

# **Twenty years after the WSSD: Elements of a Framework for Social Development beyond 2015<sup>1</sup>**

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## **1. The background of the World Summit for Social Development (WSSD)**

Following two years of preparation, the World Summit for Social Development (WSSD) adopted its Declaration and programme of action on 12 March 1995. This fell in the middle of the last decade of the 20<sup>th</sup> century, which was characterised by important political changes and by optimism in international relations. The fall of the Berlin wall and the consequent breaking up of the USSR ended the cold war mentality which had dominated not only the discussions in the United Nations but also the relation of capitalist and communist developed countries with developing countries.

As the ideological east-west discussion became less stringent, there was more room for reflection on more fundamental issues of development. However these reflections took also place in an atmosphere of increasing globalization. Globalization was especially in the beginning of the 1990's underpinned by the so called Washington Consensus, a set of policy measures recommended by the Bretton Woods Institutions (IMF, World Bank) which purported countries to a system of greater openness, especially in trade and capital flows, a primacy of the market and thus reductions of government expenditures and increasing flexibilization in different markets, notably the labour markets.

The Washington Consensus was the ultimate formulation of different generations of structural adjustment policies, which had dominated national policy making, especially in those countries, which were depended on financing from the Bretton woods institutions. Structural adjustment policies though received a lot of criticism as they, especially when they were initially formulated, did not take social issues into consideration. From the mid-eighties a groundswell of protest emerged from scholars and policy makers in these countries as well in the various agencies in the UN system. However, in the early nineties it was generally accepted, even in various departments in the Breton Woods Institutions themselves, that structural adjustment policies had been found wanting, not only because of their negative social aspect but even on economic grounds, as they often did not manage to kick-start inclusive growth.

The end of communism, in 1989-99, added also in one stroke some thirty former communist countries to the market economies. These so-called transition countries (transiting to more open markets economies and democratic governance) were also in need of structural change. The beginning of transition in these countries was characterized by large declines in incomes and in access to social services, due to a stark economic decline as well as to the dismantling of social institutions often linked to former state enterprises.

The Northern American countries and Europe had seen in the 1980's a change in policies of privatisation and liberalisation epitomised by the Reagan presidency in the USA and the Thatcher regime in the UK. The primacy of the market propagated under these regimes also meant a diminishing role of the state and a dismantling of the northern welfare state, which had contributed in the previous decade to the golden age of strong growth in the capitalist countries. However the promised growth by these models did not match the earlier growth in Western Europe and North America, and the certainly did not trickle down to poorer and more disadvantaged groups. Unemployment and inequality increased and electorates were searching for alternatives.

It is thus against a context of, on the one hand the disappearance of East-West tensions in international relations, and at the other hand a social system that was threatened by economic reform, in some countries in the form of structural adjustment programs, in other countries as part of a transition to a more market-oriented system and yet in other countries because of a dismantling of the welfare state, that the preparations for the World Summit for Social development took place in the early 90's, and that in March 1995 the Copenhagen Declaration and Programme of Action of the World Summit for Social Development ( WSSD) was adopted.

The WSSD was however not a single exercise, but took place as part of a series of important summits and conferences, often at the head of state level, fostering national and international action on development:

- New York: World Summit, for Children, 2000
- Rome: Nutrition Conference, 1992
- Rio de Janeiro: UN Conference on Environment and Development, 1992
- Vienna: World Conference on Human Rights
- Cairo: International Conference on Population and Development, 1994
- ***Copenhagen: WSSD, 1995***
- Beijing: Fourth World Conference on Women, 1995
- Istanbul: Habitat II, 1996
- Dakar: Education Forum, 2000
- New York, Millennium Summit, 2000

These truly international gatherings were made possible, among others, by the increased willingness to find common solutions to problems that were perceived to be global and culminated in the Millennium Summit in New York at which heads of states pledged the Millennium Declaration, which was based on the outcomes of the summits and conferences of the 1990's. We will come back to the Millennium Summit in chapter 4.

## **2. The Declaration and the ideals and principles of the WSSD.**

The Copenhagen Declaration consisted of 10 commitments (see below). The programme of action of the WSSD grouped these 10 commitments in a programme of action consisting of 4 major areas of action 1) An enabling environment for social development; 2) Eradication of poverty; 3) Expansion of productive employment and reduction of unemployment and 4) Social integration. The other commitments were integrated under these 4 major points of action.

# WSSD Commitments

- Create an economic, political, social, cultural and legal environment that will enable people to achieve social development.
- Eradicate absolute poverty by a target date to be set by each country.
- Support full employment as a basic policy goal.
- Promote social integration based on the enhancement and protection of all human rights
- Achieve equality and equity between women and men
- Attain universal and equitable access to education and primary health care.
- Accelerate the development of Africa and the least developed countries
- Ensure that structural adjustment programmes include social development goals.
- Increase resources allocated to social development.
- Strengthen cooperation for social development through the UN.

The commitments and the plan of action was based on the current social situation in world (UN, 1995, p.5-6) brought about by growing globalization, which, while opening up new opportunities for sustained economic growth and development, was accompanied by intensified poverty, unemployment and social disintegration, all profoundly changing the parameters of social development in all countries. Progress though in some areas of economic and social development is acknowledged, such as a seven fold increase in global wealth over the last 50 years and an even greater increase in international trade, increases in life-expectancy and other social variables in the majority of the countries, and the expansion of democratic pluralism, democratic institutions and fundamental civil liberties.

However the WSSD also recognised that far too many people are vulnerable to stress and deprivation and that poverty, unemployment and social disintegration too often result in isolation, marginalisation and violence, intensifying insecurity about the future. Worrying facts and trends which the declaration observes are: growing gap between rich and poor in many societies, more than a billion people living in abject poverty, social problems in countries facing economic or social transformation, a deterioration of the environment, strong population growth in some countries, continues un- and underemployment especially for the young, and the special plight for women, disabled and refugees.

An important element was also that the observations in the declaration and in the programme of action acknowledges strongly the important effect that economic policy and especial economic reform policies could have on the social situation in a country and that economic policies could no longer be designed ignoring the social outcome of these policies. Commitment 8 (ensuring that structural adjustment

programme's include social development goals) attests to that, as does more implicitly commitment 1 (on creating an economic, political, social, cultural and legal environment for achieving social policy). Since the declaration was the outcome of long negotiations, commitment 1 was less explicit as to which economic policies should be undertaken and how concerns for social policies and greater inequality should inform these policies. (UNRISD, 2000)

The ideals and principles which guided the declaration reflect very much the notion of an integrated approach to social policy at various levels: firstly an integration of concerns of all family members (women, man, youth and children) as well as the importance of the family itself, secondly an integration of economic, cultural and social development, so that these become mutually supportive, thirdly an integration of the private and the public sphere of national activities and fourthly a strong recognition of the interdependence between national and international policies and the need for international collective commitment. Important among the principles were also the promotion of an universal respect for human rights and fundamental freedoms including the right to development, promotion of social integration and the promotion of equitable distribution of income and greater access to resources through equity and equality of opportunity for all.

Although the term it self was not yet used at the WSSD, it can be argued that the principle outcome and the set of policy recommendations of the WSSD reflected very much what later was called policy coherence, to be undertaken at the national as well as at the international level (WCSDG, 2004).

### **3. How relevant have the declaration and the ideals and principles of the WSSD been?**

Twenty years have passed since the Copenhagen declaration and the programme of action have been adopted. Two questions arise. Firstly how relevant was the declaration and the programme of action and secondly how relevant, giving the many economic, social an political changes countries and the world as a whole underwent is the declaration and the principles on which it is based today?

Past relevance can be understood in different ways. This report looks at past relevance in three ways:

Firstly did the WSSD generate new ideas and did that lead immediately, or over time, to new International Policy Commitments?

Secondly did the WSSD generate at the national willingness and policies to adapt the commitments of the WSSD and did the capability to implement necessary policy changes increase?

Thirdly can one observe positive developments in the three main areas of concern of the WSSD, namely poverty reduction, productive employment and social integration?

The next chapter 4 discusses how the WSSD has contributed to new ideas and international policy commitments beyond those of the WSSD itself. Various global events and activities will be considered here, chiefly among these are however the policies and commitments emanating from the Millennium Summit in 2000, the consequent acceptance of the Millennium Development Goals in 2001, for which a target was set by 2015, and the follow up summits to the Millennium Summit.

Chapter 5 gives a broad overview of how national policies have taken into account the commitments of the WSSD, and a short overview will be given how national policies have been changed, or not, in the areas of poverty, unemployment and social exclusion. However such policies will not be looked upon from an isolated point of view but mainly from the point of view of policy coherence i.e. how tradeoffs and synergies between these social policies on the one hand and economic and environmental sustainable policies on the other hand have been handled. Chapter 6 gives an overview of the results in the three main areas of the WSSD: poverty, employment and social integration, based upon the outcome of parallel papers on these issues. This overview will not deal with detailed outcomes, as these can be found in parallel papers, but concentrate more on salient trends in these three areas and whether the trend in each of these three areas did develop in isolation or whether one can detect some covariance between these.

