Copenhagen +5: Mapping out the terrain

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ABSTRACT *Evelyn Nsamirizi maps out some of the contentious issues that have arisen around the WSSD, its follow-up and review process and the positions of the different stakeholders.*

Introduction

In March 1995 the World Summit for Social Development (WSSD) took place in Copenhagen. For the first time in history, more than a hundred heads of state and government gathered and committed themselves to eradicate poverty and achieve human and social welfare. In order to assess the progress towards the goals agreed at the conference, a process of follow-up was proposed. At the 53rd session of the General Assembly, it was decided to hold a review of the Summit in Geneva in June 2000. A Preparatory Committee (PrepCom) was set up. It first met in May 1999, launching a process of inter-governmental negotiations and civil society lobbying over the agenda of Geneva 2000.

This article aims to map out some of the contentious issues that have arisen around the WSSD, its follow-up and review process as well as the positions of the different stakeholders. The actors in this mapping include the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO), the European Union (EU), the G7 and civil society. The latter comprises numerous NGOs that stem from

various backgrounds. However, they position themselves quite similarly over social development. We therefore refer to the 'Social Development Caucus' (SDC) which includes the main networks of NGOs that were involved in the follow-up process of the Social Summit and attended the PrepCom meetings.

Market forces vs social development concerns

For 10 years, the concept of globalization has been hotly debated, unleashing passions between supporters and opponents. Trade liberalization, by far the most controversial feature of globalization, was steadily advocated by the political and business mainstream to the detriment, their adversaries say, of human and social welfare. This opposition between market forces and social development characterizes the first set of contentious issues I would like to address, beginning with the institutional question raised at the international level.

The institutional question

Financial and trade institutions, such as the World Bank, the IMF and the WTO, appear more and more as the

most important international fora, taking the lead even in social and developmental areas, usually managed by UN specialized agencies. We are faced here with a question of both institutional legitimacy and efficiency: which organization is entitled to tackle social and developmental issues and through which methods?

In its 'Proposal for a Comprehensive Development Framework', the World Bank denies attempting to dominate the international development arena. On the contrary, the Bank claims to 'be willing to encourage international co-operation between governments, bi-and multi-lateral agencies, civil society and the private sector in order to foster a more efficient, transparent and accountable management of development'.

Other development constituencies are not convinced by the argument and seek a more balanced system. The SDC and the G7 would like to see the United Nations rule in matters of crucial importance for social development. As for the EU, it talks about the 'important role of the UN-Funds and Programmes in the implementation of Copenhagen'.

All three constituencies, the SDC, the G7 and the EU, call for a closer

cooperation, especially on the cross-cutting issues, between the UN on the one hand, the Bretton Woods institutions and the WTO on the other hand, by restructuring and reinforcing the Economic and Social Council (ECOSOC).

Even with regard to pure macro-economic and trade areas, the SDC and the G7 ask for the reform of the international financial architecture. Their argument is that international financial and trade organizations take decisions that could have strongly negative social consequences; they should therefore be far more accountable and their system of decision-making more transparent and democratic. The G7, in particular, is urging for a re-examination of current voting weights in the IMF.

Private sector

For the social development advocates, the currently predominant neo-liberal trend favours far too much the private sector. Particularly, it allows already highly powerful actors, such as transnational corporations, banks or speculators, to gain huge profits which do not benefit the general well-being. On the contrary, some even argue that the private sector is gravely undermining the social sector.

The SDC and the G7 urge the private sector to recognize its role as part of society and therefore to exercise social responsibility in its business conduct. The SDC also asks for a code of rights and responsibilities to be established by an independent international body (e.g. ECOSOC) and implemented in the international trade and investment sectors.

Capital flows

One of the hottest issues related to the private sector regulation is the monitoring of international speculative flows of capital in order to prevent financial crises. The G7 proposes to manage international financial

markets by developing and enforcing a regulatory framework. It also encourages international financial institutions and other related mechanisms to be vigilant about potential financial crises with a view to providing a timely and effective response.

