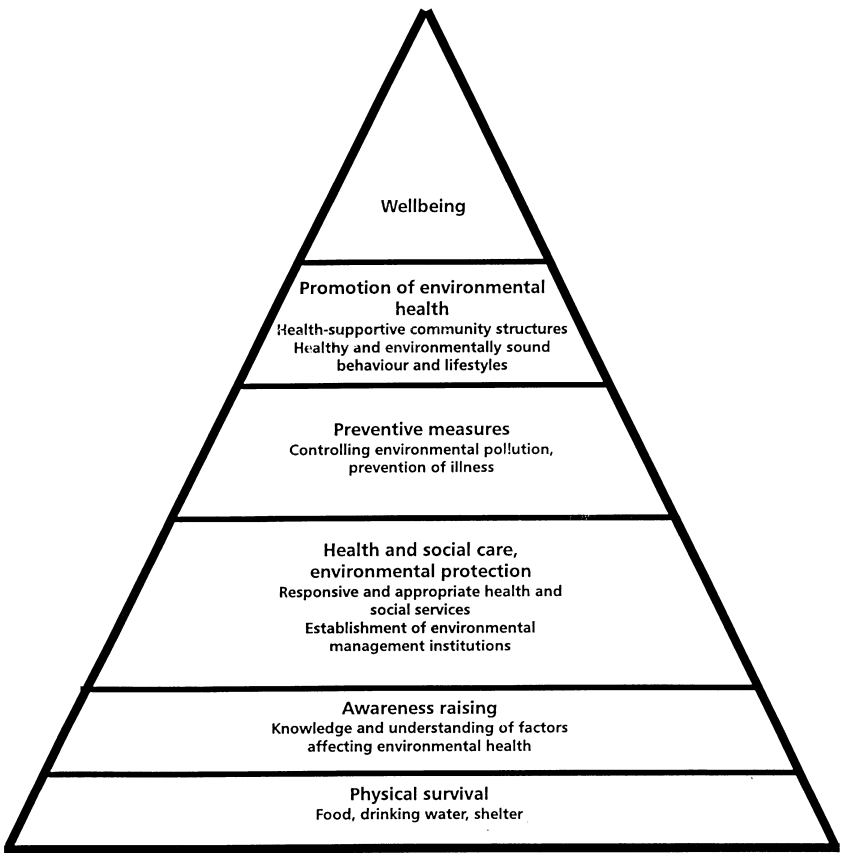
2 EUROPEAN DEVELOPMENT: THE PATH FROM FRANKFURT TO LONDON

The First European Conference on Environment and Health at the ministerial level was held in Frankfurt in 1989. The Conference high-

lighted the need to integrate environment and health concerns and focused primarily on policy formulation and raising awareness. The main outcome was the European Charter on Environment and Health.

The second conference was held in Helsinki in 1994. This came two years after the UN Conference on Environment and Development. The Rio Declaration mentions that *Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature. The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.*

Figure 1
Enviromental health development stages



In Helsinki, ministers agreed that improving environmental quality to achieve a high standard of environmental health was an essential step towards sustainable development in Europe. Consequently, the Environmental Health Action Plan for Europe was adopted. The plan establishes a partnership between the environment and health sectors and contains practical actions to be carried out at the national and international levels. As an essential step in this process, the ministers agreed that each state would prepare a National Environmental Health Action Plan as a tool for better integration. Now, a majority of the European countries have prepared their own plans.

The third Ministerial Conference will be held in London in June 1999. The conference goals are to set an agenda for environment and health in Europe for the start of the 21st century and to agree on concrete commitments to specific actions to implement the National Environment and Health Action Plans (NEHAP). The conference will highlight the concept of partnership; the partners will be from governmental sectors, intergovernmental and professional organisations; industry and the business community; the public. The conference aims also at transforming policy and planning into action. The main outcome of the conference consists of following subjects:

- Ministerial Declaration
- Protocol on Water and Health
- Charter on Transport, Environment and Health
- Public and NGO Participation
- Implementing NEHAPs
- Economic, Environment and Health
- Health Effects of Climate Change
- Environment and Child Health

3 DEFINITION OF ENVIRONMENTAL HEALTH

The concept of environmental health has been interpreted in different ways. At the First European Conference on Environment and Health, held in Frankfurt in 1989, environmental health was defined as follows:

> Environmental health comprises those aspects of human health and disease that are determined by factors in the environment. It also refers to the theory and practice of assessing and controlling factors in the environment that can potentially affect health.

It was agreed that the effects of the environment on health include not just the direct effects of chemicals and microbes on the human body, but also include the influences (often indirect) on health and well-being of the broad physical, psychological, social and aesthetic environment. This holistic view of the relationship between human health and the environment was developed in the WHO Commission`s 1992 report *Our Planet, Our Health.*

Health is not only just the absence of disease but it is also a central goal of human development. Thus, environmental protection and the protection and improvement of health are mutually supportive. The Constitution Act of Finland states that a citizen`s basic rights include the right to a healthy environment and the possibility to influence one`s environment. Providing a healthy environment is therefore closely connected to social justice, equality, democracy and well-being.

4 EXPERIENCES IN ENVIRONMENTAL HEALTH CO-OPERATION

Based on the recommendation of the Helsinki Conference, in Finland the Council of State established a national committee in 1995 to draw up the National Environmental Health Action Plan (NEHAP). The committee completed its work at the end of 1996.

The preparation of the comprehensive plan provided an excellent forum for co-operation, not only between the environmental and health sectors but also between other actors, such as other ministries, non-governmental organisations and the scientific community. NEHAP has been an important starting point for many new, joint environmental health activities. It has also strengthened the collaboration between the European countries at European and sub-regional levels.

At the national level, NEHAP is an important process for integrating the environmental health aspects into the development of other sectoral policies. It provides an analysis of the situation and need for actions and integrates health policies with the policy of sustainable development. In Finland, NEHAP is a major environmental health contribution to sustainable policy at national level, and at the local level the Local Environmental Health Action Plans (LEHAP) have the same function.

The implementation of NEHAP has had a positive influence on environmental health research, the development of environmental

health services including equity building, drinking water issues, traffic and health, and local level activities.

Local level play important role in the implementation of NEHAP. It is expected that in many European cities and urban municipalities NEHAP and LEHAP implementation will improve setting of environmental health priorities and to contribute to more effective collaboration between different sectors. Local authorities should ensure local political commitment and integration of initiatives by local participants through the development of LEHAPs or through existing programmes such as Local Agenda 21 or Healthy Cities. They should ensure that all interested parties are involved in the process of developing and implementing environmental health actions in their areas.

The Finland`s NEHAP contains the priority actions that should be taken to reduce environmental health risks and to maintain the high standard of environmental health. These priority actions have been divided into three categories. *The first category* includes environmental health issues in which a high standard has been achieved. This high standard must also be ensured in the future, through national and – in many cases – international means and through cooperation with the neighboring regions. *The second category* consists of environmental health issues in which considerable further actions are needed to reduce hazards. The *third category* consists of problems or issues that require long-term actions, and issues that call for extensive cooperation and development.

Based on the principles outlined above, the priority actions have been divided into three categories as follows:

Environmental health issues in which the high standard that has been achieved should be maintained

- quality of drinking water
- safety and healthiness of food
- radiation safety

Environmental health hazards that require considerable further actions for their control/reduction

- indoor air quality
- urban air quality
- noise
- accidents and disasters
- mental and social health risks of the environment

Other promotion of environmental health

- prevention of climate change and ozone depletion
- integration of health-promoting factors into community planning and building
- participation by citizens in promotion of healthy living environments
- research and product development to promote environmental health

5 FUTURE CHALLENGES – CHANGING POLICIES

5.1 Safeguard the basic needs

Provide safe Water Supply and Sanitation, assure adequate food supply

Water resources are essential for satisfying basic human needs, for health and food production and for social and economic development in general. It is important that equitable and responsible use of water become an integral part in the formulation of future strategies. Strategies should be developed so as to contribute to the eradiction of poverty and the promotion of food security.

5.2 Take care of preventive measures for avoiding environmental health risks

Control of Environmental Health Hazards (water protection, air pollution control, waste management, Radiation protection)

Even though countries are primarily responsible for pollution prevention, international conventions and agreements are necessary for establishing common rules and for combatting the transboundary impacts. At the European level, since the 1970s, five regional environmental conventions have been negotiated and adopted within the framework of the ECE.

- The Convention on Long-Range Transboundary Air Pollution
- The Convention on the Protection and Use of Transboundary Watercourses and International Lakes
- The Convention on Environmental Impact Assessment in a Transboundary Context

- The Convention on the Transboundary Effects of Industrial Accident
- The Convention on Access to Information, Public Participation and Decision-Making and Access to Justice in Environmental Matters.

The preparations for the 1999 London Ministerial Conference on Environment and Health include drafting a protocol on water-related diseases to the ECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes.

5.3 Tackle the problems which cause large-scale, long-term effects

Slow down the effects of climate change and ozone depletion, improve the control of chemicals

Interactions between different factors causing environmental health problems are often very complicated and they need therefore well coordinated measures (Figure 2).

5.4 Improve the healthfulness of cities through better community planning

Transport networks, public transport, city infrastructure planning

- Public participation, encouragement of local initiatives
- Integration of environmental health aspects into the development of all communal sectors

5.5 Improve instruments

Harmonize activities on different levels (global, regional, national and local) and in different sectors (environmental, health, transport, energy, agriculture).

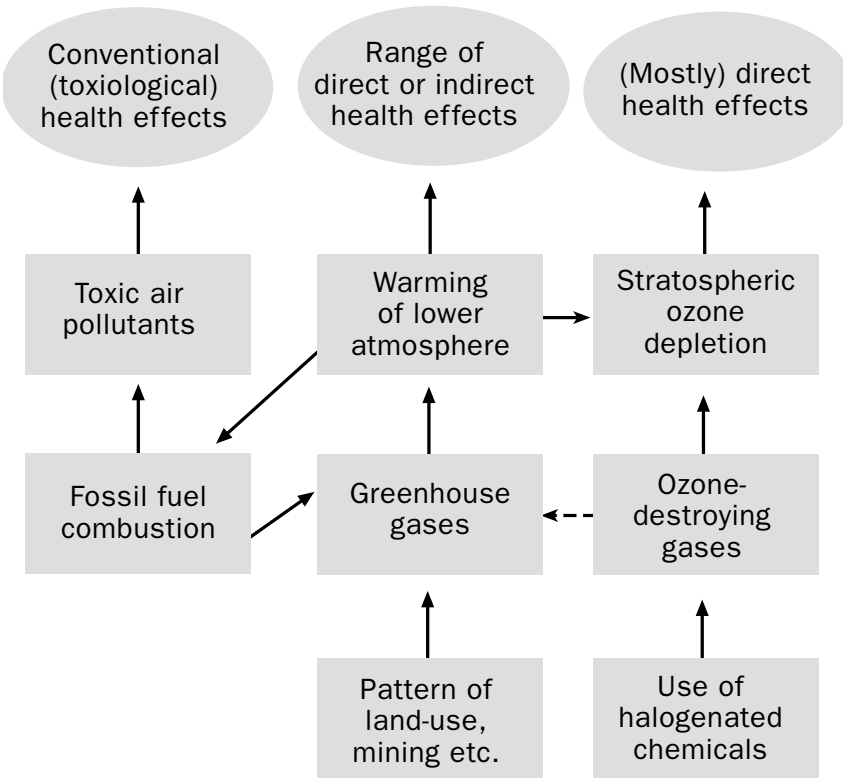
Improve risk assessment, and preparedness to face new environmental health problems

- Genetically modified organisms, endocrines

Tackle the other problems

- Indoor air quality, occupational health, accidents

Figure 2
Interaction among climate change, stratospheric ozone depletion and air pollution [1]



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X

INTERACTION BETWEEN SOCIAL AND ECOLOGICAL SYSTEMS – AN APPROACH FOR UNDERSTANDING ESSENTIALS OF SUSTAINABLE DEVELOPMENT

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ABSTRACT

In touch with the preparation of the Austrian research programme on Cultural Landscapes a conceptual model about relevant processes for sustainable development was prepared by an interdisciplinary approach. Because of the qualitative model structure it was possible to prove different theories in ecology, land use and social sciences on their applicability in an interdisciplinary context. The model will still further become developed by theoretical as also empirical research and proved by operationalisation of some parts.

From this model it became evident, that sustainable development can only be realised if peculiarities and needs of social and ecological systems will be harmonised in a long-term perspective. Because of the dynamics in the systems it is not possible to use static approaches for the harmonisation. Hard to understand and to accept is in this context the outcome, that there is not any fixed point in the system, which could be defined as the target of sustainable development. In ecological systems phenomena of preservation and elastic changes, coupled over different scales in space and time are important for its long-term existence. These principles are also important in human environmental management for long term securing of human existence.

Social systems are driven by the interactions between individual and social processes.

At the individual level substantial processes of perception and action are located. The manifestation in the social context is strongly influenced by structure and interaction processes of the social systems, where the individuals are embedded. Insofar it can be hypothesised that long term development in social systems is dependent on the harmonisation of interactions between the individual and the social levels. Important factors in this context are culture, social structure, and social rules. Problems in the long term have to be expected if this multidimensional system will be explained and managed by a one-dimensional projection, as for example the monetary dimension.

1 INTRODUCTION

Environmental development as human can perceive is inseparable dependent on the interaction of ecological and social processes. A cen-

tral problem in understanding these facts is the interpretation of interactions between the processes and the identification of relevant consequences. As reaction on the Agenda 21 a huge number of interpretations and definitions of sustainable development has evolved. In interdisciplinary applications such definitions are often problematic because of its focus on selected aspects or because of an inoperable generality. In front of this background and based on former experiences (Knoflacher 1992) a research project was started [1] to describe the essential interactions of ecological and social processes by application of system theory.

The approach is based on the system definition of Bertalanffy (1968):

- System elements are defined separately for each system, at this level of system resolution the elements are in general partial systems (Knoflacher 1997) essential for understanding relevant contributions to system processes. For particular discussion or operationalisation these macroelements can be filled out by specific elements.
- Interactions between the elements can have the quality of matter, energy or information. The interpretation of interactions for further applications is analogous to elements.

The main objective of the project was the development of an overview about relevant parts of the systems and its interactions. Concerning the differences in methods and definitions of factors in the scientific disciplines involved in ecological and social research especially the logic of the different approaches at the interfaces were proofed at the conceptual level.

Essential steps of the model development were

- system decomposition into functional entities and
- the synthesis of the basic structure under consideration of spatial and temporal aspects.

The model allows a characterisation of different types of development and an open discussion about sustainable development from different point of view.

2 BASIC STRUCTURE AND INTERPRETATION OF THE CONCEPTUAL MODEL

2.1 Approach of system interpretation

System interpretation is based on the hierarchical mass relations of subsystems as physical systems and the consequences of the second law of thermodynamics (Vogel 1974; Mason and Moore 1985; Kleemann and Meliß 1988; UNEP 1991; Delcourt and Delcourt 1992; Jørgenson 1992; Meadows et al. 1992; White et al. 1992). From this viewpoint it becomes evident that the existence of each subsystem is dependent on the flow of energy and that the capacities of all systems on earth are limited (Figure 1). The portion of one subsystem can only increase if the portions of other subsystems are reduced.

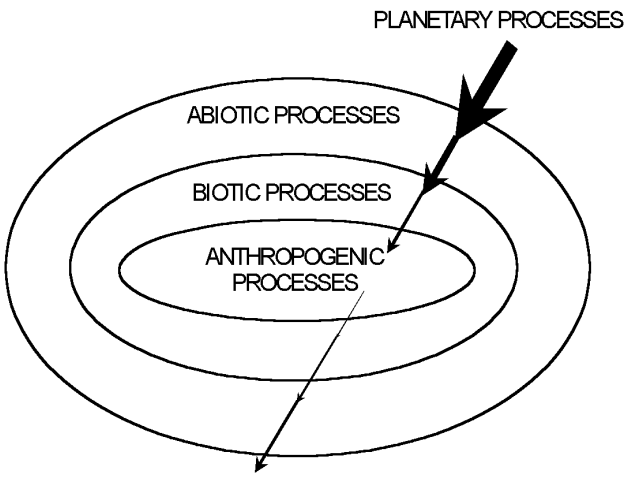


Figure 1: *Schematic presentation of energy flow through the different global spheres.*

Comparing structures and states of the subsystems the *self organisation* (Riedl 1976; Ebeling et al. 1990; Haken 1990; Cole et al. 1991; Haken and Wunderlin 1991; Kauffman 1993; Ridley 1993; Pianka 1994; Ebeling et al. 1998) is an interesting and for the discussion of development an important phenomena. The self organisation or reduction of entropy within one subsystem is always combined with an increase

of entropy in its environment. An essential precondition for the process of self-organisation is the selective permeability of system boundaries. This means, that transboundary interactions are asymmetric influenced in quality and quantity by properties of the boundary and the subsystem (e.g. greenhouse effect, cell walls in organism, properties of human social system). The "back-bones" of self-organisation are inherent *reference codes* of the subsystems with a long-term stability. Examples are the chemo – physical properties of the abiotic realm (Butcher et al. 1992), the genetic code of the biotic realm (Stern and Tigerstedt 1974; Lewin 1985) or cultural codes in social realm (Gellner 1988; Toynbee 1996). One essential effect of self-organisation is the damping of the dynamics of external factors within the limits of the subsystem regulation potential (Gates 1980; Walter and Breckle 1983; Alberts et al. 1986; Gates 1993; Bernstein 1996). *It is essential for the discussion of sustainable development that the order of each subsystem is dependent on the existence of order in superior subsystems, but it can achieve an higher degree of order only by its own properties.*

Figure 2: *Interpretation of the functions of the global ecological boundary layer (left). The exchanges of matter and energy between the air and the solid rock (A) are influenced by processes and structure of the vegetation layer (B) and the soil layer (C).*

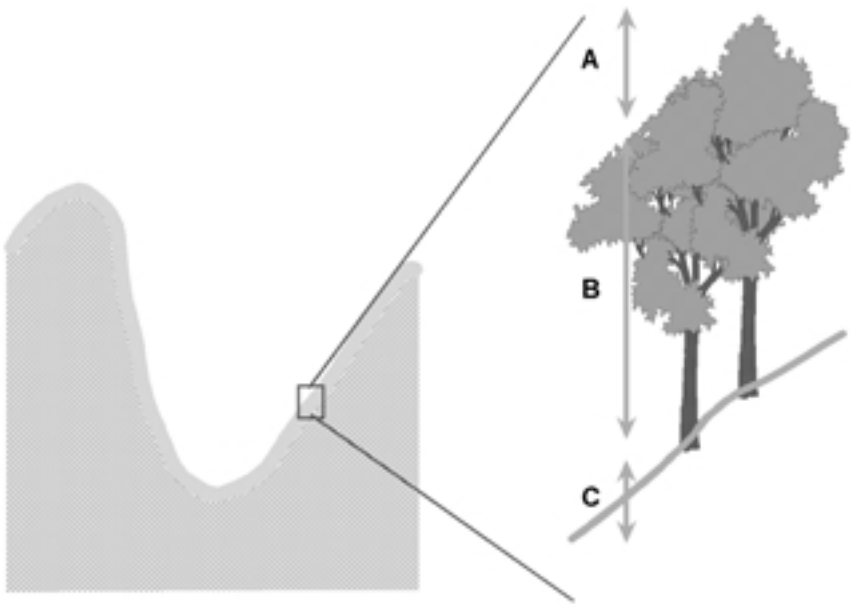
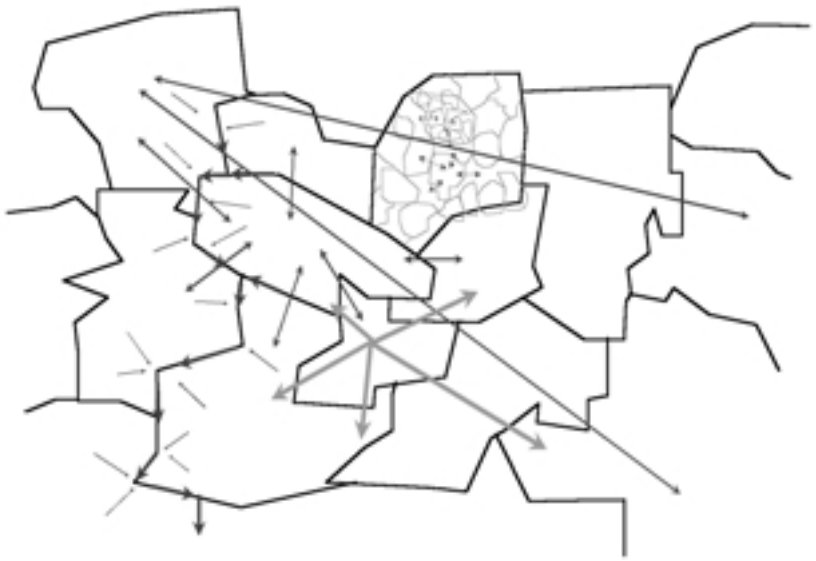


Figure 3: *Interpretation of ecosystems as cellular networks at different levels of scale. From the functional cells of microbial processes (smallest patches) up to large vegetation communities (largest patches) local interacting societies can be identified. The interacting network between the cells is supported by animal movements (double headed arrows), water flow (single headed arrows) and airflow (multiple arrow symbol).*



For the discussion of sustainable development it is necessary to consider the distribution of the biotic subsystem and consequently of human activity in the spatial context. The biotic subsystem is not randomly distributed or lumped within the abiotic subsystem. However, it is concentrated on the boundaries of the solid (geospherical partial system9) to the gaseous (atmospherical partial system[2]) or the liquid state of the subsystem (hydrospherical partial system) (Knoflacher 1994, Figure 2). In this zone the biotic system is structured as a functional cellular networks over a range of scales from some micro – square meters up to billions of square meters. The temporal existence of the cellular units is roughly correlated with the spatial scales and ranges between some weeks and millions of years. The cellular units are connected by air movement, gravitational processes (e.g. water flow) or the movement of animals (Figure 3).