After having considered the past relevance of the WSSD in 1995, the next section of the report deals with the question how relevant the commitments and principles of the WSSD are today. Chapter 7 provides first a short overview of the major geopolitical, economic and social phenomena and events which have taken place since the summit took place in 1995, in order to place the question of the contemporary relevance of the WSSD in a proper context. The main body of Chapter 7 emphasizes therefore how the commitments and principles of the WSSD relate to the current discussions on the Sustainable Development Goals and the post 2015 Development Agenda and what lessons could be drawn from this.

Chapter 8 discusses how the deliberations and future recommendations of the Commission for Social Development, based on the above review of the commitments and principles of the WSSD, can supplement the, by 2105 agreed, Sustainable Development Goals.

Chapter 9 concludes.

#### **4. Impact: International Policy Commitments**

##### *a) The Millennium Declaration and the MDGs*

As mentioned above, the WSSD in 1995 was one of a set of major global policy initiatives, which culminated in the Millennium Summit in September 2000. At this summit heads of states adopted the Millennium Declaration (MD). This declaration was based on the outcome of the various global initiatives that took place in the 1990's. The Declaration is based on six fundamental values – freedom, equality, solidarity, tolerance, respect for nature and shared responsibility. The declaration itself consisted of 8 chapters, which are indicative of the breadth and scope of the Declaration:

1. Values and Principles
2. Peace, Security and Disarmament
3. Development and Poverty Eradication
4. Protecting our Common Environment
5. Human Rights, Democracy and Good Governance
6. Protecting the Vulnerable

## 7. Meeting the Special Needs of Africa

## 8. Strengthening the United Nations

A substantial part of the text of the declaration reflects the outcomes of the WSSD. Chapter 3 on development and poverty eradication confirms the commitments of the WSSD, as did chapter 6 on protecting the vulnerable. Also chapters 7 and 8, and to a lesser extent other chapters, were built on the declaration and the programme of action of the WSSD.

The Millennium Declaration was operationalized in the form of a number of quantitative goals (MDGs) to be achieved by 2015. The MDGs are seen as the crystallization of goals agreed earlier at international conferences in the 1990s. However the MDGs did not emanate as a matter of course from the Millennium Declaration. A few years earlier the OECD Development Assistance Committee (DAC), in its 1996 publication 'Shaping the 21st Century: The Contribution of Development Cooperation', made an attempt to formulate development goals by synthesizing the goals agreed at the various world summits. However, unlike the commitments of the world summits, which were more global in nature, these goals focused mainly on measurable criteria for poverty, social development and a sustainable environment; they distanced themselves from the rights-based approach and emancipatory development, which characterized the outcomes of the WSSD. These goals initially provoked little response from developing countries, the World Bank or the IMF. However the UN secretariat, seeing the DAC initiative as an attempt by the rich countries to control the UN agenda, devised its own list.

Furthermore many civil-society networks (like the women's and peace movements, the churches and Jubilee 2000) called on world leaders to develop at the 2000 Millennium Summit a global development vision. Pressure from developing countries and civil society led to goals for the rich countries relating to trade access, debt relief and ODA, and to an appeal to the pharmaceutical industry to make AIDS medicines cheaper. In an unprecedented display of unity, the leaders of the IMF, OECD, UN and World Bank published the document 'A Better World for All: Progress towards the International Development Goals', based on the OECD development goals mentioned above. This document was largely in line with the UN Secretary-General's draft declaration, with the addition of infant and maternal mortality. Fearing that health budgets might otherwise become unbalanced, the passage on combating HIV/AIDS was expanded to include other diseases.

It is important, in understanding the process that led to the MDGs, to be aware that the MDGs are grounded in the Western trend, developed in the 90s, of results-based management and accountability in development policy, as reflected in the OECD development goals. This was in the end coupled to a more visionary objective of social and human development, originating in the UN secretariat and in UNDP. The UN was in the end 1990's faced with the problem of how to reconcile the OECD's development goals with its own Millennium Declaration. After all, the UN Secretary-General was a signatory to the former, but also had to take all 189 member states into account, which adopted the Millennium Declaration. At a meeting of donors, developing countries and multilateral institutions in 2001, led by the World Bank, the two sets of goals were integrated. A joint working group representing the OECD/DAC, WORLD BANK, IMF and UNDP elaborated them. The goals on



climate (MDG7) and the contribution of the rich countries (MDG8: global partnership), which were still the subject of fierce political negotiation, proved especially difficult. The goal on a sustainable environment (MDG7) was extended to include biodiversity and a number of other new indicators. MDG8 was eventually finalized with not less than seven targets and 17 indicators, but without a deadline, making it the most comprehensive, yet least specific or measurable goal.

The final agreed list of MDGs in 2001 contains eight goals:

1. Eradicate extreme poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and empower women;
4. Reduce child mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability;
8. Develop a global partnership for development

As can be seen from the list of the 8 MDGs (and of the sub-goals and targets which we omit for sake a brevity) only one of the 3 main concerns of the WSSD was included in the MDGs (Poverty in contrast to Employment and Social Integration). However in 2005 Full Employment was listed as a sub-goal to the primary goal of eradicating poverty. The MDGs were also, as already indicated above, much more reductionist than the Millennium Declaration which contained a much richer set of commitments than the MDGs.

Table 1 gives a comprehensive overview of time bound targets in the WSSD and the relevant MDG goals targets. The only addition brought by the MDGs was to set a target year for poverty reduction to the commitment of the WSSD *reducing overall poverty in the shortest possible time, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context*. However the target date related only to poverty reduction and not to reducing inequalities, which was mentioned neither as a MDG, nor as a target nor as an indicator.

When considering the MDGs they clearly reflect an overriding concern for social goals, the first six goals have an explicit social character and were also the most elaborated goals. However as the architects of the MDG wanted clear measurable goals there was no mention of social integration in the MDGs and the MDGs also did not encapsulate sub-goals about an enabling environment for social development.

As mentioned earlier the last two goals (environment and global partnership) were added later in the process and were much less well formulated. At first such an overriding emphasis on social goals could be seen as an important step forward in the new millennium. However what bothered many social scientist and policy makers was that the social goals of the MDGs were not embedded in a coherent (social) development agenda: Social development is more than progress on a limited number of human development variables and should rather be understood as progress towards

social justice (understood as a fairer distribution of resources). Development efforts were therefore more channelled to social programmes and projects rather than to policies. It is not clear whether the MDGs reflected an overriding concern for social justice in view of the absence of issues like equality, participation, and inclusion.

Table 1, Targets in the MDGs relevant to the outcome of the WSSD

Commitments	Quantitative Time-Bound Targets (when applicable)	Relevant MDG Goal/Target	Relevant Indicators
(1) Create an economic, political, social, cultural and legal environment that will enable people to achieve social development.	N/A	N/A	N/A
(2) Eradicate absolute poverty by a target date to be set by each country.	(2a) Formulate or strengthen, as a matter of urgency, and preferably by the year 1996, the International Year for the Eradication of Poverty, national policies and strategies geared to substantially <u>reducing overall poverty in the shortest possible time, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context.</u>	1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day.	1.1 Proportion of population below \$1 (PPP) per day 1.2 Poverty gap ratio 1.3 Share of poorest quintile in national consumption
(3) Support full employment as a basic policy goal.	N/A	1.B: Achieve full and productive employment and decent work for all, including women and young people.	1.4 Growth rate of GDP per person employed 1.5 Employment-to-population ratio 1.6 Proportion of employed people living below \$1 (PPP) per day 1.7 Proportion of own-account and contributing family workers in total employment
(4) Promote social integration based on the enhancement and protection of all human rights.	N/A	N/A	N/A

Source: UN DESA. World Summit for Social Development, Copenhagen Declaration on Social Development - Part C. (<http://www.un.org/esa/socdev/wssd/text-version/agreements/decpartc.htm>). Thanks to Amy Orr, Power of Numbers project, New School and Harvard, School of Public Health, New York and Boston.

\* For the sake of simplicity, this chart does not include the underlying actions listed under each of the ten commitments from the Copenhagen Declaration. Instead, it lists only the quantitative time-bound targets that roughly compare to the subsequent MDGs.

