Ronald Wiman

MINISTRY OF
SOCIAL AFFAIRS AND HEALTH

STAKES

Putting People at the Center of Sustainable Development

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

VOLUME 1: POLICY THEMES – A SYNTHESIS

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Department for Promotion of Welfare and Health

Putting People at the Center of
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*Proceedings of the Expert Meeting on
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*October 15–17, 1998 in Helsinki and
at the Baltic Sea Centre at Kellokoski,
Finland*

VOLUME 1:POLICY THEMES
- A SYNTHESIS

TO THE READER

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This is a synthesis of the Expert Meeting on the Social Dimension in Sustainable Development held on October 15–17, 1998, in Helsinki and at the Baltic Sea Centre at Kellokoski, Finland. It aims at extracting the central policy themes in the contributed papers and the discussions of the Meeting.

A preliminary report that was based on the contributed papers only was circulated among the participants for comments. Since then discussion has been going on and some additional material has been used to fill in gaps and to deepen some central themes. Many meeting participants also expressed as their view that the report should draw out some central threads from the papers and discussions. Consequently, this publication does not try to provide the "minutes" of the Expert Meeting. Rather, the aim is to package a set of themes to feed the next round of discussions.

As the contributions were of very high quality, direct quotations from the contributed papers are used to the extent feasible while aiming at a logically flowing text. The Roman number following each quotation refers to the respective contributed paper as listed in the Annex of this publication. The input by the experts is available in full in *"Volume 2. Contributed Papers"*.

We believe that a free forum for experts and policy makers can be a fruitful contribution in the follow-up process of the World Social

Summit. To facilitate the further discourse on the social dimension of sustainable development, STAKES has opened a discussion forum at the website *http://www.stakes.fi/sfa/social-development.* The concluding chapter of this publication is available there for immediate comments. See you on the Web.

Helsinki January 19, 1999
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CONTENTS

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A. SOCIAL DEVELOPMENT –
DEVELOPMENT FOR ALL

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The United Nations General Assembly's Special Session (UNGASS), "Rio +5", in 1997, was dedicated to sustainable development with an emphasis on environmental issues. Five years had passed since the Rio Conference on Environment and Development, and high-level delegations gathered to evaluate the current state of affairs and the prospects for the future. Finland was represented by Mr. Pekka Haavisto, Minister of the Environment and Development Cooperation. He pledged that Finland would organize an Expert Meeting to explore the topic of socially sustainable development.

Viewed on a global scale Finland, with a population of only five million, is a very small country indeed, though it covers a fairly large area. Since the Second World War the country has been developed in line with the Nordic "welfare-state" model: equality and basic social services for all have been our central goals. Finland was a poor country in the days when she first introduced elements of the universality principle: education for all, health for all, and social security for all. We did reach those goals and we are high up on the Human Development Index according to the United Nations Development Programme (UNDP) records. Having lived through that period from the poverty of the postwar period to the affluence of

today, we believe that just the fact that Finland chose the road towards basic services and social protection for all made the country develop so fast. The severe economic recession in the early 1990s was a major trial for us, but the pillars supporting the welfare society approach have nevertheless withstood the strain.

Why are we interested in the social dimension of sustainable development? While speaking of environment we are always speaking of people and of social phenomena. We simply believe in the vital importance of the social dimension. We know it through experience. These themes are a natural and consistent part of Finland's long-term domestic and international policy. Seen from the perspective of a small country, the social issues of the world look particularly central. In the international arena, such as in the United Nations and the European Union, a small country is in a good position to facilitate and promote cooperation. We also want to be open-minded: there are many solutions to social problems and development, not only those of the Nordic welfare-state model. But there is one central value we stick to: that of the worth of all human beings.

At the United Nations Commissions for Social Development and for Sustainable Development it has been possible to test our views and our goals against those of other countries and to influence joint strategies. We were involved when the theme "A Society for All" was being introduced in the intergovernmental arenas, and we invested in the development of global disability policy within the framework of the U.N. International cooperation is also carried out through many nongovernmental organizations (NGOs), and the resulting networks are of great significance in many issues and arenas.

It must, indeed, be conceded that the international cooperation in the field of social welfare and social policies is not of the easiest type. Defining the borders of the field is always difficult: Just what does the word "social" imply? At the international level it is not always possible to find a partner for international cooperation, since the divergent sociohistorical developments in different countries have led to the creation of many very different systems for coming to grips with social problems and welfare. Nationally, the "social" is also mostly very local, deeply rooted in local decision-making and

responsibilities. And above all, the social always has a political dimension, since communal matters cannot be handled without common, mutually agreed-upon rules and political procedures. This holds for local matters. It holds in global matters, as well.

Increasing interaction calls for an agreed-upon code of conduct. In the center of that code are human rights which are to be appreciated by all actors, also by the impersonal agents on the global market. But nevertheless social issues bring us inevitably to the domain of an ideological rainbow under which cooperation has to be founded on a true respect for each other's values, convictions, and legitimate interests.

The National Research and Development Centre for Welfare and Health (STAKES) was established to monitor and evaluate the trends in welfare and health both nationally and internationally. A significant part of our work is characterized by international partnerships, international issues, and a globally responsible outlook.

The growing inequality in health and quality of life in the world is frightening. Infectious diseases, once thought to have been wiped out, are rearing their head again, and even new ones are emerging. Malnutrition is taking its toll, and the industrialized countries are facing the problem of a widening gap between the affluent and the poor. Even the Nordic countries are reporting a growing trend towards inequality. The rich countries are thus finding themselves vulnerable both to unexpected diseases and to poverty attacking them from across their borders, and to the growing ill health and ill-being caused by increasing domestic poverty. They can no longer leave these problems to look after themselves. In the field of environment, mutual interests are even more obvious: borders are powerless in keeping out pollution. The prerequisites for a healthy life – clean air, pure water, and uncontaminated food – are becoming ever more difficult to achieve without engaging in international cooperation on a broad scale.

Wars, conflicts and malnutrition are steadily producing more and more death and disability among people. Landmines in many countries and other small arms in every country constitute a major threat in everyday life. We also know that in the face of such adversity, the most vulnerable people are children, women, and the poor.

Much could therefore be done to prevent disability if an international effort were made to put a stop to these crises and conflicts and the proliferation of small arms.

The sudden leap to an information society is a most intrinsic process in all of our societies. The emerging third development wave is evident all over the world. When strategies for an information society are being made, experts on social issues are, unfortunately, very seldom represented. It is clear that the development opportunities are tremendous everywhere and in every sphere of life. There are technologies available which allow us to overcome the obstacles of distance and time. Through satellite connections health workers even at the most remote health station in the midst of mountains or forests can get the most modern information on treatment options and keep in touch with colleagues. There also exist technologies that can break down many of the barriers disabled people face in society, and that can empower them to control their physical environments so as to live independent lives with autonomy and dignity. We have also seen that the technological innovations originally devised to serve in vicious wars and espionage can be converted to be used in everyday life.

The U.N. – promoted target of "a society for all" challenges the developers of the information society to take a stand on key social issues. But, the excellent potential in information societies will not be reached only by change. Change can spontaneously happen, but development requires direction and leadership. The great technological change, if not guided, can increase the vulnerability of people and deepen the gaps between the educated and the noneducated, the rich and the poor, men and women, the urban and the rural, developed and undeveloped areas, and the young and the old. But technology can also be guided towards development for all, towards truly social development.

The concept of "empowerment'" is a very central issue. At the heart of the social policy issues encountered by both the industrial and the developing nations alike are the following questions: How can we help people to help themselves? What is the right way to empowerment? While addressing these problems, the poverty, affluence, or level of technology in a country is not a dividing factor.

What we need are social innovations and new models for action. And it is in developing these that international cooperation really brings added value.

Socially sustainable development – and sustainable social development – are challenging themes. As shown later in this publication these terms are closely related but are not the same. Both terms have a perspective to contribute. They are presently being tackled by several groups of researchers while the social dimension of development is also racing up the political agenda.

We all worked hard for the Expert Meeting. The Ministry of Social Affairs and Health and STAKES staff joined forces to identify and mobilize the top experts and teams we knew of. All, however, were not able to attend this time. The Meeting made it possible to network across countries and ministries, across formal protocols, across disciplines and cultures. The Meeting produced a unique mosaic of opinions of top researchers and policymakers. No doubt the process build a small pool of "social capital" that did not exist before and which we can draw on in the future.

It is clear that such good work must be continued. The direction is also clear. The social dimension of sustainable development and its interactions with the economy, the environment, and technology need further cross-sectoral and multidiciplinary analysis to support the preparations of the follow-up event of the Social Summit, Copenhagen + 5, in the year 2000. From that arena should arise major conclusions on how to redirect development in a socially, economically, and environmentally sustainable manner to overcome the present obstacles to human development for all.

The network, the good working relations, the mutual trust, and the friendships created at the Expert Meeting at Kellokoski can be the seed capital for the process. A core team and a wide discussion forum could be established to continue the process and to develop the thematic so as to be ready to table well-founded proposals to be considered in the Copenhagen + 5 process. Such a sustainable social-development forum should be open to all who are interested in working together on social development issues. It should start with an open agenda and networking across established divisions. It could bring together scientists, policymakers, decisionmakers, business

people, NGO people, people from all regions of the world. It could work both on the Internet, and in the form of small meetings. To give a start to the process, we have established the site:

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

We are looking forward to meeting you at the virtual social-development forum.

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B. THE CONTEXT

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1 The background and aims of this initiative

Four years ago, 186 governments made a firm commitment to put people at the center of development both as beneficiaries and as agents of action. In the Copenhagen Declaration they set the focus as follows:

> For the first time in history, at the invitation of the United Nations, we gather as heads of State and Government to recognize the significance of social development and human well-being for all and to give these goals the highest priority both now and into the twenty-first century.[1]

During the last ten years "sustainable development" has become the umbrella concept for a new "global agenda for development". Within this framework, the AGENDA 21, an Action Plan for Sustainable Development, approved at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, 1992, has been recognized all over the world. The ecological and economic dimensions of sustainable development have since received much attention. On the other hand, many experts and policy makers share the opinion that the follow-up of the World Summit for Social Development (WSSD) of 1995 may not have attracted enough attention[2]. Eventually there might also have been more development in the Rio focus areas than in regard to the social

dimension of sustainable development. One of the reasons seems to be that there have been difficulties in conceptualizing the social dimension. The conceptual – and maybe partly political- challenges were evident right at the beginning of the Social Summit as it decided not to even try to define the central concept of "social development". Instead, the Social Summit only agreed on the focus areas that were included on its agenda.

At the special session of the UN General Assembly Special Session (UNGASS) on sustainable development in 1997, Finland pledged to take action towards the furthering of the social dimension of sustainable development. One of these activities was the hosting of an Expert Meeting on the Social Dimension of Sustainable Development, organized by the Ministry of Social Affairs and Health and STAKES, in October 1998, in Helsinki and at the Baltic Sea Centre at Kellokoski. The participants represented a number of intergovernmental organizations (IGOs), Ministries of selected partner countries, and the international and national scientific community as well as some government Ministries and agencies of Finland.

This expert meeting offered an opportunity to take stock of the progress made since the Rio Conference of 1992, and to view that progress in the light of the consequent World Summit for Social Development in Copenhagen in 1995. The Copenhagen Declaration of the WSSD, while recognizing and re-endorsing the principles of the Rio Declaration, focused on "an enabling economic environment", "reduction of poverty", "promotion of productive employment" and "social integration"'.

The Copenhagen Declaration on Social Development committed the signatories to the following [3]:

- to eradicate absolute poverty by a target date to be set by each country;
- to support full employment as a basic policy goal;
- to promote social integration based on the enhancement and protection of all human rights;
- to achieve equality and equity between women and men;
- to accelerate the development of Africa and the least developed countries;
- to ensure that structural adjustment programmes include social development goals;
- to increase resources allocated to social development;

- to create an economic, political, social, cultural and legal environment that will enable people to achieve social development;
- to attain universal and equitable access to education and primary health care; and
- to strengthen cooperation for social development through the UN.

"Rio +5", the main follow-up event of the Rio Conference took place at the UNGASS in 1997. The follow-up event of the WSSD, "Copenhagen +5", will take place at a UNGASS in Geneva, June 26th–30th, 2000. The challenge still remains to improve the coordination of the follow-up processes of the Earth Summit at Rio and the Social Summit at Copenhagen so as to arrive at a concrete agenda for sustainable social development.

2 The problematic equation: ecologically imperative, economically feasible, and socially just

The equation in the heading gives a recipe: take a piece of ecology, add a slice of economy and a flavor of social and you get sustainable development. Is this so? No. But this is the logic that has largely been followed in practice by the international community during the 1990s.

Since the report by the U.N. World Commission on Environment and Development, the "Brundtland Report" (1987), a new round of global development debate by the international community has resulted in a series of specialized initiatives:

- The Interregional Consultations on Developmental Social Welfare Policies and Programmes, Vienna, 1987
- The World Summit on Children, U.N, New York, 1990
- The United Nations Conference on Environment and Development, Rio de Janeiro, 1992
- The World Conference on Human Rights, Vienna, 1993
- The International Conference on Population and Development, Cairo, 1994.
- The World Summit for Social Development, Copenhagen, 1995
- The Fourth World Conference on Women, Beijing, 1995
- The UN Conference on Human Settlements, "Habitat II", Istanbul, 1996
- The World Food Summit, Rome, 1996

The Next Round begins with

- " Rio +5", at UNGASS 1997
- "Cairo + 5", in 1999
- "Copenhagen +5", in the year 2000
- "Beijing + 5", in the year 2000

All of these global exercises include a number of common concerns:

"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" (Flanders, III.). Until now, however, the international community has not reached such a unified strategy. There are difficulties, in agreeing on terminology, goals, and joint agendas. For instance, the "U.N. talk" refers to poverty *eradication*, the correct "World Bank talk" refers to poverty *reduction*" (Voipio, XVI, c.[4]). The United Nations has, however, been working towards a joint Agenda for Development. [5]

The equation of sustainable development is multidimensional to say the least. (see e.g. Knoflacher, X.). The interactions and interdependencies between the dimensions of sustainable development are recognized but they still remain unclear. Discussions have a tendency to follow the frontiers of the established academic disciplines. Thus sustainable-development dialogue has not been easy at times.

The difficulties in implementing the most essential prerequisite of sustainability, that is, the multisectoral, interrelated, and interactive nature of the development process, are sadly reflected in most development activities.

For instance, in line with a *technical* perspective, the "social sector" includes health and nutrition, social welfare services and social security, water and sanitation, basic education, and (public) housing. These subsectors produce essential societal services that are necessary for people in their aspirations to achieve health and well-being. However, all these are interdependent, but none of them alone is enough. Concurrent adequate levels of all of them are needed at the same time. This self-evident fact is, unfortunately, too often forgotten while planning and implementing development programs and projects: there are separate health projects, separate social wel-

fare projects, separate water and sanitation projects, etc. And, naturally, distinct ecological projects.

The proliferation of scattered projects in the developing countries has not shown much sustainability. Such an approach does not produce endogenous, self-sustaining, and comprehensive development processes at the community level. Comprehensive sector-wide programs should be seen as the viable alternative to the prevailing piecemeal approach.

Furthermore, it is clear that the social sector alone cannot ensure health and well-being for all if the other sectors do not perform their duties. Yet discussions and interactions between the social sector and, say, the sectors responsible for taxation and redistribution of incomes, and those covering ecology and land use, do not take place as a rule. The vicious circle of poverty and disease goes on.

> Unfortunately, however, most aid donors conceive the "sector-wide" approach quite narrowly, following the portfolio limits of the recipient country ministries of health, education, water, etc. respectively. Only in some donor-funded area-based programs the holistic idea of cross-sectoral and integrated social development has been operationlized – sometimes successfully. (Voipio, XVI, c.)

"Well-being for all" [6] was the ultimate goal to which those signing the Copenhagen Declaration committed themselves in 1995. "Well-being" refers to a combination of physiological, social, mental (and even spiritual) dimensions of the human life process.[7] All of them must simultaneously be at reasonable level. The prerequisites for well-being cannot be "developed" in a piecemeal manner. Therefore, integrated community-based development initiatives involving all members of the community should be preferred to sector-specific interventions.

The Finnish Government policies reflect the multidimensional concept of development, as is evident from the following quotation from the opening address by Dr. Sinikka Mönkäre, Minster of Health and Social Affairs [8]:

> 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 UN 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 at the United Nations World Summit for Social Development in Copenhagen 1995. (Mönkäre, I.)

Healthy and empowering environments, universal access to health and social welfare services, and social security for all are the cornerstones of the Nordic approach to social development. [9]

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. (Mönkäre, I.)

Democracy, involvement of people, and decentralized participation channels and structures are necessary preconditions for the development of a joint responsibility for the present and the future.

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 or woman in the street" is most worried about how clean and unpolluted his daily food and drinking water is. He/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. (Mönkäre, I.)