This is exactly what the World Bank aims to do. According to its 'Comprehensive Development Framework' document, it is working to address the negative impact of short term capital flows and to find means for more rational control of these. However, more and more segments of the civil society, some of whom are represented in the SDC, would like to see far more radical recipes to reduce excessive volume and volatility of speculative activity, namely a taxation on the financial transactions, the famous 'Tobin Tax'.

WTO and trade

Another controversial issue with regard to social and developmental consequences of liberalization refers to the trade negotiations at the WTO. The SDC is calling for an assessment of the social impacts of the Uruguay Round before any other round of negotiations could be launched, an assessment that was requested by the WSSD from the WTO and that the latter refused to produce.

Together with the G7 and the EU, the SDC is also asking that the future rounds of trade negotiations give priority to trade sectors where liberalization would benefit developing countries, in order to improve their access and integration in the international market. The G7 placed this issue on the negotiating table at the Seattle Summit and it was one of the hottest issues of the Summit.

Threats to social development

To finish with the problems that have emerged from the clash between the market liberalization supporters and

the social development advocates, let us have a look at the most serious threats to social development, especially in the developing countries.

Structural adjustment programmes

Of first importance are structural adjustment programmes (SAPs), imposed by the World Bank and the IMF on countries with an economy in transition or with a heavy debt. The most noted consequences of these programmes are rapid increases in the interest rate which generates job losses or results in sharp cuts in public expenditure, thus affecting social services and the disadvantaged sections of society.

At the WSSD, commitment 8 requested that social development goals be included in the SAPs. In its 'Comprehensive Development Framework' document, the World Bank recognizes that 'the outcomes of macro-economic reform programmes have been mixed in terms of distribution of benefits' and claims to be 'committed to rigorously incorporating social development concerns into structural reform programmes and to have poverty-focused policies'.

However, the first results of the Structural Adjustment Participatory Review Initiative (SAPRI), a trilateral assessment of the SAPs by the World Bank, the national government and civil society in about 10 countries, tend to show that policies on the ground have not been modified so far, with grave impacts on various sectors and groups of population; that the IMF is particularly slow in introducing changes in the agreed direction; and finally that countries who did not apply the standard adjustment recipes have achieved better levels of social development and are in a better position to deal with financial crisis.

In light of that picture, a series of claims have been raised. For the SDC,

countries must continue to carry out participatory evaluation on the social impact of adjustment with a view to reformulating economic strategies, obviously taking much more into account social concerns. Also the EU would welcome a new type of SAP with a strong social development component. Together with the G7, it would like to see a strengthened coordination between the UN organizations, in particular the ECOSOC, and the Bretton Woods institutions as well as the WTO, with regard to the consideration of social as well as economic aspects in SAPs.

To all these claims, the G7 adds demands to tailor SAPs to the specific needs of African countries and least developed countries (LDCs).

Debt

Linked to the SAPs issue, the external debt also continues to be a serious impediment to social development. Generally, reactions vary from asking to speed up and expand existing debt reduction initiatives as well as create new debt relief initiatives (Social Watch, ICSW, EU) to calling for pure cancellation of the debt (WCC, Jubilee 2000, G7). At any rate, debt reduction initiatives should be delinked from structural adjustment conditionalities.

Declining resources for development

To complete this rather dark picture, resources for development have declined during the last five years. In spite of the WSSD commitment to increase resources for social development, overseas development assistance (ODA) is at its lowest level historically.

Therefore, the SDC, the EU and the G7 are calling for reversing the decline in ODA, according to different propositions. For the SDC and the EU, the ODA/GNP target of 0.7 percent of GNP for overall ODA by all donor

countries should be achieved. The SDC also puts forward the 20/20 initiative, by which 20 percent of the received assistance as well as 20 percent of public expenditures should be allocated to basic social services. A last element to increase resources for development lies in taxation. The SDC together with the G7 thinks that destructive tax competition should be avoided by strengthening international cooperation. Some development NGOs propose to implement a system of taxation on financial speculation, a type of Tobin tax.