The absence of a coherent development agenda was actually a deliberate feature of the MDGs, as developing countries did not want to face again a one size fits all approach, as was for example propagated earlier in the structural adjustment programmes and the Washington consensus propagated in the 80's and early 90's by the Bretton Wood institutes (UNRISD, 2000). Some could interpret this as strength. However most commentators (Saith, 2006, Fukada-Parr, 2014, van der Hoeven, 2014) regard this as a weakness, as the MDGs have become a mantra for an all-encompassing development ideology. They have become absolute targets, backed up with the reasoning that whatever is not in the MDGs is no longer important. As a consequence, every self-respecting group has tried to get its area of activity included within the MDGs. This fixation with bringing everything under the umbrella of the

MDGs has resulted in too much attention to detail, sometimes at the expense of the realization that sustainable and participatory economic growth with a conscious policy of structural change and redistribution can just as easily contribute to social progress as direct attention to the social sector through a number of isolated goals and targets. In analyzing progress reports on the implementation of the MDGs van der Hoeven, 2012b, shows that more attention was given to isolated employment creation programs than to structural and macro economic policies to create employment. The absence of a well-founded development theory meant that in practice in many countries development policies remained business as usual, considerably influenced by the Poverty Reduction Strategies, the successor of the Structural Adjustment Policies of the World Bank. As Saith (2006) put it: *Poverty reduction is somehow detached from the constraints imposed by structural inequalities and antipoor and anti-labour policy biases. The answer is held to lie in the simple equation: external assistance + technological fixes + good local governance = poverty reduction.*

In 2005 both the ten-year anniversary of the WSSD and the 5-year anniversary of the Millennium Summit took place. The Commission for Social Development reiterated the principles and declaration of the WSSD, its message however got somewhat lost in the preparation for the 2005 Summit. At that summit a concerted effort by UN, ILO and civil society led, amongst a few other auditions, to the inclusion of *full employment* as sub target to the goal of poverty eradication. The addition of a new sub-target 1B *to Achieve full and productive employment and decent work for all, including women and young people*, led to the inclusion of four new indicators: (1) Growth rate of GDP per person employed, (2) Employment-to-population ratio, (3) Proportion of employed people living below \$1 (PPP) per day, and (4) Proportion of own-account and contributing family workers in total employment. These indicators were the outcome of technical deliberations between OECS-DAC, the UN and the ILO. They were less politically underpinned than the discussions on the Employment goal itself and have their strengths and weaknesses (Martins and Takeuchi, 2013) as they intend to measure progress on structural change and on type of employment as a proxy for full employment but fail to record the increase in precarisation of labour which has taken place since 2000 (van der Hoeven 2014).

#### *b) Other relevant global events and activities following the WSSD*

Besides the summits and meetings in respect to the follow up of the MDGs, other activities took place at the global level, which were informed by the declaration and the principles of the WSSD.

In 2004 the World Commission on the Social Dimension of Globalization published its report: *A fair Globalization: Opportunities for all* (WCSDG 2004). The commission was established by the then Director General of the ILO, Juan Somavia, who was the secretary general of the WSSD. The report confirmed much of the declaration and principles of the WSSD, but given the fast proceeding globalization, emphasized the need for a global approach to deal with the social dimension of globalization, though embedded in stronger national social and economic policies. It observed that at the beginning of the 21st century globalization is generating unbalanced outcomes, both between and within countries. Wealth is being created, but too many countries and people are not sharing in its benefits. People also have little or no voice in shaping the process. According to the commission globalization

has, seen through the eyes of the vast majority of women and men, not met their simple and legitimate aspirations for decent jobs and a better future for their children. The commission observed that the problems identified are not due to globalization as such but to deficiencies in its governance. and that concern is rising about the unfairness of key global rules on trade and finance and their asymmetric effects on rich and poor countries. An additional concern is the failure of current international policies to respond adequately to the challenges posed by globalization. The multilateral system responsible for designing and implementing international policies is also under-performing. *It lacks policy coherence as a whole* and is not sufficiently democratic, transparent and accountable.

The commission calls for a process of globalization which puts people first; which respects human dignity and the equal worth of every human being, seeking a more inclusive process which is fair and brings benefit and real opportunities to more people and more countries; and one which is more democratically governed. Globalization is seen through the eyes of women and men in terms of the opportunity it provides for decent work; for meeting their essential needs for food, water, health, education and shelter and for a livable environment. Without such a social dimension, the commission argues, many will continue to view globalization as a new version of earlier forms of domination and exploitation. The essentials of this social dimension, according to the commission, include firstly a process of globalization based on universally shared values, which require all actors to assume their individual responsibilities demanding respect for obligations and duties under international law and requiring economic development to be based on respect for human rights. The social dimension of globalization implies furthermore an international commitment to ensure the basic material and other requirements of human dignity for all, enshrined in the Universal Declaration of Human Rights. The eradication of poverty and the attainment of the Millennium Development Goals (MDGs) should be seen as the first steps towards a socio-economic 'floor' for the global economy. All this calls for greater coherence between economic, social and environmental policies and a more democratic global governance of globalization, which allows for greater voice and participation, and ensures accountability, while fully respecting the authority of institutions of representative democracy and the rule of law.

In 2008 the *Commission on Social Determinants of Health* (CSDH 2008) also echoed the declaration and principles of the WSSD. Its main finding was that the unequal distribution of health-damaging experiences, which it had documented extensively, is not in any sense a 'natural' phenomenon but is the result of a toxic combination of poor social policies and programs, unfair economic arrangements, and bad politics. It argued that fairness should be at the heart of all policies and that health inequalities result from social inequalities, which requires action on all the social determinants. The commission mentioned this "the causes of the causes". It warned, as the WSSD did, that focusing solely on the most disadvantaged will not reduce inequalities sufficiently and called for action across the social distribution.

At the meeting on the MDG +10 governments agreed that, in order to face the vagaries of globalization and the volatility in economic and social development that it brought with it, a global social protection floor should be introduced. An Advisory Group chaired by former president Bachelet of Chili and convened by the ILO, with the collaboration of the WHO, issued in 2011a concise report entitled *Social*

*Protection Floor for a Fair and Inclusive Globalization.* The report argued that in many ways the power of the social protection floor lies in its simplicity. The floor is based on the idea that everyone should enjoy at least basic income security sufficient to live, guaranteed through transfers in cash or in kind, such as pensions for the elderly and persons with disabilities, child benefits, income support benefits and/or employment guarantees and services for the unemployed and working poor. Together, in cash and in kind transfers should ensure that everyone has access to essential goods and services, including essential health services, primary education, housing, water and sanitation. The report shows that the extension of social protection, drawing on social protection floors, can play a pivotal role in relieving people of poverty and deprivation. It can in addition help people adapt their skills to overcome the constraints that block their full participation in a changing economic and social environment, contributing to improved human capital development and stimulating greater productive activity, as stated in commitment 4 of the declaration of the WSSD.

The World Bank Group (2013) has recently also established ambitious but achievable goals to anchor its overarching mission and to galvanize international and national efforts in this endeavor. It notes that although poverty has declined rapidly over the past three decades, humanity still faces urgent and complex challenges: More than 1 billion people worldwide still live in destitution, a state of affairs that is morally unacceptable given the resources and the technology available today. The World Bank Group also stresses that rising inequality and social exclusion seem to accompany the rising prosperity in many countries.

World Bank, 2013, indicates that it will strive to (i) end extreme poverty at the global level within a generation and (ii) promote what may be called “shared prosperity”: a sustainable increase in the well-being of the poorer segments of society. This second goal reflects the fact that all countries aspire to rapid and sustained increases in living standards for all of their citizens, not just the already privileged. These two goals and their respective indicators can be summarized as: 1) *End extreme poverty: the percentage of people living with less than \$1.25 a day to fall to no more than 3 percent globally by 2030*; and 2) *Promote shared prosperity: foster income growth of the bottom 40 percent of the population in every country.* It cautions however that while these monetary measures will define our goals, we will continue to maintain a strong focus on multiple dimensions of welfare. Ending poverty and promoting shared prosperity are unequivocally also about progress in non-monetary dimensions of welfare including education, health, nutrition, and access to essential infrastructure, as well as about enhancing voice and participation of all segments of society in economic, social, and political spheres.

Regarding the fact that poverty is not restricted to low income countries The World Bank stresses that its mission of a world free of poverty involves a continuing commitment to increasing the welfare of the poor and vulnerable in every country. Ending extreme poverty wherever it exists is a priority, but the World Bank argues that its mission is not just about the poorest developing countries, but about poor people everywhere. Judged by the standards of each society, significant levels of poverty remain in most developing countries and must be addressed if societies are to achieve the stability and well-being to which they aspire. It stresses that its shared prosperity indicator implies a direct focus on the income of the less well-off, as

opposed to the common practice of focusing only on growth of GDP per capita and implicitly relying on the “trickle down” impact of growth on the bottom of the distribution: Shared prosperity, understood in this way, is not an agenda of redistributing an economic pie of a fixed size. Rather, it means expanding the size of the pie continuously and sharing it in such a way that the welfare of those at the lower end of the income distribution rises as quickly as possible. It also requires that progress is sustainable over time and across generations, in terms of the environment, social inclusion, and fiscal prudence.