Because its peculiar spatial distribution the biotic subsystem has an optimal access to solar radiation, or in special cases to geochemical

energy (Karl 1987), and it influences efficiently the interactions between the abiotic partial systems. On the surfaces of the continents as also in shallow sea-bottoms this is also the zone of intensive human activity. The aspects of spatial interactions are in the focus of landscape ecology (Forman and Godron 1986; Naveh and Lieberman 1993; Leser 1991) as also in the biogeophysical context (Munasinghe and Shearer 1995), aspects of process interactions are in the focus of process oriented approaches (Meadows et al. 1992; Dieren 1995; Weizsäcker et al. 1997)

2.2 The structure of the model

To increase the resolution in the interesting space of ecological – social interactions the so-called anthropogenic subsystem of the general basic model was folded up (Figure 4). By this approach the interacting systems (defined as ecological and social system) are presented in a similar perspective so that the resulting interacting system (defined as utilisation system) is fit for representation.

2.2.1 The ecological system

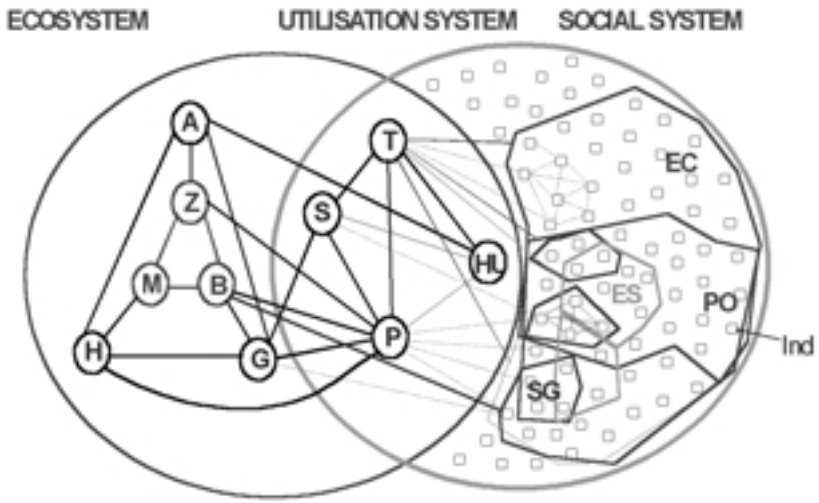
In the *ecological system* the hierarchical relationships between the abiotic and the biotic subsystems are symbolised by the outer triangle of the abiotic partial systems and the inner triangle of the biotic partial systems. The abiotic partial systems are symbolised by its acronyms

- A (atmospherical partial system)
- H (hydrospherical partial system)
- G (geospherical partial system)

Concerning structural and functional characteristics (Lieth and Whittaker 1975; Rosenthal and Janzen 1979; Walter and Breckle 1983; Schlegel 1985; Schlee 1986; Rayner et al. 1992; Brandis and Pulverer 1988; Hunter et al. 1992; Alcock 1993) the biotic subsystem was subdivided into three partial systems (Knoflacher et al. 1994):

- M (microbiological partial system)
- B (botanical partial system)
- Z (zoological partial system)

Figure 4: *Basic structure of the conceptual interaction model. (Explanations in the text)*



The interactions between these partial systems and with them are in general characterised by physical or chemical properties (e.g. flow of energy, flow of matter or structural conditions). Between the biotic partial systems (but especially in the zoological partial system) interactions with the quality of information are of increasing importance.

2.2.2 The utilisation system

The interpretation of the utilisation system as a result of overlapping between the ecological and the social system is deduced from cross cultural and long term descriptions of human activity processes and effects (Derry and Williams 1960; Leroy-Gourhan 1973; Tracy 1989; Bargatzky 1986; Boyden 1992; Klix 1993; Goudie 1994; Stadler 1994; Weimer 1994; Kristiansen 1995; Jellicoe and Jellicoe 1995; Schelkle and Nitsch 1995; Proske 1996; Toynbee 1996; Hueber 1997; Mazoyer and Roudart 1997; Bardet and Dupaquier 1997 and 1998). Partial systems are

- The human population (HU) in its physiological appearance, excluding its mental appearance which is considered in the social system.

- The structural partial system (S) comprises human influences on structures of ecosystems (e.g. hunting, agriculture, regulation of riverbeds) and the construction of specific structures (e.g. buildings, technical infrastructure).
- The material – energetical partial system (E) comprises the human induced metabolism of material and energy (e.g. production and trade of goods and energy).
- The transmitting partial system (T) comprises all physical entities (e.g. money, laws, contracts, scientific publications, mass media, work of art) which are used to transform information from the social system to the whole utilisation system or to store and deliver information for the social system.

The interactions within the utilisation system are of different qualities. Between ecological partial systems and the utilisation partial systems (with the exception of the transmitting partial system) the dominant qualities of interaction are flows of energy and matter as also structural properties. Interactions with the transmitting partial system and with the social system are on the contrary dominated by the quality of information.

All elements of the utilisation system are governed by entropy. The maintenance of order in this system is therefore dependent on the availability of energy and matter as also on a sufficient degree of order in the managing social systems. Requirements on an efficient management by the social system are increasing with increasing differentiation of the utilisation system from ecosystems. A task which can evidently be solved over long periods by relatively small societies at low population levels and relatively low differences between the properties of the utilisation system and the ecological system. Life in such structures needs an excellent knowledge of ecological elements and processes and a high degree of acceptance on environmental variability and its consequences of suffering, starvation and a rigid population control (Bargatzky 1986). In Europe are examples of relatively stable interactions and its effects in small areas documented for some alpine regions (Netting 1981; Viazzo 1989; Cole and Wolf 1995). But long term sustainable development of such societies is at high risk because of their competitive weakness in direct confrontation with societies at higher technological levels and energetical support (Bitterli 1991). Of interest are also the periods of stability in the growth of human populations in this context. Considering

these examples it is highly probable that some of the so-called periods of demographic transition are regional strongly influenced by regulations of the social system (Knoflacher 1996). But it is obvious that the over all and long term dynamic of human population is following the basic biological principles of dynamics as a successful ecological competitor (Nentwig 1995). It is an interesting fact, that actual discussions about the growth of global human population and its consequences bears a lot of indicators on intraspecific biological competition (Lindauer and Schöpf 1987; Cornelius et al. 1994; Bongaarts 1994; Dasgupta 1995). Attempts of international organisations (UN 1990; UNFPA 1991) to find acceptance for global harmonised measures to manage peaceful population dynamics are permanently under attack of populistic and fundamentalistic opinion leaders as also of so called rational arguments based on some constraints of the existing structures in the social system (e.g. pension financing).

Special constraints are influencing the requirements on the utilisation system at high population densities (e.g. urban regions) and large societies. A well-structured and organised utilisation system is necessary to support the life of large populations with a reduced risk of infectious diseases and a sufficient support of food (Costanza 1991; Winkle 1997; Paczensky and Dünnebier 1997). The existence of such high-differentiated utilisation systems is substantially dependent on the availability of sufficient turn over rates in energy and matter as also on the management by well differentiated and organised social systems.

Negative effects of high turn over rates in matter and energy are under global discussion since the first report of the Club of Rome (Meadows 1972). Proposals for reduction of negative effects are in general focused on improvements of efficiency of processes in the material – energetical partial system (Dieren 1995; Schmidt-Bleek 1997; Weizsäcker et al. 1997). Problems of human population growth (Livi-Bacci 1989), structural effects of land use (Forman and Godron 1986), effects of regulations (Jettel 1990) and effects of the social system (Verbeek 1990) are discussed separately, or under the viewpoint of efficiency in utilisation processes (Gliessman 1990). This camouflages critical interrelationships between closely interacting factors and hinders the understanding of the importance of qualitative factors in development processes. So is there no large discussion about the effects of resources exploitation (especially in the global ecological layer) on the

increase of entropy of the exploited areas and the impacts on the regional social system.

It's also interesting in this context, that most of the proposed solutions for process efficiency are driven by the quantitative aspects (e.g. "how much can be reduced"). Qualitative aspects of matter management are excluded or neglected, but it is not the same for future development if for example waste is homogenised as far as possible (driven by regulations to reduce some critical concentrations) or if the components of the waste are stored separately in a technological optimal way. Entropy of material is increased in the first case, which reduces the possibility of a recycling in future. In the second case the entropy in the material could become reduced, which increases the probability of recycling in future.

For discussion of the needs for sustainable development it is essential to understand that a dynamic equilibrium between the interacting ecological and social systems has to be found. This means that no way of sustainable development can be found by excluding or ignoring basic principles of the ecological or of the social system. Understanding the importance of biodiversity as a basis for the regulation of environmental processes in context with evolution processes is necessary for a proper management of the utilisation system as a whole. But a simple transformation of evolutionary principles (e.g. total deregulation to promote the fittest) will be very disadvantageous for a development of the social systems under consideration of humanity. To understand social interactions and its dependencies on individual requirements is on the other hand also essential for the management of the utilisation system. But the simple transformation of expectations on long term static stability will increase the risk of human extinction.

2.2.3 The social system

The interpretation of the *social system is* based on the information processes within societies:

- Elements, down to the smallest entity the individual (Ind), are only considered in the characteristics of information processing.
- Interactions within the system and with other systems have only the quality of information.

The approach is based on the information theory (Laux 1980; Ebeling et al. 1998) under comparison of theories and facts on different aspects of human being (Lorenz 1963; Hahn et al. 1979; Schmidt and Thews 1980; Fischer and Dornbusch 1983; Mogel 1984; Eibl-Eibesfeldt 1984; Nasar 1988; Popper and Eccles 1989; Watzlawick et al. 1990; Lévi-Strauss 1991; Herkner 1991; Schlosser and Stammen 1992; Klix 1993; Giddens 1993; Luhmann 1994; Burkart 1995; Habermas 1995; Scott 1996; Assmann 1997; Bourdieu 1997; Paul 1998).

Because of this definition there are two close connections with the utilisation system:

a) At the dimension level of human individual the mental performances, considered in the social system are dependent on the biological functions of the human being, considered in the utilisation system.
b) In organised and large societies intensive information flows are permanently running between the elements of the social system and the transmitting partial system, as for example by expression of values in monetary operations, by writing or reading a book, by interpretation a law and so on.

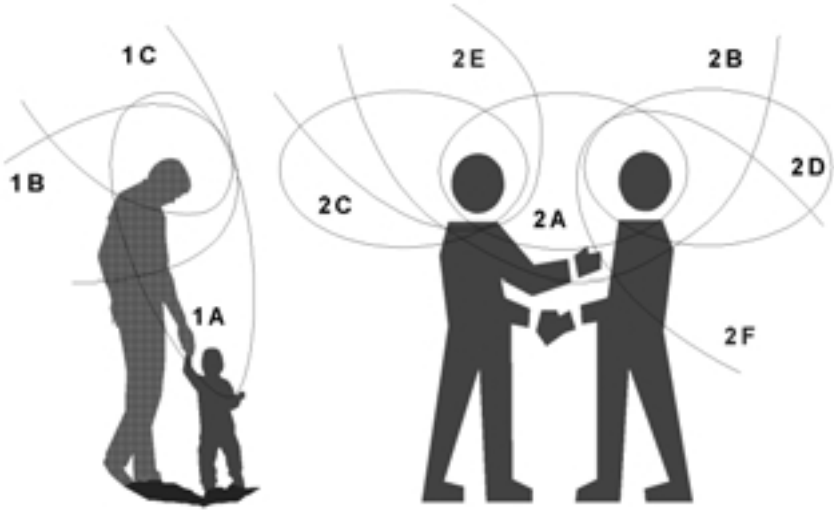
This sharp distinction at the quality level is necessary to understand and describe the processes in societies without letters in comparison with highly differentiated societies. So it is essential to distinguish between *information* and *knowledge*. Information can exist in the brain of humans as also in a book, on a hard disk, in a picture or a money but it has no actual consequences for human decision or activity. At the moment of the integration of information into decision or activity processes it becomes knowledge. This is essential because of the restricted capacity in information processing of the human brain (Schmidt and Thews 1980). Because of the development of the human brain in the timescale of biological evolution it has no logic to speak about "an explosion of human knowledge as an effect of scientific research and the evolvement of an information society". The increase of published information because of scientific research or because of the increase in mass media distribution is only than correlated with knowledge if it is transferred by a sufficient number of people to a corresponding knowledge. For social systems knowledge

increases if enough specialised peoples are integrating their knowledge in a well-structured way to an organisational knowledge (Cohen and Sproull 1995).

Partial systems within the social system are defined by the criteria of a self-referential code. Examples of partial systems are economy (EC), education and sciences (ES), government and order (PO), social groups (SG). In highly specialised and differentiated societies (e.g. industrialised societies) the number of partial system can increase (Knoflacher 1997). In comparison to physical partial systems it has to be considered that one individual can be part of several partial systems. It is also possible that the membership in partial systems can change over time. Additional to the partial systems structures can be identified in social systems, which are defining hierarchical relationships between individuals. Depending on the partial system the integration of the individuals can be influenced for example by knowledge education, membership of the ancestors, individual behaviour (Sandner 1992; Scott 1996; Bourdieu 1997).

Individual mental processes are embedded in different social interactions (Figure 5), so the individual is at the same time a dependent factor as also a driving factor (because of its ability to modify information) of the social system. An impression of the interaction bandwidth gives the comparison of a situation in peace to a situation in war (Keegan 1995). There is a potential in each individual to destroy social factors as also to become suppressed by the social system. The individual interpretation of the system state depends on the actual perception of its constraints and power (as also to its substitutes in the utilisation system, e.g. possession of money, land) in relation to individual expectations. A special problem in this context is the extremely restricted certainty in the forecast of system conditions and the imbalance in the individual expectations of benefits and drawbacks (Bernstein 1996). Because of this relativity of interpretation, objective similar processes can be interpreted differently. As for example the inter-individual communication will be quite different interpreted in the situation of father and child (Fig. 5, 1 A) or in the situation of two adults (Fig. 5, 2 A). But the same situation could also be interpreted different if other social interactions (e.g. Fig. 5, 2 B to 2 F) will change over the time.

Figure 5: *Schematic representation of the individual embedding in the social system. (Further explanations in the text).*



A balance between individual interest and social interest (e.g. to support handicapped, disabled, orphans) is dependent on the harmonisation between individual and social needs. The state of a social system is therefore strongly dependent on the individual contribution to the maintenance of system stability. While individual needs can become created spontaneous and can also be left spontaneous, social needs have to be created at an abstract level with long term and general validity. An essential basis to overcome the physical and biological forces of the evolutionary roots of humans is the social education of individuals and the repeated confirmation of these principles by the social system. It has to be noticed here that some constraints are necessary for the long-term existence of human population, as for example the individual death to save the evolutionary adaptation. A long-term dynamic stability in social systems is therefore strongly dependent on the existence and application of a long-term reference code to buffer disturbances from external factors (e.g. ecosystem) as also from internal factors (e.g. disturbances by individuals or small groups).

However, it's the question what is development in social systems? Is it the sum of individual careers to become a multi-millionaire or a professor at the university, is it the achievement of a certain political system, is it the sum of goods which are owned by the members of a soci-

ety, is it the increase in information or is it a degree of welfare? It's on the responsibility of the society to define the objectives, but under consideration of the essential effects. If the individual freedom will be the central principle, evolutionary forces combined with starvation and extinction of the weak will work. If the central principle will be the achievement of comparable quality of life, a long-term social agreement with much higher efforts in social regulations and individual contributions to the support of the social system is necessary.

3 TOWARDS SUSTAINABLE DEVELOPMENT

As it can be derived from the conceptual model, the objective of sustainable development can not automatically defined on a basis of physical laws. Sustainable development could much more be interpreted as a permanent effort to achieve and keep a certain level of a dynamic equilibrium, following long term principles. The minimum principles of reducing the turnover rates of matter and energy to levels, which can be buffered by ecosystems, and the maintenance of biodiversity in its functional context can't work without a dynamic equilibrium in the social system. It is therefore urgent necessary to develop principles of sustainable development in the social system considering human welfare. Only a harmonisation of these principles and their integration into social rules at different levels of responsibility can help to find the way of sustainable development.

An interesting example for sustainable development of a large society in the history is the ancient Egypt culture because of its long-term existence on the same place. There are some indicators, that the consideration of ecological principles (especially of the annual floods of the river Nile and its effects) as also principles of individual contribution to the support of the social system were integrated into general social rules (Assmann 1997). The problems of time lags between activity and the resulting effects were obviously solved by a "re-projection" of such correlations into social rules, which could be controlled during the individual lifetime. Probably an important fact for the long-term existence of this culture was the confirmation of the existing state of the system by social rules instead of the formulation of a long-term target in future. In the system context a stabilising effect is generated by the confirmation process as long as there are no conflicts induced at the

individual level by the system state. The definition of long-term targets is applicable if a new equilibrium should be achieved; it is therefore not astonishing that such social rules are used in suppressed cultures (Assmann 1997).

Although it is necessary to be careful in the interpretation of historical examples, it should be kept in mind that the challenge of sustainable development is especially its realisation in the heads of peoples and not only the question of technical solutions. The task could only be solved if all the dimensions in space and time of the relevant processes are projected in a proper way to the dimensions of human understanding and realisation of responsibility. This challenge has to be solved under consideration of humanity if sustainable development should not be accompanied by need and pain, not because of missing technical skills but because "under the pressure of circumstances".

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ENDNOTES

[1] **The project was funded by the Austrian Ministry for Science and Transport.**

[2] **The definition "partial system" was used because some characteristics are common to all partial systems and some are different, so that they can be unified into one system by a more general approach (KNOFLACHER et al. 1994).**

XI

SOCIAL POLICY AND ENVIRONMENTAL SUSTAINABILITY IN THE FACE OF GLOBALISATION

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1 THE MISSING DIALOGUE.

The world of welfare state studies is quite separate from the world of ecology and environmental sustainability. There is little dialogue between the two epistemic communities. At the UN level this is also reflected in the existence of the two parallel commissions on social development and sustainable development. Rio plus 5 is being organised separately from Copenhagen plus 5. This situation has lead to some conflict between some ecologists and those who seek to defend and improve developed welfare states. The self-sufficiency strand in the ecological movement (see paper by Ilmo Massa in this volume) would regard social policy in developed countries as being (at worst) about protecting for some and (at best) redistributing to others the welfare riches of the north which is counterproductive from the point of view of environmental sustainability. Ecological modernisers, on the other hand, would be more concerned to find common ground between the concerns of social equity and environmental sustainability. In this short paper I will be arguing that the challenges posed to both welfare states and to environmental protection by globalisation make the search for this common ground urgent.

2 THE COMMON EXPERIENCE OF SOCIAL POLICY AND ENVIRONMENTAL POLICY IN THE CONTEXT OF GLOBALISATION.

Unregulated economic globalisation threatens the environment and damages welfare states. The opportunities that the free movement of capital create for TNCs to move from countries with high social, labour and environmental standards to those which do not have these is a mounting concern among both social policy analysts and environmentalists. There is a danger of a competitive race to the welfare and the environmental bottom. There may be good arguments as to why both social expenditures and environmental measures are good for capital too but the problem with what is good for capital in general in the long term is not always the motivating force of individual capitalists in the short term. This is certainly true of finance capital. This is why the regulator power of states was invented and why new global regulatory authority is now needed in the spheres of welfare and the environment.

The common challenge is to create global social and environmen-

tal standards in the face of the temptation by some southern governments working with some TNCs to exploit the comparative advantage of the absence of standards. Social and environmental clauses are outlawed for the time being within the WTO but eco and social labelling of products which might encourage northern consumers to favour some products do not go far enough. Of particular concern is the outlawing within the WTO process of trade measures against a country because of the process of production used in making a particular product. (LeQuesne 1996). The political problem is complex because of the fear by the south that the north is engaging in social protectionism by insisting on only trading if standards are raised which are felt to be impossible to meet in the economic context of relative impoverishment. Breaking this knot is the key problem the world faces in trying to move towards a more just and more sustainable future.

3 THE TRIANGULATION OF *AID/TRADE/STANDARDS* APPLIES IN BOTH SPHERES.

It is clear, at least analytically, that a solution to this impasse lies in linking aid, trade, and standards much more systematically. The idea of the 20–20 compact was floated at the Copenhagen Summit whereby the north would ensure 20 % of its aid was for social purposes if the south would ensure 20 % of public expenditure was in the social sector. More comprehensive would be the proposition that trade barriers would be reduced and aid increased if agreement were reached on a strategy to raise social and environmental standards over a given time frame. In other words global and intra-regional REDISTRIBUTION is needed to enforce global and regional REGULATION and make viable strategies for global EMPOWERMENT of all to claim their social and ecological rights.

A concrete version of this general proposition lies in the notion of cross border eco taxation which would be levied by importing governments on goods made with environmentally unfriendly processes. This would to some extent discourage such imports and protect more environmentally regulated local firms while at the same time, for those imports that were made, generate a revenue that could be ploughed back to the exporting government as aid to raise standards. Again OXFAM among others have been instrumental in tabling these ideas

globally; 'Any obligation on poorer countries to meet industrial country environmental standards would need to be linked to the provision of financial support, and the revenue generated bt tax adjustment remitted back to developing countries, to be invested in cleaner technology (LeQuesne 1996. p80).