Gender

Finally, not taking gender equality into account also impedes social development. Indeed, the vast majority of the poor are women. Therefore, anti-poverty strategies should be gender sensitive and education disparities between boys and girls ended. To help achieve these goals, international bodies should include gender policies in their programmes and count more women in their staff and management teams. The WSSD made very clear recommendations in that sense. Nevertheless, even if almost everybody seems to agree on the issue, progress is slow and uneven.

Definition and measurement of social development

Let us move now to another cluster of contentious issues framed by the tensions between developing and developed countries over the criteria of definition, measurement and regulation of social development.

During the implementation and review process of the WSSD, standardization of social development indicators has come out as a major point of contention. Although every constituency agrees that such a standardization is necessary to allow a

coherent assessment of social development progress, it has so far proved impossible to reach some kind of agreement. This sensitive issue put a strain between the EU, which is urging standardization, and the developing countries, which remain unwilling because they are concerned they may be judged by standards beyond their capacity to achieve.

Another problem lies in the elaboration of guidelines for social policy. Developing countries dread that such guidelines could be used by trade and financial organizations to impose further conditionalities on them through social clauses. A good example is the 'Principles and Good Practices in Social Policy' prepared by the World Bank in collaboration with UN agencies. Because of the Bank participation, many developing countries remain suspicious of the proposal, even in spite of UN collaboration and even if the initial purpose was to fight against international financial instability.

Civil society participation

Participation is a concept which seems to reconcile all the WSSD stakeholders, as each constituency agrees about the central role civil society has to play in the international development community.

The EU in particular sees NGOs as a major force supporting the World Conferences and Summits and welcomes the views of civil society on the implementation process of the WSSD. That is why the EU was highly committed during the sessions of the PrepCom to make sure that the widest possible NGOs participation would be allowed at Geneva 2000.

As for the World Bank, it recognizes that by engaging civil society in projects and programmes, better results are achieved and, as already mentioned above, the Bank is taking part in SAPRI.

In spite of the increasing recognition of their role, civil society actors continue to ask for greater participation and legitimacy. The original purpose of NGOs in engaging with the World Bank in SAPRI was to legitimize a role for civil society in the formulation of economic-reform programmes.

Even though participation by civil society is welcomed by governments as well as multilateral institutions, it poses the problem about the form such partnership takes. It is critical that civil society retains its independence in order for a real participatory process to unfold as the backbone of social development.

Conclusion

From this brief mapping of the actors and issues at stake around social development issues, it is clear that the stakeholders engaged in the WSSD review process – the World Bank, the IMF, the WTO, the EU, the G77 and the civil society – position themselves differently. Unencumbered by institutional agendas, civil society takes the more innovative approach and is forging its own agenda in alliance and in distinction to the other players. In the review of the last five years, Geneva 2000 is an opportunity for NGOs to continue to play a key role in working through the main issues of contention. As the articles in this journal show, the leading networks involved in the WSSD review process are shaping a strong civil society agenda that will move social development in the right direction.

Resources

Main networks of NGOs involved in the review process of the WSSD

Consumers International (CI) is a worldwide non-profit federation, dedicated to the protection and

promotion of consumers' interests. It deals with a wide range of issues among which are consumer legislation, health, environment, food security and trade.

In its diagnosis of the multilateral trade system, CI points out that the WTO has consistently favoured the interests of multinational companies, often at the expense of the most vulnerable consumers, and that wealth achieved by global trade goes mostly to industrialized countries while the least developed countries are losing billions each year. CI is therefore calling on the WTO for consumer rights to be given equal status with business interests and for an assessment of the social impact of trade liberalization in the 1990s.