Many cities and towns in Finland have started implementing their own "local agenda 21s", and many local environmental health action plans cooperate. The involvement of main interest groups in the sustainable development initiative has taken place through the Finnish National Committee on Sustainable Development, chaired by the Prime Min-

ister. The National Committee has five subcommittees and a number of auxiliary bodies. In this way it is linked with all ministries, local governments, the private sector, and NGOs.

Women and children together constitute two thirds to even three-fourths of the populations of nations. Thus any discussion on development that does not explicitly take into account children and women is seriously off track.

> 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 the universal right to vote for women. Women in the world still have a long way to reach equality in all aspects of life; livelihoods of their own, equal opportunities for education, information technology, credit as well as decision making …
>
> 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 would appreciate scientific innovations to exploit the potential synergy between ecological improvement and economic viability, combined with social progress. (Mönkäre, I.)

It can be concluded that sustainable development is not a *sum* of ecological, economic, and social issues. We ought to be after something more than only adding new issues on the agenda. We should be searching for a qualitatively different type of development that would be a combination, a *product* of the ecological, economic, and social dimensions of development.

3 The role of the social dimension in development [10]

The Finnish Government has accorded a high priority to the social dimension of development as reflected in the opening address of Mr. Pekka Haavisto, Minister of Environment and Development Cooperation of Finland:

> Social development can not be separated from the cultural, ecological, economic, and political environments. 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 val-

ues, objectives, and priorities towards the well-being of all and the strengthening and promotion of conducive institutions and policies. Human dignity, human rights and fundamental freedoms, equality, equity, and social justice constitute the fundamental values of all societies. (Haavisto, II.)

The summit report of the WSSD 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.

Unless the ultimate goal of social development has 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. (Haavisto, II.)

How can social development then be best supported? The Copenhagen Summit 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; and
- protection and conservation of the natural environment in the context of people-centered sustainable development. (Haavisto, II.)

The objectives of the Finnish development co-operation are to

reduce widespread poverty, to combat environmental threats and to promote social equality, democracy and human rights. These goals are well in line with the Copenhagen and Rio Declarations. There is, however, a clear concern and focus on the social -and environ- mental – dimension of development and the sustainability of it.

C. THE SOCIAL DIMENSION OF SUSTAINABLE DEVELOPMENT, WHAT IS IT?

■

1 What is sustainable development?

In 1972, the Club of Rome alerted the world of the "limits to growth". They forecasted depleting natural resources, increasing environmental degradation, and pollution in a world of wealth and poverty. The issue of sustainability of economic growth and population growth were put on the international agenda.

A decade later the United Nations Secretary General called on Dr. Gro Harlem Brundtland to establish and lead a commission, the World Commission on Environment and Development, in 1983. The Commission adopted the concept of "sustainable development" as the new beacon for "change" of the alarming global trends. The representatives of 21 nationalities – in their personal capacity – concluded and pledged to the international community that: "We are unanimous that the security, well-being, and very survival of the planet depend on such change."

This Brundtland Report of 1987 defined sustainable development as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[11] The Rio Declaration of 1992 went further and gave the fol-

lowing characterization: "Human beings are at the center of concerns on sustainable development. They are entitled to a healthy and productive life in harmony with nature." [12]

The Copenhagen Declaration of 1995 elaborates as follows:

> We are deeply convinced that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development, which is the framework for our efforts to achieve higher quality of life for all people. Equitable social development that recognizes empowering the poor to utilize environmental resources sustainably is a necessary foundation for sustainable development. We also recognize that broad-based and sustained economic growth in the context of sustainable development is necessary to sustain social development and social justice. [13]

The Finnish Government Programme for Sustainable development (1998)[14] gives the following more detailed characterizations of "ecological, economic, and socio-cultural sustainability":

> **Ecological sustainability:** The basic condition for sustainable development is the preservation of biological diversity and the viability of the ecosystem as well as the long-term reconciliation of economics and other human activity with the environment's carrying capacity…

> **Economic sustainability:** Means balanced and stable growth that is not reliant on long-term indebtedness or squandering of reserves. A sustainable economy is a basic prerequisite for many key activities in society… Economically sustainable development presupposes that, in global terms, goods and services can be offered so that they place less of a burden on the environment and consume a lower quantity of natural resources and energy… It is becoming increasingly apparent that sustainable economic development springs from investment in human capital.

> **Social and cultural sustainability:** The main target of social and cultural sustainability is for society to be able to assure a sound basis for public welfare from one generation to the next… Basic welfare is a fundamental precondition for the promotion of ecological sustainability and its acceptance by society.

Looking closer at various definitions of sustainable development it is evident that there are major difficulties in conceptualizing the essence of it.

> 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… Some simply dismiss the problem altogether by saying that if it's not sustainable, it's not development. (Flanders, III.)

On the other hand "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" (Flanders, III,). For instance, "The concept of sustainable development has opened a political and practical forum for the promotion of environmental health actions at global, regional, national, and local levels." (Nyroos, IX.)

The United Nations "Agenda for Development" of 1997, compromises 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." [15]

2 Conceptual difficulties

Any attempt to conceptualize sustainable development faces at least the following conceptual challenges:

(1) The long time horizon and inevitable uncertainty:

There is an eventual conflict between short-term and long-term needs and objectives: what appears as "sustained growth" in the short and medium term may not be sustainable in the long run due to ultimate ecological constraints.

(2) The complexity of the issue:

Interlinkages within and between ecological, social and economic systems make analyses complicated, (see e.g. Knoflacher, X) particularly as "teaching, learning and research is organized into neat specialized disciplines" (Flanders, III.). After all, as the real world ecological, economic, and social systems are interactive dynamic processes by nature, the "targets of sustainable development have to be formulated with consideration to the dynamics of the interacting systems" (Knoflacher, c.).

(3) There are fundamental values, various world views, and interest conflicts involved:

i "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" (Flanders, III.).

ii While the "socialist" – "capitalist" dimension has recently lost some of its conceptual usefulness, there still exists different economic traditions and philosophies neither of which can be proven objectively wrong or right to the other party; much of the discussion still moves on the dimension of belief in free markets and belief in the necessity of regulations as solutions to balance between financial, social, and ecological values.

iii There are other relevant dimensions entering the discussion on social values, such as the dimension of "the individualistic" vs. "the collectivist" interpretations of human rights and freedoms.

iv The integration of the current concepts of democracy and freedom into the approaches focussing on the protection of the natural environment is a major challenge.

(4) What is development if it is not sustainable ?

A careless use of a vaguely defined term "sustainable" will result in a confusing "add on" to existing terminology rather than injecting added value to the analysis. Sustainability of a system requires resilience to external chocks and internal disturbances. Sustainable change is thus a dynamic equilibrium resulting from a functioning system of checks and balances (c.f. Knoflacher, X.). Development is improvement, i.e. change towards an agreed "good". Sustainability can be one of the criteria of development. For instance, in the social sphere, the western democracy has proven to be quite a sustainable social system – for the time being. By balancing through internal and external threats it has also at least moved a large number of people to ever higher steps on the ladders of the material standard of living, which has often been named as "development".

So there is a risk that "sustainable development" as a term is tautological: Development can be seen as an improved resilience, an improved capability to adapt to external systems and to utilize them

as well as to keep control over internal disturbances – development is improved sustainability; sustainability is an indication of development.

(5) Whose values come first:

While it is not that difficult to agree that we want sustainable development, it seems to be difficult to agree on the approach and where should we start (Voipio, XVI, c). In most cases the term "sustainable development" requires thus further elaboration. Sustainable for what, against what, towards what – and for whom? In practical usage, sustainable development is not a value-neutral term.

For instance, one way to view sustainability is to use an *external* value criterion: such expressions as economic sustainability of social change, ecological or social sustainability of economic change do make sense. But the external criterion used implies a priority order, as well.

On the other hand, if we use *internal* criteria, e.g. socially sustainable social development, or economically sustainable economic development, the results are not self-evident expressions.

(6) Whose values are relevant?

Sustainable development is not a technical term. It is a value statement with a varying degree of precision and emphasis regarding the characterization of the words "development" and "sustainable". The first question is which values -and whose values- we are talking about and what we set as the priority.

Furthermore, the term development, in its current usage, may have a serious Western bias.

> The development critics point out that many people and many peoples in the "underdeveloped" or "undeveloped" South perceive "development" in a different way. For them development comes as an imposed western modernization which they do not always see as an improvement. Therefore, we should not forget that the connotation given to "development" as a social objective is a value judgement. (Voipio, XI.c.)

Sustainable development is the project of the turn of this century. Both the words "sustainable" and "development" imply the defini-

tion of a reference point: For someone, towards something. In line with the Rio Declaration and the Copenhagen Declaration that pinned down the perspective in their first respective paragraphs, 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 the quality of the environment (Flanders, III.). At both conceptual and practical levels there remains a major challenge to solve the complex equation between the social goal of poverty reduction, and that of equitable distribution – given the ecological limits to the growth of material production, and the observed current mechanisms of the local and the global economies. Any discussion of development from people's perspective, always has the social and human dimensions as central concerns, as those are the ones people live within.

3 What is social?

The contents of the social dimension in sustainable development depends on how the term "social" is defined. There are at least two basic perspectives that are relevant for development issues:

a) "social", as a *technical* attribute, refers to interactive structures or societal institutions (informal and formal rules and arrangements for interaction).

b) "social" as a *value* attribute, that refers to consideration of "the others", or rather, "all" the people.

Within the latter perspective, "the social always has a political dimension, since communal matters cannot be handled without common, mutually agreed rules and political procedures. This brings us to the domain of ideological differences in which cooperation has to be founded on respect of both one's own convictions and those of others." [16] Social as a value to strive for refers to something into which all actors contribute, from which all actors benefit in an equitable way, and that is acceptable to all of them (e.g. Voipio, XVI.).

In the course of the last decade some of the ideological obstacles

for consensus over the contents of the "social" value have diminished as state socialism and apartheid racism lost their significance in the international arena. It has become somewhat easier to agree on (a) who are those "all" that are entitled to contribute, to decide, and to benefit, (b) on which criteria should an equitable distribution of input and outcome be defined, and (c) through what mechanisms should social and political acceptability be tested.

The common global values indicating "the smallest common denominators" of the politics and cultures of United Nations Member States are stated in the U.N. Conventions and are reflected in all of the social programs of the United Nations Specialized Agencies: "Food for All" (FAO), "Health for All" (WHO), "Education for All" (UNESCO), "Shelter for All" (Habitat). And ultimately, "…the concept 'A Society for All', encompassing human diversity and development of all human potential, can be said to embody, in a single phrase, the human rights instruments of the United Nations." [17] All these global social programs endorsed by the international community aim at least at one common thing: more equal opportunities for all people to participate in and to contribute to societies. **Equality and universalism** are the underlying values: everyone is entitled to the universal basic rights and fundamental freedoms if we want to call ourselves humankind.

The Copenhagen Declaration elaborated further:

> 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. [18]

The development policies of some developing countries, such as Namibia, put social development at the top of priorities. The Nordic welfare states have given another example of successful implementation of equal access, equal opportunity, and joint social responsibility policies even over the exceptionally deep recession of the 1990s.[19]

The key issue of social development and social welfare policies is to balance between freedom and equality.

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. (Holzmann & Jorgensen, V.)

The "social" perspective is a question what is right. It is chosen balance between equalization of opportunities and "sufficient" ex post equalization of outcomes.

4 Is it enough to add a social perspective into development ?

The Club of Rome placed environmental concerns on the international agenda. Those days, in the early 1970s´ the "hopeless" concern was the assumed turning of relative scarcity of natural resources to absolute scarcity. In the 1980s focus was on the deterioration of the environment and the conservation of the nature of the globe. The Brundtland Commission concluded that there is only one world for all and one common future for all nations. Ecological sustainability as such is not enough. We need to attain social and ecological *stability* with new technology and new international economic order [20] to achieve conservation of nature, efficient resource management and social equality, and more equal access to resources. So there were three goals to be realized at the same time. The price mechanism and the internalization of the environmental costs by the economy was seen as one promising option to solve the environmental problem. Focus was on the interplay of the environment, economy, and technology.

What has the focus been in the 1990s? And what should it be for the next decade?

The Commission on Sustainable Development (CSD) 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[21]… 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. (Flanders, III.)

The 1990's international compromise that the economic, ecological and social dimensions of development are interrelated is too safe. Much more needs to be said in order to arrive at practical policy conclusions.

It should be noted, that actually the first ever U.N. Summit on human development issues was the World Summit for Children, in 1990. As an indication for serious concern by the heads of state and government for global human development issues it was a very right agenda item to start with, but a very late start, indeed. There are indications that the global development discourse is arriving at identifying a set of core problems.[22] The UNGASS on sustainable development in 1997 concluded, inter alia, that "ecologically sustainable development is inseparable from its social and economic dimensions". The very recent document by the Finnish Government resolves the problem elegantly by defining sustainable development as "adjustment of economic and social development to ecological realities." [23]

There is, indeed, a hierarchy of goals. There are, in principle, three roads to ecological balance:

a) Direct intervention in immediate ecological *outcomes*;

b) Intervention in the economic /technological *processes* that appear ecologically unsustainable; or

c) Intervention in the *causes* of the unsustainable technological, economic, and social solutions. In this case, the policy- relevant cause variables are to be found in the social institutions through which human communities, with the assistance of technology, interact with their environments.

The first approach leads to the instant treatment of the symptoms but does not go anywhere. The second road requires increasing the doses of a proven medicine -technology- but as such does not cure the disease, and increased consumption offsets the impact of tech-

nology. The third difficult path brings us inevitably to intervene with those social institutions – values, power structures, and social organization in general, including the local and global *economic* organizations – that have caused and that perpetuate the problem.

In the same way, we should ask what are the alternatives routes to economically sustainable development. Should we puzzle with the unsustainable outcomes, the economic processes only, or with the background institutional causes that tend to destabilize the economic systems, to create economic crises – and environmental damage?

5 Social development as the prerequisite to sustainable development

While discussing the social dimension of sustainable development, there are actually two relevant interwoven perspectives, namely

(a) socially sustainable development and

(b) sustainable social development.

These two perspectives are not the same despite the fact that they are very often used as alternatives to refer to the social dimension of development. The choice of conceptualization implies a choice of perspective. The two respective perspectives lead to different conclusions.

Socially sustainable economic, ecological, and technological development means such changes in the economy or in the relationship with the environment that do not cause major destructive shocks to social institutions or that do not increase inequality and exclusion.

For instance, fundamentalist reactions to "Western" development efforts are examples of development policies that are not socially sustainable. The experiments in centralized state socialism were examples of policies and structures that were unsustainable both economically, environmentally, and socially – and in the end also politically. [24]

Sustainable social development[25] denotes to continued improvement of the social organism, that is, the change of social institutions

towards becoming more equitable, participatory, stable, and self-balancing, so that jointly agreed values can better be achieved. It presupposes improving governance, equalizing opportunities for participation and contribution for all in a spirit of mutual trust and shared social responsibility. Actually, social development is accumulation of "social capital". Social development *enables* all people to pursue their well-being.

The proposed social development concept is a derivative of the **"human development"** concept introduced by the United Nations Development Programme (UNDP) in 1992. The main differences are the intergenerational equity and the emphasis of the universality principle that have been explicitly added to the dimensions mentioned in the definition of human development :

> Human development is a process of enlarging people's choices. Enlarging people's choices is achieved by expanding human capabilities and functioning.[26] At all levels of development the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living… essential areas of choice, highly valued by people, range from political, economic and social opportunities for being creative and productive to enjoying self- respect, empowerment, and a sense of belonging to a community.[27]

A practical example of applications of these recent conclusions by the international community regarding the essence of social development is *"The Green Paper on Social Welfare Policies in Namibia".*[28] It provides one functioning logic for the definition *of sustainable social development*, from which a mission and concrete development objectives can be – and actually have been- derived:

> *Development* is a process that widens choices available to people[29]. *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.[30] *Social* development refers to development by all the people, for all the people and of all the people.[31] *Sustainable social development* is thus a process that equalises the opportunities for all people – within and between generations – to live productive and meaningful lives. (Coetzee & Wiman, XIII.)

It should, however, be noted that "equal opportunity" alone is not enough for achieving socially "equitable" outcomes in cases when the gross inequalities of the past put people at very unequal starting

points, as in the Namibian case (Voipio, XVI, c.). However, the Namibian definition refers to a *process* of the equalization of opportunities. It does not, therefore, exclude the option of "positive discrimination" of the previously underprivileged population groups. Quite the contrary: the option chosen by Namibia implies a conscious effort to correct the inequalities of the past, in the first place.

The minimum prerequisite for the process of equalization of opportunities requires the ensuring of **universal access to basic social services**, such as primary health and nutrition, primary social welfare services and basic social protection, water and sanitation, basic education, and housing. Understood in this manner, social development that incorporates the development of appropriate social security and social services for all is a necessary **precondition for economic development:** social development enables all people to maintain their capacities and to better participate and contribute their potentials to economic activities. Appropriate social protection also enables people to take higher risks and thus eventually achieve greater gains (see e.g. Holzman & Jörgensen, V.). Human rights and human security[32], mutual trust, social and environmental responsibility, and good governance are also logical preconditions for ecologically more responsible modes of production and consumption.