4 THE CHALLENGE TO WELFARE STATES GENERATES THE LOGIC OF ECO TAXATION WHICH SOLVES BOTH PROBLEMS.

The common interest between those who seek to defend the tradition of high taxation, high social spending welfare states and those who wish to protect the environment come a step closer still once the current problems of welfare state competitiveness are considered a bit more closely. One of the issues facing the diverse welfare worlds of Europe in the context of globalisation is which particular mix of taxation and benefits renders the society more competitive. A consensus of opinion seems to be emerging which is captured in the table below.

Type of welfare state	Impact of globalisation	Environmental and social consequences
Liberal	Apparent beneficiary	unacceptable inequity and privatisation of risk
Bismarkian	Challenges payroll taxes	unemployment
Social Democratic	non labour taxes (ecotaxes) sustainable in principle	socially just and environmentally friendly

The biggest challenge of globalisation would appear to fall on the Bismarkian style of welfare state which is organised on the basis of high payroll taxation associated with PAYG social insurance for core skilled workers. The political struggles around this issue in France and Germany is testament to this. On the other hand the oft argued for liberal strategy adopted by the UK leads to unacceptable inequalities. The UK is, after years of Thatcherism the most unequal county in the EU.

The happily surprising logic of this leads to the conclusion that countries that are organised on the basis of taxes on income and consumption associated with citizenship rather than worker social rights are less vulnerable to globalisation. Moreover one form that such taxation could take are ecological friendly taxes which discourage certain forms of production while raising revenue for welfare purposes.

This happy conclusion that a strategy existed that would enable us to both defend welfare spending and protect the environment was echoed recently in the latest UNDP Human Development Report which was concerned with inequality in consumption globally; 'The most comprehensive proposal for reform is to shift taxes from taxing employment to taxing pollution and other environmental damage. Although the idea is in its infancy, initial studies are promising. An OECD study for Norway suggests that a revenue-neutral shift of this sort might reduce unemployment by one percentage point while substantially reducing environmental damage' (UNDP 1998, p100).

5 SOME NEXT STEPS.

If the thrust of this argument is substantially correct then some steps suggest themselves for action both at the international and national level.

- Global agreements need to be fostered in industrial countries on using ecotaxes in all places to deter disinvestment from those that do use them
- Closer liaison of UN Commission on Social Development and Commission on Sustainable Development is suggested so that this solution to the problems of both commissions is more widely understood
- Closer co-operation of Ministries of Foreign Affairs, Welfare, Environment and of Trade are called for so that there is greater policy uniformity between national social and environmental policy and the external dimension of this as expressed in aid and trade policies.
- The World Bank needs to reconsider the trend to the individualisation and privatisation of risks which is apparent in its recent thinking on social protection (see Holzmann in this volume) as this would seem to run counter to the case for eco-taxation based risk pooling.

The case for a socially and environmentally responsible form of globalisation is increasingly being put and heard. Within this context which I expand on elsewhere (Deacon 1998) the reform propositions suggested here have a valid place.

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XII

SOCIAL SUSTAINABILITY AND THE FUTURE OF SOCIAL POLICY: EMPOWERING DISABLED PERSONS IN THE ESCAP REGION(*

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(* *Adapted from "Prospects for persons with disabilities" contained in an ESCAP publication (Asia and the Pacific into the Twenty-first Century: Prospects for Social Development, ST/ESCAP/1887) issued as the theme study for the Economic and Social Commission for Asia and the Pacific at its 54th session in April 1998.*

1 INTRODUCTION

For the past six years, the ESCAP region, home to 60 per cent of the world´s population, has been engaged in promoting the Asian and Pacific Decade of Disabled Persons (1993–2002). The Decade initiative challenges a narrow understanding of what constitutes normal". Underlying this challenge is a questioning of the right of some to impose on others their own criteria of what is or is not normal, and, to design physical structures and development programmes that can be accessed only by the strong. Most important of all, the Asian and Pacific Decade reaffirms the crucial importance of centring the development process on a clear sense of humanity.

Unseen, unheard, uncounted. Persons with disabilities are the most marginalized group in the Asia-Pacific region. Women and girls with disabilities are excluded from mainstream gender equality programmes. Children and young people with disabilities have no means to be part of education and skill development programmes. Most disabled persons are poor, but few poverty alleviation programmes include adaptive provisions for their participation.

Many persons with disabilities are multiply handicapped by social, economic, physical and political conditions. Together, these conditions constitute barriers to disabled persons" freedom of movement in society. These barriers include the stigma of disability, poor understanding of the abilities and aspirations of disabled persons, and lack of rehabilitation services. Physical environments are suited only to the physically strong, and information environments challenge all but the most mentally agile.

Generally, this situation prevails in much of the region, despite increasing global-level attention to disability over the past decade and a half. The International Year of Disabled Persons (1981) and the United Nations Decade of Disabled Persons (1983–1992) were instrumental in raising issues concerning the full participation and equality of persons with disabilities, and since then, disability issues have been considered by several global forums. The most recent of these are the Copenhagen Declaration on Social Development and Programme of Action of the World Summit for Social Development, the Beijing Declaration and Platform for Action of the Fourth World Conference for Women, and the Istanbul Declaration on Human Settlements and Habitat Agenda. Most recently, at the Fifth Asian and Pacific Ministe-

rial Conference on Social Development held at Manila in November 1997, several interventions were made proposing specific provisions to improve the situation of persons with disabilities. These were adopted by regional Governments and included in the Manila Declaration on Accelerated Implementation of the Agenda for Action on Social Development in the ESCAP Region. Such mandates notwithstanding, real improvement in the lives of individuals require a painstaking process of relentless effort at all levels.

Are persons with disabilities visible in public places? Do they enjoy social and economic mobility on a par with peers in the same community? Are disabled women managers and leaders? Is the approach to disability matters multisectoral and inter-disciplinary? Are persons with disabilities members and office bearers in a variety of committees and organizations? Or is disability a matter of hand-outs by a Department for Social Welfare? The answers to these questions will reflect the future of social development in the region.

When persons with diverse disabilities are actively involved, their participation can be a powerful indicator of the level of social development of any society. It is now clear that when all the processes in a society are made accessible to persons with disabilities, that society becomes far safer and more convenient and benign for everyone. In 1992, this goal was termed "a society for all". Thus efforts to promote full participation and equality for persons with disabilities are a striving for a universally accessible society.

While its causes and correlates vary, disability affects all social groups regardless of level of affluence or deprivation. It is, however, only recently that disability matters have begun to be included in the region´s development agenda.

The ESCAP region is unique in being the only region in the world whose Governments have made a collective commitment to improving the lives of citizens with disabilities. As a result of that commitment, Asia and the Pacific will enter the twenty-first century having devoted eight years to a regional policy initiative, the Agenda for Action for the Asian and Pacific Decade of Disabled Persons (hereinafter referred to as the Decade Agenda for Action).

The Decade Agenda for Action covers 12 inter-related areas that affect all aspects of the lives of persons with disabilities: national coordination; legislation; information; public awareness; accessibility and

communication; education; training and employment; prevention of causes of disabilities; rehabilitation services; assistive devices; self-help organizations; and regional cooperation. The year 2002 will be the concluding year of the Decade.[1]

The Standard Rules on the Equalization of Opportunities for Persons with Disabilities is a code of conduct for governments, while the Agenda for Action for the Asian and Pacific Decade of Disabled Persons, with its implementation targets, serves as a blueprint for the achievement of the Decade goal of full participation and equality. Both are complementary.

This paper concentrates on the prospects for empowering disabled persons into the twenty-first century with regard to legislation, barrier-free environments, education, training and employment, multisectoral collaboration, and organizations of disabled persons.

2 EQUALIZATION OF OPPORTUNITIES

2.1 Legislation

Since the inception of the Asian and Pacific Decade of Disabled Persons, there has been a distinct increase in developments concerning legislation and policy to protect the rights of disabled persons. This development has been most marked among the 36 signatories to the Proclamation on the Full Participation and Equality of People with Disabilities in the Asian and Pacific Region. Those governments that have adopted such legislation have enacted additional regulations and laws to further protect disabled persons′ rights in specific areas crucial to their empowerment. ESCAP has issued a regional review of legislation, which includes the full text of the Standard Rules and other relevant United Nations General Assembly resolutions. A compilation of the full text of 17 examples of legislation has also been published and disseminated. There is, however, a need for strengthened efforts to translate into local languages and appropriate formats legislative and policy provisions for wide dissemination among semi-literate rural and slum communities.

2.2 Barrier-free environments

(a) Physical barriers

The best training opportunities and forums for disabled persons´ empowerment are located in venues that are inaccessible by disabled persons. The public transport systems, which are more easily affordable by them, are also inaccessible. Thus, a major ESCAP concern has been to work towards removing the barriers to disabled persons´ freedom of movement.

Since 1994, ESCAP has been promoting the inclusion of accessibility in the region´s development agenda. As with other ESCAP Decade-related initiatives, this endeavour has been pursued in close cooperation with numerous partners at all levels. Expertise has been drawn from ESCAP developing countries, as well as from Finland, Japan and Sweden. Activities have been undertaken through a series of projects titled "Promotion of non-handicapping environments for disabled persons in the Asia-Pacific region", which were supported by the Government of Japan.

The first phase of the barrier-free initiative focused on the development of ESCAP guidelines on the promotion of non-handicapping environments, and case-studies of early efforts in the region. The second phase focused on implementation of the guidelines through pilot projects in three subregions. The pilot projects have recently been concluded in Bangkok, Beijing and New Delhi. In the third and current phase, ESCAP is working on the development and field testing of guidelines on training disabled persons to become trainers and resource persons for the promotion of non-handicapping environments.

A number of lessons have been drawn from the discussions on pilot project experiences and related field visit observations by teams from outside of the pilot projects. These are included in an illustrated report on the pilot projects, which ESCAP is preparing for region-wide dissemination.

While some of the lessons may appear evident to those who have long been exposed to this type of work in other regions, the lessons are all significant within the context of ESCAP developing countries. Only a few of these countries have recently embarked on access promotion.

It is noteworthy that they include countries with the largest populations and those which are strategically located for further inter-country dissemination of experiences. The creation of opportunities for the exchange of experiences and the sharing of ideas is important for building confidence and technical knowledge among persons concerned with access promotion in the ESCAP region.

The pilot projects yielded the conclusion that it is technically, structurally, and financially feasible to improve the accessibility of the existing built environment. The mobilization of funding allocations from the existing budgets of the respective responsible agencies can ensure the long-term sustainability of access promotion. This does not, however, detract from the realization that barrier-free features must be provided in all new construction and areas to be developed. Furthermore, it is essential, particularly in the start-up phase of the promotion of non-handicapping environments, that the main responsible agency assumes a strong leadership role in reducing attitudinal barriers, in encouraging supportive actions and resource allocations, as well as in building commitment and confidence among diverse ministries and departments.

The local design and production of the requisite materials is vital to minimize the costs of access improvements. There is urgent need for research and development on building materials and design to support the promotion of barrier-free built environments in ESCAP developing and least developed countries.

A critical factor in the success of access promotion is continuous strategic efforts by persons with disabilities for raising, over time, the priority accorded to access issues in new forums. Similar efforts to maintain continuous follow-up are also central to ensuring that action is taken to address implementation delays after decisions have been made and policies adopted. Special and personal approaches are required to mobilize senior executives of both the public and private sectors to commit themselves to change. Without the personal commitment of high-level leadership and the political will and commitment of the local, provincial/State and central governments, it would not be possible to generate momentum for accessibility. High-level policy and political support is required to ensure wider implementation of accessibility by-laws, through their integration into building by-laws.

Strong networking and coalition building among diverse user groups are also needed to build collective wisdom and strengthen solidarity,

especially across disability boundaries, to enhance the effectiveness of collaboration with professional groups and policy makers. The active involvement of user groups, from the inception of access promotion and in all stages of decision-making, is a necessary condition for the (a) creation of accessible facilities; (b) use of the accessible facilities by the intended beneficiary groups; and (c) long-term maintenance of those facilities. As there has been little experience in introducing access features on a comprehensive scale, the functional purpose of each access feature must be explained to all user groups.

In the pilot projects, the turning point in capturing the attention of urban planners, architects, engineers, as well as policy makers and academics associated with the built environment was when the concept of universal access was explained in relation to the rapidly changing demographic profile of users of the built environment. Barrier-free features are more likely to be included in the built environment if the underlying principles of universal access design are widely understood. The workshops held under the pilot projects emphasized that barrier-free features could be incorporated in an aesthetically attractive manner without diminishing the architectural grandeur of the built environment.

The selection of approaches has to be based on an understanding of the local economic, political, social and technical conditions that comprise the context for the promotion of non-handicapping environments. This understanding will be useful in linking action for access to high publicity events and to national and local development priorities. Experience has also shown that opportunities for access improvements might well exist in unexpected turns of events, and a readiness to use current events, including economic downturn, is required.

(b) Attitudinal barriers

At the end of the United Nations Decade of Disabled Persons, there was a clarion call to move "from awareness to action". Experience in the ESCAP region underscores the need to build into all equalization action a long-term strategy to address attitudinal barriers in diverse implementation contexts.

The raising of awareness among technical personnel, and among the community in general, has been identified as central to the success of

access promotion. Underlying the physical barriers that disabled persons face are attitudinal barriers. In numerous local manifestations, they comprise a powerful and silent handicapping force. That force relegates people with disabilities to low priority in resource allocation and implementation action.

More than ever before, the priority ranking that an issue or a group receives in policy and funding decisions is directly proportional to intensity and quantity of media coverage. Even individual decisions to mentally switch off or tune in concerning disability matters is affected by this phenomenon.

In the media-driven, flavour-of-the-month approach to development, ordinary persons with disabilities loose out. There is no glamour in disability issues. The everyday struggles of people with disabilities are not subjects for media sensationalism. To sensationalize disability issues in order to attract media attention is itself contradictory to the principles of equalization. Insensitive media portrayal mirrors and reinforces societal attitudes towards "cripples". Hampered by access and communication barriers unimaginable by most non-disabled persons, organizations of persons with disabilities lack the sophistication, and certainly the funding and contacts, to harness the media the way that other groups have, despite their keen awareness of the role of the media.

In the equalization endeavour, a narrow understanding of what constitutes normal is being challenged. Also being challenged is the right of some people to impose their criteria for what is or is not normal. It is an uphill struggle for people with disabilities to be valued for what they are inside of "deformed" bodies, and through impaired sensory and speech mechanisms. They are pitched against norms projected and reinforced by the ubiquitous machinery of commercial advertisements and pop culture. Mass communication tools create illusions of perfection – aerobic fitness, eternal youth and beauty which conforms to the standards of Ms./Mr. Universe contests – to stimulate the consumerist fantasies of whole societies. In many films produced in the region, the disabled person is often projected as a butt of jokes, and the occurrence of disability as the worst tragedy that could befall anyone. The insidious effect of such manipulation by the modern mass media is to reinforce superstitions and distorted traditional beliefs which reject disabled people as unworthy. For women and girls with disabilities in the societies of the region, the impact is especially cruel.

The attitudinal barriers faced by people with disabilities in their daily lives have deep roots. These roots thrive not only on contemporary pop culture, but also on perverted interpretations of dominant religions. The Buddhist concept of *karma* is one example. Originating in Hinduism and adapted in Buddhism, it is embedded in the actions of millions in the region. The original intent of the concept was to encourage good action (popularized in Christian terms as "you reap what you sow"). However, the now common understanding of *karma* as just retribution for misdeeds in a previous life is a distortion and oversimplification of an originally complex idea which ignores the Buddhist principle "human beings are born equal and their success or failure depends on their personal efforts and present actions". Although intended to enable, the *karma* concept now has a handicapping effect.[2]

There is need for fresh analysis and reinterpretation of religious concepts, beliefs and cultural practices which influence the position of people with disabilities in Asian and Pacific societies. In the same way that religious texts have been reinterpreted from a gender-sensitive perspective, efforts will need to be made to liberate religious teaching from current distortions affecting attitudes towards persons with disabilities. This endeavour will be particularly relevant in the new millennium, as more people seek guidance in religion.

Even conventional revolutions do not change easily attitudes unquestioned over centuries and reinforced by the mass media. The promise lies in the fact that as more individuals in all sectors of society understand better these attitudinal obstacles, they will question the validity of the assumptions and change their own behaviour. The recent public awareness activities initiated in many countries of the region give critical impetus to a process that has to reach deep into society and far into the future.

Celebration of disabled persons' days *per se* will not have a major impact on eliminating attitudinal barriers, although they tend to be happy occasions for people in disability work. The experience of some countries in the region underlines the need for sustained, multifaceted and long-term effort. One country has effectively used several series of public service announcements of one to two minutes each, daily, on prime time television over a 10-year period. Increasing use is being made of elements in the cultural heritage such as folk media and street theatre groups to counter superstitions through popular live entertainment.

A basic issue is the need to reconceptualize public awareness activities in the disability field in terms of strategic campaigns with clear understanding of target audience profiles, with well-defined objectives specifying the changes to be achieved. These must be complemented by positive living examples among the target audiences of the truth of the messages delivered. Thus, in promoting the employment of persons with disabilities in the private sector, public awareness-raising activities directed at potential employers and co-workers will have to be reinforced at the individual level by foot soldiers (placement officers, representatives of disabled persons´ organizations) whose task will be to persuade and do everything required to help create successful experiences of employing persons with disabilities, in the space opened up by awareness raising. Similarly thoughtful planning and implementation of awareness raising activities, whether at the level of a small community or nationwide, will be required in all key areas which affect disabled persons´ lives.

While the most common reason cited for problems in disability work is the low priority assigned to disability matters, the encouraging fact is that from being a "no-priority" subgroup hidden among "all disadvantaged groups", people with disabilities are now a "low-priority" group who occasionally are separately mentioned in policy documents. The efforts in progress will make it easier for societies of the next century to come to terms with a broader spectrum of shades of ability merging into shades of impairment and disability at different stages of life, rather than a stark black-white divide between the normal and the disabled. Failure to do so may signify the triumph of an eugenics alternative.

2.3 Education

In no other aspect of equalization will positive attitude change be so critical or have as profound an impact on the lives of disabled persons as in the area of education and training. If the purpose of tomorrow´s education systems is to churn out efficient human capital for economic profit, then the prospects are dim. If, however, they are child-focused, flexible, give equal emphasis to emotional and social development and cultivation of humane values as to practical and relevant livelihood skills, the prospects are bright.

To ensure disabled persons' equal access to education and training, attitudes within educational and training systems at all levels will have to change. Expectations of capability will have to be based not on prejudice but on real exploration of the true potential of individuals. Non-disabled children will have to be taught to respect and to accept difference in peers with disabilities. As will their parents.

Special schools, all urban-based and with limited coverage, have long existed in many countries of the region. Serious policy concern aimed at addressing the education and vocational training needs of *all* children and youth with disabilities is quite new in most developing countries of the region. The Decade initiative has stimulated a questioning of the impact (on children and youth with disabilities) of actions taken in the name of Education for All and the Convention on the Rights of the Child.

Integrated education, a term which, internationally, has been replaced by the term inclusive education, is emerging as an approach to address this concern. The nascent policy thrust towards including children with disabilities in mainstream schools, with itinerant teachers and mobile services for the home-based education of extensively disabled children, is a critical first step. The introduction of inclusive education is an opportunity for overall improvement of the educational environment and for upgrading the relevance of teacher training to learning needs.

Some developing countries in the region have substantial schemes for expanding enrollment, especially in areas where this has not occurred. One such emphasizes expanded coverage of rural children with mild to moderate disabilities through funding support for community mobilization, removal of physical barriers, in-service teacher training, and resource support. Other countries plan to pay special attention to the education of women and girls with disabilities, especially in the rural areas. The pioneering role of NGOs (usually through special schools) is recognized and supported by many governments through funding and scholarships for teacher training.

Recent capacity building initiatives which will have a long-term impact on all the countries in the Pacific subregion include the introduction in 1997 of a diploma course in special education at the University of the South Pacific. Through Extension Services, a South Pacific Disability Caregivers Training Programme Certificate Course has been

offered since 1996. This is vital to increasing the number of trained personnel who can help families in isolated and outer island communities provide a more stimulating and structured learning environment for children with disabilities by optimizing creative use of resources at their disposal. The introduction of special education in primary teacher training and in-service special education targeting teachers in regular schools are other promising new developments.[3]

In some parts of the region, awareness of the growing educational aspirations of persons with disabilities has led to specific action to facilitate their participation in tertiary education. There is a variety of funding and other assistance ranging from free provision of assistive devices and funding for helpers, to scholarships for deserving disabled students. One government has introduced an increase in its subsidies to private universities, junior colleges and colleges of technology, in proportion to the number of disabled students accepted and the students who sit for entrance exams in Braille. Another government has established a committee to consider further modifications required in the examination system. Many programmes have also been started at the pre-school level. They include early childhood education and preparation of children with disabilities for integration. The development and expansion of inclusive kindergarten and primary school programmes will be an important component of any systematic effort towards long-term positive attitude formation.

Growing support for tertiary education, complemented by efforts to improve pre-school education, means that, by the beginning of the next century, there is a better chance that the educational levels among persons with disabilities will improve both in quality and quantity. The 1990s has seen the start of colleges for blind persons and deaf persons, including a national junior college of technology. By 2002, the region will have a developing country example of a university of science and engineering for deaf persons. Persons with disabilities who possess high academic qualifications will have a significant impact on helping to break disability stereotyping in many societies of the region which accord high status to educated persons.

