

Introduction

39. The inspiration for the *Report on the World Social Situation, 2003* is, foremost, the first Millennium Development Goal: to halve, by the year 2015, the proportion of the world's population whose income is less than one dollar a day.¹ However, the *Report* is not about poverty eradication per se. Rather, it tries to discover who those poor people are; what risks and uncertainties they face; and how policies can reduce, if not eliminate, those risks and uncertainties and thereby poverty.

40. At present, 1.2 billion people are living in absolute poverty. However compelling in absolute numbers and appalling from an income point of view, the aggregation, the lumping together and the ultimate anonymity of those who are conveniently called “the poor” fail to describe the dismal conditions under which poor people live and the vulnerabilities to which they are exposed.

41. The *Report*, therefore, proceeds in a different direction. The course set out is to examine a number of social groups — older persons, youth, the disabled, indigenous peoples, migrants and persons in situations of conflict, with due consideration to gender-specific issues — among whom the incidence of poverty and deprivation is particularly high. Clearly, those social groups do not exhaust the universe of those who are poor, nor are they mutually exclusive (except for older persons and youth), but what they do represent are people with an unusual degree of vulnerability to events outside their control because of their high level of social and economic dependency.²

42. All social groups identified in the *Report* are concerned about the risk and reality of social vulnerability they face. The specific expressions of their common concern may take different forms from one group to another, but the consensus is that social vulnerability forms a barrier to the full realization of their potential and robs them of their voice and rights.

¹ The goal is set out in the Millennium Declaration (General Assembly resolution 55/2 of 8 September 2000) and is derived from the World Summit for Social Development of 1995 and the twenty-fourth special session of the General Assembly, entitled “World Summit for Social Development and beyond: achieving social development for all in a globalizing world”.

² Selected indicators of vulnerability by country are presented in the annex tables.

43. The social groups concerned — but, of course, not all members of each group — suffer from the same vicious circle: non-participation — powerlessness — social and economic deprivation — vulnerability. Persons with a disability face enormous barriers, both physical and attitudinal, to integration into mainstream society. The risks of illiteracy, unemployment and delinquency faced by youth are also expressions of their social vulnerability — the lack of access to education and employment, and alienation from society. Migrants are “outsiders” in their host countries, often excluded from social benefits and services available to nationals, and face other cultural, linguistic and social barriers to full social integration. Their rights are not a high priority on the political agenda; they even have a tendency to live in segregated immigrant enclaves. Older persons are challenged by decreased mobility, and modern societies often do not offer sufficient social support in place of lost family and community networks that used to give them a sense of belonging. They also face age discrimination in the job market. The plight of indigenous peoples is perhaps the most glaring. They are often stereotyped as backward and ignorant, shunned by the mainstream society. They see economic development projects exploiting the natural resources of their lands, often without their input when decisions are made. The sense of isolation felt by indigenous peoples in their own native environment and their powerlessness against the “outside” world highlights their social vulnerability. Violent conflicts destroy structures of social support and governance, put civilian lives in danger, disrupt children's education and the delivery of other social services, and often lead to internal displacement and refugee flows. Warring parties do not respect the rights and voice of innocent people caught in conflict situations. As a result, they are among the most vulnerable.

44. The *Report* gives the reader insights into the plight of those living on the margins of society. The lack of policies and measures to bring them into the mainstream can only be seen as a major policy failure of the Governments of all countries, whether developed, developing or in transition, as well as of the international community, which in the eighth Millennium Development Goal committed itself to develop a global partnership for development.

45. The first and eighth Millennium Development Goals are inextricably linked. However, as the *Report* shows, making the linkage explicit and operational is highly complex. The largely macroeconomic policies embedded in the eighth goal are not easily translated into reality for the social groups and individuals who live in poverty and suffer from vulnerability.

46. The World Summit for Social Development put people at the centre of development. That meant **all** people, not some of the people. However, as the present report makes abundantly clear, that aim is still a long way from becoming a reality. The disenfranchised, the powerless and the voiceless are still largely relegated to the periphery, and making them part of the centre is not just a challenge but an obligation — morally, socially and economically.