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(See the article by Michael Chai in this *Development* issue.)

The International Council on Social Welfare (ICSW) is a global NGO which represents a wide range of national and international member organizations. ICSW's basic mission is to promote forms of social and economic development which aim to reduce poverty, hardship and vulnerability, especially amongst disadvantaged people. ICSW is active in a large range of issues: food and nutrition, health, education, social security, human rights, etc.

ICSW has given high priority to pursuing implementation of the agreements of the WSSD by both monitoring progress and developing proposals for achieving further progress. It was one of the stimulating NGOs of the PrepCom sessions.

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The Structural Adjustment Participatory Review International Network (SAPRIN) is a global civil society network of more than 1500 NGOs and people's organizations whose principal purpose is to challenge the imposition of structural adjustment programmes (SAPs) on national governments by international financial institutions. It organizes national public dialogue and participatory, on-the-ground investigations regarding the social impact of the SAPs. SAPRIN's initiatives include the Structural Adjustment Participatory Review Initiative (SAPRI), which is a trilateral process with the World Bank and national government, and also a parallel exercise known as the Citizens' Assessment of Structural Adjustment (CASA) led by civil society in countries where governments are reluctant to participate. Through both initiatives, SAPRIN is seeking to legitimize local civil society involvement in macro-economic decision-making.

In the context of the WSSD, SAPRIN is particularly committed to the monitoring of commitment 8, which requests that governments and international financial institutions include social development goals in the SAPs.

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(See the article by Doug Hellinger and Stephanie Weinberg in this *Development* issue.)

Social Watch is an initiative of over 50 NGOs in coalition from around the world, committed to the follow-up and monitoring of the Copenhagen and Beijing conferences. Among its most serious proposals are the reduction of external debt, the study of the feasibility of mechanisms to control and perhaps even tax the international flows of speculative capital, an improvement of the international mechanisms to collect and disseminate social development statistics, progress towards accomplishment of the agreed ODA targets, and the participation of civil society. Social Watch has been a leading network during the whole WSSD review process. Since 1996, Social Watch has published a yearly report from its member organizations on the world's progress towards the goals agreed at the WSSD. Under its initiative, the Development Caucus came to the first PrepCom meeting with a previously negotiated document, *Geneva Benchmark Issues: 10 NGO Demands towards the 2000 Summit*, which served as a framework for dialogue with member states.
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 (See the article by Marina Ponti in this *Development* issue.)

The Women's Environment and Development Organization (WEDO) is an international advocacy network that works to achieve a healthy and peaceful planet with social, political, economic and environmental justice for all through the empowerment of women. To WEDO, poverty will not be eradicated and sustainability will never be achieved without the full and equal participation of women at every level of decision-making and every level of society. This is why it has been so important to have a women's caucus in all the global meetings of this decade. As far as the WSSD is concerned, WEDO's first priority has been to assess the implementation of commitment 5, dedicated to gender equity and equality, and it has denounced how slow and little has been the progress towards the agreed goals. During the preparatory process for the review of the WSSD, WEDO coordinated the Women's Caucus, another focal point of NGO work during the PrepCom sessions.
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 (See the article by Bharati Sadasivam and Pamela Ransom in this *Development* issue.)

The World Council of Churches (WCC) is a fellowship of 336 member churches from virtually all Protestant and Orthodox Christian traditions, a majority of which come from the global South. To WCC, globalization has become a central emphasis of its work: the logic of globalization needs to be challenged by an alternative way of life and community in diversity.

WCC has followed the process of the WSSD since 1995 and was one of the stimulating networks of the PrepCom meetings. In the context of the Copenhagen Review, WCC and related ecumenical bodies worked collaboratively with a coalition of Catholic development organizations on issues such as: globalization, migrants, debt, market ideology, financial resources and mechanism, accountability and transparency on the part of international economic actors.

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Further Reading

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- WEDO: <www.wedo.org>