The World Bank, 2013, concludes that a healthy and stable social contract is needed to ensure that growth includes the poorer segments of society. This requires investments that improve opportunities for all citizens, including women and youth, and that provide safety nets to protect the vulnerable against extreme deprivation and shocks. The social contract would also include adequate mechanisms to raise resources to support these policies, including a tax system that creates incentives for economic growth and promotes fairness.

The most recent global on-going activity, relevant to the follow up of the WSSD, *the Post 2015 Development Agenda* will be discussed in chapter 7.

## 5. Impact: Policy changes at national level

The WSSD and the MDGs increased attention, especially in international circles for social aspects of development. Indeed as table 2 shows that according to the OECD-DAC estimates the share of Social Infrastructure and Services in bilateral aid has increase considerably since the WSSD: from 43% in 1995-2000 to 57% in 2001-2006 and to 55% in 2007-2011.

Table 2 Percentage of Development Assistance Committee( OECD-DAC) bilateral commitments by sector ( % of allocable aid)

Major categories of sector allocable aid and selected subcategories	Average 1995-2000 (%)	Average 2001-2006 (%)	Average 2007-2011 (%)
1. Social infrastructure and services	43	57	55
Education	10	14	12
Health	6	8	6
STD and HIV control	1	4	7
Water supply and sanitation	10	7	7
2. Economic infrastructure and services	32	21	22
3. Production sectors	13	10	10
Agriculture	7	5	5
Food crop production	<1	<1	<1
4. Multisector/cross-cutting	12	12	13

Source: Fukada-Parr et. al. 2014, p.109

Exact figures for these expenditure categories at national level and regional level are more difficult to come by. But one of the major policy instruments developing countries had applied following at the time of the Declaration of the Social Summit were expressed in the Poverty Reduction Strategies Papers and a more detailed analysis of t 22 PRSPs in developing countries (Fukada-Parr 2008) shows that social policies are narrowly interpreted. The emphasis is rather on economic growth (‘pro-poor’ in a minority of cases), on certain social sectors (primary education, health and sanitation) and governance (the rule of law, decentralization and anti-corruption

measures:). Issues like hunger, gender equality (education, political representation), reproductive rights and decent work receive less attention, while equity (income equality), violence against women, human rights (minorities, migrants), participation, democratic governance and partnerships with civil society organizations and the private sector are ignored completely. Ethical themes, like human dignity and equality, which were part of the WSSD principles, are not addressed in the PRSPs. This leads Fukuda-Parr to conclude that the PRSPs are primarily based on the thinking of the 1980s, with its focus on income growth and poverty reduction as a secondary goal, and that they ignore modern approaches that focus on multidimensional poverty caused by a lack of both voice and access and vulnerability to external shocks. The PRSPs also tend to focus on specific budgets and avoid making total cost estimates, as these needs assessments are controversial.

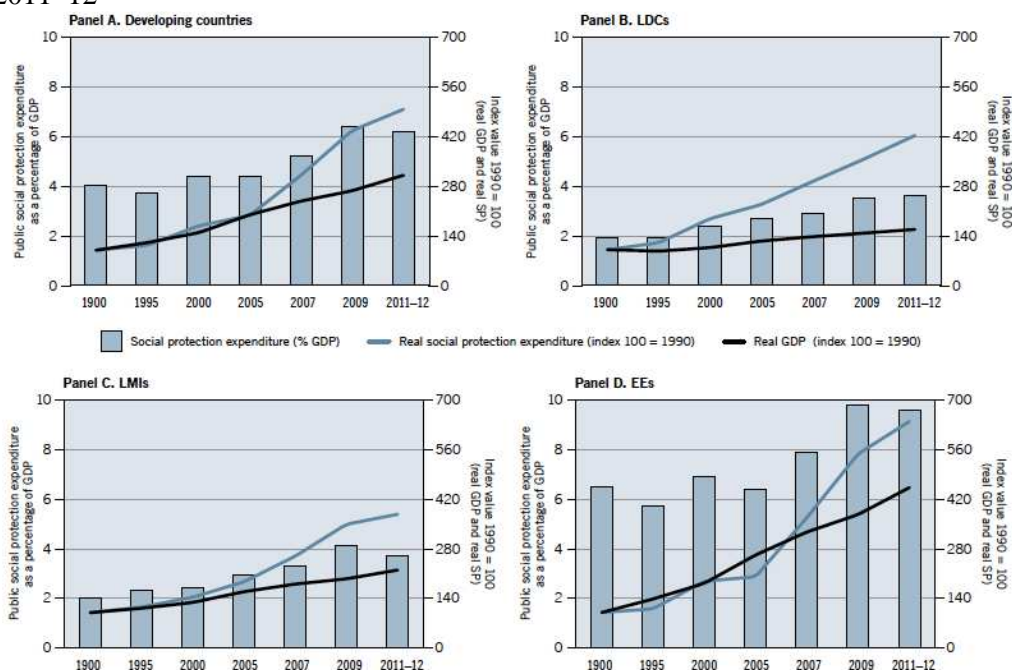
A recent study (Elkins, 2014) provides a comprehensive review of social protection packages in Poverty Reduction Strategy Papers and devises an index to evaluate the extent of a country's level of social protection by means of a Social Protection Index (SPI) in its development strategy. Elkins shows that the social protection agenda in Poverty Reduction Strategy Papers is more pronounced in countries with higher levels of income and lower levels of ethnic diversity and that social assistance packages are more aligned to higher levels of official development assistance and governance. She argues that disaggregating the SPI into three component parts: social insurance; social assistance and labour standards is important. High social assistance index were found to have a positive association with higher levels of ODA, higher governance scores, more homogeneous ethnic populations and were higher in the regions of Europe and Central Asia and South Asia than the other two components of social protection. Elkin notes that of all the components of social protection, labour standards were the least implemented programs in the PRSPs.

This result infers that whereas social insurance policies may be beyond the administrative capacity of some developing nations, the temporary nature of social assistance policies may allow for greater scope for implementation in the PRSPs. However, the PRSPs only represent the plans to implement policies and the ability to follow through on these plans is contingent on the motivation of donors and the national governments' political will and administrative capacity, which we will discuss in chapter 6.

The last decade has seen a dramatic expansion in the number of developing countries that have established relatively large cash transfer programs focused primarily on low-income and excluded groups in society (Hanlon, et.al, 2010). Fiszbein et.al (2014) argue in that context that for many countries, expanded social assistance programs are important enablers of progress in other key development goals: conditional cash transfer programs (CCTs) have played a significant role in the achievement of the health and education Millennium Development Goals (MDGs); social safety nets have avoided negative impacts of hunger and poverty crises. They provide growing evidence that the impact of safety net programs has facilitated their expansion, including in low-income countries and that most recently, under the threat of the food, fuel, and financial crises, dozens of countries have created new social protection programs, expanded old ones, and improved administrative systems to modernize governance and make their programs more efficient (Fiszbein, et. al., 2011).

Social assistance may be a more appropriate tool for poor countries (with large informal sectors etc.). However one can pose the question whether social assistance measures, alone, are sufficient to ensure the fundamental right to social security by all and whether social assistance programmes like cash benefits are in effect narrow, temporary measures that leave people, who benefit from them still vulnerable to poverty? Various authors (Barrientos, 2013) and organizations (ILO, 2014b) argue therefore that social assistance programs should lead to more comprehensive social insurance in order to arrive at a more solid basis for social policies.

Figure 1. Figure 7.2 Trends in government spending on social protection, 1990 to 2011–12



Source, ILO, 2014a, Figure 7.2

On this one notices some progress. ILO, 2014a (see figure1) reveals a rising trend in real expenditure on social protection<sup>5</sup> at all levels of development. In 2011/12, developing countries spent, on average, 2.7 per cent of GDP on social protection, compared with 3.8 per cent in 1995. During the same period, in least developed countries (LDCs)<sup>2</sup>, spending on social protection as a percentage of GDP rose from 1.9 per cent in 1995 to 3.6 per cent in 2011/12. The rise in low-income countries (LMIs) was from 2.3 per cent in 1995 to 3.7 per cent in 2011/12 and, in EEs, from 5.7 per cent in 1995 to 9.6 per cent in 2011/12 (or 12.9 per cent excluding China). ILO, 2014a, observes that in 2012, Emerging Economies (EEs) represented 42.6 per cent of the population of developing countries and accounted for a massive 83.3 per cent of public spending on social protection in developing countries. In EEs, economic growth has facilitated the extension of social protection by broadening the revenue base of governments and creating space for strengthening administrative capacities. In addition, using lessons learned from previous crises, some Latin American countries (Argentina and Brazil, in particular) and Asian economies (such as China and Thailand) have expanded fiscal space to deliver social protection.