47. The goal of the *Report* is to make a case: to be an advocate for the forgotten, the invisible and the ignored billions of poor people, so they will be included in and integrated into the development process as a matter of course and right.

Vulnerability: an overview

48. Since the mid-1990s, reference has often been made to the notion of vulnerability in the context of social policy. At the simplest level, vulnerability is an intuitively appealing notion that seems to fit well into the discussion of many social issues. Use of the words “vulnerability” and “vulnerable” has been quite loose in policy contexts and has been accompanied by neither the theoretical rigour nor the degree of elaboration that one finds in analytical works.

49. As a consequence, the term “vulnerability” has a wide variety of meanings. Vulnerability stems from many sources and can be traced to multiple factors rooted in physical, environmental, socio-economic and political causes. In essence, vulnerability can be seen as a state of high exposure to certain risks and uncertainties, in combination with a reduced ability to protect or defend oneself against those risks and uncertainties and cope with their negative consequences.³ It exists at all levels and dimensions of society and forms an integral part of the human

condition, affecting both individuals and society as whole.

50. While situation-specific vulnerabilities are very important, the main emphasis in the present report is on group-specific vulnerabilities and, consequently, on the challenges of social inclusion. That approach helps to identify the barriers that prevent social integration for those groups.

51. In 2000, there were 1.8 billion children and 1.1 billion youth, together accounting for 47 per cent of the global population. Eighty-eight per cent of the world’s children live in developing countries. A staggering 40 per cent of those children, estimated at well over half a billion, are struggling to survive on less than one dollar a day. Older persons — those aged 60 and over — numbered 606 million worldwide, with 60 per cent of them living in developing countries. The most recent estimates put the global number of long-term migrants (those living abroad for over a year) at 175 million; in developed countries, almost 1 out of every 10 persons is a migrant. The total number of persons with disabilities is about 600 million, including 385 million persons of working age. Between 300 to 500 million people are considered to be indigenous, worldwide. The latter two groups are often among the poorest of the poor and the most marginalized sectors of population.

52. Although the numbers obviously cannot simply be added together, what they nevertheless make abundantly clear is that large proportions of the groups represent the majority of those addressed in the first Millennium Development Goal. Moreover, the poor among them are often the most vulnerable. In order to make progress in achieving that Goal, policy interventions would greatly benefit if they took into account who the poor really are.

53. Although the phrase “vulnerable groups” continues to be included routinely in policy documents, civil society organizations have expressed increasing uneasiness with this language. Reference to social groups’ overall vulnerability is more and more found to be socially and politically inaccurate and misleading, since a number of groups are engaged in promoting policy agendas that focus on their empowerment and participation in development. The common argument is that no social group is inherently vulnerable. However, all groups face vulnerabilities that are largely the outcome of economic, social and cultural barriers

³ See “Reducing vulnerability”, *Report on the World Social Situation, 2001*, chap. XIII (United Nations publication, Sales No. E.01.IV.5).

restricting opportunities for and impeding the social integration and participation of the members of the groups.

54. Common to the analysis of vulnerabilities among the different groups is the existence of some form of discrimination and exclusion that is not primarily market-related or market-generated but socially generated. Members of the groups are unable to make a full contribution to society because of cultural biases, customs, social indifference or antagonism. The emphasis on social relations between various groups and the society at large also point to the clear role of poverty as a source or correlate of vulnerability.

55. Vulnerability and poverty interact with each other, creating a vicious circle in which the two reinforce each other. Poor people are the most vulnerable to economic shocks, material losses and losses of well-being. Such events can easily destroy their ability to move out of poverty, both in the long run and in the short run, by depleting their human and physical assets, a process that may be irreversible. An increase in vulnerability especially affects poor people because they have greater exposure to many downward risks (such as illness, death, loss of employment or famine), and they are less capable of responding to them. Poverty and inequalities also may increase vulnerability indirectly by fuelling social tensions and undermining the social cohesion needed to pre-empt and respond to emerging dangers.