There will continue to be special education provision and special schools. But their role will change. Many will evolve into centres for the provision of special education resources to support families in teaching self-help skills at home, and teachers and trainers in main-

stream programmes. Support will also be extended to the vocational education of persons with disabilities at school and polytechnic levels. Many more regular teacher training programmes will include the teaching of children with special needs. The interest in inclusive education will facilitate new insights into the drop-out problem with regard to slow learning children and children at risk as educational and social failures.

In the case of deaf education, organizations and enlightened parents of deaf persons will prefer to have deaf children educated in special schools so long as sign language is poorly developed. However, sizeable numbers of people in the region are bi-, or multi-lingual. Different languages are used at home, for everyday dealings in the community and in contact with officialdom. It is not inconceivable for the sign version to be learned in the process of acquiring fluency in the spoken form of the respective language. As more people understand better the communication issues faced by deaf persons, and if sign language use is encouraged in mainstream activities popular among children and youth, communication between deaf and hearing people could eventually improve to the extent that deaf students will not suffer from being in an integrated setting. In this regard, the positive experience in some countries of the region suggests that the popularization of sign language development deserves serious consideration.

In view of the strong interest among many governments in opening up opportunities for persons with disabilities, there is urgent need to build capacity and experiences. Technical assistance in phased development, practical guidelines and case-studies on different approaches to inclusive education, and opportunities for networking among planners and practitioners working in different contexts are some means of supporting this interest. The strengths inherent in the cultures and communities of the region will need to be explored for use as resources for sustainability in inclusive education.

The nature of change required involves a long-term process during which the search for culturally-appropriate solutions will be marked by many difficulties. The essential prerequisite is not so much material resources as awareness among policy makers, planners, administrators, teachers, ancillary staff, community and religious leaders, parents and children. Inclusion will succeed if everyone in the community is committed to finding solutions to the education of all children.

Recent rapid developments in communication and computer technologies, as well as Internet services enable the development of more effective education systems at lower costs. Among the several new technology systems being tested and expected to be used soon are those with multimedia tools and interactive capacity. Considerable advancements have been made since the first experiments in satellite-based distance education in the Pacific over 20 years ago.

In several countries in the region, distance education is breaking the rural-urban information divide. The advantages of the rapidly expanding Internet services are the interactive features (e.g., question-answer lectures; multipoint TV conferencing) with multimedia functions, and access to the wealth of information available. These advantages are conducive to the provision of a wide variety of courses and reduce the negative effects of time constraint on students. This means that, while a TV broadcast is one way and follows a fixed time-schedule, Internet-based learning programmes can be accessed at any time, allowing for much greater flexibility at the learner end. These advantages are especially critical for opening up possibilities of access for persons who face disability-related physical and attitudinal barriers and for a field of work which has suffered the consequences of attitudinal barriers concerning its constituents.

The multiplier and equalizer effects of Internet-based learning could translate into significant expansion of the number and type of persons with access to resource materials and to timely advice as problems arise. This would mean better prospects for the practice of inclusive education, for training community volunteers to provide support services, and for self-learning among many more persons than have been reached thus far through conventional means. In the Pacific, where the University of the South Pacific is mandated to provide university-level education to 13 island countries, the introduction of special education and caregiver training transmitted through its distance education network will greatly reinforce the growing efforts towards better services for persons with disabilities.

New and less costly access to satellites through the small size satellite dish (very small aperture terminal (VSAT)) has become available. The use of the VSAT system reduces capital investment, eases equipment installation and maintenance, even in remote areas, and expands effective coverage of low population density areas. Satellites have

become a key enabling technology, especially for technology-based services in rural and remote areas. When satellite communication is combined with Internet services, it has great potential for a variety of applications beyond traditional voice communications, which could benefit persons with disabilities and other disadvantaged groups. To ensure that disabled persons have equal access to these benefits in every community, measures have to be introduced to ensure that, wherever appropriate and possible, disability-sensitive considerations are incorporated. It is critical that, in the expanded use of technologies with such wide coverage and powerful impact, they are used in dismantling, not reinforcing, the barriers to equalization.

Furthermore, as the technology improves in favour of affordability and mass use, they will be an important means for achieving in the disability field two other applications not yet widely anticipated in current approaches to distance education. One will be the augmentation of mutual learning among groups engaged in the same type of work but in different geographical locations. The other will be in the field-to-institution flow of ideas and solutions to strengthen research and development for the production of materials of practical relevance.

New technology distance education pilot project work has tended not to include coverage of disability-specific human resources development among target groups and subjects. For a quantum leap to occur, government ministries concerned with the education and training of persons with disabilities, as well as disability NGOs, especially of persons with disabilities, need to make concerted efforts to ensure that the many institutions now engaged in new technology distance education understand the needs, and choose disability subjects for the design of specific applications programmes.

In the periodic review of course materials, disability-sensitive features should be included. Illustrations used for various development subjects must include persons with disabilities in a positive light and not perpetuate disability-stereotyping. Beyond advocacy, there is a need for active partnership with distance education personnel in collaborative projects. The implications of using these technologies for disability education and training need to be explored, especially concerning curricula, programme content, delivery mode, forms of supplemental support, use of feedback, assessment and management. It is essential that, in the development of facilities, especially for users (e.g., com-

munity resource centres), action is taken to ensure that they will be physically and socially barrier-free for persons with disabilities. Special measures will need to be introduced to ensure that women and girls with disabilities have equal access to the use of those facilities and related support services.

Among the institutions to be approached are the open universities and schools in many developing countries. Some of these already have well-developed distance education programmes using both satellite and terrestrial communication modes. If proper operational linkages are established, the scope for persons with disabilities will expand far beyond their current horizons, even if they were to be too extensively disabled to venture into an environment of barriers outside of their homes, which is not the case for the majority.

2.4 Training and employment

As with all other areas concerning the prospects for the equalization of opportunities for people with disabilities, in employment promotion too there is tremendous variation in the pattern and pace of change. Increasing globalization is sharpening awareness of the need for skills relevant to rapidly changing market needs.

At the same time, there are many traditional vocational rehabilitation programmes that tend, inadvertently, to perpetuate disability stereotyping in society through teaching the same narrow range of low-level skills to particular disability groups. Thus, while the telecommunications system is being revolutionized throughout the region, there are programmes which continue to train blind persons as telephone switch board operators.

An inertia among many personnel in vocational rehabilitation and placement establishments prevents them from moving out of their offices to actively contact employers, visit workplaces and update their own understanding of the skill requirements for people with disabilities to take advantage of existing or potential work possibilities. Limited understanding results in training that does not match the type of skills needed either in workplaces or for successful self-employment. Many vocational training centres do not necessarily see it as their responsibility either to continuously monitor the relevance of their programmes or to enhance vocational skills cur-

ricula with the development of related skills that are important for seeking work opportunities such as those for inter-personal relations, self-organization and how to find relevant information on possible sources of support.

There is growing realization, even among those within the vocational training and employment systems, of the need to improve. However, mere introduction of computer skills training courses, although an obvious area, will not suffice. Of primary importance is the need to address attitudinal barriers, low levels of initiative and rigid resistance to change. Large numbers of personnel responsible for vocational training and placement themselves do not focus on the abilities of persons with disabilities, leading them to have low expectations of their "clients". The willingness to try various approaches and to pursue effective action will have to increase substantially, if they are to facilitate disabled persons´ employment or self-employment, especially under downward spiralling economic circumstances. Interest in strengthening their own knowledge, including understanding of the considerable resources that exist for the training and employment of disadvantaged groups, will only grow if there is a sense of pride in the value of their work. Legislative and policy provisions, particularly incentives and disincentives, will not be invoked on behalf of the intended beneficiaries, if this major sector responsible for encouraging and supporting implementation remains largely indifferent to the need to change.

Some countries in the region plan to undertake large-scale expansion of opportunities for vocational training of persons with disabilities. While there are indications of efforts under way or planned concerning the training of vocational rehabilitation and job placement personnel, much more serious attention will need to be directed towards addressing the human barriers within the systems. Unless there is an immediate shift in focus to the quality of the personnel responsible and to close scrutiny of the effectiveness of actions taken, expansion of infrastructure using prevailing conventional approaches may well lead to expansion of failure.

Major efforts are under way in some countries to promote the enrollment of persons with disabilities in regular vocational training establishments. These positive developments are congruent with the move towards inclusive education. They will help reduce the difficulties that persons with disabilities, especially women and girls, will oth-

erwise face in seeking access to the same quality of training and placement available to their non-disabled peers.

In the early implementation of the inclusion measures, attention needs to be given to raising disability awareness among the personnel of the regular vocational training and placement establishments. Similarly, consideration needs to be given to facilitating the speedy resolution of adjustment difficulties that may arise with any new endeavour. In the case of persons with disabilities, this is particularly important as the efforts required involve challenging deeply entrenched fears and habits, both on the part of the non-disabled trainers, administrators and trainees as well as persons with disabilities, all of whom may give up too easily. With more experience of success, eventually there will be larger numbers of disabled persons among the staff, making it easier for future generations of entrants.

As with special schools and inclusive education, vocational training centres will also have to evolve into sources of support for regular employment promotion schemes. They will have to be in a position to provide advice on areas such as job analysis (how work might be reorganized to create jobs for persons with disabilities while enhancing overall productivity and efficiency), ergonomic adaptations to facilitate on-the-job training, and adaptation of work tools. In order to do so, there will have to be much more interaction between those within and outside of the vocational rehabilitation systems. Enhanced communication, particularly with the various branches of the public and private sectors will expand the range of contacts and potential resources for an active training and employment promotion network. The other part of the communication is to keep those contacts informed of job applicants. The development of integrated electronic networks could include coverage of training issues and feedback from people with disabilities on work experiences. Peer support in training and employment could be provided through electronic forums.

The term "vocational ability development" has been introduced by one government to replace "vocational rehabilitation". In that country, the new directions include collaboration between municipal-level departments of welfare and employment to build human support systems for counselling, with emphasis on on-the-job training. The outcomes of efforts to promote the employment of people with extensive disabilities have been documented and widely publicized among enter-

prise owners. Intensive effort in employment promotion over an extended period in a few countries has created an easier climate for skilled disabled persons who are more confident and more persistent in finding jobs on their own. In recent years, there is growing emphasis on job fairs, job trials and on-the-job training. In that situation, it is those who are unable to find work on their own who become the "clients" of employment promotion establishments.

Quota measures are a dominant means of promoting the employment of persons with disabilities in the region. Many governments in the region undertake vigorous campaigns to encourage implementation of their respective quota measures. In some cases, schemes (governmental and NGO) which accord wide public recognition to employers of persons with disabilities work well in support of more basic actions on training and placement. In many countries of the region, actions undertaken to promote the implementation of quotas, as well as the quotas themselves, have been associated with increased employment of persons with disabilities in both the public and private sectors. The payments made in cases of non-compliance have augmented the funds available for other measures in favour of persons with disabilities, especially soft loans for self-employment. However, there is a danger that, unless greater efforts are made to ensure the continuing relevance of disabled people´s skills, their known positive qualities as employees (e.g., greater concentration, hard work and staying power) may not suffice in times of economic downturn.

Closely associated with conventional rehabilitation systems are sheltered workshops. In many ways, conventional sheltered workshops are bastions of the charity approach which does not recognize people with disabilities as equal members of society with rights to decision-making, self-determination and control over the financial management of the workshops. Despite the good intentions of the many dedicated charity workers who run them, the existence of the workshops is a reflection of the difficulties that people with disabilities face in being part of a mainstream society which rejects them. Another issue is that most workshops do not make the effort to accommodate extensively disabled persons, preferring instead to employ people with mild disabilities while invoking "the disabled" to raise funds, obtain financial support or sell the products of the workshops.

If sheltered workshops are to survive, they will have to reorganize

themselves into group enterprises in which people with diverse disabilities complement each other´s strengths and play a strong decision-making role in workshop management. The pool of skills in a future workshop will have to be sufficiently broad and the workers themselves sufficiently adaptable to permit quick adjustment to the variety of tasks in continuously changing contract work available on the market.

Particular attention needs to be given to ensuring that people with disabilities have equal access to computer literacy training both within vocational rehabilitation and in mainstream skills development programmes. The attainment of computer literacy skills is especially important as a means of continuous self-learning by people with disabilities. This will enable many more people with disabilities to have the option of new work opportunities as they arise. World trade in services and information is now equal to that in the manufactured goods in the electronics and car sectors combined. In the primary and secondary sectors, employment is increasing in information processing.[4] For many people with disabilities, there will be scope for paid work in the increased outsourcing and subcontracting of services which will be occasionally but not continuously required by the new business structures. There is a need for careful attention to the issue of what assistance would be appropriate to enable disabled persons to find their own niche through collective or individual self-employment or in the teleworking arrangements which will be increasingly common.

Many of the advantages of telework are shared by non-disabled and disabled persons. These include flexible work arrangements concerning place of work and hours worked that suit individuals, reduced commuting, which result in improved work output, productivity and effectiveness.[5] With regard to valued employees who become disabled, telework offers the possibility of job retention[6] or maintenance of links which are in other ways mutually beneficial. The potential and the challenges inherent in these new work patterns with respect to persons with disabilities in the context of the societies of the region will need to be studied to ensure that the changes introduced place at the centre persons with disabilities and not the technology.

It is possible that people with disabilities may organize themselves into group enterprises to dominate certain types of work with or without the use of computer and communication technologies. In some

countries, the particular skills of blind persons in massage are being developed to new heights of professionalization, with reinforcement of the domination, by blind persons, of all massage jobs in both the service and health sectors. The design, production, repair and maintenance of assistive devices, and other areas of work, in which the experience and insight of persons with disabilities are an advantage, offer scope for enhanced opportunities for remunerative work.

There are two major approaches to employment promotion adopted by developing countries of the region whose people with disabilities are predominantly rural-based. One approach emphasizes their inclusion in diverse poverty alleviation schemes for the rural poor. Another channels special government loans directly for the rehabilitation and poverty alleviation of persons with disabilities.

In the inclusive approach, the policy measures specify that rural persons with disabilities must be the beneficiaries of a fixed percentage of funding resources and benefits in major schemes for revolving loan assistance on group and individual basis, skills development, housing and wage employment. Furthermore, following policy modifications concerning the funding of voluntary rural development organizations, experience is being generated in mobilizing these organizations to, *inter alia*, provide skills training and related support services to disabled persons who would otherwise have been excluded from rural poverty alleviation.

Another promising development is the vital programme link which has been made between the training of persons with disabilities in social mobilization and the formation of local groups of persons with disabilities, and training in skills for income-generation. Such synergy in programme support will greatly enhance prospects for equalizing the training and employment of rural persons with disabilities. With respect to the expansion of such support, where these do not exist, similar new linkages with rural skills development programmes will have to be established, to ensure that people with disabilities have equal access to skills development, market information as well as credit.

Some schemes exist for mobile training courses to impart skills training to people with disabilities within their own communities. For the development of mobile courses, it would be desirable for vocational training centres to be linked up with each other, and to have the possibility of feeding each other with ideas, strategies and feedback. The

mobile training teams could, if necessary, draw on the advice of different centres or include trainers from different centres. Such training would be most beneficial to rural persons with disabilities in both farm and non-farm work.

3 MULTISECTORAL COLLABORATION[7]

ESCAP has been promoting multisectoral collaboration as a dynamic process of change for empowering disabled persons. The empowerment of disabled persons lies in the removal of barriers to the equalization of opportunities in all mainstream development programmes and projects. These barriers are embedded in all sectoral domains. The outcome of equalization endeavours is a more inclusive society with greater scope for disabled persons' active participation in determining development policies and programmes.

The Decade goal of full participation and equality reflects recognition in the region of the aspirations of its most marginalized group for equal partnership in the development process. The process of striving for equalization of opportunities will itself change the way that development issues are addressed within sectors and across sectoral boundaries. This is already emerging in the promotion of barrier-free environments, a new item on the region's development agenda. Ministries and technical personnel responsible for different aspects of the built environment who, traditionally, have seldom ever consulted with each other, are now compelled by the nature of the problems to move closer towards collaborative action. Thus technical personnel in related but different areas, primarily architects, engineers (transport technologists and traffic engineers) and town planners, find themselves in the same forums for the first time, galvanized by their complementary responsibilities for creating barrier-free access in the built environment.

3.1 Implementation structure

At the regional level, in December 1996, the Asia-Pacific region's first inter-country seminar on multisectoral collaborative action for people with disabilities was held. Multisectoral teams from 11 developing countries of the region participated in it. Among them were NGO personnel and persons with disabilities, including women with dis-

abilities. This was followed in March-April 1997 by a similar seminar for senior officials and NGO personnel of the two largest developing countries in the region. The outcome includes recognition of the need for a stronger focus on encouraging the process of multisectoral collaboration at national and subnational levels. Similar subnational efforts to bring together participants from diverse sectors have been pursued towards improving the integration of services required by persons with disabilities and greater sensitivity to removal of the local-level barriers to their direct access to development programmes.

The vertical structure of government departments and ministries is not conducive to multisectoral collaboration. Beginnings are being made in the search for new approaches to multisectoral collaboration through horizontal coordination in all stages of the policy process: planning, strategy, programme and project development, implementation, monitoring and evaluation. In this endeavour, it is important to maintain clarity concerning the objectives of multisectoral collaboration: empowerment of people with disabilities, economic support, and access to services and infrastructure.

Two main approaches are emerging. One involves the designation of a department or ministry as a core agency for coordination. In the case of many NCCDs, this is the model adopted. The tasks include giving advice, integrating disability perspectives, monitoring decision-making across ministries to ensure that they are disability-sensitive (i.e., will not inadvertently have repercussions on disabled persons´ well-being), and encouraging sectoral allocations for the inclusion of persons with disabilities in sectoral programmes.[8] However, the basic attitudinal problems affect willingness to collaborate. It is likely that there will be considerable resistance to a collaborative approach. Departments and ministries which have always operated in the absence of dialogue with other counterpart agencies will find it easy to misunderstand and hard to give up habitual ways of working. This may lead to a limited interpretation of multisectoral collaboration as the development, within the old vertical structures, of special programmes for disabled persons.

Another approach focuses on partnership arrangements. The key characteristic of this approach is greater emphasis on strengthening the personal element in contact among partners and a reduction in formality, with a view to mutual support through enhanced communication. The freedom to undertake mutual consultation with diverse

sectoral partners is leading to clear benefits in the generation of results which are more appropriate and more inclusive than is possible through sectoral approaches.

Plans and programmes are beginning to emerge which combine the strengths of ministries and departments, which once used to work in isolation, as well as compensate for their respective weaknesses, to enhance beneficiary participation and overall impact. In one country, a joint agreement among the departments of manpower, social affairs, home affairs and the national employers´ association has led to higher employer involvement in giving persons with disabilities opportunities for apprenticeship. Equally important, many employers have, through direct experience, recognized the value of disabled persons as particularly responsible and reliable employees. One of the most significant early examples of a shift towards multisectoral collaboration has led two ministries (welfare and rural development) to collaborate in addressing the needs of rural persons with disabilities. At the same time, new initiatives are being developed between the same welfare ministry and its counterpart for urban affairs, to promote access awareness among various government bodies responsible for the built environment and concerned NGOs, especially at the subnational levels.

Sensitization of State/provincial and district administrators will lead to greater likelihood of support from the local development administration when disabled persons encounter attempts by non-disabled programme beneficiaries to exclude their participation. When multisectoral collaboration includes multi-level linkages, particularly through to local levels, monitoring and evaluation of implementation will be enhanced. As many welfare departments and ministries do not have staff at the lowest level of administration in all parts of their countries, the possibility of invoking the channels of partner agencies will enhance the comprehensiveness of information on various aspects of the lives of people with disabilities, not only those directly under the purview of one ministry, to gauge implementation progress.

Initiation of multisectoral collaboration requires the designation of a focal person for equalization of opportunities in all government agencies and organizations. At the initial stages of NCCD action, it may be necessary to concentrate on some sectors which are more amenable to early results in multisectoral collaboration, while continuing to press for the designation of focal points in all mainstream development agencies

and organizations. Support measures need to be developed to encourage change in favour of equalization.

The focal person should be at a sufficiently senior level and, if possible, have some of the characteristics desirable in effective NCCD leadership, to introduce policy recommendations. The first task of the focal person would be to conduct an internal review of the extent to which all on-going programmes benefit or exclude persons with disabilities, as well as the factors involved in each case. A similar review of all policies and plans, with particular attention to sectoral allocations to facilitate disabled persons´ participation, would also be the focal person´s responsibility. One country has introduced action teams in all the member agencies of its NCCD. The teams serve as focal points for disability issues in their respective departments. In others, individuals are designated who are responsible for programmes which are (or should be) of particular benefit to persons with disabilities.

Operating within public administration systems dominated by vertical structures, the region´s pioneers in multisectoral collaboration have to ensure that consultations are meaningful for sectoral partners, and that they lead to attainment of a few clearly defined, immediate objectives within a short timeframe. The Decade thrust on multisectoral collaboration has launched an experiment to forge a new route to social change on behalf of people who will be heard, seen and be up front to be counted.

4 ORGANIZATIONS OF DISABLED PERSONS

In countries of the region, where special schools have existed for decades, single-disability organizations, especially organizations of blind persons, tend to be strong and well-established. Single-disability organizations tend to focus on meeting the needs of their own disability group. Thus for blind persons´ organizations, employment promotion is a major issue, with other areas of focus being the provision of those assistive devices required by blind persons as well as braille, talking book and other services. Generally, single-disability organizations tend to operate at the national and provincial-/or State-level, with little presence in villages.

Although cross-disability organizations are relative new comers, several have a large membership, as well as full- and part-time staff. Many operate as national-level federations of both single- and cross-disability

member organizations. There is a tendency for persons with physical impairments to dominate cross-disability organizations. At the local level, cross-disability groups are emerging in both developing and developed countries.