<sup>2</sup> The definitions of these country classification by the ILO can be found in ILO, 2014a, Chapter 1, Appendix A.



Fiszbein et. al., (2014) note that comparing 1990 with 2015, it is striking how the focus on social assistance and protection has changed, in reality and in the development discourse. As indicated earlier social protection was largely absent from the original MDG discourse, and from the MDGs themselves— as a goal, as a target, or as an indicator. Today, Fiszbein et al. 2014 observe that social protection has stopped being a silent partner to development efforts. They warn however that, while most countries in the world use multiple social protection instruments, their simple presence is not a sign of their effectiveness. The scale, coverage, and adequacy of social protection differ a great deal across countries. Hence their real impact on poverty and inequality is also likely to vary a lot.

As to national policies for full employment van der Hoeven (2014) argues that the declaration of the WSSD and the addition of Full employment in 2006 as a target in the MDG1, did in most countries not mean a full rethinking of all economic and financial policies to make reduction of unemployment a primordial goal. The setting of the goal of full and productive employment leaves many questions about implementation. For example, the review of the MDGs in 2010 (UNDG, 2010) gives narratives of 18 countries how particular development projects have contributed to more or better employment in these countries. The examples include successes of employment schemes, training schemes for entrepreneurs, and training schemes for unemployed youth, improved collective bargaining, and social security. But looking at the different examples chosen, it is far from clear how these activities have in general contributed to more and/or better overall employment. Most of the examples of national policies don't make use of any counterfactual analysis or even mention whether other schemes *mutatis mutandis* were also contributing to employment creation. Notably absent in the country policies is any macro analysis of the effects of these individual schemes and their possible impact on employment. It thus remains difficult to distil from that 2010 outcome review how successful national development efforts have been at creating more and better employment as a result of the inclusion of full and productive employment in the declaration of the WSSD and as an MDG goal.

The policy reactions to the 2008 financial crisis are also illustrative in analyzing the country policies in respect of the 3 main concerns of the WSSD, are. That crisis had major consequences for labor markets all over the world (UN DESA, 2011). In developing countries, employment in the export sectors decreased with negative consequences for other sectors in the economy. Studies of earlier 'business cycles' and earlier financial crises (Reinhardt and Rogoff 2009) have demonstrated that after a crisis employment recovered more slowly and to a lesser degree than other economic variables ('jobless recovery'). This was also the case with the crisis of 2008. However, that crisis was different because, as van der Hoeven (2102a) argues, the boom before the crisis already produced less decent jobs than normally would have been expected. On top of that the very fragile recovery phase was characterized by a slow growth in decent jobs. In comparison with the 1930s it could however have even been worse. Right after the outbreak of the crisis, many governments took robust measures to avoid a repeat of the experiences of the 1930s. Countries that had fiscal space decreased taxes to stimulate demand. This amounted to 1.7 per cent of world GDP. A joint monetary policy resulted in historically low interest rates, while governments massively supported banks. The bill for the United States of America

and Europe was \$11.5 trillion, about a sixth of world GDP. These measures supported the economy and according to Torres (2010) helped to save about 20 million jobs. Some countries also used their stimulus measures to expand their system of social security (Brazil, India), to increase or extend unemployment benefits (Japan, United States of America) and to implement working time reductions (France, Germany, the Netherlands).

The crisis of 2008 and its consequences could have therefore been a signal to arrest the globalization trends indicated above (Ghosh, 2011) and to arrive at a more stable and fair economic and social development, for the crisis in 2008 was to a very large extent the consequence of financial globalization and the ensuing increase in inequality, which, for example, left many American families indebted (Stiglitz, 2012).

One can pose the question why national politicians or the national political system have often not taken these social concerns seriously and why the concern that so many people have for a decent job neglected in politicians mind? Why could governments (rightfully) act as bankers of last resort, which engaged trillions of dollars, but could governments, not act as employer of last resort? Why such an asymmetric approach to capital and labor? One reason is ideological: the thinking of a broad group of politicians, both in developing and in developed countries is still based on neo-classical thinking that was the basis for the earlier mentioned Washington Consensus: trust financial and economic markets and make labour market more flexible.<sup>3</sup> A second reason is that politicians often do not put employment at the center.<sup>4</sup> A third reason is that continuing liberalization is a politically easy solution. It requires less: less public sector which acts in a rather reactive way, spends money to keep up the financial system and translates social policies into safety nets.

Attention to poverty, decent work and other social issues require, however, more involvement from governments in these times of globalization and greater policy coherence among almost all aspects of socio-economic policy: macroeconomic policy, sectoral and structural policies, education policies and social security policies.<sup>5</sup> This requires attention to work and especially decent work to be not only of concern to the ministry of labour and social affairs – in many countries, especially in developing countries, not always an influential ministry – but also to the highest political level. International financial agencies should not only be accountable on how they contribute to growth and stability but also on how many decent jobs have been created.

## **6. Impact: outcomes of the main areas of concern of the WSSD**

Mehrotra (2014) argues that unlike the 1980s, when the poverty rate increased in Africa, and the 1990s, when it increased in Latin America and the former Soviet Union, poverty reduction in the first decade of the 21st century has been taking place

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<sup>3</sup> These findings shed new light on the role of government in developing countries. According to conventional wisdom, selective interventions and targeted support would be a source of distortions and economic inefficiency. In reality, success depends on careful diversification strategies in the context of gradual trade liberalization consistent with multilateral commitments. ILO 2014a p xxi, See also UNCTAD, 2010, p.143-144

<sup>4</sup> UNCTAD, 2010, p.146

<sup>5</sup> WCSSDG, 2004, p122-114, UNCTAD, 2010 p 145

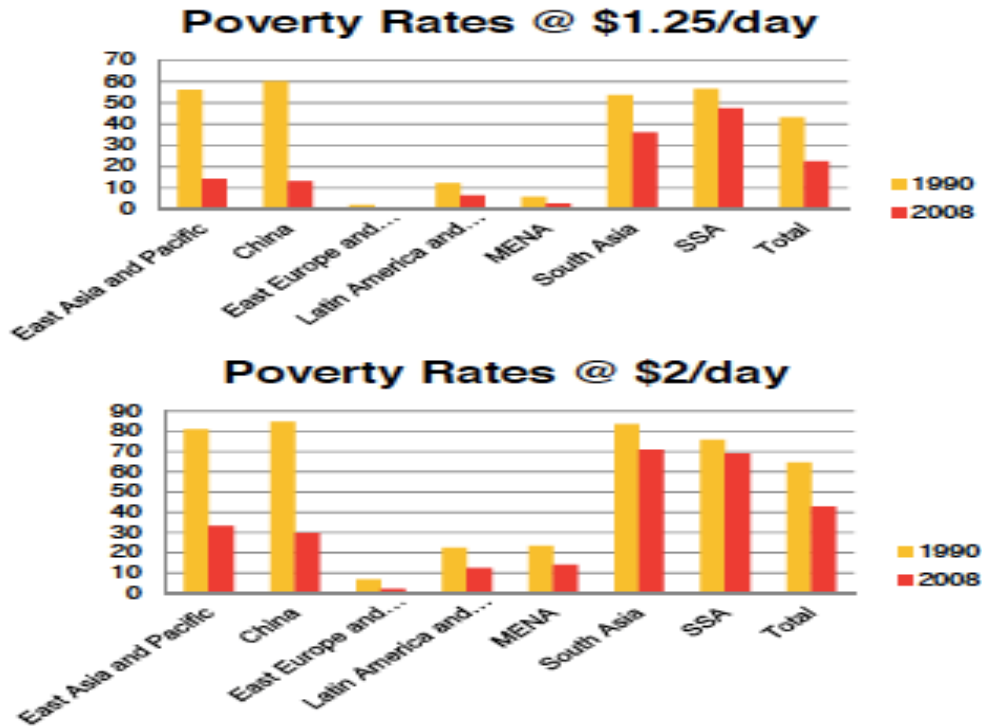
in all regions of the world since the late 1990s (See figure 2). Asia has seen the sharpest fall in poverty. East Asia, in particular China, saw a huge fall in poverty between the 1990s and 2005. This trend is continuing. Although there are differences between experts on the extent of the decline, Mehrotra (2014) finds that there is a general consensus about the trends by region.