56. The reduction of vulnerabilities among the whole population, but especially among the groups that are the subject of the *Report*, is therefore a crucial element in a country's fight against poverty. Reducing their exposure to vulnerabilities gives people a better chance in the struggle to improve their socio-economic status so they do not have to direct all their efforts to the reduction of those vulnerabilities. In addition, it avoids undoing the efforts that have already been made to improve their poverty status, should their vulnerability increase.

57. Identifying and protecting the most vulnerable during episodes of increased risk, such as macroeconomic crises, natural disasters and famine is therefore essential to poverty reduction in both developed and developing countries. During those times, such policies and measures as the creation of well-targeted emergency programmes that provide income support to the most needy and the maintenance

of already existing social programmes are particularly essential.

58. While vulnerability, uncertainty and insecurity are not new in people's lives, what is new is that the causes and manifestations of those elements have multiplied and changed profoundly over the last decade. Examples include civil strife and the proliferation of conflicts; growing inequalities within and among countries, further accentuated by globalization; mixed outcomes of poverty reduction efforts; increased mobility of populations; and changes in family structures.

59. During the last two decades of the twentieth century, for example, there were a total of 164 violent conflicts affecting 89 countries for an average of six to seven years.⁴ Conflicts tend to be concentrated in poorer countries: more than half of all low-income countries have experienced significant conflicts since 1990. The greatest impact has been in Africa, where virtually every country or an immediate neighbour has suffered a major conflict over the last decade.⁵ Where violent conflict occurs, economic development is set back because industries are destroyed, social services are abandoned, agricultural areas are laid waste and already poor populations are faced with the threat of famine. The past decades have also witnessed a change in the nature of the conflicts, with a greater likelihood of conflict emerging within States rather than between States.

60. Increasingly, fighting parties sustain themselves by taking control of natural resources and civilian assets. That new economy of war has led to a proliferation of armed groups organized with weak command-and-control lines. As a result, untrained combatants have waged most of the recent wars in disregard (and probably ignorance) of the Geneva Conventions that include provisions for the protection of civilians. Civilians have been used as tools of battle in various ways, including the expulsion or massacre of populations and the rape of women, in order to gain

⁴ Heidelberg Institute of International Conflict Research (HIIC), *Database KOSIMO (1945-1999)*, last updated 8 November 2002 (Heidelberg, Germany, University of Heidelberg). Available from <http://www.hiik.de>

⁵ World Bank, *World Development Report, 2003: Sustainable Development in a Dynamic World: Transforming Institutions, Growth and Quality of Life* (New York, Oxford University Press, and Washington, D.C., the World Bank, 2002).

control over resource-rich territories, to hasten a surrender or simply to gain leverage over the “enemy”. Children and refugee populations have served as human shields or have been recruited as combatants. Combatants have also restricted civilian access to food and/or other forms of life-saving assistance.

61. As a result, traditional forms of power at the community level that served as local conflict resolution mechanisms have been challenged. Informal power structures have been losing their relevance in many societies as modernization erodes the very foundations of such power. One of the dire consequences of such social change is the loss of social cohesion based on traditions.

62. Globalization is another important development, which has considerable implications for vulnerability. The process of globalization has been cited as a major source of impoverishment and social exclusion, particularly in developing countries, which lack the capacity for local responses to its adverse economic and social consequences. The detractors of globalization argue that the benefits do not accrue to all countries equally and that there are countries that are marginalized in the globalization process — those countries receive little, if any, foreign direct investment (FDI) and their share of world trade is negligible. Of the countries that do receive FDI, the benefits of globalization tend to be highly localized and do not reach the wider community, especially the poor and disadvantaged. The vulnerability of poor people in economies excluded from or marginalized in the globalization process increases as they are cut off from opportunities. However, even those countries that are benefiting from the process of globalization find that segments of their populations, particularly those who are poor and socially excluded, are increasingly vulnerable to economic and financial volatility.