The newly independent countries of Eastern Europe are an ongoing test laboratory of various mixes of social, economic, and ecological goals in development policies. Some, such as Russia, face a serious credibility crisis both in the public and the private sphere, which hampers practically all efforts in the economic and environmental field (see e.g. Tysiachniouk, XIV.). Some others, such as Estonia, are implementing a mixed economy policy with high-growth free markets, development of basic social protection and services, and improvement in environmental conditions at the same time. It has, however, required major changes in political structures, governance, and economic management. One of the necessary reforms has been the modernization of social protection legislation, organization, and practices.

It is possible to achieve economic growth through means that lead to social "recession" or even a backlash in social development.

The necessary economic transformation to achieve longer term sustainability may result in disastrous consequences for people's health and the social conditions – as is the case in many former socialist countries in transition[33]. It is also theoretically possible to achieve ecological balance through the introduction of a terrorizing dictatorship. While economic or ecological collapses are naturally not favorable backgrounds for social development, it is not convincing to claim that it is necessary to wait for higher economic growth rates before "the dictator can step down" and/or a democratization process can take place.

The above definition of social development implies further the **development of social institutions** that mobilize human potential through promoting inclusion, equal opportunity to participate, contribute, and to benefit by all groups in society. The essence of social development is the strengthening of social institutions that aim at universal and organized mutual social responsibility for the common good and for the well-being of all. Social development is accumulation of "social capital" (See e.g. Hjerppe, VII., Coetzee & Wiman, XIII., and Wiman, XV.).

Sustainable development is not a technical issue and it cannot be viewed in a purely technical manner. Sustainable development is an ethical issue. Sustainable development looks different depending on the position of the observer. It is a political issue. It has two faces: one is poverty, the other is overconsumption. Both of them need to be solved at the same time. That process involves everyone.

Membership in society implies a **social responsibility**[34]. Those sectors and actors in a society – or in the global community – that claim not to have a social responsibility are actually demanding a free ride.

D. THE CHALLENGE

■

1 Growth and sustainable development

There seems to be an inherent contradiction in the present formulations of sustainable development: what is desirable is not necessarily feasible:

> The United Nations Agenda for Development of Rio +5, in fact, goes on to say that, 'Sustained economic growth is essential to the economic and social development of all countries, particularly in developing countries' [35] 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. (Flanders, III.)

Actually, Hermann E. Daly and Kenneth N. Townsend pointed out in 1993 that the term "sustainable growth" is an illusion comparable only to alchemist fabrications: "… it is impossible for the world economy to *grow* its way out of poverty and environmental degradation. In other words, sustainable growth is impossible. The earth will not tolerate the doubling of even one grain of wheat 64 times, yet in the past two centuries we have developed a culture dependent on exponential growth for its economic stability… "[36]

A simple zero-growth idea is naturally a dead end road, at lest to the poor countries. Zero or negative growth has always led to serious problems and would probably lead to even greater ecological imbalances already in the short run. The solution to the dilemma is more complicated – and more socially intriguing.

Growth and development are not the same thing. "To grow means 'to increase naturally in size by the addition of material through assimilation or accretion'. Development means ' to expand or realize the potentialities of; to bring gradually to a fuller, greater, or better state.' When something is growing it gets bigger. When something is developing it gets different" (Daly & Townsend, op.cit.). The authors conclude that "Sustainable development must be development without growth – but with population control and wealth redistribution – if it is to be a serious attack on poverty" (ibid.).

In order to understand the current controversies between the various branches of the development debate, it is useful to look briefly back to some of the roots. Since Adam Smith pointed out the importance of economic institutions to the wealth of nations, economic growth and increase in production has occupied the central place in mainstream economics. Growth brought in a dynamic aspect into economics and also offered a promise of a better future, however, first to the well-to-do and *later* also to the poor. The capitalists believed in the "invisible hand" and the "trickle down" effect. Short-term inequality was seen as the necessary price for a better future. The socialists claimed to have put the poor in the first place but the results were far from convincing, as it was the state, not the people, that ended up as the center of development. Both of these main streams of economic thought followed the promising beacon of growth as the solution to scarcity and poverty.

In the 1960s, the expansion of the modern industrial sectors sparkled a rapid urbanization process accompanied by large-scale migration both in developing and developed countries. Poverty was piling up into visible concentrations both in rural and urban areas. Focus had to be turned back on the "basic needs" of the poor. The original medicine: work and incomes, basic public services, and participation became, however, a top-down state exercise: "count, cost , and deliver" [37] . The same formula governed development aid.

In the 1970s and early 1980s the end of the road was reached: the oil crisis hit many countries hard, growth slowed down, many countries were gliding into deep debts. The World Bank and the International Monetary Fund introduced stabilization medicines: cut public spending, reduce budget deficits, reduce wages, and float the currency. The medicine often "balanced the budgets by unbalancing people's lives" [38] Long-term structural adjustment policies that were recommended by the international economic "guardians" included free markets, reducing the role of the state, privatizing removing subsidies, liberalizing prices, and opening the economy to international investments. Medicines were good in theory, but bitter in practice and many patients all but died. Along with Neo-liberalism, poverty, homelessness, and bread queues came back even to the wealthy countries, including Finland.

Some of the U.N. specialized agencies – those that had to meet the consequences face by face, such as UNICEF, ILO and UNDP , and the women's movement – called for adding a "human face" to adjustment policies. [39]

During the decades while the mainstream theorists had been worshipping economic growth, the rich had got richer and the poor poorer. The global scene was polarizing and the split of citizens to the winners and losers was evident in many countries, in the poor ones, as well as in the rich ones.

The quest for more convincing path of development, both ecological, economic, as well as social, started challenging the mainstream policies. It might be fair to say that, on the background, there had been a silent revolution in thinking about human beings and their relation to society in the course of the late 1970s and the early 1980s.[40] The concept of human welfare started evolving from deterministic and "objective" conceptualizations towards admitting that human beings are – and they *want* to be – agents of their own lives rather than being drifting logs in the stream of external causes. In economics, some scientists, such as Amartya Sen, promoted the agent approach to welfare economics by introducing the human capabilities approach to well-being. In 1990, the UNDP adopted the model and launched the human development concept and the Human Development Index as an alternative or complementary

measure for human well-being and development. [41]

In short, the concept of "human development" was based on the observation that also the poor are just normal human beings. Also they need to eat to stay alive. But every human being tries to stay alive in order to *live*, and to achieve much more than a bare survival. We all need to have access to the physical means for survival, food, water, shelter etc., but everyone, also the poorest of the poor, strive for *adequate* food, *safe* and *good* water, *better* medical services, more and *better schooling for children*, affordable transport, *secure* livelihoods and productive and *satisfying* jobs as well as freedom to move freely, to speak to get together, to decide for oneself, and freedom from oppression and violence. We all also want the freedom to participate, to share and to take responsibility for ourselves, our families, the common environment, politics, and common matters, and to be ourselves.

Economic growth measured by changes in the GNP, or any other income-related measure, is an indicator of increase in quantity of – good or bad – goods and services that can be exchanged for money. It measures some of the means people use to produce their well-being. Ends cannot be measured by indicators measuring the means. Putting economic growth as the goal is putting the cart in front of the horse. To measure what the means result in, other measures are needed. What kind of growth, with what consequences, and for whom?

Human development does not result from economic growth. Historically, these two aspects of change are connected in a variety of ways. In some countries the connection has been strong, and in the East Asian countries it has actually created a *virtuous circle* of development. In the others the connection is weak or unsustainable, having led to the *vicious circle* of stagnation of human and economic development, as in many of the sub-Saharan African countries. [42]

Development policies are based on some facts, some theories, somebody's values, selected priorities, and many uncertainties. The policy is an issue of choice. The choices to be made regarding economic growth is: growth of what and for whom:

- Jobless growth – or job creating
- Voiceless, disempowering growth – or participatory and empowering
- Ruthless growth – or egalitarian
- Rootless growth – or enriching culture
- Futureless growth – or sustainable development[43]

Growth results in human development only if so decided. But not always, even when so was decided. Regardless of the stated good intentions, economic growth policies needs to be evaluated by their actual consequences, whether the means resulted in the desired ends. The right question is not whether there should be growth or not, but what kind of growth: quantitative or qualitative, pro-poor or against the poor. Was the result better or worse human development, more human security and freedom, or violence and restrictions on choices, more or less equity between and within the generations, better support to the natural environment's carrying capacity or destruction, greater cohesion or conflict?

The human development approach launched by the UNDP - despite all its theoretical and particularly empirical challenges – has provided a fresh and welcome alternative to a narrow economist's approach to development. It has had a major impact on the development discourse regarding the social dimension of development, particularly in the preparations and the follow-up of the World Social Summit. But it took almost ten years for the human development approach and its concepts to become "authorized" and accepted as part of the established development talk.

2 The current situation and the emerging context for the future

2.1 The social, economic and ecological balance of the day

A split in the front has emerged in the international forums: the rich nations tend to emphasize the ecological and technical aspects of sustainable development. The poorer countries have strongly raised the social aspects of sustainable development to the fore.

Compromising between the demands for more wealth for all and less threats to the environment, the "Rio bargain" included three promises:

1. Increasing resource flows to poorer countries;
2. Making available (environmentally friendly) technology to the poorer countries; and
3. Opening up world trade to all countries.

World trade has been liberalized. Technology transfers did not materialize to a major extent. All developing countries did not see the flow of resources, either. Still, in 1990, official development aid (ODA) to developing countries was 27% bigger than private investments. While there was over a five-fold increase in the flow of private resources to developing countries between 1990 and 1996, ODA went down by 27%, being now only one-sixth of the total flow. Private investments flowed predominantly to the "promising" regions and countries, especially to Asia, and particularly targeted infrastrucural investments. As of ODA recipients, Africa fell particularly on the losing side. Only some public investments in the social sectors have taken place there. The Central and Eastern European countries in transition were the winners in the competition for decreasing ODA.[44]

> The dramatic five-fold increase in private investments to the "commercially promising" or "emerging" middle-income countries does not only represent real new investments. A large proportion of the "foreign investments" is actually a reflection of the privatization of parastatals, i.e. trading the existing production infrastructure – at a cheap price – to foreign transnational private companies. (Voipio, XVI. c.)

Since Rio, however, "In essence, the big picture has not changed much in the past six years" (Flanders, III.).

> 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. 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 ofthe 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. (Flanders, III.)

During the latter half of the twentieth century, "development aid or assistance", later "development cooperation", has been the social innovation to tackle the internationalization of the world, decolonization, the emergence of new independent states, "underdevelopment", and the struggle for power, influence, and economic gains in a world divided into three: the "Capitalist" West, the "Socialist" East, and the Southern "Third" World.

"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" (Bezanson, IV.). Still, however, there is a growth of literature which tries to demonstrate that economic development and development aid is working.

> With few exceptions, the case being made by development organizations 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 immunization rates have soared. (Bezanson, IV.)

Furthermore, population growth rate has come down slightly, and poverty in proportional terms has demonstrated a downward trend, as well, but the number of the poor goes on increasing. There is progress in life expectancy, education, and the position of women. There has been progress in political liberalization and democracy. But the number of armed conflicts, particularly domestic ones, has risen sharply. The U.N. regular activities are in constant financial cri-

sis. On a world scale, many social indicators have gone up but environmental indicators go down. In general, there has been increases in differences between and within countries and regions.[45]

2.2 Is the current diagnosis valid ?

(1) Is the interpretation of the observed trends right?

While there is increasingly accurate information available on global and national trends, it has been difficult to agree on indicators of development. A particular difficulty lies in interpreting what those observed trends mean and whether the observed positive changes are sustainable and the negative ones correctable.

> The case which development organizations 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. (Bezanson , IV.)

(2) Is the theory of development economics on track?

Facts do not speak for themselves. "Half empty" and "half full" are equivalent facts with diametrically opposing interpretations. Interpretations are based on a theory. Embedded in the arguments for filling in the gap between poorer and richer nations through multilateral and bilateral development support to poorer countries there is an underlying evolutionary assumption of a measurable, linear, pre-

dictable, and unitary economic, demographic, social -and even cultural – development towards reaching a commonly approved goal:

> 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. (Hjerppe, VII.)

The apparently clear economic analysis of societal changes has faced the unexplainables and consequently recognized the need to *include* some of the social and cultural "externalities" in the analyses to make the observations more understandable. First of all, "all factors of production cannot move freely even at these times of radical liberalism. Poor people (labour) of the poor countries cannot move freely to the rich countries" (Voipio, XVI,c) . Secondly, "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)" (Hjerppe, VII.).

(3) What does the concept of "social capital" add into economic models ?

Economics has always included land, labour and (man-made) capital in the analysis of production. "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" (Hjerppe. VII.).

> The so-called new endogenous growth theory in the 1980s… is founded in neoclassical thinking, but attempts to incorporate human capital and technological development in the model. Human capital comprises both the quantitative dimension of labor employed in production and the pool of knowledge and skills possessed by the labor force. (Hjerppe, VII.)

In the recent language of economics

> 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 are characterized as "social capital"… A society that relies on generalised reciprocity and mutual assistance is more effective than a competitive, distrustful society…
>
> 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… The quality of the organization of the community (the social capital) is a precondition to economic growth. (Hjerppe, IV.)

Recent research reinforces the view that the advancement of civic society is also positive for a society's economic development (c.f. Hjerppe VII., Holzmann & Jorgensen, V.). Ecology sets limits on the growth of man-made and natural capital. The research on the concept of social and human capital gives rise to the optimism that there is much growth potential in human and social capital that can be applied to solutions of the dilemma between the need for growth to reduce poverty and the foreseen ecological constraints (see figure 1).

There are a number of recent examples of the drastic effects of eroding, "polluted", or collapsed social institutions on economic and social performance of some nations [47] (Hjerppe, VII., Tysiachniouk, XIV.).

There is never enough legislation and control to fully safeguard a nation from nationally counterproductive speculative transactions unless there is a parallel sense of social responsibility amongst the actors in society. This is what makes nations so vulnerable to the attacks of "homeless" economic entities. Actually, the government is in the best position to rob the nation – and many have done so. An opportunity makes the thief – unless there is moral and mutual responsibility.

The problem with "social capital" is that it is stubborn, it is embedded in the culture. It cannot be imported. It can only be created on the spot. Consequently, all efforts to develop or modernize the economy or the ways societies relate to nature require the existence of sound social institutions and good governance. Participatory capacity-building should, therefore, be a core element in all development efforts.

Figure 1. The growth potential of the four different forms of capital [46]
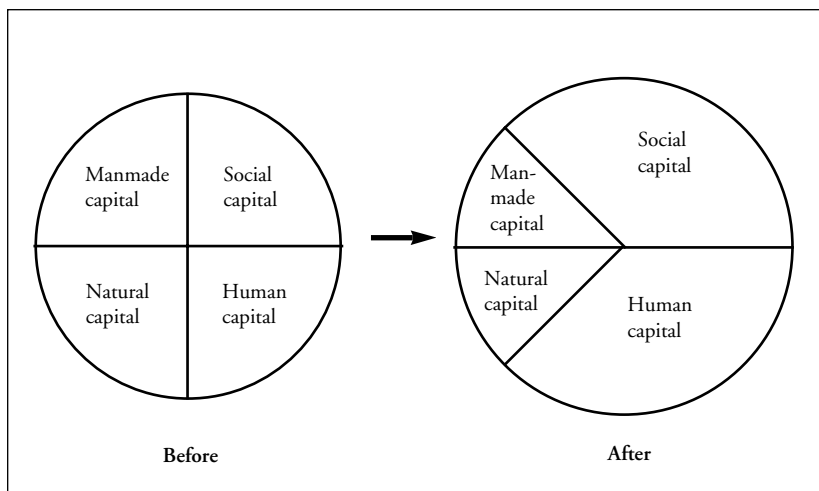
There is a need to seek for better understanding of the interactions between social capital and other forms of capital in order to find a more durable basis for the long-run sustainable development of societies and the world. Furthermore, the substitution possibilities of, e.g., physical and nature capital by human and social capital need to be further studied.

(4) Is the focus of the development debate on right issues, after all?
The validity of the economist interpretation of development is being questioned. The economist asks whether "social capital" is capital at all: Does it behave as capital does? The social scientists, in turn, question whether "social capital" is again a set of "new clothes for the emperor", economist "newspeak of 1984" only fabricated to reword the established notions of "networks" and "social institutions"? What does it add to the analysis? Should we rather add social values into economics rather than interpret – or even replace- human values with economic ones? (San, XII. c.)

Or, does the notion of social capital improve the understanding and dialogue between disciplines, after all? Rather than representing the imperialism of economic terminology, does such a broad term economize thinking? Does it help to import (or smuggle) soft social

phenomena onto the desks of those making hard decisions? Does it attempt to economize love and friendship or does it only try to make concepts and thinking more economical ?