Mehrotra (2014) stresses the fact that even in Sub-Saharan Africa (SSA), poverty has fallen. Between 1980 and 2005 the region's Head Count Poverty Ratio (HCR) had been around 50 per cent, but because of SSA's high population growth, the actual number of poor rose consistently. This situation is changing. SSA's population growth rate remains well above that of other regions and hence the absolute numbers of the poor have still risen from 330 million in 1993 to 390 million in 2002, thereafter slowing in the rate of increase especially until 2008 (399 million), but rising thereafter, as a consequence of the global recession, rising again to 414 million in the next two years.

However, as Mehrotra (2014) observes, it is China and India that have shown the most rapid progress in poverty, both in terms of the head count ratio as well as absolute numbers. China is far and away the front-runner: it saw the HCR decline from 54% in 1993 to 12% in 2009. The absolute number of poor in China fell from 633 million in 1993 to 446 million in 1999; the number then less than halved by 2005 to 212 million, and falling further to 150 million in 2009. India too saw the decline in head count ratio from 49 percent in 1994 to 33 percent in 2010 (again according to the World Bank poverty line). There was no fall in absolute number of poor between 1990 (464 million) and 2005 (469 million). However, since then there has been a sharp fall by 2010 (to 394 million), despite the impact of the global economic crisis. In fact, national data reveal that between 2009-10 and 2011-12 there was a very sharp decline in the head count ratio and numbers of the poor, much faster than in the period between 2005-2010.

There are however a few qualifications to the dramatic decline in global poverty. Firstly the global decline is mostly on the account of progress in China, India and Basil. Secondly one has to realize that official poverty figures are mostly relating to the \$ 1.25 dollar a day poverty rate, the so-called extreme poverty rate, which is extremely low and, does not guarantee families with a decent living. A better poverty rate is that of \$2 dollar a day. However according to this rate progress in poverty reduction is less spectacular (see figure 2).

**Figure 2 Head Count Poverty rates according to definition of extreme poverty (\$1.25 a day) and of poverty (\$2 a day), various regions 1990-2008**



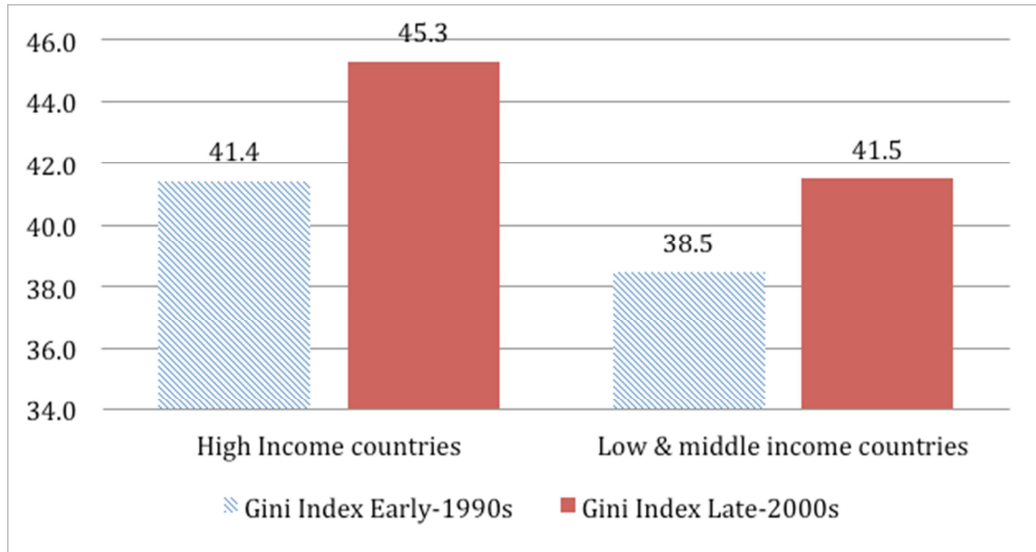
Source: UNDP Poverty Group

A second qualification is that the declaration of the WSSD also stressed the non-income element poverty. To that extent the UNDP has recently developed, in cooperation with the Oxford Poverty & Human Development Initiative the multi-dimensional poverty index (MPI). The usual cut off points for extreme poverty and poverty are 1.25 and 2.00\$ a day as described above. And according to the latter definition fifty percent of the World Population is classified as poor. The MPI has its own definition of poverty, which includes several non-income components, and arrives at an estimation of 45.5 poverty less than the income definition of poverty. However the MPI also has a definition of extreme poverty According to that definition 30% of the World population is poor compared to 22% according to the extreme poverty criterion solely based on income.<sup>6</sup>

A third qualification is that focusing only on Headcount Poverty Ratio's leaves out any notion of inequality. Yet, unlike the MDGs, the principles and goals of the WSSD did, besides emphasizing eradicating poverty, also emphasize the need to reduce inequality. Para 26- g) of the declaration of the WSSD, clearly states: *Promote equitable distribution of income and greater access to resources through equity and equality of opportunity for all.* It is thus necessary to complement an analysis of the development of poverty since 1995 with that of the development of inequality. The latest report on the World Social Situation, *Inequality Matters* (UNDESA, 2013) clearly spells out that progress on reducing inequality has been less successful than on reducing poverty.

<sup>6</sup> There is some criticism on the multi dimensional poverty index, as it does not gives a better handle on necessary policy actions than the more traditional indices. Mehrotra 2014

**Figure 2: Gini Index of Household Income Inequality by Development Status  
(Early-1990's and Late-2000's)**



Source, UNDP, 2013, p. 64

Data on household income inequality shows a rising trend from the early 1990's to the late 2000's in a majority of countries. In a sample of 116 countries, household income inequality as measured by the population-weighted average level of the Gini Index increased from 41.4 to 45.3 (9 per cent) for the group of high-income countries and from 38.5 to 41.5 (11 per cent) for low & middle-income countries (Figure 2). A global overview masks of course variations over time and between countries. Various countries and regions have not seen a linear trend but have witnessed periods of increasing and decreasing inequality during this time period. Similarly, in the same regional and income grouping, countries have very different trajectories resulting in some cases in a net increase in income inequality over the mentioned time period and in other cases in a net decrease as was explained in the previous chapter

Regarding progress on reducing unemployment Lee (2014) argues that in contrast to the generally upbeat assessments of global trends in the level of poverty, assessments of employment trends have been persistently sombre. While it is widely accepted that there has been a sharp reduction in extreme poverty in the world since 1995, there is no similar shared position in the case of employment. Lee stresses that a general assessment seems to be that there has been little improvement, or even deterioration, in the overall employment situation. For example, the regular reports of the ILO on the global employment situation such as *Global Employment Trends* and *The World of Work* typically paint a dismal picture and highlight new or worsening problems each year. While it is true that the Global Financial Crisis and the slow and hesitant recovery from it has dominated the tenor of these assessment in recent years, it remains true that even well before the crisis the assessments were not significantly more optimistic.

Lee, 2014 recalls that expansion in the scope of globalization has expanded the opportunity set available to developing countries in their efforts to harness globalization to achieve higher rates of economic growth and employment creation and that in principle, therefore, this could have resulted in a significant increase in the number of developing countries that have managed to achieve higher growth through productive structural transformation based on finding niches in the expanding global production systems in manufacturing, services and agriculture. Lee 2014 shows that countries that have managed to achieve this has expanded beyond the original group of Asian NICs but this increase in such countries has been surprisingly limited. While there have been impressive instances such as the rapid growth of ICT-based modern services in India and the growth of labour-intensive manufacturing in Bangladesh, this has been far from a general norm.

Lee 2014 observes that most of Sub-Saharan Africa and Latin America has not achieved significant structural transformation over this period. In the case of Sub-Saharan Africa, there has nonetheless been a remarkable increase in rates of economic growth from the late 1990s onwards. But most of this growth was propelled by rising commodity prices, increased exports from the mining sector, and an expansion of land under cultivation rather than from productive structural transformation. In the case of Latin America growth has not been significantly higher than in the 1990s even though it has benefitted from higher commodity prices and the general buoyancy in the global economy in the decade before the Global Financial Crisis struck.

In assessing the global trends in social integration one has to take the observation of Larsen (2014) into account that social integration and social cohesion are difficult terms to define. He proposes defining social integration as the process that lead to social cohesion: *One is thus left with the job of defining social cohesion, which ordinary citizens, policymakers and social scientists often just refer to as the “glue” or the “bonds” that keep societies integrated.* He suggests defining social cohesion as the belief held by citizens of a given nation-state that they share a moral community, which enables them to trust each other (Larsen 2013). But the very discussion of social cohesion often implies its absence and, even more specifically, the decline of social cohesion or “social erosion”, which we can be defined as fewer citizens in a given nation-state having the belief that they share a moral community that enable them to trust each other. Larsen 2014 also notes that another commonly used term is social inclusion, which has its origin in the EU policymaking process. For Larsen it is a difficult term, as it is both used to define a process (primarily the process of bringing segments of the adult European population into the labour market) and to define a state (to what extent this and other goals were achieved). He sees little link between the term social inclusion and social cohesion as social inclusion is much closer linked to material conditions and often measures of a poverty rates and unemployment level are used as indicators of levels of social inclusion. This leads to the collinearity between on the one hand indicators of poverty and employment, and on the other hand indicators of social inclusion.