There is an increasing tendency for organizations of people with disabilities to undertake self-advocacy, although it was not the preferred area for action. The decisions and actions (as also inaction) point to limitations in the depth of political consciousness and understanding of the structural basis and systemic nature of the marginalization of all persons with disabilities. This has led to severe difficulty in developing mutual trust and solidarity across disability lines. When other divisive factors such as differences in ethnicity, social status and educational level are added to the equation, the result is an inability to concentrate on addressing major issues of common concern to all groups.

At the same time, few organizations recognize the long-term importance of supporting other disability organizations, especially in their times of need, with a view to building solidarity within the disability movement. The physical difficulties (e.g., transport problems, inaccessible venues and need to organize helpers) in meeting to discuss problems, as well as to be together on celebratory occasions have compounded communication problems.

There is intense competition among many organizations for resources. Dependency on government funding and support has limited the lengths to which some leaders have been prepared to advocate on issues of concern to the majority of persons with disabilities.

Unlike organizations of other disadvantaged groups which were established in the same period, those of persons with disabilities tend to be weak in many respects. The leadership of many organizations of people with disabilities in ESCAP developing countries is often unable to identify with the rural majority. Drawn from the westernised, educated, urban male elite, urban disabled leaders have limited understanding of the issues which are important to rural persons with disabilities. There is a marked absence of organizational links with groups of persons with disabilities in rural areas, despite awareness among disabled leaders of the need for such. In most cases, rural disabled persons´ issues are not adequately represented by the urban-based organizations of people with disabilities which have direct access to policy makers in the capitals. Little effort has been made by most organizations of peo-

ple with disabilities to include persons with multiple disabilities and, especially, children with disabilities. This is an important area of weakness which has to be addressed by seeking the involvement of both these groups in the activities of the organizations.

Usually there is a charismatic founder-member who is the key decision-maker. If he/she is committed to equalization, such a person is likely to be overburdened by an ambitious programme of organizational activities, of which advocacy is one of the most time-consuming. In many cases, adequate support from other members is usually not forthcoming. Qualified disabled persons tend to be too preoccupied earning a living and managing their own lives. Few disabled leaders make conscious efforts to identify and support the development of new leaders. The rank and file of the membership may participate in elections and general assemblies. However, many may do so without really understanding the issues and processes sufficiently to influence agendas and exercise their votes wisely. They may also have little awareness of their membership entitlements. In cross-disability organizations, the microphone may be dominated by articulate blind persons while persons with communication impairments are deprived of a patient hearing.

Much more so than is the case for men and boys with disabilities, women and girls with disabilities bear the extreme consequences of disability-related deprivation and dehumanization. In addition, gender discrimination is widespread in organizations of people with disabilities. Opportunities for training and other improving experiences tend to be monopolized by disabled men. As they are seldom consulted, the presence of gender-insensitive features may render it difficult for women with disabilities to participate in training programmes designed from male perspectives for men with disabilities.

Many male leaders are not convinced that disabled women are capable of understanding the philosophical basis of equalization of opportunities or to be leaders in their own right. Little effort is made to develop management and leadership skills among women and girls with disabilities. An exception is the fine example of the full support extended to disabled women by the male leader of a national federation of blind persons in their discussions with the national commission for women. The discussions led to the introduction, by the national commission, of legal literacy training for women and girls with disabilities

and other measures to enhance legal protection of women and girls with disabilities.

Opportunity for exposure, new experiences and contact with disabled persons from other countries is as important for, and as desired by, disabled persons as by their non-disabled peers. A major problem is that the experiences gained are usually not shared with other members. The guidelines of an association of persons with disabilities in the Pacific seeks to address this problem. It is directed at its own board of officers, staff, members, volunteers and any personnel connected with the association who attends sponsored meetings on disability issues in or outside of the country. Upon return from a meeting, the information gained is to be shared not only with members and people with disabilities, but also where appropriate, with other organizations, individuals and Government.

The most interesting development concerning organizations of people with disabilities in recent years is the growth of associations, each of seven to 20 persons with diverse disabilities, in the rural areas of a large developing country. While individuals are weak, collectively, through these associations, persons with disabilities, largely illiterate and poor, have found confidence and strength in numbers to take responsibility for themselves. The associations practice shared leadership whereby problems are discussed until members reach a consensus on solutions. Members raise funds for expenses from their own resources, i.e., dependency on external funding is discouraged from the outset. Through a change in self-perception and group solidarity, they have been able to gain access to development programmes, obtain loans for income-generation, and join other groups (e.g., women and youth) in community development projects. The movement reached a milestone when 78 persons with disabilities contested in local government elections and 31 of them won. The associations have developed into a mass movement of rural persons with disabilities.

The concept of including social action on disability into the existing programmes of rural development was pioneered by the blind executive director of a development organization18 in the region. The social action and disability approach has recently been disseminated, with adaptations, to two least developed countries in the region. It will have far-reaching effects in inspiring similar developments, with local adaptations, in other developing countries. The movement is

spreading in its home country where the ministry for rural development has allocated funding to support its further expansion. Another ministry has adapted the concept to train rural persons with disabilities to serve as village voluntary workers. Their task would be to help persons with disabilities obtain rehabilitation services and acquire the means for self-sufficiency. NGOs are also among the entities selected to impart training.

The movement of small associations of poor rural persons with disabilities will grow. As more associations are formed and they federate with the maturation of the movement, more NGOs and communities will recognize their significance. Stronger links will be established with other disadvantaged groups. For years, the concern has been that the urban-based organizations of people with disabilities do not reach out to their peers in the rural areas. Recent developments in the region call for a change in perspective. An authentic movement of people with disabilities is emerging from within the rural heart of the region´s impoverished communities.

The future landscape of NGOs in the disability field is likely to be marked by a blurring of current divisions. Organizations of people with disabilities will increasingly take on rehabilitation service provision, especially as demand increases and they gain experience in running those services. NGOs in service provision are increasingly speaking out in advocacy of the rights of disabled persons. NGOs not yet involved with disabled persons will find that they will have to make provisions to facilitate disabled persons´ inclusion in their programmes. NGOs for women, youth and children, in particular, will have to open their doors to the participation of persons with disabilities. NGOs of senior citizens will have many of their members grow increasingly frail and disabled. The existing organizations of people with disabilities should anticipate and encourage new members from among senior citizens. They should also forge a strategic alliance with the advocacy organizations of senior citizens.

People with disabilities will increasingly assume a stronger role in fulfilling their responsibilities as members of their communities, as employers, service providers, trainers, civil servants, key actors in social change, and in many more roles than they are boxed into today. To facilitate that, animation of the development of small associations, similar to the type described above, through the training of persons with

disabilities as trainers and social mobilizers would expedite fundamental change in self-esteem on the part of disabled persons themselves. This will, in turn, stimulate and reinforce the reduction of barriers in society.

As opportunities for disabled people's access to the general services and facilities in society improve, the organizations are likely to become stronger and better able to claim the space that they are entitled to in society. The effective participation of persons with disabilities in NCCDs is a crucial issue for all organizations of persons with disabilities. As the number of seats for disabled persons in the NCCD is far less than those for non-disabled persons, it is even more critical that the few disabled persons who are appointed to speak on behalf of disabled persons in the NCCD are fully assisted by all organizations of people with disabilities, regardless of whether they are members of the same organization or disability group. The proper exercise of such an important responsibility as participation in NCCD work would be greatly facilitated by conscious effort to build cross-disability trust and solidarity among all organizations of persons with disabilities. In this special efforts would have to be made to understand the issues faced by more vulnerable and less articulate disability groups.

As was recently pointed out by a leader of the disability movement, rights entail responsibilities. The sharing of responsibilities for the implementation of legislation, policies and action plans is a clear expression of strength and equality.

5 CONCLUSION: PROSPECTS FOR DISABLED PERSONS IN THE ESCAP REGION INTO THE TWENTY-FIRST CENTURY

All the indications are that the twenty-first century will see a higher than ever prevalence of people with disabilities. The impact of the development process will be one major reason for this, as exemplified by projected trends concerning disabilities arising from, inter alia, road accidents and population ageing. However, the persistence of poverty in its many forms, the resurgence of previous diseases such as tuberculosis, and the emergence of new ones such as HIV/AIDS, will also contribute to high prevalence rates.

The possible responses could be of a preventive nature, or they

could be remedial. Governments of the region have before them the choice of responses to reduce to a minimum the prevalence of disabilities, whose causes are known and preventable, while taking preemptive action to promote the inclusion of disability-sensitive perspectives in all mainstream development policies and programmes. The type of measures introduced to promote the participation of people with disabilities who are most marginalized will result in higher levels of inclusiveness of all disadvantaged groups.

The Asian and Pacific Decade of Disabled Persons is a unique initiative proclaimed by the governments of the region. Ownership of the Decade lies with the membership of ESCAP. Review of the policies, programmes and plans of the first half of the Decade indicates that progress is being made towards laying a solid foundation for further improvements in the next century. Primary action is at the national and subnational levels where implementation of a variety of measures for equalization is under way. These include legislation, promotion of barrier-free environments, community-based rehabilitation services, education, and training and employment. People with disabilities are increasingly active in contributing to the planning and implementation of programmes relating to such measures.

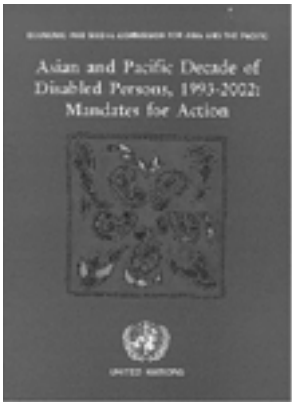
It is likely that, in the twenty-first century, people with disabilities will play much more diverse and active roles in the wake of the trail blazed by the present generation of pioneers, among whom are disabled and non-disabled persons. They are likely to be prime movers in social mobilization, coordination, local government, as well as in the development of rehabilitation services, and innovation in assistive devices, which, will also benefit large numbers of older persons.

In the light of these prospects, the role of ESCAP would be to promote regional cooperation in support of the facilitation of national action. ESCAP′s role in fostering a conducive milieu for the empowerment of disabled persons in the region would have three elements. The first involves the identification and propagation of examples of best practice in the implementation of the Decade Agenda for Action. Generation of models where no appropriate experiences exist would be the second element. The third element would involve ESCAP′s continued role as the secretariat as the Subcommittee on Disability-related Concerns under the Regional Interagency Committee for Asia and the Pacific. In this, ESCAP would support the Subcommittee as an unique

and vibrant regional forum for networking among NGOs, United Nations agencies and governments, towards fulfilling the Decade goal of full participation and equality.

ESCAP PUBLICATIONS

TO SUPPORT IMPLEMENTATION OF THE AGENDA FOR ACTION FOR THE ASIAN AND PACIFIC DECADE OF DISABLED PERSONS



Asian and Pacific Decade of Disabled Persons, 1993 – 2002: Mandates For Action

This publication contains information on the mandates for the Asian and Pacific Decade of Disabled Person. Included are the Decade Resolution, Proclamation and the Agenda for Action. The Decade Agenda for Action is a regional blueprint for action. It consists of 12 major policy areas whose implementation are crucial to the fulfilment of the Decade goal of full participation and equality for people with disabilities. The areas covered are: national coordination, legislation, information, public awareness, accessibility and communication, education, training and employment, prevention of causes of disabilities, rehabilitation services, assistive devices, self-help organizations and regional cooperation. (ST/ESCAP/1433)

Asian and Pacific Decade of Disabled Persons: Action Targets Gender Dimensions

This set contains information on the targets and gender dimensions for the national and subnational implementation of the Agenda for Action for the Asian and Pacific Decade of Disabled Persons. It includes the Report of the Meeting to Review the Progress of the Asian and Pacific Decade of Disabled Persons, 1993-2002, Bangkok, 26-30 June 1995, progress in the implementation of the Agenda for Action for the Asian and Pacific Decade of Disabled Persons, 1993-2002; implementation of the Agenda for Action for the Asian and

Pacific Decade of Disabled Persons: Targets by Area (including gender dimensions); and implementation of the Agenda for Action for the Asian and Pacific Decade of Disabled Persons: Targets by Year. (ST/ESCAP/1669)

HIDDEN SISTERS: Women and Girls with Disabilities in the Asian and Pacific Region

Despite the significant number of women and girls with disabilities, their concerns remain unknown and their rights overlooked. This publications covers the problems of discrimination and the main issues concerning women and girls with disabilities. An overall strategy for action which will meet the needs of women with disabilities as well as empower them to seek move opportunities, greater access to resources and more equal participation in decision-making is discussed. (ST/ESCAP/1548)

Legislation on Equal Opportunities and Full Participation in Development for Disabled Persons: A Regional Review

Legislation can be a powerful means of facilitating the full participation and equality of people with disabilities in society. This publication contains a regional review of legislation concerning the equal opportunities for the full participation of persons with disabilities. It is primarily intended as a reference document for policy makers and their NGO partners concerned with national action. (ST/ESCAP/1622)

Legislation on Equal Opportunities and Full Participation in Development for Disabled Persons: Examples from the ESCAP Region

This publication, which is a companion to the above-mentioned publication, has been issued in response to requests for examples of legis-

lation from the ESCAP region. The publication is primarily intended as a reference document to facilitate national-level efforts with respect to the fulfillment of the legislation targets of the Agenda for Action for the Asian and Pacific Decade of Disabled Persons, and the implementation of the United Nations Standard Rules for the Equalization of Opportunities for Persons with Disabilities. (ST/ESCAP/1651)

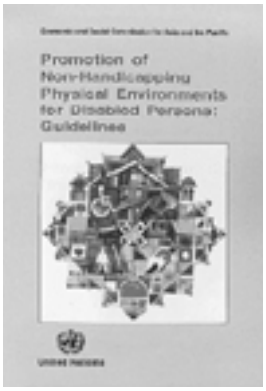
Promotion of Non-Handicapping Physical Environments for Disabled Persons: Guidelines

Barrier-free structures in the built environment enable people with disabilities to participate in mainstream society. These guidelines contain recommendations on planning and building design, public awareness initiatives, access policy provisions and legislation to promote barrier-free environments. The guidelines are intended to serve as a reference for decision-makers and programme personnel working on human settlement issues, especially those in architecture, research and training, urban planning and management, and the elimination of physical barriers to disabled person freedom of movement. (ST/ESCAP/1492)

Promotion of Non-Handicapping Physical Environments for Disabled Persons: Case-studies

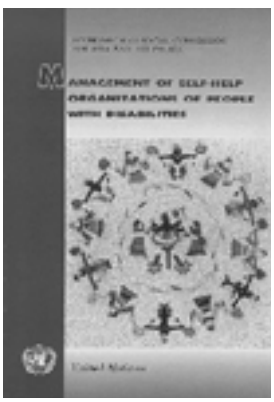
This publication, which is a companion to the above-mentioned publication, contains a regional overview of access legislation in the ESCAP region and case studies on access legislation and policy provisions. It also addresses the valuable role of education systems, associations of professionals and non-government

organizations in improving accessibility for disabled and older persons. (ST/ESCAP/1510)



Production and Distribution of Assistive Devices for People with Disabilities

In developing countries of the Asian and Pacific region, relatively few people have access to assistive devices which are essential for freedom of movement in daily life. This publication addresses the availability, within the region, of culturally-appropriate, high-quality assistive devices. The publication consists of 5 volumes: (1) Part I is a regional review of production and distribution of assistive devices in Asian and Pacific developing countries; (2) Part II contains country papers, most of which were presented at the Technical Workshop on the Indigenous Production and Distribution of Assistive Devices held in Madras, India, in September 1995. The three supplements are: (1) a directory of assistive devices produced in Asian and Pacific developing countries; (2) a listing of international mandates pertaining to assistive devices and; (3) technical specifications and information pertaining to assistive devices of relevance for small workshops and organizations concerned with community-based rehabilitation. (ST/ESCAP/1774)



Management of Self-help Organizations of People with Disabilities

This publication is based on the discussions, information and experiences shared by the participants of a series of workshops on the management of self-help organizations of people with disabilities organized by ESCAP. The publication outlines common management issues affecting self-help organizations in Asia and the Pacific. It presents a range of approaches that can serve as a useful reference for strengthening self-help organizations of people with disabilities. (ST/ESCAP/1849)

Self-help Organizations of Disabled Persons

This publication promotes and supports the self-help movement of people with disabilities in Asia and the Pacific. It consists of guidelines on establishing and strengthening self-help organizations of disabled persons and case studies of organizations of disabled persons in the Asian and Pacific region. (ST/ESCAP/1087)

[out of print]

Understanding Community-Based Rehabilitation

This publication presents an understanding of community based-rehabilitation (CBR) in terms of a multi-sectoral approach, programme criteria, components of CBR programmes and the roles of different sectors for the development of CBR. The publication was prepared by the Working Group on CBR of the Subcommittee on Disability-related Concerns under the Regional Inter-agency Committee for Asia and the Pacific (RICAP). (ST/ESCAP/1761)

Homepage of the Asian and Pacific Decade of Disabled Persons: *http://www.unescap.org/decade*

If you would like any of these publications, please contact us at:

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ENDNOTES

[1] Commission resolution 48/3 (April 1992) declared the period 1993 to 2002 as the Asian and Pacific Decade of Disabled Persons. Commission resolution 49/6 (April 1993) adopted the Proclamation on the Full Participation and Equality of People with Disabilities in the Asian and Pacific Region, and the Agenda for Action for the Asian and Pacific Decade of Disabled Persons. At its fifty-second session in April 1996, the Commission endorsed the targets, recommendations and gender dimensions for the implementation of the Decade Agenda for Action. Commission resolution 54/1 (April 1998) called for a strengthening of regional support for persons with disabilities into the twenty-first century.

[2] Information on *karma* and gender-sensitive reinterpretation of religions was contributed by Hema Goonatilake, Country Representative, Heinrich Boll Foundation, Phnom Penh.

[3] Price, Penny (1998). "Global trends in disability issues: A South Pacific Perspective", *Canadian Exceptionality Education Journal* (in press).

[4] Potential for teleworking, http://www.doc.mmu.ac.uk/research/multisectoral collaboration/azads/potent.html

[5] Teleworking and disability, http://www.doc.mmu.ac.uk/research/multisectoral collaboration/azads/potent.html

[6] Barbara Murray and Sean Kenny, "Telework: a feasibility study of home-based telework for people with disabilities", National Rehabilitation Board, Dublin, 1989, p. 30.

[7] Sources: "Report of the inter-country seminar on multisectoral collaborative action for people with disabilities, Kuala Lumpur, 2–6 December 1996", Ministry of National Unity and Social Development, Government of Malaysia, 1996; AReport of the India-China seminar on multisectoral collaboration for people with disabilities, New Delhi, 23 March-2 April 1997", Ministry of Welfare and Ministry of Rural Areas an Employment, Government of India, 1997; AMultisectoral collaboration for full participation and equality of people with disabilities", ILO-UNESCO-WHO background paper prepared for the Subregional Seminar for the Promotion of Multisectoral Collaboration for the Benefit of Disabled Persons, Abidjan, 27 August-1 September 1995; AReport of the regional conference on issues and strategies concerning national coordination committees on disability (NCCDs), Manila, 9–13 December 1997", National Council for the Welfare of Disabled Persons, Government of the Philippines, 1997; secretariat insights and information from discussions with participants and resource persons of the three afore-mentioned meetings, as well as from field observations; Jayant Lele, 1996. "Monitoring and evaluation of multisectoral collaboration as an integral part of Decade initiatives" (unpublished paper, Queen´s University, Kingston, Ontario, Canada); responses to the ESCAP survey of national coordination committees on disability; country papers presented at the Meeting of Senior Officials to Mark the Mid-point of the Asian and Pacific Decade of Disabled Persons, Seoul, 26–29 September 1997.

[8] Jayant Lele (1996),... *op. cit.*

[9] Coleridge, Peter (1993). *Disability, Liberation and Development*, OXFAM, United Kingdom, p.161.

XIII

BUILDING UP SOCIAL SUSTAINABILITY

THE CASE OF NAMIBIA

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1 THE HISTORICAL AND SOCIAL CONTEXT OF NAMIBIA[1]

Namibia is located in the South Western corner of the African Continent. It was formally colonized by Germany in 1884 until 1915. In 1920 the League of Nations entrusted Namibia to South Africa as a Class C mandate, which required that the country be administered in such a way as to "…promote to the utmost the material and moral well-being, and the social progress of the inhabitants…"

Instead, South Africa systematically introduced the policy of Apartheid in Namibia, denying political rights and opportunities to the African population and expropriated the land for white settlement through forced removals, etc. In the early 1960's national liberation movements emerged and through intensive diplomatic campaigns and an armed struggle, paved the way for the introduction of the UN Security Council Resolution 435 in 1978 which led to the country's independence from South African rule on 21st of March, 1990.

1.1 Social structures

The total population of Namibia at the time of the Population and Housing Census conducted in 1991 was 1.4 million with a sex ratio of 95 males to 100 women. The intercensal population growth 1981–91 was 3.1 % per annum. The present population is estimated to be about 1.8 million. The average population density is 1.7 persons per square kilometer, but varies considerably among the 13 regions. About 28 % of the population lives in an urban area. More than half of the population lives in the northern regions.

The proportion of the under 15 age group is 42 %. The average number of children born alive per woman is 6.1., with significant rural/urban and regional variations. The infant mortality rate is estimated at 67/1000 and the proportion of children dying before the age of five is 87/1000. Life expectancy for males is 59.2 years and for females 62.8.

There is a great ethnic diversity in Namibia. There are 11 major language groups but English is the official language. The Government is guided by the Constitutional provision of national reconciliation, reconstruction and more equal opportunities for those previously disadvantaged: *"Unity, Liberty and Justice"*.