63. Another consideration is the effect that globalization has on social cohesion. As the existence of social cohesion has proven to be a mitigating factor against the forces that lead to increased vulnerability, the question arises as to whether the forces of globalization are overwhelming or at least undermining social cohesion, leading to social exclusion, various forms of anomie and other negative changes affecting the fabric of society. There is increasing evidence that a combination of ongoing economic liberalization and other trends, such as the ageing of the population, changing family structures and continuous

urbanization, has not only put traditional social protection mechanisms (including formal social security, social welfare services and informal family support systems) under pressure, but has further eroded the ability of individuals, households, groups and communities to cope with hardship, thereby increasing their vulnerability.

64. The ability to cope with the impact of adverse events matters, not only in determining the degree of ex post, outcome-based vulnerability, but also in influencing the state of mind of the vulnerable (or the degree of ex ante vulnerability). In general, greater capacity to cope reduces the negative impact of risks on welfare. Stronger coping capacity would also help alleviate the sense of victimization and the fear of vulnerability.

65. Owing to their lack of resources, people at or near the threshold of poverty are unable to withstand shocks since they are barely surviving, and any adverse event that reduces their income further can push them over the edge. For instance, people whose livelihoods are dependent on the export of primary commodities, such as many poor farmers in developing countries, are highly vulnerable to the downward trend and volatility of the prices of primary commodities in the world market. To contend with the price shocks, poor farmers often have to resort to informal coping mechanisms to address the loss of income, which may include taking children out of school and putting them to work, cutting back on their food intake and selling productive assets. Such short-term coping strategies can end up having long-term negative consequences, particularly when they take the form of reductions in health and education investments for children, factors that can perpetuate the cycles of poverty and exclusion.

66. Compounding the problem is that Governments, in response to crises, often put in place economic reforms that have a disproportionate impact on poor people. Fiscal austerity measures, for example, have led to cutbacks in public assistance and social protection, leaving poor people even more vulnerable because they have neither the private nor the public resources needed to help them cope with the crisis at hand. Furthermore, structural adjustment policies implemented following a crisis often result in massive cutbacks in public sector employment, greatly contributing to the unemployment problem already spurred by the economic downturn. Left without jobs, sufficient savings or an adequate safety net to see them

through the crisis, a greater number of people become vulnerable to falling into poverty.

67. Moreover, many of the social institutions that serve as mitigating factors against the impact of adverse conditions and events have undergone dramatic changes in the recent past. In the process, their mitigating functions in the broader social context have been eroded. One such social institution is the family.

68. The last decade has continued to bring changes in family structures, including an increase in mobility, which has further contributed to vulnerability for some populations. In traditional societies the family unit is often the first line of defence in the event of disasters. It also has the function of caring for the young and the old, protecting them against risks that they cannot manage alone. The rise of the nuclear family, accompanying industrialization and urbanization, has weakened the family's capacity to provide a social protection network the way the extended family used to. Its role in caring for and protecting the old has also been eroded as intergenerational living arrangements have gone out of favour. Another result of industrialization and urbanization is the migration of the young from rural areas. That trend has created a high concentration of poor older persons without the support of adult children in rural areas in both developed and developing countries, making the older persons more vulnerable to fluctuations in income. Furthermore, the size of the nuclear family has been declining, reducing the number of close family relatives. The consequence of that demographic change has been the reduction of the capability of families to meet the financial and care needs of the older generation at a time when the older generation most needs such support from their families.

69. Furthermore, poor health forces poor families to choose between using their limited resources on the care of the sick, making other family members more vulnerable to poverty, or leaving their sick untreated and suffering the consequences. It is quite common for families with limited resources to fall dangerously close to or into poverty once a member becomes ill. The human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) epidemic is only one example of health-related vulnerability. HIV/AIDS renders individuals and their families extremely vulnerable. The devastation that the HIV/AIDS epidemic is causing in many poor countries in sub-Saharan Africa demonstrates the impact of ill

health on social vulnerability. Individuals with HIV/AIDS face discrimination, while their families are stigmatized. Medical expenses to treat a family member with the infection and lost earnings have left countless families financially ruined. Young children become AIDS orphans, facing additional emotional, financial and security challenges at a young age.