Based on surveys on social trust among citizens in a large number of countries, Larsen argues that little has been achieved in terms of social integration within countries in the last two decades, Larsen cautions to remark this does not necessarily imply that world has not become a better place since the WSSD in 1995. In terms of

number of humans lifted out of severe poverty, he observes that the development in emerging countries is indeed remarkable.

Larsen's observation is not at variance with the increase in national social protection policies, which were discussed in chapter 5. The increases in these policies have contributed indeed to less poverty, but were often undertaken in a situation of growing income and other types of inequality. Larsen, 2014, conjures that that social trust is inversely linked to income inequality, but poses the question, why levels of economic inequality are so strongly linked to social trust have been somewhat of a puzzle for trust research. He argues that developments in the social trust indicators are closely linked to perceptions of living in a meritocratic middleclass society.

The above discussion points to progress in some of the main areas of concern of the WSSD. But progress has been rather uneven and not always well distributed.

According to Ocampo and Vallejo (2012) increases in public spending have been reflected in advances in education, health and access to basic utilities in Latin America. In contrast, the region has experienced weak labor market performance and limited advances in social security. An intermediate situation has characterized poverty and income distribution, where there has been important progress during the first decade of the twenty-first century after almost a quarter century of unsatisfactory performance. Ocampo and Vallejo (2012) describe this panorama as a process of social development with precarious employment and economic insecurity. It indicates that Latin America has found it easier to respond to the challenge of human development than to the reduction of inequality and the expansion of 'labor citizenship'

Most authors note only a weak correlation between the achievements in the areas of concern of the WSSD. For example Fiszbein et. al. 2014 observe a close relationship between the scale of inequality reduction and the poverty gap reduction by social protection programs, even though the relationship is not one-to-one (in some countries inequality is even increasing as a result of social protection transfers—something impossible with our definition of poverty measures). Also Larsen 2014 based on cross-sectional data, finds that economic prosperity (typically measured as GDP per capita) and social trust levels are only weakly correlated. According to him, the right answer is, probably, that trust is dependent on the type of economic growth in place. Previous research has demonstrated that especially the level of economic inequality is of crucial importance; the level of economic inequality is among the strongest, and typically the strongest, predictor of cross-national differences in social trust. Since the 1970s economic growth largely takes place in an environment of increased economic inequality, both in the old Western and in the new emerging economies, not the least China (UNDP 2014). This type of growth is unlikely to generate social trust among citizens in society. At least in the short run, it is much more likely to erode social trust.

Larsen 2014 concludes that the development of a marginalized precariat, e.g. as the case with rural migration worker in China, is indeed likely to decrease levels of social trust among citizens. This is the emergence of a low educated group of citizens, often with an overrepresentation of immigrants or ethnic minorities, which cannot find jobs at the post-industrial labour markets of the richer Western countries. Thus according

to Larsen 2014 social trust is indeed dependent on the degree to which two other of the main goal from the World summit in Copenhagen can be met; the goal to “eradicate absolute poverty” (goal two) and to “support full employment”.

The above analysis leads to the conclusion that, since the declaration of the WSSD 20 years ago, international and national policies on poverty reduction and social assistance have become more intensive and have shown some results. However policies on employment and social integration were less intense and have also shown rather mixed results. However without more progress in the areas of employment and social integration, long-term sustainable development is difficult to attain. What is needed to attain sustainable development is more structural transformation and transformative social policies as will be discussed in the following chapters.

### **7. How relevant are the commitments and principles of the WSSD today? Can they inform the SDGs in 2015?**

The relevance of the commitments and principles of the WSSD should be circumscribed by the contemporary economic, social and ecological situation that has been influenced by several global trends, which gained importance since 1995. This paper is not the right place to extensively discuss such trends, but one can briefly observe seven trends over the last two decades (UNDESA, 2010, van der Hoeven, 2010a) that are relevant for the development of arguments in this paper:

- a significant shift in the global economy due to the rapid growth of developing countries in Asia, resulting in ‘multiple engines of growth’
- Increased pace of technological innovation and the influence of ICT in production and consumption pattern
- further globalization and economic crises ( Asian crisis, 2008 financial crisis)
- Precarisation of labour
- increasing income inequality (but with reduced poverty, especially in China);
- population growth and urbanization; ;
- an economic process consisting of non-regulated global value chains, dominated by international companies.
- heavy pressure on the natural environment and biodiversity

Furthermore, as the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System, chaired by Stiglitz (UN, 2009) observed, management of the global system is weak. There is tension between decision-making at national and global level, which will only intensify if adequate measures are not taken. The scope for many countries to determine their own policies on industry and other matters (including social) also remains limited through, for example, intellectual property provisions, international trade rules, the increased role of foreign investments and non-public money flows, which makes it difficult to achieve macroeconomic stability and to combine macroeconomic stability with employment creation and social progress. Also international cooperation (and the UN’s role therein) has not lived up to the aspirations of the Millennium Declaration and to the goal for international assistance, as stated in MDG8, thus further limiting policy space especially for the LDCs.



These global trends, which are not independent trends but are mostly the outcome of policy actions (or lack thereof) at national and international level, have influenced, as we noted in the two previous chapters the outcomes in the areas of concern of this note viz. poverty and inequality, employment and social integration. From the previous chapters, we notice on the one hand that important progress is made in the reduction of poverty (at least in some major countries) and the expansion of social assistance schemes, but on the other hand one that one observes a standstill or regress in the areas of inequality, productive employment and social integration.

The progress noticed is certainly due to a greater concern for poverty and for social policies in general. However the absence of progress in other areas points to a limited interpretation of social policies, where social policies are interpreted as dealing with social problems, rather than to embed social concerns into all economic and financial policies and to recognize that social policies leading to social advancements can in their turn contribute to sustainable growth. This notion of a holistic approach to social policy (implying a high degree of policy coherence) was very much at the basis of the declaration, plan of action and the principles of the WSSD in 1995. These have therefore not lost their relevance (UNDESA 2005, 2007 2010, 2011). On the contrary, as noted in chapter 3 reports of important international gatherings or research reports, such as UNRISD 2010, have, sometimes in their own specific language and terminologies, reemphasized while taking in consideration the contemporary economic and social situation, the importance of the declaration and ideals and principles of the WSSD. It would thus seem opportune to use the ideals and principles of the WSSD as a lens in considering contemporary formulations not only of social policies but also of economic and ecological policies and the coherence between these. A starting point is the current discussions on the Sustainable Development Goals and the post 2015 Development Agenda. The SDGs and the post 2015 development agenda are the continuation of the in 2000 formulated Millennium Development Goals (MDGs) whose target date was set at 2015 (see chapter 3). The open working group (of the UN for the SDGs) has come to agree on a list of goals (See *Letter of the co-chairs of the open working group*, 28 July 2014). This list was drawn up after many national and regional consultations, interagency activities in the UN and its specialized agencies culminating in the report *Realizing the Future we Want for All* (UN 2012) and a report of a high level panel of eminent persons (HLP 2013).

The list of 17 goals the open working group agreed upon, is as follows:

1. End poverty everywhere
2. End hunger, improve nutrition and promote sustainable agriculture
3. Attain healthy lives for all
4. Provide quality education and life-long learning opportunities for all
5. Attain gender equality, empower women and girls everywhere
6. Ensure availability and sustainable use of water and sanitation for all
7. Ensure sustainable energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Promote sustainable infrastructure and industrialization and foster innovation
10. Reduce inequality within and between countries

11. Make cities and human settlements inclusive, safe and sustainable
12. Promote sustainable consumption and production patterns
13. Tackle climate change and its impacts
14. Conserve and promote sustainable use of oceans, seas and marine resources
15. Protect and promote sustainable use of terrestrial ecosystems, halt desertification, land degradation and biodiversity loss
16. Achieve peaceful and inclusive societies, access to justice for all, and effective and capable institutions
17. Strengthen the means of implementation and the global partnership for sustainable development

This list reflects much more the principles and goals of the WSSD, than the in 2000 formulated MDGs, although it still does not contain explicit references to economic, social and cultural rights and an all embracing view on a social perspective of development. The list also represents a more integrated approach to development in which economic, social and ecological concerns are more balanced. If we typify the goals as social, economic, ecological or general (an exercise which is open to multiple interpretations as some goals can be typified by more than one term) we come to the following classification:

- 5 Social Goals (1,2,3,4 and 6)
- 5 Sustainability Goals (7,12,13,14 and 15)
- 3 Economic Goals (8,9 and 10)
- 4 General Goals (5,11,16 and 17)

This classification does also points to a rather balanced set of goals. However when juxtaposing this list of SDGs, and the more detailed descriptions in the documents mentioned against the principles and goals of the WSSD one notices several differences.