Now, however, even the ultimate goals, assumptions and key variables of development economics theory are under attack: "those very Western standards of living to which all humanity was supposed to aspire are being questioned " (Bezanson, IV.). The last decades have witnessed even the opting of some societies for religious fundamentalism and corresponding social structures diametrically contradicting the established rules and values of the "West". Included in those rejected "western" values are sometimes also the international universal human rights instruments.

The key problems might not be (only) in the concepts and the theories through which the world is viewed, but rather in the inherited actual reality, its structures and practices:

Environmental crisis is a social crisis stemming from structural design faults of the society. Thus it cannot be captured by concepts referring to stocks and flows of material entities. There are immaterial and immeasurable elements involved. The environmental crises can and should be overcome by further "ecological modernization" requiring major technological and social innovations rather than incremental changes to the presents systems (e.g. Massa, VIII., and Knoflacher, X.).

> The twentieth century was a century of war. The 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. (Flanders, III.)

There is only one world for all. But while speaking of the necessary decisions that need to be made to keep the spaceship Earth afloat, it is also doubtful whether it serves right to speak of "us", humankind, as one unit. Inherited social realities and inequality place people in different positions with regard to present and future access to natural resources and economic and social opportunities – and power.

From the perspective of people who are most marginalized, such

as people with disabilities, the present physical, economic, social, political, and cultural structures are designed for imaginary perfect supermen and superwomen. Consequently the current mainstream societal values and structures serve well only a few if anyone at all. They are full of barriers to participation thus excluding those who are not considered to be "normal", but who after all is normal? Thus there is a need to challenge the terms of reference that some people impose on others. The current values, such as those reflected in the notions of human *capital* or social *capital*, are to be questioned. There is the need to address the handicapping, excluding values and vocabularies, and to find ways to manage the erosion of human -and environmental – values (e.g. San, XII. c.).

2.3 Emerging challenges

The world scene and the actors on the stage – and also the script of future history – are rapidly changing. With reference to development economics and its applications, there are indications that the facts, the premises, and development theories in general need to be given a critical look in the present context :

> Much of this architecture, we now know, requires fundamental rethink-ing which must take place at a time of unprecedented turmoil and change in practically all aspects of human activity.

> 1. 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.

> 2. 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 unpre-dictable character.

> 3. The world economy is experiencing profound transformations, mainly as a result of shifts in trade patterns, the globalization of financial markets, the changes in the nature of work and the impact of techno-logical advances, the collapse of the 'Asian miracle', which challenge established economic practices and confound the search for models and strategies to follow.

> 4. 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.

5. New findings and discoveries in sciences are forcing us to revise drastically our ideas about humanity and its place in the order of things. (Bezanson, IV.)

As the international political, economic, cultural, and social orders have changed, the inherited language of the global analysis and debate is becoming inaccurate:

> 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. Most development discourse continues with a language of unlimited economic growth and expansion in the face of a reality of social and ecological collapse… 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. (Bezanson, IV.)

The same confusion caused by dichotomous concepts holds *within* "the poor" and "the rich" , or the "developed", and the "underdeveloped" nations: some dimensions of poverty reign amongst the richest nations, underdevelopment amongst development, and there are pockets of extreme wealth in the midst of the poverty of the majority, and high-tech expands to areas where people in general still live as they did a millenium ago.

2.4 New windows of opportunity

There are negative trends. There are positive trends. The old ideological distinctions may blur the picture of which one is which. There are also *qualitative* changes that are difficult to observe through a quantitative approach.

> Recent trends in the evolution of trade, technology and political systems have created great opportunities for improvements in welfare across the world. The globalization of trade in goods, services and factors of production has meant that the world community is poised to reap the fruits of global comparative advantages. Technology is helping to speed innovation and has 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.(Holzmann & Jorgensen, V.)

(1) Globalization: The trend towards increasing recognition and acceptance of global interdependence.

"There is no simple roadmap to redefining development, but there are significant clusters of opportunity which can be good starting points" (Bezanson, IV.). Communication technologies, and the removal of institutional, political, and legal barriers have increased the mobility of capital, people, ideas, as well as diseases and crime. Pragmatism has replaced ideology in international relations. The security concept has expanded from that which was solely military towards a concept with economic, ecological, social, and human dimensions[48] that calls for constructive global collaboration in facing joint threats rather than the continuation of an arms race. "Security of the northern hemisphere is seen increasingly in terms of what happens to the rainforests" (Bezanson, IV.). And there is a real peace dividend to be tapped: military spending increased annually over 40 years, but it has been decreasing by 3% percent each year during the last six years (ibid.).

(2) "Localization": the rise of local initiatives as people and communities around the world demand more control over their lives.

The increasing interdependence is a major opportunity that will require us also to change our mindset and our language of development. There is another challenge emerging "from below".

> 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, emphasizing individualism, technology, consumption, personal wealth and the inadvertent neglect of the social fabric of the community. (Bezanson, IV.)

The nonparticipatory, top-down, and expert-driven approaches to development have produced meager and nonsustained results. Rather than being something done *to* or *for* people, development is increasingly seen as something done *by* the people. There is furthermore a multiplier effect inherent in a participatory approach, that is, the formation of social capital growing from the local par-

ticipatory process. "Societies did not get civic because they were rich, but they got rich because they were civic… The social capital represented by networks of civic engagements seem to be a prerequisite for economic development and effective government" (Bezanson, IV.).

In Europe, for instance, the role of the local/regional is increasing along with the development of the European Union. Regions have built direct contacts with Brussels. Local and European politics are both a part of everyday life. The global and the local get mixed together. Decentralization within nations and the application of the subsidiary principle enable people to get involved in development. "People reasserting control, and re-focusing development has tremendous potential and is a powerful opportunity" (Bezanson, IV.).

(3) The growing realization of the importance of knowledge and innovation.

"The 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" (Bezanson, IV.). The availability of information has expanded tremendously over a few years. Practically all countries of the world are connected to the internet. [49]

In the globalized world and in the global market place

> …we all compete for each other's internal markets and by doing so 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. (Bezanson, IV.)

The global financial marketplace is an instant marketplace that can respond also unexpectedly and in an uncontrollable manner as shown by the Asian economic crisis.

"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" (Bezanson, IV.). The challenges lead to the study of a "Third Way", the "reinventing of the role of the government as an enabler rather than as a

controller or the doer"[50]. "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" (Bezanson, IV.).

However, the outcome of recent "developments" is neither self-evident nor automatic:

> More 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 increase in income variability combined with marginalization and social exclusion can increase the vulnerability of major groups in the population. (Holzmann & Jorgensen, V.)

3 Poverty and "mis-consumption" as indicators of global and local social underdevelopment

The 20th century was successful in lifting generations out of poverty. But the advances are distributed unevenly. There are still about 1.3 billion people living on or less than an equivalent of one USD a day. The sharpest rise has been in the Eastern European transition countries. Big gains have been achieved in East Asia. The gap between the rich and the poor has, however, been increasing. Women and children – and people with disabilities – are the most vulnerable people to fall into poverty. [51]

The equation between the need for poverty reduction (and the eventually necessary economic growth to that effect) and the carrying capacity of the environment remains unresolved. There seems to be a crucial conflict of interest between the "Haves" and the "Have-nots", at least in the short term.

In Copenhagen, a more representative group of world leaders than ever committed themselves to the goal of "eradicating poverty as an ethical, social, political and moral imperative of humankind"" and recognized people-centered development as the key to achieving it.

Poverty has many faces. It manifests itself in *relative* terms as inequality or as *absolute* poverty of people falling below incomes

needed to meeting the very basic survival needs. Poverty is, however, a deeper human problem than a meager income alone. It is lack of access to basic social services, such as adequate nutrition, safe water, education, and decent housing. **It is deprivation of human existence in all its dimensions,** both economic and non- economic, both quantitative and qualitative necessities of human life.

> Poverty is hunger, loneliness, nowhere to go when the day is over, deprivation, discrimination, abuse and illiteracy (Single mother from Guyana).
>
> Poverty means waking up without perspective. Poverty robs you of your aspirations for the future. (Representative of Trinidad & Tobago´s Association of NGOs)[52]

There are three main measures for poverty, namely:

a) The *income* measure: e.g. people falling below the poverty line, i.e. under the minimum income or "consumption basket" needed for survival.

b) The *basic needs* perspective: lack of adequate income and access to basic social services needed to satisfy basic needs.

c) Lack of *opportunity* (capabilities, or prerequisites) to achieve satisfaction of basic needs, to access basic social services, and to participate.[53]

Additionally, a further dimension should be added that makes the concepts more dynamic and more policy relevant: The term "vulnerability" denotes the risk of falling into poverty or for staying poor (c.f. Holzmann & Jorgensen, V.) .

The choice between various poverty concepts is not an innocent academic exercise: each leads to different policy options.

• The static *standard of living* measures of poverty lead to income-based and even material well-being based poverty debate. Income-poverty can then be alleviated by sole handouts. The static concept of basic needs, on the other hand has led to top-down improvement of public social services.

• The concept that focuses on people's *vulnerability* regarding opportunities to human development leads to a concept of poverty that cuts across the whole essence of human existence: It treats people as agents of their own life who naturally want and

are able to be in charge. From this perspective, "human poverty is the denial of various choices and opportunities basic to human development: to lead a long, healthy, creative life, and to enjoy a decent standard of living, freedom, dignity, self-esteem, and the respect of others." [54]

> Dimensions of human poverty are rooted in general deprivations such as powerlessness and lack of capabilities. The concept of human poverty also includes more specific dimensions that are difficult to measure – lack of political freedom, inability to participate in decision making, lack of personal security, inability to participate in the life of a community and threats to sustainability and intergenerational equity. [55]

In the developing world, every third person is poor by income and one in four by the human poverty measure. There is a need to see beyond the easy quantifiable indicators of development. The concept of well-being referred to earlier, the concept of human development, and the concepts of human poverty and vulnerability are dynamic ways to look into human life in the stream of time, in the human perspective on one's whole life, not as a single cross cut snapshot in time.[56]

The conclusion is: charity does not solve human poverty. It only keeps the status quo. It destines people and countries into poverty. Eradication of poverty requires the involvement of those who are poor themselves – with the help of those who have better access to natural, economic, and political resources.

Extreme poverty is a human rights issue and should be treated as such.[57] Human rights violations in any country are the concern of the international community. Poverty is a "right to development" issue when whole nations are denied equitable access to the international economic, social, cultural, and political interaction.

Economic growth has been seen as the key to development and the means towards the reduction of poverty. While using simple quantitative aggregate indicators a correlation exists. If more complex indicators of development and of poverty are used – i.e. those that measure human and social dimensions of development, basic rights, freedoms, and quality of life – the relation of GDP to human development or the decrease poverty is far from clear. The relation between economic growth and human development is thus not

automatic. The relationship between the improvement in human development and the reduction of deprivation is not automatic either.[58]

While attempting to solve the problem of poverty – given the environmental constraints – the right question is not whether to stop or speed up economic growth or not. The issue at stake is *what kind* of growth, to whom, and where.

"The competitive spending and conspicuous consumption turn the affluence of some to the social exclusion of many." [59] The vicious circle of poverty and environmental damage is a reflection of increasing production to the affluent markets that do not meet the local human needs, and inappropriate consumption patterns that are effectively reinforced through media also amongst the poor. The benefits of economic growth find their ways to the well-to-do, the side – effects, foreign debts and environmental damage, cut the human development opportunities of the poor.

Poverty and over-consumption – or rather "mis-consumption" – are two sides of the same coin. Absolute scarcity of resources is not the cause for poverty in the world. The issue is the distribution of resources and the opportunities to take advantage of them. This holds at the national level as well as at the international level. Reducing over-consumption would not automatically reduce poverty – quite the contrary. More complex mechanisms are needed to improve the markets and market interventions so as to achieve a desirable distribution of resources, incomes, and opportunities in an ecologically bearable way.[60]

The first step is to admit that societies are not deterministic machines destined to the "markets". Development is an issue of choice of goals and utilization of resources. For instance, the so called Nordic welfare states were not rich when they started introducing basic social services and social security for all. Rather, they became well-to-do over a couple of decades because they chose the approach towards equalization of opportunities and human security for all. On the other hand, the biggest human and social disasters have not been consequences of the "invisible hand" but results of fully conscious and cold-blooded decisions to stage wars and to cause human suffering.

While facing the challenge of poverty and environmental constraints the first issue is to set right goals. Since the Club of Rome, a technological revolution has actually taken place and the doomsday did not come – or it is at least being shifted. There are still no instant solution but the wealthy world has the technological means to turn development towards a more ecologically and socially sustainable direction – once they first decide to turn the course. While economic growth – rather economic development – is needed to respond to the social challenges of the poorer countries, they do not need to repeat all the mistakes of the present rich nations. They can leapfrog to pro-poor, pro human-development, and pro-environment path of development. [61]

National action is needed first. While there is a need for international cooperation, the national governments are the first ones responsible to act on poverty. This requires the admitting of the urgency of the poverty problem and seeing it in the context of the country, its distribution of resources and opportunities, and the economic policies, priorities, and the structure of the state budget. An assessment of the situation, a coherent policy with concrete objectives, and mainstreaming a multisectoral "War Against Poverty" with adequate budgetary commitments, taxation, targeted redistribute measures, and coordination mechanisms are essential prerequisites for any meaningful attack on poverty – and its economic, social, cultural, and political roots.

While each country needs to face its specific constraints and opportunities there are a number of **general essential elements in poverty reductions strategies,** such as the following:

- Gender equality and the empowerment of women
- Pro- poor -but fiscally balanced- economic policies and growth
- Equalization of access to productive resources
- Involving the poor themselves
- Supporting the empowerment of poor communities
- Supporting the informal sectors
- Supporting improvements in food security

- Extending basic social services for all – including social welfare services
- A multisectoral approach relying not only on the public sector but also on the non-profit and profit-oriented private sectors and community capacities
- Ensuring transparent and good governance

There is a need, and an obligation for international support to nations determined to eradicate poverty. "Fair trade, not aid" is the first external medicine to poverty. Charity as a means to social policy is the dead end – as well on individual level as on the international scene. Help to self-help is the professional method in the social sector. Involvement and empowerment are strategies in decreasing vulnerability and for building a capacity for self-sufficiency.

Enabling poorer countries to participate in international economic community is the necessary, but not always a sufficient, long-term measure to decrease the vulnerability of these countries. However, unrestricted economic globalization increases the vulnerability of the weaker members of the global community. If not managed adequately, economic globalization can result in growing gaps between the rich and the poor, shrinking social safety nets, increasing insecurity about jobs, worsening of labor standards and deterioration of social and health services in both rich and poorer countries. Therefore, the management of the ongoing globalization process has to be high on the agenda of the international community.

As a preventive measure, a multilateral agreement on investments (MAI), preferably within the existing structures, such as the WTO, has to be reached. It must, however, include binding provisions against environmental and social dumping. Increasing international interaction, like any other interaction, requires joint norms and standards of conduct to be followed by all stake holders.[62] Agreements on **universal minimum standards on environmental considerations, social provisions, and labor protection are urgently needed at the global level.** For instance, the Finnish Government Policy on the Relations with Developing Countries states that "Trade and financial issues should not be dealt with separately from human

rights and social and environmental issues".[63]

The global debt crisis – that not too seldom has been a result of national conspicuous consumption of the elite in and close to the government – has trapped a number of poorer countries in a situation where poverty reduction seems not feasible. While a universal bailing out exercise is not justified, the joint option chosen by many cooperating governments is to agree on debt relief, on the condition that it is channeled to promote chosen public values, such as long-term social development and ecological sustainability [64].

A universal access to basic social services is the key to break the vicious circle of poverty. This is the sector where external support is often very necessary to establish a sound basis for development – since access to social services can considerably prevent and reduce vulnerability, the risk of people falling into poverty due to shocks on their health, economic, or social conditions.

As an immediate follow-up action for the Social Summit, 22 developing countries, 16 donor countries, and a number of international organizations agreed in Oslo, Norway, in may 1995, to launch pilot programmes on the 20/20 initiative proposed by the UNDP at the Summit. The idea includes committing 20% of longer term donor assistance funding to the social sector to meet a corresponding one-fifth allocation to the social sector of the national budgets of the recipient country. In this initiative, basic social services included basic education, primary health care, including reproductive health and population programs, nutrition programs and safe drinking water and sanitation, as well as the institutional capacity for delivering these. Access to services should be universal while targeting the poorest and the most vulnerable.[65]

A strong social sector has been seen as a luxury that poor countries can not afford. This is one reason why development cooperation funds have not been invested in comprehensive social sector system reforms. [66] The understanding of the importance of the social sector as a backbone of human development – and even narrowly of "human capital" building – is increasing. "There is now a growing consensus that they (less developed countries) cannot afford *not* to invest in their human resources if they are to create the basis for future prosperity."[67]

The UNDP has presented calculations that show the "price tag for poverty eradication". The result is 1% of global incomes added to 2-3 % of the incomes of all but the very poorest countries themselves.[68] It is necessary – and it is possible – to send absolute poverty into the yellow pages of history along with slavery, colonialism, apartheid, and nuclear blackmail.