1.2 Economic structures and the standard of living

In average, economic indicators display Namibia as a medium income country. However, the averages mask gross inequalities and unsustainable features

- The GDP per capita in 1996 was USD 1996, which is almost three times higher than in the Sub-saharan Africa in average. Namibia's debt ratio is one of the lowest in the world.
- The GDP growth rates have fluctuated considerably, partly due to erratic weather conditions.
- The economic structure of Namibia is characterised by a dominance of primary industries being overwhelmingly export oriented and therefore, inherently weak. The key industry is mining, which contributes about one third of the GDP and approximately 75% of annual export revenue.
- Generally, the Government is the largest sector of the Namibian mixed economy. The present debt ratio is one of the lowest in the world.
- Out of the economically active population 81% are employed and have some work.
- However, 50 % of them are underemployed meaning that they are available for more work especially those in the rural areas
- Each economically active person has on average almost three (2.7) other people to provide for in addition to him/herself. In Ohangwena, one of the 13 political regions, it is estimated that 5 persons have to rely on the economic activity of one person, while in Khomas the ratio is 2.5.
- Only 65 % of the labour force is engaged in the formal sector, while the remaining 35 % obtain their livelihood from subsistence agriculture.
- Unemployment is estimated to be 19%, and underemployment may be double that figure (c.f. Poverty Reduction Strategy, National Planning Commission, 1997).
- Generally the Government accounts for about 25 % (67 000) of the employment opportunities outside subsistence agriculture "Improving public service must therefore depend on making public service more efficient, rather than giving it even a larger share of national resources"(National Development Plan, NDP1, 1994, Ch8, p1).

- Regional differences in activity patterns are significant. Subsistence agriculture is the main source of livelihood for 70 % of the people living in the Northern regions
- Economic development has been concentrated around the Capital and a few other urban centres leaving many of the populous areas of the country underdeveloped and without infrastructures. There are glaring differences between regions and urban and rural areas.
- The Namibian income distribution is one of the most uneven in the world.
- It is estimated that 40 % of the Namibian households are poor. For these households more than 60 % of their total incomes are spent on food. About 22 % are classified as being severely poor, food constituting 80+% of their incomes.

The extremely uneven distribution of resources and income is also reflected in some indicators of health and social development, which despite the considerably high average per capita income in Namibia, are below those of much poorer countries (for example, child nutrition).

Apartheid policies have also left a dismal housing sector. Given the segregated structure of communities, particularly in urban areas, it will take a long time to overcome.

> "As a result of both the historical effects of apartheid and the political struggle for Independence, a large proportion of Namibians can be considered disadvantaged. Huge disparities in income as well as unequal access to basic social services (such as health and education) have led to widespread poverty. The political struggle and splitting up of families let to the breakdown of traditional communities and family support structures thus increasing vulnerability of the weaker members of society. This has also resulted in may female single headed households becoming among the poorest in society.
>
> The traditional support structures and values are being challenged further by returning Namibians with experience of other cultures and by the changes brought about by economic development. The consequences of economic development are not all positive: increasing crime, alcohol and drug abuse, and rapid urbanisation are common features of development.
>
> New support mechanisms have not yet been developed to replace traditional ones. Assisting communities to develop viable alternatives and strengthen existing support mechanisms for the vulnerable will be one of the major challenges for the NDP1 period in the social welfare sector" (National Development Plan, NDP1, National Planning Commission, 1994, p. 13/57).

Many of the present social problems – and some of the Government structures to deal with these problems – obtained their historical origin during the South African rule. Also, the armed struggle for independence that started in 1960 had many traumatic effects on people and their living conditions such as, *loss of family members, large number of orphans, separation of families, imprisonment, disability, homelessnes*s and those *forced to live in exile and who had to rebuild their lives upon return to Namibia.*

2 DEVELOPMENT OF SOCIAL POLICY INTERVENTIONS IN NAMIBIA

Before Independence there were different administrations for various ethnic groups, each with its own development objectives and resources with unequal allocations to the social sector. That led to a situation where development in various parts of the country and for various population groups became very uneven.

At Independence , new administrative structures were introduced and, unlike other sectors, there are several Government structures with direct responsibilities for the provision of social services. In order to address the historical legacy and to ensure the sustainable development of the country and its people, the Government adopted the First National Development Plan (NDP1). It states that *"The main objective of the social sector is to ensure healthy and fair environment aimed at improving the living standards of the disadvantaged (disabled, women, children, the youth, elderly and vulnerable) and at the same time protect the rights and dignity of those affected by prejudice and abuse. This is to be achieved through the principles of equity, accessibility and community involvement."*

3 NATIONAL DEVELOPMENT OBJECTIVES

Against this background, the Government at Independence set the following *National Development Objectives to the year 2000* (NDP1, /2 pp.39–41):

- Reviewing and sustaining economic growth aimed at
  - Reaching an average of 5% growth and 12 % increase per capita incomes

- Creating employment opportunities by
  - Increasing formal employment by 70 000 and informal employment by 40 000
- Reducing the population growth rate to below 3 % from the present estimated 3.1 %
- Reducing inequalities in income distribution by
  - Reducing the proportion of households below half of the average income from 60 % in 1994 to 50 % in the year 2000.
- Alleviating poverty by
  - Reducing the proportion of poor households from 47 % in 1994 to 40 % by the year 2000
  - Reducing the proportion of severely poor households from 13 % to 7 % by the year 2000

The National Development Strategy of the NDP1 towards the social and economic development objectives consists of the following elements (NPD1,/ 2/p. 43):

- Providing an enabling environment for sustainable economic development
- Investing in people (and in human resources development)
- Promoting participatory development and equity
- Ensuring that development is sustainable
- Defining and promoting Namibia's international role
- Making Government machinery responsive and working efficiently
- Defining the Government's Public Sector Investment Programme (PSIP) in support of the Plan's development objectives

4 CURRENT SOCIAL WELFARE STRATEGIES OF THE GOVERNMENT

4.1 Aims

Social services will be developed according to the principles of equity, accessibility and community involvement (NDP1, p. 395). *The national strategies of the Government* towards the realization of these principles are as follows (NDP1 p.400):

- "To improve the efficiency of social services

- To target assistance to those really in need
- To encourage greater community involvement and responsibility for the needs of the disadvantaged
- To encourage private sector and NGO involvement in the provision of services and facilities
- To encourage self sufficiency"

"The Government cannot afford to expand these services and assistance to the whole population at the same level that was provided to the minority before Independence." (NDP 1, p.398).

4.2 Constraints

NDP 1 further enumerates the following general constraints in the social sector

(1) "Lack of co-ordination and overlap between the various activities provided by the Government;
(2) Lack of policy direction for the sector as a whole;
(3) Limited professional staff;
(4) Limited funds for projects, programmes and assistance;
(5) Lack of skills in communities for management of development activities;
(6) Lack of appropriate institutions for the disadvantaged;
(7) Lack of information and data on the disadvantaged; and
(8) lack of recognition of the problems of disadvantaged as an important component of society."

Considering the fact that the existing social welfare legislation and structures stem back to several decades and the context of life for Namibians has changed dramatically and the economic and social science knowledge have evolved drastically, the marginalist fire-brigade model of social welfare inherited from the past needs revisiting and review.

In Namibia, a country that uniquely expresses the commitment towards the well-being of all citizens at Constitutional level, there is still no systematic and comprehensive social welfare policy in place. It is however, recognized that the mobilization and organizing of resources for development would be facilitated much more effectively if the social objectives and strategies currently scattered in various sector plans

could be coordinated within an unifying and systematic conceptual and organizational framework.

5 A NEW DEVELOPMENTAL SOCIAL WELFARE POLICY FRAMEWORK

Economic and social strategies are interdependent and support each other. Social welfare policies are State interventions in the various markets where people with their different needs and resources meet the economy. Interventions are needed in order to reach the national social development objectives, as the "invisible hand" of the market forces is not believed to result in the desired level of *security, equity and equality.* The free play of market forces does not lead to *sustainable development,* either.

The social sector in Namibia aims at contributing to national economic and social development. The national development objectives of NDP1 *emphasise sustainable economic and human development.* The first social aim is the reduction of poverty. Interpreting the national development objectives in the light of the social sector mission, the social development objectives presented in the NDP1 Mid-term Review are as follows:

SOCIAL DEVELOPMENT OBJECTIVES FOR NAMIBIA

(1) Reduction of poverty and inequalities, including those related to gender;
(2) Promotion of self reliance and people's participation in the economic, social, cultural and political life of their communities;
(3) Ensuring access to the basic collective and personal social services to all;
(4) Universal primary education for all;
(5) Reduction of vulnerability through social protection and basic social security for all.
(6) Giving high priority to children and the youth;
(7) Improving coping capacities of people through community development and basic social services accessible for all in need;
(8) Emphasizing the prevention of social problems rather than curative services; and
(9) Higher priority for social issues in national development.

The social welfare sector alone cannot meet these objectives. It will be

a joint effort of all players in the economic, social, cultural and political life of the nation. To succeed, *all the players that benefit from the development of Namibia have the responsibility of sharing the task of realising the basic social values and the social development objectives of the Nation.*

> "How well a society functions depends a great deal on what values the various members of the society cherish and what they are willing to do to advance those values.
>
> Historically, many members of the Namibian society had convoluted values underpinned by apartheid and supported by apartheid laws. These convoluted values resulted in some sections of the society ruthlessly and valuelessly exploiting others. But, independence of our country brought forth a new value system very different from the inherited one. This new value system is based on respect for human rights, equality, reconciliation, and a concern for environment. How successful these values become ingrained in our psyche will determine the direction our society will take."
>
> (RT Hon Hage Geingob, Prime Minister of Namibia, on the Occasion of the Official Launching of the Social Responsibility Exhibition and Conference, Windhoek, 17 April 1998.)[2]

6 THE POLICY GOAL: WELL-BEING FOR ALL NAMIBIANS

6.1 Conceptual framework: social welfare that supports development and people's empowerment

Development is a process that widens choices available to people. Sustainable development refers to a process of widening the present choices without compromising the rights to choices of today's children and the future generations. *Social development refers to development by the people, for the people and of the people. Sustainable social development is thus a process that equalises the opportunities for all people – within and between generations – to live productive and meaningful lives.*

Without the intervention of the Government, the weaker members of society continue to be pushed into poverty by market forces. The purpose of the "Developmental Social Welfare Policy" of the Government is *to enable all Namibians to contribute their potentials to the development process."*

The developmental approach to social welfare focuses on policies and

measures that recognize and take into account the interdependency and mutually reinforcing effects of economic and social development – as well as decline. While economic growth is a necessary but not entirely a sufficient prerequisite for social progress, social expenditures can contribute to economic growth if targeted and designed so as to develop human capabilities and to equalize the opportunities for all to fully participate in a social and productive life. *Social expenditures that are targeted developmentally are investments in human capacities.* In contrast, social services that are maintenance oriented as a last resort for social relief are merely a consumption that drains on scarce national resources. Short term public relief for those really in need shall be maintained as an issue of human rights and human dignity. But a *passive and discouraging relief orientation* shall not be the mainstream and essence of social welfare policies in Namibia.

Social development cannot be achieved through the introduction of more sophisticated social services. People themselves, rather than the public service should play the main role. Hence, the role of public authorities and organizations will focus on a preventive, enabling and promoting role. While public authorities do not need to be the producers of services, they shall take the responsibility to ensure that all the people have equal and affordable access to the existing preventive, curative and rehabilitative service resources.

Many of the service needs have their origins in inequality and inadequate living conditions. *While it is idealistic to assume that all social problems and service needs can be prevented, it is as idealistic to believe that social services will remove social problems, or that health services will exterminate all diseases and illnesses.* Many of the social problems and illnesses can be prevented by the appropriate planning of resources as well as by people's own initiative and participation in development, provided that the political will is also there to target resources for preventive purposes rather than only to services that show immediate results. In Namibia, *the gross inequalities in incomes and living conditions constitute the major underlying risk dimension for ill health and social problems.*

The majority of Namibians have suffered discrimination throughout their lives, and through several generations. Equal opportunity does not result if the privileged and the disadvantaged are treated "equally" that is, in the same way because each group may have different history, differing needs, and different resources. Therefore, resources shall be reallocated according to the principle of equity, targeting pub-

lic resources to those most in need and those with the least access to private resources.

On the basis of such a developmental conceptual framework, a participatory process of capacity building, analysis and policy development was launched in February 1996. It resulted in a Situation Analysis ("*The Yellow Paper",* 1996) that was condensed into a draft "Green Paper", that in turn was then discussed with all major stakeholders at the First Social Welfare Conference of Namibia (June 1997). The Green paper is being processed into a "White Paper" through a multisector consultative process to result in a policy draft that would be pre-endorsed by the major stakeholders. In the following there is a brief description of the policy framework that resulted from this participatory process.

6.2. The vision

All sectors and agents in society have the social *responsibility* [3] to fight inequalities and to promote equal opportunity and well-being for all Namibians. This commitment is reflected in the following vision of the social welfare sector.

> **THE VISION**
>
> A socially stable and forward-looking Namibia, where the disparities and inequalities inherited from the past are being corrected, all human rights and fundamental freedoms are ensured, and where the social sector, in co-operation with other stakeholders make the best use of resources so that economic and social development reinforce each other, in order to ensure human security and well-being for all Namibians.

The task of the Social Welfare Sector is expressed in the following mission statement :

> **OUR MISSION**
>
> To contribute to the social and economic development of Namibia by designing and implementing a developmental, community-centred and participatory social welfare policy, which will promote the social well-being,mental and physical health, active participation and self-reliance of all inhabitants, and promote the functioning of families and communities, through empowerment, preventive and developmental community work, and by measures that maintain and trengthen the coping capacities of individuals and families, especially advocating for people who have special needs, and those who are poor, disadvantaged or vulnerable.

Social welfare systems, services and safety-nets, are necessary but cannot be the primary contributors to the well-being of poor and vulnerable people. Neither can social welfare alone patch up the unequal distribution and malfunction of other social sector services. The social sector as a whole can only counteract but not fully offset the hardship, inequalities, poverty and ill-being resulting from inequalizing forces that operated and still operate in Namibia. Consequently, the social welfare reform needs to be put into its full context.

7 THE CURRENT WEAKNESSES OF THE SOCIAL WELFARE SECTOR

The Social Welfare Sector is just one player in the joint effort towards social and economic development of Namibia. It should, however, be the ultimate *social consciousness* of the Nation, to advocate for the needy and the disadvantaged so as to ensure that development is truly development for all. To promote the widening of social responsibility in the Namibian society, a "Social Responsibility Conference and Exhibition" was organized by the Directorate of Social Services in April 1998 in collaboration with Namibian private and parastatal enterprises, NGOs and several Ministries and Government Agencies.

> "We need to fight together against poverty. For it is poverty that is both the result and cause of many social ills. This cannot happen if we accept the indiscretionary distribution of wealth or the claim that some people are more deserving than others. This cannot happen if we sit back and wait for someone else to solve things.
>
> My Ministry is a part of the puzzle that needs to be put together. We are a piece. There are other pieces in this room and throughout this country and beyond. Let us all complete the puzzle and behold the beauty of the nation that is Namibia!. " Hon Dr. Libertine Amathila, Minister of Health and Social Services, on the Occasion of the Official Launching of the Social Responsibility Exhibition and Conference, Windhoek, 17 April 1998.)

The Situation Analysis of Social Welfare Policies in Namibia had revealed, however, a number of *fundamental weaknesses* that need to be overcome for the Social Welfare Sector to be able to fulfil its responsibilities and to meet its leadership and advocacy roles:

(1) There has *not been any explicit social welfare policy in Namibia.* The social responsibility of the private sector has been weak. A developmental approach to social welfare is neither established

nor well known in the relevant circles. Social welfare programmes either have their roots in the colonial society or projects have been established ad hoc without a comprehensive policy framework and systematic priority setting process. As a consequence, responsibilities for social welfare services has been scattered into several Ministries without coordination. *Medium and long term planning in the social sector has been non-existent.* Priority setting has been unsystematic resulting in the scattering of scarce resources too thinly across all needs.

(2) Since Independence, the social welfare system has been centralized into one national level Directorate. The Directorate of Social Services has, however, been too marginal and underdeveloped to function as a lead agency. Consequently the leadership function in the social welfare sector has not been fulfilled.

(3) Social welfare has not been seen in the context of the social sector as a whole. The *social sector as a whole is not coordinated either:* health, social welfare, water and sanitation, basic education and housing programmes are designed and implemented by various ministries and agencies through a centralised system which makes a developmental approach very difficult to implement at regional and community levels.

(4) *Social work and social services have been characterised by marginal care-taking and "good-doing" approach* and a classical orientation towards social case work that cannot, at this stage of Namibia's development, reach the needy and underprivileged population in an equitable way.

(5) Wile the *inequalities and poverty are* amongst the leading causes of ill health and social problems, programmes and structures to address the poverty problem have remained underdeveloped. Social welfare alone can only alleviate poverty, not reduce it in a sustainable way without general, systematic and concerted poverty reduction policies and actions by all sectors of society.

8 DEVELOPMENT OBJECTIVES OF THE SOCIAL WELFARE SECTOR

In order to address these weaknesses, the following development objectives and focus areas for the Social Welfare Sector were set[4]:

The *ultimate goal i*mplied by of the chosen vision is: to improve the well-being of all Namibians.

The *overall social sector objective* at the national level is to reach an *improved level of human development and reduced the incidence, prevalence and severity of social problems.*

The purpose of the *Social Welfare Sector* shall aim to fulfil its functions in this task by aiming at *a well – functioning and sustainable social welfare service system in the long run.*

This purpose shall be achieved by targeting the key weaknesses through step by step systematic actions on the following focus areas (result areas) in the medium and short term:

A strategy leading to sustainable social welfare system will be composed of five interlocking development intervention "waves" over a 10 year period. Each of these interventions have their respective key FOCUS AREAS. It is assumed that decentralization of social sector functions will be implemented during the period. Note that some of the interventions have already started.

FOCUS AREA 1. A COMPREHENSIVE PROACTIVE SOCIAL WELFARE POLICY (1998–2001)

FOCUS AREA 2. FUNCTIONAL MECHANISMS FOR DECENTRALISED SOCIAL WELFARE POLICY IMPLEMENTATION AND MONITORING (1998–2001)

FOCUS AREA 3. FUNCTIONING SOCIAL WELFARE TEAMS AT ALL LEVELS (1999–2002)

FOCUS AREA 4. IMPROVED, REDIRECTED AND SUSTAINABLE SERVICE DELIVERY PROGRAMMES (1999–2004)

FOCUS AREA 5. SUPPORT BY MOHSS TO THE NATIONAL POVERTY REDUCTION STRATEGY (2000–2008)

Within the context of the specific *strategies* targeting the components of the system reform, the guiding principles to *reorient the core function* – that is, social work and social services – from the care-taking approach to an *enablement and empowerment approach* are as follows,

(1) *Resources will be shifted from case work to community based and community oriented approaches through the pooling of resources* of all line ministries present in the communities.

(2) Training will be initiated to build the capacity of sector field teams towards reoriented, decentralized and community based service delivery
(3) The *social allowances system will be reorganised* so as to address the needs of all Namibians in an equitable and sustainable way.
(4) *Coordination and guidance regarding all private and public organizations active in the social welfare field will be improved in* order to make existing social services equitably accessible to all Namibians.
(5) A *mix of service providers* will be welcomed and encouraged but based on the national Developmental Social Welfare Policy.
(6) The building of *unsustainable institutions* of a curative or caretaking nature will be discouraged.
(7) A integrated *front line health and welfare* sub-profession will be designed and the appropriate training and retraining system initiated
(8) *Priorities will be identified through an appropriate consultation mechanism with partner*s
(9) *Selected new services will be launched in co-operation with local authorities and other partners*
(10) The first medium term priority is *Advocating for the Protection and Rights of Children and Women*
(11) *Establishing multisectoral Boards* under the Social Welfare Council to oversee the implementation of targeted programmes and to take over selected statutory services

There are a number of special social concerns in Namibia, such as HIV/AIDS, Alcohol Abuse, Abuse of Women and Children and Poverty and Destitution in general. It is not, however, sustainable to encourage and prioritise specialisation and narrowly focused programmes and projects to address each identified emergency. The focus of activities in the social welfare sector in Namibia needs to

(1) support the informal social security and support systems
(2) improve the responsiveness and flexibility of the general formal social security and service system
(3) as a last resort, when the general social service and security systems fail to respond adequately to such special needs, resort to the specialised social services or establishing programmes for specific target groups

The Directorate of Social Services is being *restructured* so as to reflect a developmental approach, the consequent new foci and the decentralisation of the sector functions to the 13 political regions. In this context, external assistance should preferably be targeted to *longer term programmes* based on issues prioritized by the target communities and taking into account the national development priorities of the Government. Isolated, donor driven social projects tend to divert scarce human and financial resources to unsustainable exercises that do not necessarily support the set long term strategies.

9 THE CONCLUSION: THE NEED FOR A CO-ORDINATED, SECTOR – WIDE APPROACH IN THE SOCIAL SECTOR[5] AS A WHOLE

The level of Human Development in Namibia, as measured by the Human Development Index of UNDP, is much lower than what the national income level would warrant. This is an overall indication of the deep social problems and inequalities in Namibia. On the positive note, it also indicates, that there is much unused potential for improving the "health and well-being of all Namibians".

Currently, the social welfare system as well as the other social services display similar fundamental problems:

(1) policies are lacking or unclear, and
(2) weaknesses in management capacity,
(3) the existing approach is characterized by centralized structures and top-down programmes often based on seriously outdated legislation.

