

VII. Reduction of vulnerabilities, need for policy coherence and international cooperation

371. Success in meeting the objectives of development and poverty eradication depends to a significant extent on the creation of an enabling international economic environment and the adoption of effective measures, including new financial mechanisms, in order to support efforts by developing countries to achieve sustained economic growth and social and sustainable development and to strengthen their democratic systems. As a result, the focus of international cooperation has been primarily on the economic means, touching tangentially on the long-term social development objectives. Whereas international economic cooperation has a long history, international cooperation for social development remains at an early stage. Social development has largely been seen as a national task, supported by the international community mainly by means of aid, capacity-building and technical cooperation, and it is often contingent on such matters as good governance, democracy and the rule of law.

372. Globalization has put the existing framework for international cooperation to a test and has significantly increased awareness of the need for international cooperation for social development. Globalization has revealed a mismatch between existing national regulatory systems and institutions and the global nature of economic and financial operations within those systems and institutions, creating a new impetus for international cooperation and policy dialogue. In response to that challenge, a framework of economic and financial rules is being developed. However, no such framework or forum has been developed to address social issues, not even the social impacts of international economic decisions.

373. Furthermore, a major challenge to international cooperation for social development in developing countries is that development efforts are often reversed by violent upheavals and conflicts. The current high number and recurrence of such violent conflicts is a powerful reminder that conflict prevention is an integral part of the quest for social progress, development and the reduction of poverty.

374. Policy coherence and partnership, together with country ownership, have emerged as core organizing principles of today's international cooperation agenda

for development and have been abundantly discussed within the framework of the follow-up to the recent International Conference on Financing for Development, held in Monterrey, Mexico, and the Fourth Ministerial Conference of the World Trade Organization, held in Doha. However, those processes have focused largely on increasing the coherence of economic policies through more effective coordination and cooperation at the national, regional and global levels. They have paid little attention to the interdependence between social and economic policies or to the promotion of holistic, integrated, comprehensive and consistent public policies.

375. This state of affairs is a direct consequence of the dominant macroeconomic policy perspective, which posits that social development will naturally follow economic growth. Consequently, issues of distribution and social development objectives are not explicitly addressed, nor is any significant attention paid to assessing and understanding the social consequences of economic policies. However, almost 10 years after the World Summit for Social Development, it has become clear that, although sustained and pro-poor economic growth is undoubtedly critical to poverty reduction, other fundamental instruments of development such as employment and social integration need to be forcefully reintroduced as elements of policy if the causes of social vulnerabilities, and not only the symptoms of poverty, are to be successfully addressed.

376. Political commitment, however, is unlikely to translate into policy efficiency in the absence, as is presently the case, of innovative conceptual and operational frameworks that would ensure coherence between economic and social policies. The full scope of interdependence between economic and social development remains largely uncharted, and the policy implications of that interdependence are rarely addressed. As mentioned previously, there is still insufficient coordination in the Poverty Reduction Strategy Papers between policies to promote the social inclusion of the poorest and most marginalized groups, on the one hand, and development, on the other hand.

377. Much hope has been placed on recent initiatives that attempt to develop innovative ways of combining social and economic objectives, including the Global

Employment Agenda, the Youth Employment Network, the World Commission on the Social Dimension of Globalization and the New Partnership for Africa's Development (NEPAD). The initiatives are a step towards the establishment of an operational partnership for social development, in particular through the sharing of experiences and practices, and should serve as the basis for expanding international cooperation for social development, with the overall objective of strengthening governance and achieving policy coherence at all levels, from local to global.

378. In the absence of conceptual and operational frameworks that would ensure coherence between economic and social policies, the main short-term objective for international cooperation in the reduction of social vulnerabilities is to advance and operationalize the specific agendas for empowerment and participation put forward by the different social groups. A concrete way to achieve this would be to systematically mainstream those agendas into frameworks that aim at improving coordination among development partners and cohesiveness among programmes and policies, such as the United Nations Development Assistance Framework and the Common Country Assessment, also prepared by the United Nations, as well as the United Nations Development Programme Country Cooperation Framework and the Poverty Reduction Strategy Papers.

379. The lack of coherence in development policies and international cooperation is startling. For example, during the discussions that have taken place since the Second World Assembly on Ageing, it has become clear that, in their development strategies, both development institutions and national Governments have largely overlooked the impact of a growing older population and changes in intergenerational relations. International development targets and the Millennium Development Goals, for example, set targets that spotlight women and children in the areas of poverty eradication, education and health, but older generations are a critical omission in relevant discussions on the development process. To some extent, issues related to ageing were included in the International Conference on Financing for Development and the World Summit on Sustainable Development. Nonetheless, although issues related to ageing and older persons are gradually being addressed within the framework of the various global processes, they are still far from gaining the

attention called for in the Madrid Plan of Action on Ageing.

380. Awareness of the need to develop comprehensive development strategies for other social groups, including indigenous peoples and persons with disabilities, has increased, as exemplified by such initiatives as the Permanent Forum on Indigenous Issues and the current development of a comprehensive and integral international convention to promote and protect the rights and dignity of persons with disabilities. However, further efforts are still needed to address the lack of coherence in development policies and international cooperation. Certainly, the inclusion of all population groups, including older persons, within the context of globalization is one of the keys to realizing the Millennium Development Goals and reducing social vulnerabilities.