Extreme poverty, on the global scale and within nations, can be eradicated. The first thing needed is the political commitment and the strength to make the decision. The commitment might not be easy to achieve since the "Haves" are guarding their lot and privileges against the "Have-nots".

"The existence of a democracy deficit maintains poverty. Finland is of the opinion that economic growth as such is not enough to eliminate poverty but that the situation also requires democratic decision-making processes, socio-political mechanisms increasing equality and social security systems suitable for local conditions that safeguard equitable distribution of income and prevent the marginalization of the least advantaged members of society." [69] The connection between the persisting poverty and democracy deficit is apparent on the global scene, as well.

E. FUTURE OPTIONS: SELECTED SOCIAL INTERVENTION STRATEGIES

■

The nation-states, various regional coalitions, and the international community at large have long seen it as their mandate or obligation to invest in the "social sector". The concept of the "social sector" is a bit vague and is defined differently in different contexts. The same holds for "social services", which confusingly enough is used to refer sometimes to *personal* social services only (health and social welfare) and sometimes includes basic *infrastructural* collective societal services – or rather social "amenities".

The technical way to define "social sector" is, for instance, to include: health and nutrition, social welfare and social security, water and sanitation, basic education, and housing. For a municipal desk-top planner this is clear. Unfortunately, however, it is far too limited and thus a confusing perspective.

1 Basic social services for all

"Basic social services for all" is one of the suggested fundamental strategies to secure the satisfaction of basic needs to all and to reduce poverty. It can also be seen as a preventive method for reducing vul-

nerability, the risk of falling into poverty, and a strategy to empower people to rise from poverty. In some countries, the universal access to basic societal services has also been a key strategy to boost development, in general, and economic development, in particular.

The Namibian Green Paper on Social Welfare Policies[70] shows that the "social sector" is actually a very wide concept. In principle, it should be seen to cover both the informal and the formal arrangements for social development and social risk management. At the national level, from an integrated approach perspective, the formal "social sector" activity system alone includes the orchestrating of at least all the following activities and services:

SOCIAL SECTOR ACTIVITIES

A. **Social development planning**

B. **Incomes policy, taxation policy, and incomes redistribution**

C. **Collective infrastrucural services**
    1. Water
    2. Sanitation
    3. Housing

D. **Community development and support to informal production of social security and support**

E. **Human security[71] promotion and collective prevention of risks**, including economic security, food security, health security, environmental security, personal security, community security, and political security

F. **Social security**
    1. Contributory social security
    2. Non-contributory social security
    3. Support to informal social security arrangements

G. **Personal human services** ("Primary human services" and "specialized", human services, both in the health and social welfare sub-sectors)
    1. Health services
    2. Social *welfare* services

H. **Social assistance** (last resort safety net, in cash or in kind.)

I. **Social care (last resort care-taking)**

It is clear from the above list that all of these cannot be handled under a general notion of "social sector" or "social services" without first agreeing on what is actually meant. Without further specifications words "social sector" and "social services" cannot be used in a meaningful manner.

What are then the basic social services? In the United Nations Social Summit follow-up process the following perspective is proposed. There are three categories of basic social services, namely:

1. a category of services designed **to meet the essential needs of the entire population**, comprising health care, nutrition and food security, shelter, clean water, and safe sanitation, personal safety, information, protection, and redress in law;

2. a category of services designed to **respond appropriately to needs which exist at different stages in an individual life-span, e.g.** meeting the needs of infants and children (including basic education), of adolescence and youth (including services pertaining to reproductive health, maternity, parenting and job- related training), of those in the economically active years (including services to provide training and retraining, support during job-seeking and unemployment), in old age (including in retirement and the final stages of life, in particular, care in frail old age);

3. a category of services **tailored to the requirements of population groups with specific needs**, including persons with disabilities, migrants and refugees, indigenous people and groups experiencing discrimination, victims of crime and violence, addicts and former addicts, former prisoners, the destitute, and others. [72]

It is becoming increasingly apparent that access to basic social services to all should actually occupy a central place in social development efforts. A developed society allocates its *available* resources in a socially responsible and equitable manner so as to support all people's efforts to have better command over their own lives and to achieve well-being.

The response of the intergovernmental agencies to social development challenges is manifold and there is a large number of relevant organizations and agencies in the arena. The information below is limited to the contributed papers. Each paper touches an important perspective of social services or social development, and presents an innovative way to approach it. The papers are much richer than the brief summaries in this chapter. Readers are, therefore, invited to

consult the *Volume 2: Contributed Papers* for more details. This section progresses from specific programs to more general ones, from the national to the global levels.

2 Environmental health as a component in sustainable development in Finland and Europe

Within the social sector, health and social welfare are tightly integrated at all levels of Finnish social policy and the health and social welfare service systems. Equality, a preventive and holistic approach, including the environmental dimension, have been accorded a high priority in the extensively decentralized health and welfare system.

> The Rio Conference on Environment and Development indicated clearly that health and environment are intimately connected. Insufficient development leading to poverty and inappropriate development resulting in overconsumption, together coupled with an expanding world population, can result in severe environmental health problems in both developing and developed countries…
>
> 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 environmental that can potentially affect health. (Nyroos, IX.)

In Europe, a process to address environmental health challenges at high level on the regional scale has been going on for a decade. The Second European Conference on Environment and Health, in 1994, in Helsinki, adopted an Action Plan that endorsed the idea that environmental health was an essential step towards sustainable development. The Action Plan also provides for national and local health action plans. It established a partnership between the sectors of environment and health and proposes practical actions to be carried out at national and international level (Nyroos, IX.). The next Conference, to be held in London, in 1999, will further elaborate on the issue of partnership.

At the European level, since 1970, five regional conventions have been negotiated. It has been noted, however, that in environmental matters agreements are "first aid" and economic instruments are needed to provide incentives for action.

3 Countries in transition: the role of government and the third sector in Russia

The countries in transition from state socialism to more market-based economic systems and the newly independent Eastern European states are a heterogeneous group. Some remain more centrally governed and some are changing their economic and political structures, legislation, human rights practices and social protection and services to rapidly approach European Union social standards. The Finnish Government has included the "northern dimension" in its EU agenda in order to promote the inclusion of its neighboring transition countries in the mainstream of European affairs. Only Russia and Estonia were represented at the Expert Meeting at Kellokoski. All of these transition countries, however, had to revisit the roles of the state, of the markets, and the new role of a civil society.

> 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…
>
> 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 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 %. 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…
>
> 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 behavior 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 democ-

ratic 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. (Tysiachniouk, XIV)

The contributed paper in Volume II (Tysiachniouk, XIV.) provides a unique thorough account of the recent history of policy formulation and action in the area of the environmental protection and sustainable development in Russia.

4 A national-level example: "towards well-being for all Namibians"

At the Experts Meeting, Namibia represented the only developing country. The Namibian case serves as an illuminating and advanced example on how developmental social welfare policies can be derived at the national policy level by applying the ideas of recent internationally endorsed principles on social development and social welfare. It should be further noted that the resulting policy framework[73] has actually been directly applied to medium-term strategic planning and is being implemented through the short-term national plans.

Namibia liberated itself from colonialism and apartheid in 1990 following a long armed struggle for independence. The income distribution is estimated to be one of the most uneven in the world. The level of Human Development in Namibia, as measured by the Human Development Index of UNDP, is much lower (rank 107) than what the national income level (rank 85) would warrant. This is an overall indication of the deep social problems and inequalities in Namibia. Progress is, however, also being and the gap has been narrowing since 1992. [74]

The National Development Strategy of the Namibian Government towards the national social and economic development objectives consists of the following elements[75]:

• 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; and
- Making Government machinery responsive and working efficiently.

Rather than relying solely on the State, a more appropriate mix of welfare providers is sought for, particularly taking into consideration mobilisation of community resources:

> 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 (1998) 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 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. (Coetzee & Wiman, XII.)

The social welfare sector alone cannot meet these objectives. It is considered to 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 realizing the basic social values and the social development objectives of the Nation… All sectors and agents in society have the *social responsibility* to fight inequalities and to promote equal opportunity and well-being for all Namibians" (Coetzee & Wiman, XIII.).

In Namibia, the gross inequalities in incomes and living conditions constitute the major underlying risk dimension for ill health and social problems. Social development cannot be achieved through the introduction of ever 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. (ibid.)

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

1. policies are lacking or unclear,

2. there are weaknesses in management capacity, and

3. the existing approach is characterized by centralized structures and top-down programs 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 will take place.

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 .

The conclusion is that the country needs a co-ordinated, **sector – wide approach** in the social sector[77] as a whole.

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. (Coeztee & Wiman, XIII.)

5 Supporting social sector development – the HSSSP of Finland with Namibia

One bilateral social development cooperation project was represented at the Meeting : The Health and Social Sector Support Programme (HSSSP) of the Finnish Government with Namibia (1996-98). The aim is to support the Namibian Government's efforts to improve the health and social service sectors through support to capacity-building support at the national and regional levels. One component specifically addresses social services and social welfare. The component is unique in Finnish development cooperation as *it addresses the whole scope of social welfare rather than specific services or target groups.* Furthermore, the focus is on capacity-building in the context of designing, through a participatory process, the first developmental social welfare policy of Namibia.

The social welfare component of the HSSSP was working with the understanding that isolated, piecemeal social projects are an insufficient and unsustainable response to social issues. Intergovernmental cooperation, local initiatives, and nongovernmental efforts need to be coordinated within a unifying *developmental* social-welfare policy framework. [78]

6 Regional commitment to equal opportunities for people with disabilities- United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

All over the world, people with disabilities are at risk of belonging to the poorest of the poor, the most vulnerable and segregated. They face the fundamental prejudices, discrimination, and segregation structures of societies. Thus the status of people with disabilities serves as one of the crucial indicators of the level of moral, human, and social development of any nation.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) region is the only U.N. region the governments of which have collectively committed themselves to improving the lives of people with disabilities. The years 1993 to

2002 have been declared the Asian and Pacific Decade of Disabled Persons. The Agenda for Action covers 12 interrelated aspects : 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 (San, XII.). The contributed paper contains concrete examples and a list of resources on how these issues are addressed in a manner that would equalize the opportunities for people with disabilities.

The program on people with disabilities aims at including the concerns, the needs, and rights of disabled people in mainstream policies, programs, and projects rather than continuing to support only special arrangements for disabled people that ultimately exclude them from mainstream society.[79]

> All indications are that the twenty-first century will see a higher than ever prevalence of disability. The impact of the development process will be one of the major reasons for this, as exemplified by projected trends concerning disabilities arising from, inter alia, road accidents and population aging. 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. (San, XII.)

Disabled people's organizations were actually the launchers of the idea of "a society for all" in the early 1970s. This strategic concept and the idea of equalization of opportunities has since spread into the very mainstream core of social development strategies. "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" (San, XII.).

7 Social protection through social risk management –The World Bank

The social dimension in the World Bank Group[80] (WB) activities has been based on its expressed mission on poverty reduction: "A World Free of Poverty". In the organization and within the activities of the WB there are a variety of elements related to the social dimension of development, including education, health, population, gen-

der, poverty reduction, human rights, etc. The social dimension of the activities of the WB has been rapidly expanding.[81] This item covers only the "social protection" portfolio as presented in the draft strategy paper by Robert Holzmann and Steen Jorgensen (V.), that was contributed to the Kellokoski Meeting. The presentation does by no means intend to give a full coverage of the social development activities of the WB.

> **Social Protection (SP)** consists of public interventions to assist individuals, households and communities better manage income[82] 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. (Holzmann & Jorgensen, V.)

The activities of the WB in the social protection area cover crisis support for the poor, development of job placement offices and retraining programs, the technical and financial support of pension reform, and conceptual work on labour standards, child labour, and disability. The purpose of the strategy paper has been to establish a conceptual framework to link these programmes together. The selected approach for this purpose was to apply the "social risk management" (SRM) concept.

> **Social Risk Management (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. (Holzmann & Jorgensen, V.)

The reason for sharpening the focus on social protection has been the recent evolution in global trade, technology and political systems.

> '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… [83]'

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. (Holzmann & Jorgensen, V.)

The risks are large but 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" (Holzmann & Jorgensen, V.).

The strategy paper that is published in full in the Volume 2 of this paper outlines "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" (Holzmann & Jorgesen, V.). In this item reference is made only to a few issues most relevant to emerging policy themes.

While income risk is considered as individual, the measures to manage the risk are largely co-operative or social. Measures can be provided by the public or private sector, can be either formal or informal, and can be ex-ante (prevention and mitigation) or ex-post (coping) interventions… 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. (Holzmann & Jorgensen, V.)

In the paper, four main reasons are enumerated why the World Bank is concerned with social risk management. First, the fight against poverty is the central mission of the World Bank, and the concept of "vulnerability" provides a better understanding and may lead to better instruments to deal with poverty in a more dynamic manner[84]. Secondly, "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 ". Thirdly, improved equity is a major societal concern. And fourthly, the form of risk management chosen has an important bearing on economic development. Some measures may hinder, some may support.

The contributed paper provides typologies for risks; strategies for risk response; instruments; and institutional risk management arrangements. The last one is particularly central for social development and social welfare policies. Most of the risk management is taken care of by individuals and households. Also communities have developed risk management strategies, particularly in developing countries. NGOs and flexible funds, as well as publicly funded sub-contracts to market institutions are used as intermediate arrangements between public and market- based solutions.

> 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-provision (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.(Holzmann & Jorgensen, V.)

The very key role of the Government is to ensure "sound macro-economic 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" (Holzmann & Jorgensen, V.). All sectors

should thus be alerted on preventive measures to reduce the need of corrective measures.

It has, however, been pointed out that the economic terminology might not be value-free and fully accurate. For instance, what actually is "sound" economic policy, or, "sound" financial market?

> For a period of 15 years practically all international financial institutions and most donor agencies agreed on a standard (Washington consensus) recipe for *'sound'* macroeconomic policies. Today the situation is different: There is a major disagreement between the official views of the World Bank vs. IMF; there are disagreements within the World Bank; there are differences in the views of bilateral donor agencies. According to the World Bank study '*Assessing Aid – What Works, What Not – and Why?'* … Similarly the concept 'sound financial markets' is a tricky issue. What is considered *'sound'* depends on whose perspective one takes. Free mobility of short-term speculative capital involves dramatic and very large scale social risks for whole nations, as has been recently experienced e.g. in Indonesia, where the whole national economy is in shambles and where about 20 million citizens have fallen below the poverty line as a result of the rapid outflow of foreign capital. (Voipio, XVI..c.)

The new umbrella concept of SMR offers an apparent and welcome widening and deepening of the traditional concept of social protection in a way that allows the bringing in of non-economic elements – in economic terminology. The enhancement and support of informal and formal structures and social institutions that provide security, preventive, and "curative" services and support have a legitimate place and role among the tools of social risk management. In short, social (welfare) services and social development efforts as defined in previous items of this paper may find their place in this new conceptual framework.

Regarding *redistribution* of incomes and other resoureces, there are a few central observations made:

i   Resource flows from the "better-off" towards the poor and vulnerable people: " 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" (Holzmann & Jorgensen, V.).

ii   The concept of SRM *is largely, but not exclusively focused on*

income, only. Income can be defined broadly to encompass market income, imputed income, income in-kind, etc.

iii   There are, however, other aspects of SP that cannot readily be interpreted in income equivalents. "The most important of these are concerns *for social exclusion/inclusion, social solidarity, social cohesion, and social stability…* (which) 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 people will not only enhance individual welfare through lower vulnerability and better consumption smoothing, but will also move toward the qualitative objectives such as social stability (ibid.).

iv   Social protection 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, to 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. (Holzmann& Jorgensen, V.)

The strategy paper notes that the concept of SRM tables for discussion a number of current central issues in social policy design, such as:

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

•   Moving from the static poverty to a dynamic and risk-based vulnerability concept broadens the scope of traditional poverty reduction policies from reactive and transfer-type to pro-active measures;

•   SRM point out the importance of policy measures to strengthen informal arrangements;

•   It also fosters the importance of new and innovative formal arrangements;

- It offers legitimacy to many kinds of interventions as risk management mechanisms; and

- Puts the role of the government in perspective.

While it is admitted that the current WB approach is takes distance the from laissez -faire liberalism, its approach is still being challenged on the basis that the last resort safety-net approach tends to individualize risk management and shifts the focus on the absolute minimum extent of publicly shared coverage. "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 as this would seem to run counter to the case for eco-taxation based risk pooling" (Deacon, XI.).

In general, however, there is a controversy regarding how widely applicable and how sustainable the alternative systems of social protection are i.e. a) the "liberalist" safety net approach, b) the "Nordic" principle of universal coverage or the c) "Bismarckian" system of employment-based coverage. Out of these the last one tends to be very vulnerable to a fall in employment levels due to the globalization of economy (c.f. Deacon, X.).

> 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(ibid). While searching for the best technical solutions for the 'trade- off between equity and efficiency' in Social Protection programmes the considerations on political feasibility, political sustainability need to be taken into account. (Holzmann & Jorgensen, V.)