The situation is aggravated by the fact that there has not, as yet, been any systematic poverty reduction strategies in place.

In addition to the general Government policies towards economic and social development, *targeted interventions* are needed specifically to the social sector. The need for a sector-wide intervention on the social sector is based on two premises

(1) Decentralization of social sector functions to local authorities within the next five years
(2) An integrated approach to the whole social sector development at regional and local levels is necessary to ensure a cost effective and administratively rational delivery of social services

All the social sector subsectors display similar problems that have their origins in the Namibian history. These problems have to be tackled simultaneously if tangible and sustainable results are to be achieved. (see annexed problem tree):.

A Developmental Social Welfare Policy shall be placed in this wider context, where concerted sector- wide development interventions are mutually supporting components in efforts to *turn the social policy in Namibia from its marginal and remedial role towards a proactive and preventive approach,* that would support sustainable social and economic development in the long run.

ENDNOTES

[1] **This article is based on the information contained in "Situation Analysis of Social Welfare Policies in Namibia. The Green Paper. Draft 1." By the Directorate of Social Services of the Ministry of Health and Social Services, Namibia, 1997**

[2] **Ministry of Health and Social Services, Directorate of Social Services:" Proceedings of the of the Conference on SOCIAL RESPONSIBILITY". 17 April, 1998. After School Centre, Khomasdal.**

[3] **To raise awareness and to build partnerships a " Social Responsibility Conference and Exhibition" was arranged in Windhoek in 1998 by the Directorate of Social Services (DSS) in partnership with private and parastatal business and the NGOs. The Proceedings are available as a publication at the DSS.**

[4] **The Logical Framework Approach terminology is used in this section as the strategic plan of the Directorate of Social Services (DSS) has been developed through a LF process.**

[5] **"The Social Sector" as a whole includes here: Social Welfare, Health and Nutrition, Water and Sanitation, Housing and (basic) Education.**

XIV

SUSTAINABLE DEVELOPMENT THROUGH THE EFFORTS OF THE GOVERNMENTAL AND NON-GOVERNMENTAL SECTORS IN RUSSIA

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ABSTRACT

In Eastern Europe and especially in Russia, solving environmental problems and finding ways of sustainability is much more complicated than in advanced democratic countries with relatively stable economies. There are peculiarities to the realization of sustainable development and the functioning of environmental non-governmental organizations (ENGOs) in the post-totalitarian transition period in Russia. This paper highlights how sustainability concepts and documents have been developed in Russia, how nature protection and governmental institutions have changed during the economic transition and how they interact with each other and with the ENGOs.

1 INTRODUCTION

During the five years since the UN conference in Rio, Agenda 21 has become widely known and accepted in the West. However, even the West is only beginning its path towards sustainability (Agenda 21, the First Five Years: Implementation of Agenda 21 in the European Community: 1997). The institutional responsiveness triggered by sustainable development policies is insufficient not only in East European countries, but in Western Europe as well (O'Riordan and Voisey, 1997:13). Implementation of Agenda 21 in Eastern Europe and the developing countries differs very much from the West. According to the World Bank research in seventy developing countries environmental policies in these countries need to be more flexible, pro-business and cost-effective than in the West (Advancing Sustainable Development: The World Bank and Agenda 21, 1997: 13). This statement, however, is considered questionable by the majority of environmentalists.

Institutional differences between countries are mainly based on historical, cultural, and local differences which influence the acceptance and general understanding of sustainability. Each country has its own political, economic, and institutional barriers to sustainability. However, institutional barriers are not necessarily determined by the magnitude of a countries' economic development. In countries facing economic transformation, institutional aspects of any policy are dependent mainly on the level of development of civil society with its new non-governmental (third) sector. Therefore, the development of the third sector is

extremely important as a mediator between government and society both for implementing sustainable development policies and for building sustainable communities.

In Eastern Europe and especially Russia solving environmental problems and finding ways of sustainability is much more complicated than in advanced democratic countries with relatively stable economies. There are peculiarities to the realization of sustainable development and the functioning of ENGOs in the post-totalitarian transition period in Russia. However, in the countries of transformation successful collaboration between government, private, and community interests is as important as it is in Western societies. Sustainability depends on both the development of the third sector and the success of political and economic reforms.

In this paper I will highlight how sustainability concepts and documents have been developed in Russia, how nature protection and governmental institutions have changed during the economic transition, and how they interact with each other and with the ENGOs. I will further demonstrate the attitudes and main sustainability initiatives of Russian ENGO.

2 GOVERNMENTAL APPROACH TO SUSTAINABLE DEVELOPMENT IN RUSSIA

At the UNCED conference in Rio de Janeiro in June 1992 the Russia n government as well as the governments of other countries expressed interest in implementation of Agenda 21 for sustainable development. In August 1992, the Russian government established the Interagency Commission for Elaboration of Decisions of the Rio conference applied to Russia (Decree 1522-p). The Minister of Ecology and Natural Resources V.I. Danilov-Danilian has been appointed as head of the Commission. However, the first draft of the national plan for sustainable development, which the Commission submitted to the government was very formal. It was in reality a list of planned ongoing programs, (Parfenov, 1997a: 9) a "Soviet" traditional approach to elaborating government documents.

In February 1994 President Yeltsin signed a Decree #236 "On the Russian Federation's Strategy for Environmental Protection and Sustainable Development". As the first step of the Decree the government

was authorized to develop a Plan of Actions of the Government of the Russian Federation on Environmental Protection for 1994–1995. Discussion began on how Russia can transfer to sustainable development. In 1994 the Ministry of Nature of the Russian Federation ran a competition for the best sustainability concept for Russia. Several discussions were organized. Eighty seven subjects of the Russian Federation held regional conferences to discuss environmental issues. In March 1995 the rational use of natural resources during the transition period was discussed at the Parliamentary Hearing of the State Duma and later in May at the Council of the Federal Assembly. The next step was the All-Russian Congress for Nature Protection which was held June 2–3, 1995 to discuss the "Conception for the Transition of the Russian Federation to Sustainable Development". Both governmental agencies and ENGOs worked on the conception. However, during the following year the process was coordinated by the Ministry of Economy of the Russian Federation.

On April 1, 1996 President Yeltsin approved the "Conception for the Transition of the Russian Federation to Sustainable Development". As in other countries this is based on the principles of the UN Conference on the Environment and Development (UNCED, Rio de Janeiro, 1992). In this document Russian environmental policy is expressed within the framework of the socioeconomic transition to a market economy. Its objectives include keeping the economy active within its biosphere capacity, restoring natural ecosystems, and developing environmental consciousness. The ideas of sustainable development are consistent with Russian traditions, spirit, and mentality. (Decree, 1996:5).

In the section "Russia on the Brink of the 21st Century" it is noted that the Rio position that "mankind is going through a decisive moment of its history" is more directly relevant to Russia than to other countries; Russia has the potential to begin the transition to sustainable development. The document goes on to state that economic reforms have been inefficient, 16 percent of the territory is ecologically degraded, and production is inconsistent with environmental requirements. However, 8 million square kilometers (1.8 percent of the territory of Russia) of natural wildlife ecosystems have been preserved. The barriers and difficulties impeding sustainable development are connected with large structural impediments where

the potential for using scientific, natural, and cultural resources is unrealized. It maintains that the state's participation in economic activities and its share of property will decrease, while state control of preservation and environmental safety will increase. There will also be further democratization of social life and an increased role of ENGOs (Decree, 1996:6).

The decree's main objectives include stabilizing the ecological situation, introducing environmentally oriented economic models, keeping economic activities within the capacity of the ecosystems, and introducing resource-saving technologies. These efforts are manifested through legislation which will protect the environment and determine sustainable resource use, create economic incentives to insure biosphere preservation, and assess the economic capacity of ecosystems on local, regional, and national levels. Social objectives such as increasing awareness of sustainable development, creating the appropriate educational system, ensuring civil rights within an open society, and creating proper conditions for social groups to work on sustainable development are also included (Decree, 1996: 7). The transition of Russian regions to sustainable development has arisen from the top-down approach which existed during the socialist regime: forecasting documents on the federal level serve as instructions for regional programs. Like other countries Russia plans to use a system of indicators for sustainable development and to base the decision-making process on these indicators. There is no discussion of whether the indicators chosen are appropriate for Russia. Some worrisome statements illustrate the potential danger of using these indicators: "No economic activity can be justified, if the profit of it does not exceed the damage being caused to the environment" (Decree, 1996: 8). It is unclear how the economic valuation of both profit and environmental damage will be conducted. Such criteria for decision making could potentially allow unsustainable projects.

An international partnership to facilitate sustainable development is planned which will attempt to address trans-border pollution issues, develop joint scientific programs, promote sustainable development, and attract ecologically sound Western investment to Russia. Russia has also taken the responsibility to work toward the reduction of global environmental problems such as the loss of biodiversity, ozone-layer depletion, climate change, and the destruction of forests (Decree, 1996: 9).

Even the implementation stages of sustainable development for Russia are highlighted in the decree. In the first stage, priorities include solving current economic and social problems while at the same time observing environmental limitations and implementing programs which will improve territories facing ecological crisis. Plans in the next stage involve making socio-economic developmental processes more ecologically sound. The long-term goal is the formation of a Vernadsky's noosphere, where "national and individual wealth will be measured by spiritual values and knowledge of Man, in harmony with the environment" (Decree, 1996: 9).

As we can see the Russian government has had long-term strong sustainability goals on paper. Presently, during the period of transitional uncertainty, it is difficult to consider these goals realistic. However, it is still important that the President formulated a task for executive bodies to base their economic policy and legislative activities on the sustainability concept. The strategy for moving Russia towards sustainable development was supposed to be developed by three ministries: the Ministry of Economics of the Russian Federation, the Ministry of Protection of the Environment and Natural Resources, and the Ministry of Science and Politics of the Russian Federation (Decree No 559 of May 8 1996 "On preparing the draft state strategy of sustainable development of the Russian Federation").

However, development of the strategy slowed down dramatically. Since August 1996 many anti-ecological tendencies and facts highlighting the neglect of environmental issues appeared in governmental policies. The Ministry for Ecology and Gosepidnadzor (Committee for Public Health) have been eliminated while independent agencies such as the Russian Security Council – which was a environmental division in the President's Administration – stopped working, and ecological expenditures in the Federal budget for 1997 and 1998 have been reduced. The Ministry of Finances did not provide the money which was allocated by the Government for development of the Russian Agenda 21 strategy. The small team of enthusiastic people could not afford to continue analytical work on the flows of resources, demography, and industrial trends (Yablokov, 1997: 13).

The three ministries responsible for this work failed to create a vital coordination center. Finally, in December 1996, Ministry of Economics of the Russian Federation submitted "a 183-page mechanically com-

piled document" to the Government instead of the working strategy (Yablokov, 1997: 13). The Government did not approve this document and postponed the next deadline until the end of 1997. In November 1997 the Ministry of Economy presented the second draft of the strategy to the government. In October 1997 the Strategy draft was discussed at the Parliament Hearing and at the enlarged session of the Board of the Ministry of Economy (Parfenov, 1997b: 4). The strategy was not approved even in 1998.

3 SUSTAINABLE DEVELOPMENT AND LEGISLATION REFORM

The present state of environmental legislation cannot be considered satisfactory as it does not properly ensure environmental safety or provide preventative and compensatory mechanisms. However, the Russian State Duma began working on new legislation to promote sustainable development. The principles it laid out, which will be the foundation of the law "On ecological safety", were developed by the Federal Assembly of the Russian Federation. To accomplish the president's Decree, the Committee on Ecology planned a series of legislative activities for 1996-1999 to include the development of ecological and sanitary codes and preparation for the transition to sustainable development. The ecological code will include laws pertaining to protection of the atmosphere, drinking water, and soil; the regulation of industrial and consumption waste; and the destruction of chemical weapons, dangerous compounds, etc. (Zlotnikova, 1996:12). In Russia the main priorities in juridical reform are not only the ecological regulations as such, but development of such legislation which will protect the natural resources from being exhausted. Therefore, is very important to solve problems with property for land and other natural resources.

In 1996 the State Duma's Committee on Ecology was drafting a federal law on experimental ecological territories. Those drafting the project have been expressed ecocentric points of view. They identify the concept of sustainable development with Vernadsky's "noosphere development" and look at the human habitat as a "natural-economic-daily life ecosystem, necessarily including people and all institutes of social life – policy, law, culture". They call the human habitat "noochora" (Greek: *noos* – "intellect", *choros* – "place, country") (Kozhara and Kozhara, 1996: 16). As yet, the project lacks financial support.

It is still unclear how environmental laws are to be implemented. This is extremely important in the Russian case, because there is still no respect for law (people respect the "big boss" to a greater extent than the law), citizens frequently violate the law and violators are unpunished, ecological cases are seldom accepted for trial. Therefore, environmental legislative reform includes reform of the Environmental Law practice in the routine work of executive bodies (Bogoliubov, 1997: 16–17).

One of the priorities for sustainable development is to create laws which will encourage public participation in decision-making. Presently, in theory, the Federal Law "On Ecological Expertise" gives rights to the public to participate in the decision-making, however, the public does not use its rights. The public usually does not participate in environmental impact assessment. In reality, the Russian Minpriroda order 222 of 18.07.94 diminishes public participation to public hearings at the final stage of decision adoption. The norms of the law are still not realized in practice or in sub-acts. This can be resolved by new juridical acts or by introducing appropriate articles into the "Law on Environmental Protection" (Grishin, 1997: 19).

4 SUSTAINABILITY FROM THE THIRD SECTOR APPROACH AT THE NATIONAL LEVEL

In Russia as elsewhere the "Third Sector" is the principal incubator of environmental values for both the public and private sectors. During Perestroika there was a flash of public involvement in social liberalization and the environmental movement. However, the post-Perestroika period is characterized by political and economic uncertainty, *de facto* legalization of the shadow economy, and the preservation of and increasing wealth of the former communist apparatus and *apparatchiks.* Since Perestroika, the public is pessimistic and escapist. Given this context it is extremely difficult to find public support for sustainable development, or any locally based democratic initiatives.

The many difficulties hampering implementation of sustainable development originate not only from ongoing economic crises but also from the lingering effects of the Soviet past. In Russia during the command – and- control regime, "the system" (i.e. the military-industrial complex) worked for itself, while nature and the majority of the population were exploited. In this situation the interests of individuals and

individual initiatives were suppressed. According to Yanitsky (1993) the post-totalitarian system in Russia passed through several transformations, but preserved its old priorities. The reorganized state ownership of natural resources simply turned into monopolies. Russian "democracy" in reality only restructured the old administrative system, which even managed to preserve the state distribution system through monopolization (Yanitsky 1993, 1996). As a result Russian people still seek authorities to make their decisions. Russian environmental groups are closely linked to governmental institutions and exhibit protectionist tendencies. However, there are some ENGOs which independently produce publications expressing their views on sustainability and organize democratically-based initiatives. Let me provide a couple of positive examples.

The Social Ecological Union discussed the "Concept of Sustainable Development in Russia" as a way out of the current environmental crisis. The document was written and published in 1995; earlier than the transition to sustainable development was laid out by the government (Zabelin, 1995a). Representatives of the Social Ecological Union argue that it is impossible to decrease world population growth and growth in the rate of consumption through regulation and policy. They emphasize the importance of appropriate natural resource use policy. The main leader of the Social Ecological Union, Zabelin, argues that "resources cannot be considered the personal property of the members of a single generation" and if used, they are already taken from the next generation (Zabelin, 1995a: 18). According to Zabelin, natural resources should continue to be common property and should be owned and managed by the entire Russian nation and by the population of the Federal territories. According to the program, access to natural resources needs to be equal for all citizens (Zabelin, 1995a: 21).

The export of low-priced resources should be stopped. Russia needs to cooperate with those countries which have adopted the concept of sustainable development and refuse to participate in the export of unprocessed natural resources which only serves the interests of foreign corporations. The World Trade Organization, the World Bank, and the International Monetary Fund represent the interests of transnational corporations in the opinion of the Social Ecological Union. Their land and natural resource use policy suggestions are not appropriate for the Russian situation (Zabelin, 1995a: 23).

Zabelin argues that the most important policy which would promote sustainable development and prevent environmental destruction is the reorganization of the tax system. He suggests that Russia needs a long term state program which reorients taxation in such a manner that the extraction of natural resources is taxed. The tax needs to apply enough pressure to give incentives for resource conservation. It should be introduced gradually in such a way that producers could prepare for it. Part of the revenue should be invested in technological innovation which will assist producers in sustainable resource use. The system of taxation needs to be flexible and depend on the stocks of particular resources and the capacity of the biosphere to assimilate pollution resulting from the extraction and processing of resources. Such a system would increase the demand for labour. Producers would be interested in the quality of labour and would start to invest in fundamental science, health, and education instead of investing in the search for new resource stocks. A country which adopts this approach would be a world leader in the 21st century. Such a system would create a healthy environment, achieve resource conservation, and change the world economy. A self-regulating system would appear producing health, wealth, and natural and cultural diversity. This would be the difference between the new civilization and what we have now (Zabelin, 1995b: 15).

"The Concept of Sustainable Development in Russia" is written from an ecocentric point of view. An ecological emphasis can be seen clearly in many of the statements. "The biosphere breaks down when its carrying capacity is exceeded leaving humankind in its debris. The carrying capacity is already known. It is not possible to make the biosphere wait until society develops a temporary technological solution or to show pity" (Zabelin, 1995a: 18). Zabelin argues for the importance of biodiversity for sustainable development. "A more diverse biosphere is more sustainable and all living organisms in the biosphere hold the same value" or, in other words, "the loss of any living species is equivalent to the loss of human life in economic terms" (Zabelin 1995a: 18). Some points, such as attachment of equal value to all organisms, correspond with a strong sustainability position.

The economic aspects of sustainability are covered rather superficially. However, it is noted that it is wrong to believe that the market can protect the environment. Zabelin suggests policies such as reduction of energy consumption, stopping forest exploitation, and finding

wood substitutes. A need for the reclamation of damaged ecosystems is expressed. Both inter- and intra-generational aspects of sustainable development are also covered in the document (Zabelin, 1995a).

As we can see the position of the Social-Ecological Union can be assessed as one of strong sustainability. However, in works published later as well as in oral talks Zabelin heavily criticizes Agenda 21 as a document which consists of a set of compromises, unrealistic hopes, and myths. In his opinion, humanity missed the time after the "cold war" (1991–1992) when the transition towards sustainability was possible. He nevertheless continues to argue that those countries which introduce high taxes on natural resources will better survive world resource crisis. Socialization of rent will orient people's behavior to saving natural resources and reorient markets in an environmentally friendly direction (Zabelin, 1997). In his recent paper Zabelin agues that transformation of global economy in a sum of small local self-sufficient economies, connected by modern information systems can represent the best sustainability strategy. Russia because of recent economic crises which withdraws the country out of the globalization process can become a model of the network of local economies for the whole world (Zabelin 1998: 7–9). Zabelin suggests national investments into the Eco-houses, the model of which has been developed in Novosibirsk (Zabelin 1998: 16).

The input into the preparation of sustainable development documents is stronger in the political wing of Russian ENGOs. Representatives of the political wing participated in the preparation of the President's Decree on the Conception for Transition of the Russian Federation to Sustainable Development and in preparation of national plans and strategic documents.

In 1995 the Center for Russian Environmental Policy (ENGO, founded in 1993) started publishing the bulletin "Towards a Sustainable Russia". This bulletin was begun after the All-Russian Congress on Environmental Protection outlined governmental policies on and regional aspects of sustainable development. In 1998 on the eve of the second All-Russian Congress on Environmental Protection the bulletin published the Draft Concept of Environmental Policy for Russian Federation. The strategic aim of the state ecological policy is to ensure sustainable and rational use and protection of natural resources.

The Center for Russian Environmental Policy publishes criticism on the sustainable development concept. There is much in common

between communism and sustainable development. This similarity is especially noticed by Russians based on their socialist experience. Zacharov in his article "Sustainable Development-Ghost of Communism?" lists the similarities. He notes that requests to decrease consumption on behalf of future generations are reminiscent of communist methods of income redistribution. Long-range plans for the sustainability of each country, region, and town are also reminiscent of socialist planning. In particular Zacharov's opinion is that the plans are written with an ideal future in mind. These plans are, however, made with little real background. They rely on the transmission of the consciousness of sustainability which is much like Lenin's view that communism would spread from one country to another (Zacharov, 1995: 7).

The majority of politically-oriented ENGOs argue for the need to work on the institutional aspects of sustainable development. In the article "Russia and Sustainability" published by the Eco-agreement (in some publications named as Eco-accord is the ENGO which belongs to the ecopolitical fraction of the Russian environmental movement), emphasis is placed on the necessity for a partnership between different social, ethnic, professional, and political groups as well as between governmental and non-governmental organizations. Only when this is achieved can a policy for sustainable development be developed (Kozeltsev, 1995:13).

Eco-agreement in 1996 in consultation with forty six other organizations (national and international ENGOs, foundations and banks) developed an alternative plan called "Priorities to the Partnerships" with a critique of the governmental policies and many specific suggestions. In 1997 Eco-agreement, together with the Ministry of Environmental Protection and Natural Resources initiated the hearings called "National Consultations in Russia Rio+5: What has been Done?"- Progress in the implementation of the results of the United Nations Conference on Environment and Development in Rio. Eco-agreement collected ideas and proposals expressed orally and in written form by eighty seven governmental, non-governmental, academic, business, trade-union, and local authorities organizations. During these hearings, essential unsolved problems were highlighted and recommendations were given for national and local governance and for international organizations.