Recommendations

381. The basis for social vulnerability, as it is defined in the context of the present report, is economic insecurity. Thus, economic growth and employment creation should be given due consideration in the policy steps taken to reduce social vulnerability, reflecting the emphasis placed on poverty reduction in the Millennium Declaration. However, experience has shown that the trickle-down effect of economic growth per se cannot be relied upon to remedy social problems.

382. Social vulnerability is a complex phenomenon with its causes rooted in social, economic and cultural institutions and practices. As a result, approaches to policy aimed at reducing social vulnerability must be multi-pronged and internally consistent: an integration of social and economic policy is a necessity to alleviate the impact of vulnerabilities on affected individuals, households, communities and social groups. However, that does not imply that policy measures have to be implemented simultaneously or that prioritization is impossible. Quite to the contrary, focus and priorities are necessary for policy to be effective, especially in today's general environment of limited public sector resources. To maximize the effectiveness of policy responses, policy makers need to take an integrated approach to the problem while keeping the appropriate priorities. This approach requires an understanding of the complex relationships between the various dimensions and causes of social vulnerability and the

development of new and effective ways to coordinate the delivery of economic and social policies.

383. Although sound economic policy is essential, enhancement of the capacity of excluded groups to make demands on service provision and effect policy change is of paramount importance to the reduction of social vulnerabilities, as is assertive public intervention to promote social cohesion.

384. Furthermore, institutional capacity-building and the development of some form of social protection are important steps for developing countries to take to deal with the consequences of modernization and globalization. In developed countries, reforms of the pension system and other programmes of social protection also need to take into account the changes that are occurring with regard to population ageing, the family and the increased movement of goods, capital and people among countries. Finally, better targeted, informed and participative policies are also necessary in addressing specific dimensions of social vulnerability.

Conclusion

385. Well over a billion people in our world today are living without enough food to eat, without safe water to drink and without primary schooling or health care for their children — in short, without the most basic elements required for human dignity. The social groups considered in the *Report on the World Social Situation, 2003*, are not only included in that group but are often among the poorest of them. Lack of income, social ills, social and cultural biases and discrimination are part and parcel of their daily lives.

386. Almost 10 years ago, at the World Summit for Social Development, the point was made that a stable economy cannot be built in an unstable society and that without stable social underpinnings, it would be difficult for economic development to be sustainable.

387. The degree, pervasiveness and persistence of social vulnerability in all parts of the world show that such stability is still far from becoming a reality. Nonetheless, it would appear that economic policies are being pursued without giving much thought to the underlying social conditions, or, at best, they are being pursued with the notion that their achievement will take care of social ills and instability.

388. Nevertheless, without economic stability, especially macroeconomic stability, it will be difficult to attack the sources of vulnerability and, by extension, the causes of poverty. This is the case not only because such stability is important for economic growth but also because macroeconomic stability makes it possible for policy makers to look beyond the short term. In a stable environment, policy makers will be able to turn their attention to long-term structural issues, not the least of which is inequity — and equity is the basic ingredient for having a stable society.

389. Macroeconomic policies, however, are essentially only a means to an end and not an end in themselves. In his report to the fortieth session of the Commission for Social Development on the integration of social and economic policy, the Secretary-General stated, "... the ultimate ends of economic policy are in the broadest sense 'social'" (E/CN.5/2002/3, para. 5). Therefore, it is essential for explicit social objectives to be included in macroeconomic policy-making. They should be included, not as an afterthought or something that will come to pass once the macroeconomic variables are behaving correctly, but as a direct combination of economic and social policies.

390. When surveying the terrain of social vulnerability and the social groups that suffer from it, one is hard pressed to find such a direct combination. The conditions social groups and individuals face are not easily addressed or overcome by policies that deal with macro-aggregates. The particulars and peculiarities of social groups require a much more fine-tuned approach. A complex policy mix is necessary rather than such "blunt" instruments as fiscal, monetary and exchange-rate policies, open trading and financial systems, if the dire situation in which the social groups find themselves is to be overcome.

391. Unfortunately, there is little evidence that such policies are forthcoming. Not only are they more difficult to design and implement but they also concern the future welfare of those whose plight can most easily be ignored, who are largely powerless and voiceless.

392. In his Nobel Lecture upon receiving the Nobel Peace Prize, the Secretary-General stated:

"No one today is unaware of [the] divide between the world's rich and poor. No one today can claim ignorance of the cost that this divide imposes on the poor and dispossessed who are no less

deserving of human dignity, fundamental freedoms, security, food and education than any of us. The costs, however, are not borne by them alone. Ultimately it is borne by all of us — North and South, rich and poor, men and women of all races and religions.”⁸¹

393. While it is no longer possible to claim ignorance, it is still all too easy to turn a blind eye to those who live on the wrong side of the divide. Societies

perpetuate this stance at their peril. Overcoming social vulnerability and eradicating poverty are global responsibilities. They are obligations based not only on self-interest but also on solidarity and social justice rooted in the notions of common humanity, common destiny and the pursuit of the common good. Those are the ideals upon which the United Nations is founded, and they represent the spirit in which the *Report* is written.

⁸¹ United Nations press release (SG/SM/8071). Also available from <http://www.nobel.se/peace/laureates/2001/annan-lecture.html>.