The modalities for (re)distribution of resources, social and economic risk prevention, ex ante risk mitigation (smoothing) and ex post relief are central concerns in national and global social welfare debate. While careful analyses bring more clarity on what is the discussion all about the final solutions remain political and based on the values chosen to be promoted.

8 Toward a global agenda for action – the United Nations Commission for Sustainable Development

The Commission for Sustainable Development (CSD) and the corresponding Department at the UN Headquarters were established when the issue of sustainable development entered on the intergovernmental agenda as a result of the UNCED of 1992. The CSD has since been the central forum for the global intergovernmental discussion on sustainable development.

Under the auspices of CSD, the UNGASS in June 1997 (Rio +5) reviewed the progress that had been made and adopted the "Programme for the Further Implementation of Agenda 21". It noted that progress on all three components of sustainable development is not encouraging, despite some positive elements" (Flanders, III.).

> In principle we know how to do better. The CSD report on Critical Trends[85] published as part of the documentation for the Special Session, identifies three elements as particularly important:
>
> 1. Increased investment in people; through spending on social services, especially basic education and health care,
> 2. Encouragement of clean and efficient technologies; , through regulatory requirements and economic incentives
> 3. Pricing Reform, which lead to the internalization of the social and environmental costs of key economic activities. (Flanders, III.)

1. **Investment in people:** "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 "(Flanders, III.).

2. **Clean and efficient technologies:** "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. … Energy strategies

should include, at a minimum, the elements of increased energy efficiency and an increased share of renewables (Flanders, III).

3. **Pricing reforms:** "Pricing reforms which lead to the internalization of the social and environmental costs of key economic activities are critical if more sustainable use of natural resources is to be achieved. Current market distortions too often encourage or force short-term, wasteful and destructive consumption patterns (Flanders, III.).

> 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. (Flanders, III.)

In the United Nations family there has been a number of initiatives with special foci, including the other global U.N. conferences. These meetings and their follow-up systems have fostered in-depth study and provided more specific recommendations. The danger is, however, 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" (Flanders, III.).

There has been several processes aiming at reaching a unified global agenda. In 1994, the General Assembly established a Working Group work on a joint international development agenda. In June 1997, the "Agenda for Development" was adopted by the General Assembly. [86]

In the U.N. system, social development issues belong under another commission, the Commission for Social Development, and most of social development support takes place through the Specialized Agencies of the U.N. This is producing a mix of outputs that are, at times, difficult to consolidate. [87]

The Commission for Social Development produces the annual report on world social situation such as "The Report on the World Social Situation 1997". [88] That Report was devoted to the follow-up of the Copenhagen Summit of 1995, and has an agenda that is quite different from the "Critical Trends", by the Commission for Sustainable Development.

Following the Social Summit, in 1995, the Economic and Social Council also launched a major initiative to develop a coherent and

well-coordinated response by the U.N. system to the "global agenda" emerging from the major conferences of the 1990s.[89] The emerging themes were grouped around broader themes and three ad hoc inter-agency task forces were established: a) Basic Social Services for All" with UNFPA as the lead agency, b) "Full employment and sustainable livelihoods", led by ILO , and c) "An enabling environment for economic and social development ", led by the World Bank. [90]

In conclusion, while the diversification and specialization within the UN has shown its merits, there is overlap, duplication, and great coordination difficulties in a field as fluid as social development is. There seems still to be several agendas. There is a need to arrive at an analytical and well-structured background document and agenda for the Copenhagen +5 Special Session in the year 2000 that would incorporate all aspects of sustainable development at the same time. This book intends to be a contribution in that process.

F. CONCLUSIONS – SETTING THE ARENA
FOR FURTHER DISCUSSIONS

■

1 "Dictatorship or disorder -or social policy?"[91]

Various economic doctrines have, at times, become a religion to policymakers. Economic fundamentalism, whether based on Marx or Smith, has not led to the heaven of unlimited consumption. The people of those countries that have exercised any "purist" national economic policy can witness just the opposite direction in their daily lives.

The freed market forces are a powerful machine. In theory – under assumed ideal circumstances – it is a very predictable system that potentially benefits every participant in the end. In practice the circumstances are far from the assumed ideal and the outcome of the markets is seldom fully desirable from the social perspective. Every government has ended up controlling the markets to a varying extent. In the industrialized countries these interventions are exercised under the framework of conscious social polices. Such instruments emerged from the necessity of avoiding social chaos, the deterioration of the environment, and the spread of diseases.

The global social situation is hardly less alarming than the situation in the industrialized countries as it was at the dawn of industrialization:

(1) In general, all ecological, economic, and social issues have become more globalized.

(2) Inequity, poverty, mis-consumption, environmental threats, and economic insecurity are increasing in many parts of the world.

(3) The global competitive capitalism is concentrated in a few enormous, nonpersonalized entities that do not automatically carry much social or ecological responsibilities.

(4) The fruits of increasing and freer economic interaction are distributed very unevenly within and between countries

(5) The existing international institutions are not well-equipped to manage the current global processes, as they have neither the economic, administrative, nor political mechanisms to do so.

(6) In the middle of global pressures, governments meet difficulties in governing even their domestic affairs – let alone getting a strong enough grip on global forces.

(7) In the end, in the current global economy, it is the local people that are vulnerable and at risk of losing their control and influence over their own living conditions.

(8) The "excluded" people are falling on the social safety-nets which have a tendency to get thinner as the finances for social security and services are cut in the context of intensifying economic competition.

(9) The "included" and the "excluded" live separate lives both in the international arena, as well as within countries.

(10) There are people and there are countries that have already ceased to exist from the perspective of the mainstream.

Still, there are no comprehensive global "public policy" instruments to manage poverty, inequality, and deteriorating environments. The state of the global ecology, the state of the global economy, and the world social situation pose major challenges to the present, quite toothless systems for managing the interplay of ecological, economic, and social issues on the world scale. A drifting Spaceship Earth has two potential courses to choose from:

> 'We are thus in a time of transition – a transition leading either towards cat-astrophe and social disintegration or towards a sustainably growing world society… ' (Harvey Brooks). There is an urgent need for leadership if that positive transition is to occur. The world's international development com-munity should be an important part of this. If this is to happen, that com-munity must rethink what it is and remake what it does.(Bezanson, IV.)

A positive scenario will not come true without determined inter-vention into those current mechanisms that perpetuate or even increase social problems. In the globalizing world, national-level social and health problems increasingly have an international dimen-sion. Social policy and environmental values face the same kinds of threats in the context of globalization.

> The common challenge is to create global social and environmental stan-dards in the face of the temptation by some southern governments working with some trans national corporations (TNCs) to exploit the comparative advantage of the absence of standards… The political problem is complex because of the fear by the south that the north is engaging in social protec-tionism 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.(Deacon, XI.)

Inequality, poverty, diseases, miss-consumption, and the relationship of these social problems to the globalizing economy and the endan-gered ecology are tightly knit together equally at local as at global lev-els. A systematic global intervention mechanism, a common "global public policy", is needed at least for these reasons:

(1) To prevent and to correct emerging global economic, social, and environmental imbalances;

(2) To support the members of the global community in their efforts to tackle the existing social, economic, and environmental prob-lems; and

(3) To rescue, as a last resort, countries that are at greatest risk, or, that are already excluded from the world community.

Globalization may imply both opportunities and challenges. It may challenge also those countries that have functioning social policy sys-tems to cut back their social provisions in order to be able to com-pete with countries with less social expenditure and social protection.

On the other end, it may put social protection and ecological standards on the international agenda and, consequently, has the potential of improving social protection, labor standards, and environmental criteria on the global scale. The optimists and the pessimists break even as the outcome cannot be predicted without learning more about the pawns that eventually enter the game.

Globalization is actually still "underdeveloped". Only the economic markets have been liberalized globally, which has led to a "terror of the markets." [92] The ultimate argument in most present mainstream discussions on economic policy, labor market policy, and social policy is not what the government will say, or, how the people will vote, but "what the Markets will say." Politics and interest conflicts hide themselves behind the back of an impersonal and currently highly speculative "Mr. Market" that is outside any democratic control[93].

The traditional opposing forces to free markets have not been globalized: there is no -or very little- global governance or regulatory power. There are only a few global civic movements or global environment organizations; the workers of the world have not united. The freedom of the invisible hand in the global arena is as great as it was at the early stages of capitalism in nation-states. Consequently,

> …in its neoliberal forms the globalization process has become a real nightmare for millions of people who have been the victims of unemployment, of shedding labor strategies, of labor deregulation, of the structural adjustment policies imposed upon the South and of the destruction of social security systems and societal cohesion in the North. [94]

Internationalization as such is not the problem. Rather internationalization is a great opportunity. It is THE absolutely necessary prerequisite for getting the global house in order to make those decisions and to take those actions that are needed for solving solve the economic, ecological, and social problems the world is facing today – and which we cannot afford to continue facing in the future. As financial markets have been globalized, now checks and balances need to be globalized.

The challenges have given raise to suggestions on new global governance systems that could exercise regulatory powers regarding ecological and social standards[95]. To have actual power, the envisaged sys-

tem would need the mandate to tax and redistribute resources. Suggestions on the taxation of international financial transactions, on ecologically harmful production, and/or taxes on international air travel have been tabled with meager results thus far. It is expected that these proposals would meet powerful opposition by the influential wealthy nations. Such arrangements would also be quite cumbersome to manage. On the other hand, promises that the yields would be channelled to the benefit of the poor countries or the world as a whole do not sound credible on the basis of the past record:

> The donor governments have an extremely bad record in implementing their share of these kinds of "agreements" with the South. If they (we) had implemented all their (our) promises of increases in aid in exchange for structural changes that are disadvantageous for the poorer countries, the GNP-share of our official development assistance (ODA) would be close to 10 per cent. But we haven't. This fact weakens the credibility and leverage of our demands for "good governance" and "social and environmental standards… It was one of the strong and key principles of the Rio Declaration and Agenda-21 – accepted by the North as well as the South – that the funds needed by mankind to control the climatic change, desertification, ozone layer depletion and loss of biodiversity would have to be provided by the rich nations of the world *as "additional"* funds, on top of the 0,7 per cent of GNP they had committed to ODA. This is simply not happening. [96] A morally stronger option for the North is to seek to support and empower the labour unions, conservation-friendly people's movements, and NGOs – as well as the socially and ecologically responsible entrepreneurs – of the South in their efforts to improve labour standards, occupational safety, and other working conditions as well as environmental management and protection.(Voipio, XVI.c.)

Further development of global integration may, however, bring in also the issue of global redistribution, which until now has often been considered as a matter only of theoretical interest. At the regional level international redistribution is being gradually implemented.

For instance, the European Union actually exercises international redistributive policies within its own jurisdiction. The other regional coalitions, such as NAFTA, ASEAN, and APEC, have thus far been more cautious regarding the introduction of the social dimension in regional cooperation. Global redistribution may be tabled by the "welfare states" to be traded for improved labor, social, and ecological standards in countries inclined towards ecological and social "dumping". This is actually what happens in Europe at the

moment: improved social and environmental standards are presented as preconditions for membership in the EU for the new potential applicants.[97] In the global arena, the introduction of human rights as a precondition to development aid is another example of the pressures to include the human and social dimensions into economic development and cooperation. Furthermore, that "Trade and financial issues should not be dealt with separately from human rights and social and environmental issues" is the view also stated clearly in the new development cooperation policy of the Finnish Government – in line with the European Union policies. [98]

Research and discourse on the effects of globalization on social and environmental standards has been going on throughout the '90s. In a recent summary analysis, the Globalization and Social Policy Programme of STAKES and the University of Sheffield (GASPP) [99]advocates for a "global reformist project", concluding that

> There should be no free trade without global social regulation. There should be no global social regulation without global social redistribution. To ensure global citizens (and not their governments) benefit there should be no global social redistribution without the empowerment of citizens before a global court of social rights. Trade, regulation, redistribution, and empowerment go hand in hand. (Deacon et al., 1998, 30)

The reform proposal is expanded in a GASPP Occasional Paper that is available on-line on the Internet. [100]

2 Orchestrating development – the challenge of tying ends together

There seems to be a set of common values inherent in the global discussion that has resulted from the recent round of global conferences. At the World Social Summit, the leaders of the world summarized these values into a commitment towards " social development and human well-being for all." But as of yet these values have not been crystallized into a manageable global public policy.

2.1 The United Nations Agenda for Development
The U.N. Agenda for Development[101] initiative has been a major effort to consolidate the various outcomes of the global conferences

of the '90s. Its objectives are a) the strengthening of international cooperation for development, including the implementation of all international agreements, and commitments for development and the enhancing of the UN system and b) the promotion of development based on an integrated approach. The Agenda covers the following areas:

1. Economic development
2. Social development
3. Empowerment of women
4. Rights of the child
5. Population and development and international migration
6. Environment and development
7. Humanitarian issues and development
8. Participatory approach to development
9. Actions related to countries in special situations
10. Implementation arrangements

The Agenda for Development is an agenda of and for the United Nations. It is necessarily still only a consensus document of good intents acceptable to all. It reiterates what has been said and agreed. This is not to say that it was not a major achievement. We are, however, rapidly approaching the "one world for all" vision, but that world is still lacking a credible management structure.

> International development organizations will be ignored and marginalised increasingly unless they move quickly beyond their current and limiting preoccupation with demonstrating their own effectiveness. 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. (Bezanson, IV.)

2.2 Global governance or global management?

There are a number of parallel themes in the current debate on global governance regarding how to better meet human needs (Deacon et al., 1998):

(1) Regulating global competition

(2) Making Bretton Woods Institutions more accountable

(3) Reforming the United Nations

(4) Strengthening global political and social rights

(5) Empowering international civil society

The regulation mechanism for world trade and financial markets are still in their infancy. The Bretton Woods Institutions are actually increasingly involved in the United Nations policy task forces and operations. The United Nations reform is ongoing, but its operations are hampered by the continuous fiscal crisis caused by costly peacekeeping operations, on the one hand, and on the other hand, the deliberate failure of some member states to pay their dues.

The composition of those intergovernmental bodies that potentially have more powers, such as the UN Security Council, The Bretton Woods Institutions, as well as the recently established WTO, does not include representative bodies of all world governments. However, these international bodies have a growing potential role in facilitating the establishment of common rules of conduct in the global market.

The international nongovernmental organizations have a wide constituency and they claim an increasing influence on behalf of the civil society on the side of Government representatives. NGOs are going to play a bigger role in the UN either directly or through parallel channels, as was evident at Rio and also in the process of the World Summit for Social Development. The problem is that NGOs are not the representatives of "civil society" as a whole – if they are actually truly representative of anything else than their memberships. The various profit-oriented business sectors, the media, political parties, and many other "real players" have not been adequately represented at intergovernmental forums. Also the three-partite system of labor market parties and governments falls short in representing those outside of the formal labor market.

The channels of influence from below need strengthening[102] While NGO networks have a potential to bridge the gorge between common people and the international community, it is in the end difficult to arrive at a common agenda except for issues with a clear single dimension. While the representativeness of such single issue "NGO tankers" remains questionable, they at least have an easier

time accessing the global decision-making tables. New channels for influence by the civil society at the global level are, however, needed.

The expansion of global capitalism needs to be directed in favor of a true market economy. A "market" calls for many players. The trend on the global scale is towards fewer and bigger ones. As counter forces, global consumer organizations, involvement of people, and local enterprises need support to participate through a decentralized local governance systems.

The nonmarket systems of governance through regulation have a mixed record nationally. Governance tends to emphasize centralization and central planning. There is the need to find the "third way" also globally between centralized governance and decentralized "principle-centered" management . The necessary global normative instruments require a transparent system of "legislation", a credible system of enforcement, and a functioning system of implementation. To be accessible, enforcement systems -and appeal systems- need to be decentralized to a reasonable degree, say to regions. To be functional, implementation of the agreed-upon global norms requires decentralization to the lowest feasible level.

The strengthening of regional and intergovernmental bodies with improved channels for civic representation remains as the one viable option. Until now, the United Nations has been the sole global intergovernmental body, and should thus be the hub in efforts to strengthen joint global management.

3 Towards a global social policy system?

The universal human rights instruments are globally binding. "Civil and political" rights are increasingly becoming accepted as part of a universal code of ethics that can be monitored and enforced internationally. "Social" and "economic" rights, on the other hand, have not achieved the same status in practice. They are considered more culture-bound and relative. Extreme poverty that strips people of all their rights and opportunities – even their lives – is still considered an internal matter of nations. International intervention is left mainly to operations based on charity and good will.

It might, however, become necessary to revisit some aspects of economic, social, cultural, and political rights. For instance, extreme poverty can be seen as an economic issue, but it can also be considered a human rights issue.[103] This is the line of thought that is entering the global discourse and promoted by, e.g., UNDP. The line between what is a human right and what is a social right is far from self-evident. The interpretation has a political dimension.

During the 1990s, the international discussion on human and social values has become more open, more multidimensional, and more concrete as a result of the global conferences.