An Eco-agreement leader Olga Ponizova argues that cooperation between the government and non-government sector is growing. One of the big successes is The Agreement of Cooperation between the State Committee for Ecology of the Russian Federation and a certain number of ENGOs, which was signed in 1997. As a result the Permanent Council of Public Organizations Representatives was established under the State Committee for Ecology. This council gave youth, women, trade unions and business people the opportunity to participate in elaboration of the sustainable development concept for Russia (Ponizova, 1997: 7).

Eco-agreement actively participated in informing and coordinating NGOs on the preparation of the IV Conference of ministers "Environment for Europe" which was held in Aarchus (Denmark) at the end of June 1998. In September 1998 Eco-Agreement organized consultations on sustainable development for Newly Independent States where national plans for sustainable development of these countries have been discussed.

Nevertheless, in general the opinion of the majority of ENGOs leaders is that sustainable development continues to be more of a political slogan than a development strategy. This political slogan only seems to veil the activities of the new Russian capitalist society. As was already mentioned, there is a real gap between what is happening in the country and what is stated in governmental programs.

5 REGIONAL AND LOCAL AGENDA 21 INITIATIVES

It is encouraging that many Russian regions began working on Agenda 21. The creation of an experimental scientific-economic sustainable development on the regional level is planned for selected territories in Russia (Yaroslavl, Vologda, and Tver).

The Institute of Sustainable Communities, which is sponsored by the Eurasia Foundation is developing sustainability projects in Niznii Tagil and Volgograd (Felitti, 1996: 40). Subjects of the Russian Federation: Sakha-Yakutia, the Republic of Karelia, Altai region, Barents Sea region, Black Sea region, and the Dniepr River region are developing Regional Agenda 21's. The main problem in all these territories are shortages in financial support and the difficulty in mobilizing public participation.

A number of groups in St. Petersburg, together with Western partners, are developing a Baltic Regional Agenda 21. There was no movement towards sustainability in St. Petersburg Region until November 1997. It was the initiative of Swedish, Finnish, and Baltic States NGOs to develop Agenda 21 for the Baltic Region. Green World translated into Russian *An NGO Vision of an Agenda 21 for the Baltic Sea Region*, issued by Coalition Clean Baltic and the Baltic – Nordic NGO Network for Sustainable Energy, and began to distribute this document among NGOs in the North-West region of Russia. The Interdisciplinary Center for Additional Professional Education of St. Petersburg University started the project The Coastal Conservation and Local Agenda 21 and involved local authorities of Kingisepsky and Primorskiy districts in local Agenda 21. The second step was the conference "Local Agenda 21" organized by Green World in December 1997 in Lomonosov -St. Petersburg to find strategy and methods of further co-operation between NGOs and municipalities.

In January 1998 the group of the NGOs of St. Petersburg region (St. Petersburg Society of Naturalists, Center for Independent Social Research, Transboundary Environmental Information Agency, Green World, Center for NGO development) decided to support this initiative and organized several workshops on "Local Agenda 21" to involve other St. Petersburg NGOs in this process. June 30 intersectoral conference "Baltic Agenda 21-mechanisms of interaction between initiatives in the region" has been held. On the next step, sustainability activists participated in a Russian-Finnish Forum "Our common environment" which took place in September 1998.

A number of cities: Nizhny Novgorod, Novgorod, Kursk, Kemerovo, Ulianivsk and St. Petersburg are working on a sustainable city agenda. I would like to provide several examples on activities of ENGOs concerned with different aspects of the St. Petersburg city environment.

Green World was one of the first organizations which began working on both regional and local Agenda 21. The main focus of Green World is to promote awareness of nuclear energy and the situation on the nuclear power plant in Sosnoviy Bor. It is also concerned with the preservation of Baltic Marine ecosystems. Green World is the only one organization which gives timely and detailed

information on nuclear units on the southern coast of the Gulf of Finland. It educates safe energy and suggests safe energy solutions in Northwestern Russia.

Keep St. Petersburg Tidy is a member of an international association, Keep Baltic Tidy, and a member of a Nordic Council. Their particular interest is on recycling, decreasing the amount of garbage, and promoting eco-tourism. They not only conduct workshops on city environmental issues, but also organize campaigns on cleaning the coastal zone, actions of "Less garbage" and "Collecting of aluminum cans and plastic bottles."

Other sustainability advocates belong to the Eco-team and Eco-house movement. This movement has been initiated through the TACIS Environmental Awareness program. This is a pilot project of the Global Action Plan in Russia, where the Swedish model has been used. This movement represents an experiment on exporting the Western Eco-team environmental movement to Russia. Ecoteams in St. Petersburg work with the public to promote a environmentally friendly lifestyle in households based on reducing the amount of garbage, recycling, and conserving gas, energy and water.

Gardens on the Roof also belong to the sustainability network in St. Petersburg. It promotes the organization of vegetable organic gardens on city roofs as well as organize workshops on topics such as "Household gardening", "Soil", and "City and Flowers."

The Department of Environmental Sociology of the Center for Independent Social research identifies local environmental initiatives and examples of the best sustainability practice across the region. If tries to promote sustainability programs in the region using sociological intervention (organizing focus groups, workshops, and community visioning meetings). However, the level of involvement of communities in Agenda 21 process (community self management, community stewardship of land and natural resources) is far behind that described for Western countries (Roelofs, 1996; Benello, 1997).

It is necessary to notice that almost all Agenda 21 initiatives in Russia are supported by Western countries. Western support helps to preserve environmental movement and all kinds of civic initiatives in Russia.

6 SUMMING UP

Despite the development of policies towards sustainable development in Russia, social problems in the society are still increasing. The quality of life, especially of women, continues to decline (Tichonova, 1997: 51–65) and the number of environmental disasters is increasing. The gap between the richest and the poorest of the population continues to grow, the deterioration of health care continues, unemployment from the total labor resources reached 7.5 percent. The economy is still based on energy and resource consuming industries and power intensity even increased. Soil and water pollution by heavy metals, oil products, and radioactive nuclides has also increased (Ponizova, 1997: 7). In such a situation, the implementation of sustainable development is much more difficult than in Western countries. If it is unclear how the country itself will develop, it is less clear whether the concept of sustainable development can be realized. There is always a large difference between what is proposed and what happens in reality.

In Russia, governmental structures are still the dominant institutions. The government controls the main environmental policies while third sector institutions are still developing. As yet, there is no accountability for the behaviour of either the government or business. This indicates that Russia is at an early stage of development of civil society. Therefore, in order to raise environmental consciousness and develop a value system consistent with sustainability in Russia, it is necessary to deepen democratic transformations and further develop the third sector. Only the environmental movement and the third sector can provide new social actors who will encourage public participation and spark the values of sustainability in communities.

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XV

SUSTAINABLE SOCIAL DEVELOPMENT TOWARDS INCLUSIVE SOCIETIES FOR ALL PEOPLE (*

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(* *The article is an updated version of an input to the preparation process of the World Summit for Social Development. The previous version was published by the Finnish United Nations Association in 1994.*

1 THE MISSION

> "All peoples and all human beings without distinction as to race, colour, sex, language, religion, nationality, ethnic origin, family or social status, or political or other conviction, shall have the right to live in dignity and freedom and to enjoy the fruits of social progress and should, on their part, contribute to it". (Declaration on Social Progress and Development, Article 1, United Nations 1969).[1]

The generation that signed this Declaration is now approaching retiring age but only a few countries have implemented effective policies in support of social development. The rest have simply striven at economic growth at any price. The disastrous social consequences have been addressed by haphazard social projects and programmes. Consequently, the situation in the world today is contrary to the goal stated in this United Nations Declaration.

Now the international community has realized the obvious facts that time has passed, that not much good has been achieved and that there are limits to growth:

> "Human beings are the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature."

This quotation is the first principle stated in the Rio Declaration on Environment and Development, in 1992[2]. If this message is forgotten in the same way as the first article quoted above, the only consolation in the present catastrophe is that things are better today than they will be tomorrow. Time is up.

Our problems are the excessive growth in population and/or consumption, the destruction of the natural environment, the dilapidation of the built environment in the absence of maintenance and as a result of overcrowding, the dead ends reached by inappropriate technological developments, the collapse of social structures and the economy, the instability of political trends, misuse of power and the disregard for human rights culminating in the turning of playgrounds into shooting grounds.

The needs seem to be growing faster than the resources. Those who have are therefore using their power and resources to preserve their status with no concern for the future of society, the subsistence of the poor or the destruction of nature. It is not only the big business that operates in this way. The same frequently goes for members of gov-

ernment and heads of state. Furthermore, the claim refers not only to the 'developing' countries. The states now liberated from the unsustainable experiments in state socialism are in the same situation. And the affluent countries, Finland included, have started to display similar symptoms during the current recession: catch as catch can!

2 WHAT IS DEVELOPMENT FROM PEOPLE'S POINT OF VIEW?

Development has often been loosely defined as the process of improving the level of living, satisfaction of "basic needs" or "welfare" in a more qualitative sense.

Food, housing, health, etc, are indeed primary human needs in the sense that they are vital in order to *stay alive*. Man does not, however, live for eating. Every human being, even the poorest of the poor, seeks more from life than the mere satisfaction of his "basic needs". Only too often, they wealthy scholars never see the human endeavour of those at the border of subsistence.

The view of the human being as a goal-oriented agent in his/her own life has led us a long way from the "objective" definition of welfare. That was based on a passive concept of the human being and it had a strong material orientation. An active concept of the human being leads to the interpretation that *we ourselves create our own well-being* out of the potential resources provided by our environments. We must turn the Maslovian hierarchy of needs upside-down.

Well-being cannot be given to people as a ready-to-eat-doggy-bag. Charity does not lead to well-being. Rather it leads to loss of dignity. The implication is that the State can only create the necessary prerequisites for all people to enable them to create their well-being. Government should not do things *for* people but *with* people. This approach does not imply a return to neoliberal laissez-faire policies – quite the contrary. Government has the responsibility to take an active promotive role and it is after all the ultimate authority to enforce the universal human rights of all members of society.

The active concept of the human being leads to a new understanding of what "development" is or should be. We feel fine when we can cope with our environments in a self-reliant way as unique personalities. Additionally, we need to have reasonable evidence for the sustainability of those prerequisites which enable us to have our own command over

our own lives. Development is a process that increases our opportunities for self-actualization, for discovering, using and developing our potential to the full, for choosing our own way of life as full members of society. This is the reason why it makes sense to define *the equalization of opportunities as social development, development for all.* Paradoxically, enhancing equal opportunities leads to more freedom for all.

It is perhaps fully illogical to measure the level of development of a society from the current levels of some welfare components. A state of today's plenty may lead to a dead-end tomorrow. Development should rather be measured by the *potential choices not yet utilized* but still open. Development means the liberation of people.

Sustainability of development, in the long run, implies additionally that we make a fair deal with children and the future generations. "Sustainable social development" can thus be defined as a process of equalization of opportunities within and between generations.

3 A STRATEGY "TOWARDS A SOCIETY FOR ALL".

Social issues have been addressed in most parts of the world through sectoral programmes and projects targeted towards specific "needy" population groups. There are, however, too many needy groups and all the time new needs arise. Both in rich and poor countries the streets are crowded with those who fall through these kinds of group specific safety nets.

An alternative to this unsustainable fire-brigade approach was presented to the General Assembly of the United Nations, at its 45th session, in 1990. The idea originated from an invention by people with disabilities.[3] The logic goes as follows: All people are different but they are more similar than different. Society is an invention of people themselves and the state has to deserve its legitimacy by making it possible for all people to actually materialize their universal human rights and freedoms. People themselves, their talents and potentials are the only undepletable resource for development. An inclusive society for all people must be the ultimate objective of development.

Sectoral experts seldom realize that it is not possible to assist any meaningful number of needy people through special measures targeted at specific groups. There simply are not sufficient resources, and not do such operations further the integration of the target group in the rest

of society. A more general, sustainable and functional policy must therefore be devised. Below there is a recipe.

The "Society for All" concept was drawn up to provide such a positive, integrating and mobilizing social-policy vision. It reminds of the basic function of society: it is the task of society to serve equally all its members. Its structures must be made accessible to all and adaptable to the diversity of people, their personalities, endeavours and life-styles. It is the purpose and duty of society to create and safeguard a social, economic, physical, political and cultural environment that allows all its members to lead a meaningful (human) life. The needs and rights of children, women, those who are poor, unemployed, elderly, ill or have a disability or a differing ethnic background, and so on, should be taken into account as being equally important as the needs of those who traditionally run the society – wealthy and healthy men in their prime. The goal is far from today's realities but worth striving for.

A major offensive towards equalizing the opportunities at all levels is the only sustainable way ahead. Those who believe that poverty, misery, illness, pollution and social disintegration can be kept out by international borders fool themselves. There is only one world, one world for all. It is a small world.

The global strategy in the spirit of "A Society for All" should consist of parallel elements at international, national and at community level:

(1) The global level: "A world for all"

Objective at the global level:

To equalize the development opportunities of the different countries of the world and to safe-guard and monitor the implementation of universal human rights.

Means at the global level :Integrated development strategies

(a) The implementation of the programmes included in global and regional cooperation strategies: "Food for All" (FAO), "Health for All" (WHO), "Education for All" (UNESCO), "Work for All" (ILO), "Shelter for All" (Habitat) and the "Agenda 21" of UNCED,

(b) The designers of a unifying strategy to bring the above sectoral strategies under one umbrella and to design the necessary cooperation network to assist countries to embark on a course towards sustainable social development.
(c) Integration of the social dimension into all international cooperation policies, programmes and projects.
(d) The launching of model projects aimed at developing applications of an integrated approach at development policy, programme and project levels.

(2) The national level: "A society for all"

Objective at the national level:
The freeing and mobilization of all human potential for the production of well-being and the equalization of opportunities within and between generations. This implies striving at sustainable options which do not exceed the long-term renewing capacity of the natural environment.

Means at the national level: Enabling national social welfare policy

(a) Arrangements for the sustained creation and safeguarding of the basic prerequisites for health and subsistence seen as a matter of the basic human rights of all members of society (a safe environment, opportunities for self-actualization, education, cultural activities, work, basic income security, sufficient and suitable nutrition, adequate housing, and systems for the prevention and treatment of diseases).
(b) The adaptation, right at the planning stage, of all the structures and functions of society to human differences, whether they be caused by age, gender, ethnic background, abilities, etc.

This "accommodation of differences", in turn, calls for

(a) The promotion of tolerance for human diversity as part of the ensuring and promoting of equality and freedom of choice,
(b) The incorporation of the social dimension into all planning processes by introducing a "Social Impact Analysis (SIA)" stage into planning formulas,
(c) The sharing of social responsibility by all the public and private agents of society,
(d) The ensuring and provision of opportunities for people to participate in issues affecting them,

(e) The empowerment of interest groups so that they may
- express and communicate the needs of their constituents to the decision-makers;
- be involved in the production of services;
- enhance the freedom of choice and consumers' control over their own consumption care and support;

(f) The sharing of the costs through joint responsibility or insurance principles.

(3) The community level: "An inclusive community"

Moving from the care-taking approach to enablement; empowering people to gain and maintain command over their own lives and to discover and use their full potential.
This can be done by the following means:

(a) Ensuring non-discrimination and full accessibility; by breaking the social, physical and other barriers in the immediate environment,
(b) Involving the people; by actively promoting equal opportunities for participation and creating channels for getting involved,
(c) Arranging mechanisms for the prevention and early detection of people's coping problems,
(d) Arranging assistance in the removing or alleviation of emerged coping problems:[4]
- by providing rehabilitation in the broadest sense of the word (physical rehabilitation, the raising of awareness and self-esteem, strengthening of motivation, the development of functional knowledge and life skills),
- by adapting the immediate environment to a person's special needs,
- by making auxiliary services (and assisting appliances) available,
- care taking as a last resort option.

The goal "A Society for All" crystallizes an alternative to piece-meal social policies geared towards sectoral solutions and group-specific approaches. This strategic idea could help those who have not yet overorganised their social policy as well as those seeking a way out of

fossilized sectoral structures. In this strategy, a key part is played by the mobilization of the civil society.

All powerful actors on the scene do not, however, share these views. Some have another vision of a good society – a society good for a minority, "a society for the few".

4 PEOPLE FIRST

The World Summit on Social Development convened in Denmark 11–12 March 1995 acknowledged the society for all approach as the goal for social integration.

> "The aim of social integration is to create "a society for all", in which every individual, each with rights and responsibilities, has an active role to play. Such an inclusive society must be based on respect for all human rights and fundamental freedoms, cultural and religious diversity, social justice and the special needs of vulnerable and disadvantaged groups, democratic participation and the rule of law.[5]

It could also however glue together a number of detailed agendas. The globalizing world needs a new integrated vision of social policy.
At the international level social issues are hopefully acquiring a central status in place of the unsustainable economic-technical approach to development. It is being understood that economic development is not a goal in itself. It is only an important but not sufficient prerequisite for social development. And only social development is development from people's point of view. People must be put at the centre of development – and children at the centre of sustainable development.

Endnotes

[1.] **Declaration on Social Progress and Development, United Nations, General Assembly Resolution 2542 (XXIV)**
[2.] **United Nations Conference on Environment and Development, Ministry of the Environment, 1993.**
[3.] **UN, Report of the Secretary General A/5/470 and A/RES/45/91. See also for further analysis: The Disability Dimension in Development Action – Manual on Inclusive Planning. Principal Author: Ronald Wiman. Published by and on behalf of the United Nations by STAKES, Finland, 1997**
[4.] **For a comprehensive analysis of coping problems and alleviating or enabling interventions see Wiman, R: Towards an Integrated Theory of Help, National Board of Social Welfare (STAKES) Publ.2/1990.**
[5.] **The Copenhagen Declaration and Programme of Action, World Summit for Social Development, 6–12 Marc 1995, United Nations, New York, 1995**

ANNEX 1.

An Expert Meeting on
The Social Dimension in Sustainable Development
October 15–17, 1998, Helsinki and Kellokoski, Finland

Program

PROGRAM

October 14th, 1998 (Wednesday) – Venue: Peace Station, Pasila, Helsinki

20.00 Get-together party to start the informal discussions and exchange of opinions. hosted by Vappu Taipale, Chair and Jaakko Ellisaari, Secretary National Commission for Sustainable Development, Subcommittee of Social Sustainability.

October 15th, 1998 (Thursday) – Venue: House of Estates, Snellmaninkatu 9–11, Helsinki

Ecologically imperative, economically feasible and socially just.

Chair: Sirkka Hautojärvi, Permanent Secretary of the Ministry of the Environment, Finland

10.15 Opening of the seminar
Sinikka Mönkäre,
Minister of Social Affairs and Health in Finland
Pekka Haavisto, Minister of the Environment in Finland

11.00 Coffee

11.30 Lowell Flanders, Assistant Director, UN Commission for Sustainable Development
The Development of the Concept of Sustainability from Rio onwards.
Discussion

12.45 Lunch

Social Sustainability and the Future of Social Policy.

13.45 Robert Holzmann, Director, Social Protection, the World Bank
Social Protection as Social Risk Management – A Contribution to Sustainable Development.

Discussion.

15.00 Coffee

The Scientific Community Contributing to the Theory of Social Sustainability.

15.30 Keith Bezanson, Director, Institute for Developmental Studies, Sussex
Rethinking Development.
Discussion.

16.30 Henrik Litske, Research Manager, European Foundation for Living and Working Conditions, Dublin: *New Instruments for Sustainable Development.*
Discussion.

19.00 Reception hosted by the Ministry of Social Affairs and Health.
Venue: House of Estates, Snellmaninkatu 9–11, Helsinki

October 16th, 1998 (Friday) – Venue: Baltic Sea Centre, Kellokoski

08.30 Bus transport from Helsinki to Kellokoski

The Scientific Community Contributing to the Theory of Social Sustainability (continues)

Chair: Vappu Taipale, Director General of STAKES, Finland
Each presentation is followed by discussion.

10.15 Reino Hjerppe, Director-General, VATT, Gov. Institute for Economic Research Finland
Conceptualizing Social Capital

11.30 Ilmo Massa, Researcher, University of Helsinki, Finland
Approaching Social Sustainability.

12.30 Lunch

Social Sustainability and the Future of Social Policy (continues)

Chair: Jarkko Eskola, Director-General, MSAH, Finland.

13.30 Hannele Nyroos, Researcher, Ministry of the Environment, Finland
Environmental Health Challenges Changing the Policies.

14.30 San Yuenwah, Social Affairs Officer, UN ESCAP Thailand
Empowering Disabled Persons in the ESCAP region.

15.30 Coffee

16.00 Petronella H. Coetzee, Deputy Director, Directorate of Social Services, Namibia
Building up Social Sustainability. The case of Namibia.

17.15 Closing of the day.

Optional sauna

19.00 Dinner at the Baltic Sea Centre

October 17th, 1998 (Saturday) – Venue: Baltic Sea Centre, Kellokoski

Social Sustainability and the Future of Social Policy (continues)

Chair: Reijo Väärälä, Deputy Director, MSAH, Finland

09.30 Bob Deacon, Director, GASPP, Stakes and University of Sheffield, UK
Social Policy and Social Sustainability.

10.30 Maria S. Tysiachniouk, Researcher, Centre for Independent Social Research, St. Petersburg, Russia: *Sustainable Development Through the Efforts of the Third Sector in Russia.*

11.30 Closing words.

12.00 Lunch and departure from Kellokoski to Helsinki.

Rapporteur of the seminar:
Ronald Wiman, Senior Social Services Advisor
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ANNEX 2.

LIST OF PARTICIPANTS AT THE EXPERT MEETING ON THE SOCIAL DIMENSION IN SUSTAINABLE DEVELOPMENT

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