Firstly the list of DGs contains a timed acceptance of inequality. Although this is certainly progress compared to the MDGs, the SDGs remain as yet rather silent on specific targets and on policies to reduce inequalities. More than 200 social scientists from all over the world had sent on 19 March 2013 a letter to the secretary of the High level Panel urging a much bolder stand on targets and policies to reduce inequality.

Secondly, despite a much more general acceptance that the international system should aim to create a global social floor for all citizens in the world, as the WSSD declaration alluded to, no suggestions in the SDGs are made for an indicator or target, or for policies in that respect.

Thirdly, while the urgency of providing full and productive employment and decent work finds much more resonance in the SDGs than in the MDGs, the indicators, targets and policies remain rather traditional based essentially on a mix of economic growth and labour market policies, without reviewing macro economic policies and structural policies as to their potential to boost employment.

Fourthly, while the SDGs are much more balanced that the MDGs, as observed above, the SDGs still lack a deeper sense of policy coherence and are not very explicit

on changing and strengthening the whole framework of global governance as the declaration of the WSSD indicated and as was recently proposed by Ocampo and Stiglitz, 2011.

But can the SDGs lead to a rethink of social policies. For example are policies to reduce poverty the same as eliminating poverty? In the later case, probably more attention needs ultimately to be given to transfers to poor households and to addressing vulnerability of households through ensuring against shocks throughout the life-cycle. Also the context of social policies might be changing. While before 1995 often an accent was put on social policies as social safety nets to withstand the consequences of structural adjustment, the current globalization and integration of markets calls for transformative social policies, which provide a solid base for economic and social development, rather than reactive social safety net policies. These are challenges for which the world after 2015 is placed.

### **8. A Framework for Social policies post 2015: Transformative Social Policies as part of a Global Social Contract,**

Cook and Dugarova, 2014 argue in the context of current globalization that, social policy needs to move beyond its protective function to play a transformative<sup>7</sup> and developmental role as spelled out in Mkandawire, 2004. As noted above, social protection is now widely recognized as an essential contributor to development. However Cook and Dugarova, 2014, stress that beyond this protective function, social policies can also influence profound transformations across economic, environmental and social domains—supporting economic productivity, raising human capital, reducing inequalities and sharing the burden of social reproduction, driving development outcomes in a more sustainable direction, and that these multiple functions demonstrate the intrinsic linkages between social and economic policies. To be transformative, social policy cannot be limited to the residual role of assisting those at the margins of the economy. Rather, according to Cook and Dugarova 2014, integration among various functions is necessary to provide security and opportunity for individuals across the life-course, to share the burdens and benefits of economic growth, and to redistribute the costs of care.

In this respect it is opportune to recall the address by UN Secretary-General Boutros Boutros-Ghali, at the World Summit for Social Development (UN, 1995, p.1):

“We should ask how seriously we have taken our Charter commitments. Can we say that we have fulfilled our solemn undertaking, entered into 50 years ago at San Francisco, to promote "the economic and social advancement of all peoples"? Today's global economy affects everyone. We also know that its effects are not all positive. It erodes traditional ties of solidarity among individuals. It has marginalized entire countries and regions. The gap between rich and poor is getting wider. *So the task before us today is nothing more nor less than to re- think the notion of collective social responsibility.* A

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<sup>7</sup> UNRISD, 2005, defines transformative social policies as: state intervention that directly affects social welfare, social institutions and social relations. It involves overarching concerns with redistribution, production, reproduction and protection, and works in tandem with economic policy in pursuit of national social and economic goals. Social policy does not merely deal with the “causalities” of social changes and processes; it is also a contribution to the welfare of society as a whole

*new social contract, at the global level, is required, to bring hope to States and to nations, and to men and women around the world. That should be the focus of this World Summit. That is how I believe its work should be seen.”*

The idea of a social contract at the global level, or a global social contract, suggested by the UN SG at the opening of the WSSD has gained now much more relevance than in 1995 (van der Hoeven, 2012c, World Bank, 2013, Lee, 2014). The preparations and consultations for the SDGs 20 years after those for the WSSD have seen a much more collective approach to economic and social policy making than the preparations of the MDGs 5 years after the WSSD.

The underlying notion of a Global Social contract (van der Hoeven, 2012c), is that globalization, if unchecked as it is often now, will lead to greater inequality between countries and within countries. Regarding the inequality between countries one has only to look at the slow progress of a number of least developed countries, which see their income gap with emerging and developed countries widening, while growing inequality and less secure jobs in both developing and developed countries attest also to the influence of unchecked globalization. The notion of a social contract stems from the policy debate in the 19<sup>th</sup> and early 20<sup>th</sup> century when industrializing nations were also confronted with growing inequalities and social outfall of the then industrial revolution, a century later leading to national welfare states. The established notion of a social contract at the national level has now however, in the context of growing globalization and financialization, to be given a wider international meaning. Hence the term *Global Social Contract*.<sup>8</sup>

Given the more balanced composition of the SDGs, the consultative process, leading to the SDGs, the increased acceptance of a global social floor and the increasing call for transformative social policies, the discussions at the *Commission for Social Development (CSD)* after 2015 should lead, as already envisaged in the WSSD in 1995, to the formulation of a global social contract, that combines rights of people and obligations of all stakeholders to mutually agreed social policies and the coherence of these with economic and environmental sustainable policies. Regular discussions at and decisions of the CSD on a global social contract could strengthen national and international social policymaking, resulting in more transformative social policies. Other organizations like the ILO (Lee, 2014) and the World Bank (2013) call also for a global social contract and the CSD could take a lead role in developing the parameters of a Global Social Contract, an activity that fully falls within its mandate.

Elements of a global Social Contract could include firstly the *right to development* especially the economic, social and cultural rights and the basic elements thereof in the form of non-discrimination, Participation and Accountability. Secondly, the contract should include *the introduction of a global social floor*, which is financially possible, but where currently political will is lacking. ODA could become an instrument contribute to financing a global social floor. Thirdly, *a revitalized form of global governance*, where the coherence, at national and international level between social, economic and environmental sustainable policies, is strengthened in Global Economic Coordination Council at which also the financing of Global Public Goods

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<sup>8</sup> A Global Social Contract needs to evolve in the same way as it evolved at the national level, i.e. an initial call for solidarity that gradually evolves into a system of representation and accountability

is worked out. Deliberations at the council need not only to be based on current statistics of GDP and other economic phenomena, but also need to include alternative measures of development such as the HDI, greening economic progress and special attention in all measures to the bottom 40 per cent of the population.

## 9. Conclusions

Almost twenty years ago heads of states adopted the Declaration and Program of action of the World Summit for Social Development (the Copenhagen Declaration). The declaration represented a unique consensus on social development, articulating social development as reducing poverty, increasing full and productive employment and fostering social integration. An important element was also that the declaration and the programme of action strongly acknowledge the important effect that economic policy could have on the social situation in a country and that economic policies could no longer be designed ignoring the social outcome of these policies. Although the term itself was not yet used at the WSSD, principle outcome and the set of policy recommendations of the WSSD reflected very much what now is called policy coherence, to be undertaken at the national as well as at the international level.

The Declaration and Program of Action informed many international actions, such as the Millennium Declaration in 2000, the Millennium Development Goals in 2001 (and in successive adjustments of these, as the addition of a goal on full employment in 2005, and the call for a global social floor in 2010), the World Commission on the Social Dimension of Globalization in 2004, the Commission on the Social Determinants of Health in 2008, the Initiative for a global Social Protection Floor in 2011, the World Bank Group Goals (End Extreme Poverty and Promote Shared Prosperity) in 2013, and the Sustainable Development Goals to be adopted in 2015.

In analysing international policies (as framed in the various international commissions and other policy setting activities), national policies and trends in poverty, employment and social integration, one notices that, since the declaration of the WSSD 20 years ago, international and national policies on poverty reduction and social assistance have become more intensive and have shown some results. However rather worrying is that policies on employment and social integration were less intense and have also shown rather mixed results. The last part of the paper underscores that without more progress in the areas of employment and social integration, long-term sustainable development is difficult to attain. In order to attain sustainable development the paper argues that more structural transformation and transformative social policies are called for. In the final section the paper suggest therefore that a *Global Social Contract* could be a useful framework *for social development beyond 2015*. It is suggested that, given its unique role in international policy making, the Commission for Social Development takes, when the Sustainable Development Goals have been accepted in 2015, a lead role in defining, developing and monitoring such a *Global Social Contract*.

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