The global agenda is still, however, fragmented. It is not binding. The systems to make it happen are not ready. It is not taken seriously enough, in the end. It is a "social" statement that presents the social values, but it is still not a global social policy that has a built-in structure, the mechanism, the *machine* to make it happen. For instance, at the national level, who is responsible for implementing the provisions of the agenda for development? Is there a need to revisit the perspective?

First of all, profit-seeking market actors need to internalize the necessary social and environmental public-policy values. In those areas and occasions where market players fail to produce internal regulative arrangements, public intervention becomes necessary. While a set of global common values and policies have been agreed upon by the governments, the enforcement system is still badly underdeveloped.

Very tentatively, a **global social policy system** would entail managing at least the following elements:

- Active new human-security policy, including the prevention of economic, social, ecological disturbances in addition to the present peace-keeping focus of the military dimension

- A continuous forum for global social-sector policy dialogue, which would keep social, economic, and ecological issues on the same agenda

- A universal human and social rights enforcement system with accessible (regional) institutional arrangements

- Management of global environmental issues

- Management of international trade and financial transaction
- Management of social and labor standards
- Management of global "taxation" and redistribution of incomes
- Debt management and a debt-relief system
- Development support (capacity building)
- Last resort safety-nets and humanitarian aid
- Civil society involvement arrangements
- A mechanism to manage the inclusion of agreed-upon principles and measures into national legislation, and their follow-up

Would this be impossible? No. Difficult? Sure. However, regional cooperation is rapidly taking such forms of regional management. For instance, the European Union has been constantly *expanding* its activities, because, in practice, it has not been possible to keep social, economic, environmental, and peace issues separate from each other.

4 A virtual project – towards Copenhagen +5

Putting people at the center of sustainable development is a complex project. In this chapter we try to walk through the principles of what it does entail – as a project. It is, naturally, not possible to "summarize" everything relevant that has been said and written. This "project proposal" is a virtual proposal: it is intended to spark a further discussion – on the Net.

4.1 The vision and the mission

4.1.1 Perspectives and concepts

Human beings should be at the focus of sustainable development – neither nature as such nor the economy, as such. All human beings are equal. They all are entitled to a healthy and productive life in harmony with nature. The reality could hardly be much further from the above statements as it is now.

It is assumed that human beings are – and they want to be – in charge of their lives as members of the community they belong to.

They all also strive for something more than the sole satisfaction of basic survival needs. Any indicator or measure failing to recognize the inherent active and future-oriented nature of all human beings does not describe reality from people's perspective. Therefore, passive concepts reflecting standard of living, or static measures of quality of life, are not the right instruments to be used in designing policies that aim at enabling people to achieve well-being.

"Human development" is defined as the enlarging of choices. It is achieved by expanding human capabilities and functioning. At all levels of development those essential choices that people value are, in addition to access to resources needed for a decent standard of living, those that enable people to be a full contributing member of the community, to develop oneself, and to be creative and enjoy self-respect and dignity. However, it is still useful to ask whether development from human life-perspective is reflected in what *has been* achieved, or, rather, what opportunities there are still *open* in the future. The long-term perspective is relevant for today's well-being.

Sustainable development implies the enlarging of choices without compromising the opportunities of "future generations". Social development means the process of equalizing the opportunities for all people to live a meaningful life. It entails the guaranteeing of basic rights and fundamental freedoms in order to enable all people to contribute their potentials and to participate fully in society. **Sustainable social development** implies an equitable sharing of opportunities between generations. The first and primary focus in sustainable development should, therefore, be in the concrete application of this principle into the allocation of resources between those who are currently adults and those who are currently children.

Social development implies the improved functioning of social institutions so as to enable all people to achieve human development. Economic growth as such does not necessarily result in development from the human-development perspective. "Economic development" is part of social development. It entails the improvement of economic institutions so as to support human development, rather than growth as such.

Economic and social development are interrelated. Economic institutions are social institutions and are based on inherited values, norms, and social structures. While economic development is important, it

does not guarantee social development. The overemphasis of growth-focused economic development is counterproductive for social development. It creates inequality and exclusion, and leaves a track of poverty behind itself. Economy should be treated as the servant, not the master. Therefore it is not enough to only inject a social perspective into economics. Human and social values are the necessary starting point. Social development, meaning the organic growth of sound, balanced, and inclusive social institutions, is the key to development as it accumulates social capital. Social capital, in turn, is the prerequisite for guiding all development processes towards mutual global and social responsibility, equity, and well-being for all.

To describe development with measurable, and thus simple and concrete indexes, is not a sign of "realism". In order to be realistic, it is necessary to focus on a broad and dynamic vision of human-development as the ultimate aim – even if it is difficult to measure. Quantitative growth as such is not development. Development is a multi-dimensional and qualitative change towards agreed-upon goals.

It is increasingly doubtful whether the concepts that reflect the prevailing frontiers of academic disciplines are very useful: what is social is inseparable from what is economic, what is health is inseparable from what is wealth, what is ecological is inseparable from what is economic, what is cultural connects them all, as well as does the political. From the human perspective, social, economic, technological, political, and cultural systems are an integral part of the societal environment.

The ultimate goal for sustainable development efforts is thus to achieve human development through enhancing social and economic development within ecological realities. Enlarging the lifetime opportunities for today's children should be the first concrete focus of sustainable development – before hypothesising about distant future generations.

4.1.2 Values

The human being is the ultimate measure of values. The umbrella values are the universal human rights and fundamental freedoms, including social, economic, and political rights. As they are indivis-

ible, all need to be realized at the same time. The right to healthy environment belongs to these basic rights. Human, social, environmental, and spiritual values have been at the center of human existence. There is a tendency that the individualism of the well-to-do pushes aside human and social values. Thus there is the need to encourage people to speak for the "soft" values; they are the keys to the good life, after all. Entering the discussion on human development with technical – and purportedly value-free – economic terminology is a game lost before it even has begun.

4.1.3 Strategic principles

Global responsibility is necessary. From the human perspective the greatest threats to human and social development are catastrophes caused directly by some human beings. Active peace-building and the prevention of armed conflicts are thus the centerpiece of development. The prevention of ecological disturbances is a vital long-term concern for the whole of humankind and, as such, not an internal matter of nations. Global responsibility extends also to the guarding of universal human rights and freedoms.

Poverty, inequality, and exclusion are violations of human rights. Human rights violations take place globally, within nations, in communities, and also within families. Nowhere should such violations should be considered as an internal matter. The concept of human rights needs widening to encompass the economic and the social. A binding convention be reached to eradicate extreme poverty.

Respect for human diversity is a cornerstone of social development. The right to be a human being implies the right to be different – but equal. Discrimination based on gender, social, ethnic or cultural background, or disability is a violation of a person´s basic rights and cannot be justified on the basis of cultural, traditional, or legal considerations.

Social responsibility is everybody's responsibility. All members of society are benefiting from society and should carry a share of the social responsibility. Why should the business community be entitled to a free ride?

Children first – distant future generations later. Concerns about sustainable development – any aspect of it – should start with demonstrating first a concrete concern and responsibility for the children that are with us here and now rather than hiding behind the back of hypothetical distant future generations. Focussing on children brings realism and urgency to sustainable development.

4.2 The goals

The goal of development efforts is ultimately improved opportunities for human development *for all.* This implies the following foci:

(1) **Enabling environments that include e.g.**
- economic opportunities, including the enhancement of opportunities for women and people with disabilities;
- focus on employment generation;
- good governance, including development of democratic institutions; and
- accessible and healthy built environment.

(2) **Improved human security,** including access to basic social security and basic social services for all.

(3) **An inclusive society for all people.**

(4) **Eradication of human poverty.**

(5) **An "inclusive world for all nations"** though the strengthening of regional and global management arrangements.

4.3 The context

4.3.1 Challenges

Within the coming years and the next few decades there are a number of old and new threats and challenges, and the need for starting and adequate response process is immediate:

- **Regional and global interdependence** will continue increasing.
- **Poverty and exclusion** are a result of political choice rather than of natural laws but the commitment to the reduction of poverty is still rather "theoretical" – actually rhetorical.

- **Globalization** is still underdeveloped and will lead to undesirable and threatening consequences if not managed towards globally acceptable social, ecological, and economic goals.

- **Expanding employment** at the rate of labor force growth is a major challenge in many parts of the world and may call for unconventional measures of combining paid work and other meaningful activities.

- **Population growth and consumption growth** are elements in the same global equation and should be addressed accordingly.

- **HIV/ AIDS** will cause unprecedented social problems and will stretch the existing informal and formal safety nets to – or beyond their limits.

- **Environmental degradation** (climate change, decreased biodiversity, increasing pollution, depletion of nonrenewable resources, degradation of the quality of the renewables, deteriorating built environments) has not stopped and requires sustained action and control measures.

- There is a need to design innovative measures for facilitating the **internalization of public values**, such as social and environmental concerns, to economic processes – as well as bringing in economic realities to social and environmental considerations.

- **The conceptual context is evolving:** The ecological, economic, social, political, and cultural scene has changed. Concepts such as East-West, Capitalist-Socialist, North-South, and paradoxically even national-international, no longer help the understanding of the world in a policy-relevant manner. Also the dichotomy developed vs. developing countries is too simplistic and thus misleading.

- **The concept of sustainable development** is still seeking its balance between the various dimensions included in it.

4.3.2 Windows of opportunity

- **Globalization is a great opportunity if developed further:** globalizing systems and the increasing understanding of interrelat-

edness nurtures a pragmatic approach to international cooperation. It may replace ideological approaches and thus enhance cooperation, the reaching of common goals, and the pooling of resources.

- **Localization and empowerment:** decentralization of governance enables people to mobilize human and social capital for local development. There is an encouraging tendency of marginalized people, such as women and people with disabilities, to empowering themselves through getting organized.

- **Social capital and investing in social development**, long left untapped as a result of a short-sighted approach focusing on specialized expertise, academic disciplines, and established formal organizations, has been "reinvented".

- **High technology** that was often powered by military needs is finding its way into peaceful, civilian use.

- **Information technology, particularly,** brings a promise of expansion of knowledge, networks of people, and better access to knowledge and communication even in excluded areas and for excluded groups of people.

- **Technological advances** make it possible to drastically improve eco-efficiency and to turn increasingly to renewable sources of energy.

- **Conceptual advances:** there are several conceptual innovations that are changing the world as new perspectives enter the negotiations. For instance, concepts such as "human development" bring the values to the table. Furthermore, the widening understanding of security as "human security" (rather than military security) may free unprecedented financial and human resources to be redeployed from destructive military purposes to the improvement of the human condition.

4.4 The priorities

Cynically it could be said that the first priority is to implement global agendas before producing new ones. Further elaboration of these agendas does, however, clarify and integrate the concepts produced by the Conferences of the '90s . There still are too many priorities, such as

- poverty reduction

- children

- women

- employment

- people with disabilities

- other vulnerable groups

- integration of ecology, human development, and finances

- population stabilization

- rationalizing consumption

  etc.

A piecemeal, very detailed, and target-group oriented approach is confusing the global agendas. More thinking and experimenting is needed to package the priorities into social policies in order to mainstream specific programs into a common integrated policy framework, under which decentralised implementation can take place.

4.5 The means

Conceptual: Information needs to be turned into knowledge and knowledge into understanding. Each of the sciences faces the same challenge of internalizing the previous externalities. The layman's understanding and the concepts of the "target groups", i.e. excluded and the poor people, women, and children to name a few, must be included in the development discourse to get in touch with the human aspect of development.

Human and social capital: Enabling environments, coherent integrated policies at all levels, multisector setups, multiactor models, and the involving and empowering of people are approaches that mobilize human and social capital at all levels.

The national-level social policies: Coherent social policies combined with good governance, leadership and management, decentralization, and participation are the necessary prerequisite for long- term social and economic development.

Further development of globalization: The institutinalization of inter-action with the support of norms, compacts, and contracts, accompanied by good governance and transparent support systems, will build the global social capital, for global development.

The economy and technological innovations are good servants – but bad masters: All the international development agencies and their relevant counterparts in the recipient countries need to face the fact that the context of social development and social policy and the context of their own operations have already changed. The change will accelerate. If they aim at staying on track, they need to recognize the processes of globalization and increasing interre-latedness, the process of localization, and the reclaiming of power by those concerned. The information explosion and global non-bureaucratic exchange networks are widening. Traditional special-izations and mandated niches may become obsolete over night.

5 The need for further accumulation of local and global social capital

The "invisible hand" of the market alone neither brought about the welfare states nor the existing international basic human rights instruments nor the social development achieved thus far on the global scale. Improvements in people's lives have required conscious social responsibility, visions, goal-setting, plans and effective and efficient implementation of the plans. Development efforts have consumed natural, financial, and human capital, but development has also regenerated new man-made capital, and created new human and new social capital.

It is highly improbable that a future without regulation and redistribution on the global scale would do any better than the once-emerging capitalism. Guiding norms, agreements, wide par-ticipation, and good management are needed for the equalizing opportunities within and between countries so as to enable all peo-ple to achieve meaningful and productive lives as members of their societies and in harmony with nature. Regional cooperation has

already shown that redistribution of resources and reasonable regulation of ecological standards and social rights are feasible and they work.

To conclude, facing the next millenium, both locally and globally, there is a need to cross the trenches of the past, to build networks, to seek common values, to nurture trust and cooperation, and to involve the civil society beyond the traditional formal structures and sectors. In short, as natural and economic resources seem to be challenged by increasing needs and the demand for more equity, it is necessary, at all levels, to identify, accumulate, and deploy human and social capital.

Development is a result of solutions of goal-conscious to conflicts and challenges. A balanced path of development is such that it does not disrupt the human, the social, the economic or the ecological systems out of their *long-term* balance. Such discussions on sustainable development which focus on economy or ecology alone do not get to the essence of sustainable development. Developed social and governing institutions, equal opportunity, social responsibility, social protection, and access to basic social services, mutual trust, and good governance are prerequisites for ecologically sound and socially responsible economic development, and to a responsible attitude towards the natural environment. There are many paths towards the future. In the search for "**balanced development**" it is necessary to put the human and social dimensions of development, that is people themselves, at the center of the debate on sustainable development.

See you on the Net!
http://www.stakes.fi/sfa/social-development

ENDNOTES

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[1] United Nations (1995): *"The Copenhagen Declaration and Plan of Action. World Summit for Social Development"*, p.3. United Nations. New York.

[2] Also noted in *"The Finnish Government Programme for Sustainable Development. Council of State Decision-in-principle on the Promotion of Ecological Sustainability"* published by Ministry of the Environment, Environmental Protection Department. Edita Ltd. Helsinki. 1998, p.6.

[3] Quoted from UN Social Summit home page 08.12.98. Available on-line at *<http://www.un.org./esa>*

[4] The Roman numbers refer to the list of contributed papers by the experts (Annex 2). The contributed papers are published as the *Volume 2: Contributed Papers.*). The letter "c" refers to comments on the circulated draft.

[5] See e.g. United Nations (1997): *"Agenda for Development"*. United Nations. New York, or the report by the *AD HOC OPEN-ENDED WORKING GROUP OF THE GENERAL ASSEMBLY ON AN AGENDA FOR DEVELOPMENT, A/AC.250/1.* that is available on-line at U.N. *<gopher://gopher.un.org /00/ga/ac250-1.txt>*

[6] The Copenhagen Declaration para 1. In United Nations (1995): op.cit., p.1.

[7] For more on the concept of "well-being" see e.g. *"Disability Dimension in Development Action. Manual on Inclusive Planning"*. Published for and on behalf of the United Nations by STAKES, Gummerus Printing OY, Saaarijärvi, Finland, 1997; and Wiman. R. (1990). *"Towards an Integrated Theory of Help"*. National Board of Social Welfare. Publications #2/ 1990, Helsinki.

[8] Minister Mönkäre is responsible for health issues at the Finnish government. Her address is quoted in length as it brings forward a number of focus areas of the Finnish Government.

[9] See also: *"Socially sustainable development – Finnish views"* by The Finnish National Commission on Sustainable Development, Subcommittee on Socially Sustainable Development (1997). Helsinki.

[10] This item quotes parts of the address by Minister Pekka Haavisto at the expert meeting and gives thus a clarifying background on the treatment of the social dimension in the Finnish policy.

[11] See the "Bruntland Commission" report: The World Commission on Environment and Development (1987) *"Our Common Future. From one Earth to One World"*. Oxford University Press, Oxford.

[12] *U.N. GA Resolution 44/190: "The Rio Declaration on Environment and Development"(1992).* Available on-line at U.N. *<gopher://gopher.un.org/00/conf/unced/English/riodecl.txt>*.

[13] United Nations (1995). Op.cit., pp.3-4.

[14] Ministry of the Environment, Environmental Protection Department (1998) op.cit., pp. 8-13.