70. In view of the preceding remarks, assessing susceptibility to vulnerability provides a new way of approaching such issues as poverty eradication and social protection. Vulnerability assessment highlights who is susceptible, how susceptible and why. It also reflects a life course approach, which recognizes that a person's vulnerability can shift, change and build up throughout the course of his or her life.

71. Social protection provides a useful example of how vulnerability assessment can be applied, particularly from the perspective of one's changing needs over the course of a lifetime. Access to social protection is necessary to attenuate, reduce, mitigate, cope and insure against socially unacceptable levels of risk and vulnerability, and it is a need that continues throughout the life course. Children need access to health care and education; young people and adults need income support during periods of joblessness; those suffering from poverty need assistance in maintaining minimum standards of living, including access to adequate housing and nutrition and safe drinking water; and older people need some kind of income security during the final period of their lives. The life course perspective on the provision of social protection considers that people, whether individually or as members of a group, qualify for certain rights at any point in their lives, including the entitlements of access to health care, lifelong work or income support, non-discrimination and equality of opportunity, and continuous education and learning.

72. The degree to which an individual or group is dependent upon social protection to achieve and sustain those rights at any stage in their life can be viewed as a function of the individual's or group's vulnerability. Conversely, the degree of access to social protection plays an important role in minimizing the level and extent of an individual's or group's vulnerability during their life course.

73. The distribution of income and wealth and access to formal and informal social protection arrangements are the fundamental material and social conditions that

define vulnerability for some households and security for others. Livelihood vulnerability, therefore, can vary according to social class, gender, race and ethnicity and age; degree of powerlessness; and nature of actions by the State to promote or restrict livelihood opportunities. Clearly, sufficient economic resources under command can always compensate for the impact of adverse shocks so that welfare remains above the minimal threshold. Thus, similar natural disasters hitting countries with similar geographical conditions often result in very different losses in welfare, for countries with different income levels have different abilities to manage the impact. Similarly, well-off senior citizens in affluent societies do not face the same challenges or daily struggle as poor older people or older people in general in developing countries, although their vulnerabilities have some common dimensions.

74. Socially produced vulnerability has its roots in powerlessness. Marginalization and social exclusion underlie social, political and economic powerlessness and perpetuate the perception of vulnerability. The risk of social exclusion contributes most directly to social vulnerability. Without effective participation in socio-economic decision-making processes, social groups and individuals lack the means to make their concerns and interests heard. Not only does this result in the implementation of policies and programmes that fail to benefit, or actually conflict with, the social and economic interests of the politically powerless, it also undermines or destroys the very livelihood of individuals, families, communities and groups, weakening their cultural identities and social structure.

75. While there is little agreement on the exact meaning of the term “social exclusion”, there is general

agreement on its core features, its principal indicators and its relationship to poverty and inequality. For instance, there is very little opposition to the view that poverty, when defined by a wider set of circumstances than income poverty, is a central component of social exclusion. Social exclusion is perceived as being more closely related to the concept of relative, rather than absolute, poverty and is therefore linked with inequality. Social exclusion extends beyond this broad, multidimensional view of poverty to include social deprivation and a lack of voice and power in society. Various forms of exclusion occur in combination, including exclusion from participation in political processes and decision-making; exclusion from access to employment and material resources; and exclusion from integration into common cultural processes.

76. To achieve a reduction in social vulnerability, it is important to gain an understanding of the factors and forces that lie at its source. A fundamental question concerns what makes an individual or group vulnerable — or at greater risk of becoming vulnerable — to a variety of social ills. Both internal and external dynamics are at play in determining one’s level of vulnerability, encompassing a variety of economic, social and environmental concerns. Proper identification of trends and driving forces, coupled with an assessment of the underlying causes leading to structural vulnerabilities, can provide a proper basis for well-considered and balanced policy action. Anchoring the policy response to empowerment and social integration increases the chances of success in the long run. It is to the issues of sources of, and policy responses to, social vulnerability that the remainder of the *Report* is devoted.