[15] **United Nations (1997):** *"Agenda for Development",* **p.1. United Nations. New York.**

[16] **Taipale; Vappu (1995):"Social Issues Become Important when Viewed from a Small Country".** *The Bulletin of the Finnish UN Association,* **1995. Copy distributed at the Expert Meeting.**

[17] *The Report of the Secretary General of the UN to the 49th General Assembly (1994)*

[18] **United Nations (1995), p.95.**

[19] **Uusitalo, Hannu:** *"Economic Crisis and Social Policy in Finland in the 1990s".* **Social Policy Research Centre (SPRC) . University of South Wales. Discussion Paper Series No 70. Sydney 1996; and Heikkilä, Matti and Uusitalo, Hannu (Eds. 1997):** *"The Cost of Cuts".* **STAKES. Saarijarvi. 1997**

[20] **World Commission on Environment and Development:** *"Our Common Future: From one earth to one World"* **(April 1987). Oxford University Press. Oxford. Introduction (pp.22-23) IV. "A Call for Action". Available on-line at <http://www.islandet.com/-ncfs/commfut.htm>**

[21] **There are further dimensions embedded in each of these three main dimensions of sustainable development. For instance, the environmental foci should not be limited to the protection of the natural environment, but should also include land management and land use practices since they are in interaction with the natural environment and have major long-term effects. (Knoflacher, c). The interface between human populations and nature requires more disaggregated concepts than the standard three.**

[22] **A policy-relevant and intervention-oriented analysis needs to focus, in accordance with the logical framework approach (LFA), on the processes and causes that result in ecological unsustainability rather than on unsustainable ecological / economic phenomena as such.**

[23] **The Cabinet (October 15, 1998):** *"Finland's policy on relations with developing countries".*

[24] **On a smaller scale, Social Impact Assessment (SIA) can be used as the technical tool to evaluate the social feasibility and social consequences of a project. Examples of SIA of major economic changes can be found in the report by the Asian Development Bank (ADP HQ, 1998).** *"Inception Workshop on Social Impact of the Financial Crisis in Selected DMCs. Manila 10-11 November, 1998.*

[25] **The World Summit for Social Development did not want to define "social development" – since that was feared to lead to an unending debate. As a result the outcome is also rather unstructured.**

[26] **The foundation of the UNDP concept are in the works of the Nobel laureate Amartya Sen e.g. in his work (1984)** *"Resources, Values and Development."* **Harvard University Press, Cambridge. Massachusetts, or Sen Amartenya (1985):** *"The Standard of Living".* **The Tanner Lectures, Clare Hall. Cambridge University Press, 1985. (Edited by Geoffrey Hawthorn.). Comment by Timo Voipio (XVI. c.)**

[27] **UNDP (1998): "Human Development Report 1998", p. 14. Oxford University Press. New York.**

[28] **Ministry of Health and Social Services, Directorate of Social Services (1997):** *"Situation Analysis on Social Welfare Policies in Namibia. The Green Paper. Draft 1".*

[29] **See e.g. UNDP(1994) :** *"Human Development Report 1994".* **Oxford University Press. New York.**

[30] **See UNCED Declaration, para 1. It is not enough to refer only to future generations. The children of today are actually paying the bills of the present adult generations as funds are allocated to the needs of adults (e.g. pensions) rather than those of children (e.g. basic education).**

[31] **C.f. UNDP definition of human development. The attribute "all" that has been added refers to the social value of equality more strongly than the original definition .**

[32] **"Human security" refers to present and reasonably well guaranteed future access to resources needed for exercising basic rights and fundamental freedoms. The dimensions are economic , food, health, environmental, personal, community and political security. See UNDP (1994) op.cit., pp.24-33.**

[33] **E.g. UNDP (1996):** *"Human Development Report 1996",* **Oxford University Press. New York.**

[34] **On the concept see: " Ministry of Health and Social Services, Directorate of Social Services (1998):** *"Proceedings of the Conference on Social Responsibility,* **Windhoek, Namibia.**

[35] **United Nations General Assembly A/RES/S-19/2, 19 September 1997,** *"Programme for the Further Implementation of Agenda 21".* **Available on line at U.N. <gopher://gopher.un.org./00/ga/res/spec/RES-S99.2>**

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[36] **Daly Herman,E and Townsend, Kenneth N. (1993):** *"Valuing the Earth: Economics, Ecology, Ethics".* **MIT Press. Quote: "Sustainable Growth: An Impossibility Theorem" available online at <http://dieoff.com/page37.htm> (11.1.1999)**

[37] **UNDP (1996) op.cit., p. 48.**

[38] **Ibid.**

[39] **Ibid. p.49.**

[40] **See. E.g. Wiman, R (1990) op.cit.**

[41] **See e.g. UNDP: Human Development Reports of 1990 and 1996**

[42] **UNDP (1996) op.cit., Ch 3**

[43] **ibid., pp.56-65.**

[44] **The Netherlands Ministry of Foreign Affairs. Ministry of Housing, Spatial Planning and Environment (1997):** *"Focus on Development. Developments in sustainability 1992-1997",* **pp. 12-13. The Hague.**

[45] **Ibid.,**

[46] **Graph contributed by Mr. Timo Voipio, (XVI.c.). (Original source: Seraggeldin, Ismail (1996):** *Sustainability and the Wealth of Nations. First Steps in an Ongoing Journey.* **Environmentally Sustainable Development Studies and Monographs Series No. 5. The World Bank. Washington D.C.**

[47] **Reference is made to the social and economic crises in some parts of Eastern Europe, the Asian economic crisis, and ultimate cases where practically all legitimate state structures have withered away, as in Somalia.**

[48] **C.f. the concept of Human security in UNDP Human Development Report 1994.Op.cit.**

[49] **Internet Domain Survey, quoted from Juhani Artto (1998):** *Viidakkorummut joutavat museoon: internet laajenee ripeästi kaikkialla* **(Jungle drums can go to the museum: internet expands everywhere) available (in Finnish only) on-line at <http://www.vn.fi/um/kyo/kehi297.html>**

[50] **The Prime Minister of U.K., Mr. Tony Blair, at a CNN interview, Sept. 21, 1998**

[51] **UNDP (1996), op.cit., Ch 2.**

[52] **UNDP (1998): "Understanding and Responding to Poverty". Available on-line at** <http://www.undp.org/undp/povertyhome>

[53] **Adapted from UNDP (1997):** *Human Development Report 1997,* **p.16. Oxford University Press. New York.**

[54] **Ibid., p.5.**

[55] **UNDP:" Understanding and Responding to Poverty". Op.cit.**

[56] **C.f. "The Disability Dimension … op.cit.**

[57] **UNDP(1996), op. cit. and note #55. above**

[58] **This is evident from the comparisons of various human development indicators in the Human Development Reports of the UNDP, e.g.** *Human Development Report 1996,* **pp.21-22**

[59] **UNDP(1998):** *"Human Development Report 1998",* **p.4. Oxford University Press. New York.**

[60] **Ibid., Ch.5.**

[61] **The HDR of 1998 elaborates extensively on the issue and a plan of action towards more sustainable and equitable consumption.**

[62] **E.g. The Cabinet (1998): "Finland's policy on Relations with Developing Countries", pp.26-27, 34, 37.**

[63] **Ibid., p.13.**

[64] **For instance as proposed in the Heavily indebted poor countries (HIPC) support programmes of the World Bank and the IMF, and The Cabinet (1998), op.cit., p24.**

[65] **United Nations: A/51/140, quoted from on-line source** *http://www.icsw.org/socdev/summits/oslo2020.html*

[66] **When Finland and Namibia included a social welfare sector system support components in the health support program (HSSSP) it was actually a first initiative of its kind by Finland and also a rare one in the world. Doubts about the feasibility and usefulness were strong on both sides. The process is still going on – strong. (c.f. Coetzee & Wiman, XIII.)**

[67] Kari Nordheim-Larsem, Minister of Development Cooperation, Norway at the Oslo 20/20 meeting, quoted from *http://www.icsw.org/socdev/summits/oslo2020.html*

[68] UNDP (1996), op.cit. , p. 112.

[69] The Cabinet (1998), op.cit. p. 24.

[70] MOHSS/DSS (1997), op. cit., Chapter I, Annex 1.

[71] The concept of Human security was introduced in the UNDP in the *Human Development Report 1994* op.cit.

[72] United Nations Report of the Secretary-General: *Follow-up of the World Summit for Social Development. Social Services for All. United Nations* E/CN.5/1999/2. Commission for Social Development, Thirty- seventh session.

[73] Reference is made to the "Situation Analysis on Social Welfare Policies in Namibia. The Green Paper. Draft 1." of 1997, by the Directorate of Social Services (DSS) at the Ministry of Health and Social Services in Namibia (MoHSS).

[74] C.f. UNDP: HDR 1992 and 1998.

[75] National Planning Commission (1994): *The First National Development Plan (NDP1),* vol 2 p43. Windhoek.

[76] 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 (and by STAKES/ R. Wiman)

[77] Here "The Social Sector" refers to: Social Welfare, Health and Nutrition, Water and Sanitation, Housing and (basic) Education.

[78] For further information on the programme consult Ms. Coetzee at DSS, or Mr. Wiman at STAKES

[79] An "inclusive approach" is the viable alternative because it is not possible to respond to the needs of the majority of the 250-500 million disabled people of the world through disability specific projects that target disabled people only. See e.g. *"The Disability Dimension in Development Action. Manual on Inclusive Planning."* Published for and on behalf of the United Nations by STAKES, 1997.

[80] The World Bank Group includes The "World Bank"(International Bank for Reconstruction and Development, IBRD), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIC). The World Bank Group and the IMF (International Monetary Fund)are often referred to as the Bretton Woods Institutions (BWI).

[81] The variety of social development issues the World Bank Group is working with can be found through the Web-site online at *<http://www.worldbank.org/html/extrd/orchart.htm >*, particularly under Sustainable development, Human development and poverty reduction networks

[82] "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"(Holzmann & Jorgensen. V).

[83] Dr. Ravi Kanbur, Staff Director, World Development Report 2000 on Poverty, in "WDR2000: Poverty and Development: An Overview of the Work Program" May 1998. Quoted from Holzmann & Jorgensen ibid.

[84] *"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" (Holzmann & Jorgensen. V).

[85] United Nations (1997): *"Critical Trends. Global Change and Sustainable Development"* . United Nations Department for Policy Coordination and Sustainable Development, New York, 1997

[86] United Nations (1997): *"Agenda for Development"* United Nations. New York.

[87] United Nations(1997, b.): *"Report on the World Social Situation 1997".* Department for Economic and Social Information and Policy Analysis. United Nations. New York. *"The World*

Social Situation" Report addresses in Part One 'The Social Situation' under the headings Economic trends, Population trends, Health, Hunger and malnutrition, and Education. As part two, it covers the 'Core Issues' i.e. the Summit agenda items, namely Poverty, Unemployment and Discrimination. In contrast the *"Critical Trends"* that is much more concise addresses Population, Energy and Materials Consumption, Agriculture and food supply, Water, and Human Development. Under Human Development the headings are: The social transition, Economic growth and poverty, Education, Human health, and Equity.

[88] United Nations (1997, b.), op.cit.

[89] United Nations. ECOSOC: "Integrated and Coordinated Implementation and Follow-Up of Major UN Conferences and Summits." Report of the Secretary- General, ECOSOC, Substantive session of 1998, New York, 6-31 July, 1998

[90] The cross-cutting themes identified in the Secretary-General's report [E/1995/86] were: i.e. (I) a stable macroeconomic policy framework conducive to development; (ii) external debt and finance for development, (iii) international trade and commodities, (iv) science and technology, (v) eradication of poverty and hunger; (vi) Access to productive occupational opportunities, full employment and family incomes; (vii) gender equality, equity and empowerment of women; (viii) basic social services for all (ix) promoting social integration (x) environment and natural resources (xi) Africa and special categories (xii) participation, democracy, human rights, accountability and partnerships with major groups and organizations.

[91] The title is a free translation of a recent conclusion by Dr. Ilkka Taipale expressing his concern of the recent thinning of the public social welfare system in Finland.

[92] Vivianne Forrester (1996): *"L'horreur economique".* Editeur: Fayard-Genre: ECONOMIE. Quoted from Falk, Rainer: *"UNCED – A Victim of Globalization?"* Statement at WEED-Workshop "Beyond Rio – Perspectives of International Civil Society Five Years After Rio" Bonn, 21.-23. October 1997.

[93] Mr Uolevi Manninen, ex -Director General of TUKO, a major Finnish wholesale chain that was sold to its competitor by the institutional owners without the DG being informed. Helsingin Sanomat. 9th November, 1998.

[94] Falk, Rainer, op.cit.

[95] See for instance the discussion in Bob Deacon, Meri Koivusalo, Paul Stubbs (1998): *" Aspects of Global Social Policy Analysis ".* STAKES. Saarijärvi.

[96] "Now donor governments, including Finland, have started to plan to use large proportions of the remaining ODA-budgets to what they call the "Clean Development Mechanism, CDM" (i.e. to finance reductions of CO_2-emissions or afforestation projects in the South). This is an effort of the rich nations to avoid at least some of the hard decisions they will have to make to reduce their own unsustainable consumption and production patterns in order to reduce their emissions of CO_2 and other greenhouse gases" (Voipio,c).

[97] Within the EU, this is actually on the table: Germany, instead of following the suite of countries with low taxation, suggests the taxation to be 'harmonized ' upwards to better converge with her tax levels.

[98] The Cabinet (1998), op.cit. p.13.

[99] GASPP is a five year (1997-2002) research, advisory, education, and public information programme based jointly at STAKES of Finland and the Center for Research on Globalization and Social Policy, Department of Sociological Studies at the University of Sheffield, England. See. e.g. Bob Deacon, Meri Koivulsalo, Paul Stubbs (1998), op.cit.

[100] Deacon, B (1999): *"GASPP Occasional Papers No 1".* Available online at *<http://www.stakes.fi/gaspp>*

[101] United Nations: "Agenda for Development", A/AC.250/1, 16th June 1997. Available online at U.N. *<gopher://gopher.un.org/00/ga/ac250/ac250-1.txt>*

[102] E.G. Wahl, Peter : "Globalization from beyond! Elements for a future Strategy of NGOs in the Post-Rio Age. Op. cit.

[103] For instance, the UNDP is advocating this interpretation. See e.g. HDR 1997 and at the website *<http://www.undp.org/undp/povertyhome>*

ANNEX 1

Proceedings of the Expert Meeting on

The social dimension in sustainable development

October 15th–17th, 1998 In Helsinki and
The Baltic Sea Centre, Kellokoski, Finland

List of Contributed papers

The papers are published in the *Volume 2* of these proceedings. At the time of the editing of *Volume 1* the layout of the *Volume 2* was not yet available and thus the references do not specify the page numbers of the respective contributed paper.

I   *Opening Address* by Dr. Sinikka Mönkäre, Minister of Social Affairs and Health in Finland

II   *Opening Address* by Mr. Pekka Haavisto, Minister of the Environment in Finland

III   Lowell Flanders, Assistant Director, UN Commission for Sustainable Development: *The Development of the Concept of Sustainability from Rio Onwards.*

IV   Keith Bezanson, Director, Institute for Developmental Studies, Sussex, UK: *Rethinking Development*

V   Robert Holzmann, Director, Social Protection, the World Bank: *Social Protection as Social Risk Management - A Contribution to Sustainable Development.*

VI   Henrik Litske, Research Manager, European Foundation for Living and Working Conditions, Dublin, Ireland: *New Instruments for Sustainable Development.*

VII   Reino Hjerppe, Director-General, VATT, Government Institute for Economic Research, Finland: *Conceptualizing Social Capital*

VIII   Ilmo Massa, Researcher, Department of Sociology, University of Helsinki, Finland: *Approaching Social Sustainability (No paper submitted)*

IX   Hannele Nyroos, Researcher, Ministry of the Environment, Finland: *Environmental Health Challenges Changing the Policies*

X   Markus Knoflacher, Austrian Research Centres Seibersdorf, Austria: *Interaction between Social and Ecological Systems -an Approach for Understanding Essentials of Sustainable Development*

XI   Bob Deacon, Director, GASPP, Stakes and University of Sheffield, UK: *Social Policy and Social Sustainability*

XII   San Yuenwah, Social Affairs Officer, UN ESCAP Thailand: Empowering Disabled Persons in the ESCAP region

XIII   Petronella H. Coetzee, Deputy Director, Directorate of Social Services, Namibia and Ronald Wiman, Senior Social Services Advisor, Health and Social Sector Support Programme in Namibia/ Finland: *Building up Social Sustainability. The case of Namibia*

XIV   Maria S. Tysiachniouk, Researcher, Centre for Independent Social Research, St. Petersburg, Russia: *Sustainable Development Through the Efforts of the Third Sector in Russia.*

XV   Ronald Wiman, Project Chief, STAKES, Finland: *Sustainable Social Development - Towards Inclusive Societies for All People (A Distributed Concept Paper)*

XVI.c.   Timo Voipio, Researcher/Secretary-General of the Advisory Board for Relations with Developing Countries, at the Ministry for Foreign Affairs of Finland
Written Comments Contributed to the Second Draft.
(Not available as a separate document)

ANNEX 2

Expert Meeting on The Social Dimension in Sustainable Development

October 16th - 17th, 1998, the Baltic Sea Centre, Kellokoski, Finland

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