

THE FIGHT AGAINST POVERTY AND NATIONAL DEVELOPMENT STRATEGIES

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1. Introduction

The fight against poverty should be considered within the broader framework of national and international strategies for social progress in the existing historical context. In this sense, we need to look into two interrelated areas which in fact form a single reality:

- National development,
- International cooperation for development.

In this paper, we will attempt to define a precise relationship between the two areas mentioned above: international cooperation should be considered one of the most valuable inputs for development of a backwards nation, but it can only play an efficient and sustainable role if it is integrated as part of the national development strategy assumed by the country in question. The key to success of a national strategy for progress can only be found in a correct and coherent local policy which can be dynamized with the intelligent use of international support. In the second place, we affirm that the present historical context could be a decisive moment for defining an effective global agenda for strengthening the processes of national development and for reducing poverty and misery. This can only result from a strong international political consensus which includes a sort of international "affirmative action" as a humanist ethical commitment. The basis for assuming this type of commitment can be found in the classic metaphor of our planet as a ship, where everybody sails together; the phenomena of globalization and interaction of the new historical order tend to increase interdependence; the inevitable sharing and suffering the serious problems in different parts of the world. Sustainable development (environmental and human) and the reduction of misery constitute an investment in the future of the human species.

With these two approaches we will seek to present certain opinions, first on national development, and secondly on international cooperation.

Lastly, we should make a methodological clarification: in the following pages we will at times make use of general notions such as "third world", "backwards nations", "developed countries" or "first world countries". In reality, we believe that these terms have been much abused in predominant social discourse and that furthermore, these terms are explicatively weak as a result of being so general. For example: "third world", even before it lost its historical significance (countries not within the realm of the capitalist first world countries nor the no longer existent communist second world block), has never been an appropriate term. Within it are found countries as dissimilar as Haiti, Chile and the "Asian tigers". Could we reasonably speak of similar policies for Haiti and Singapore, Nicaragua and Argentina? It is evident that we require a higher degree of precision in the categories and concepts for classifying the development of nations.

The same is true of the term “capitalist society”, which is too abstract for useful social or national characterization, and even more so for the definition of national and international policies. International organisms have frequently erred in the application of qualitatively identical policies in very diverse countries. Although we agree that some aspects of development, for example, economic growth, are common to all countries (or should be), we should avoid rigidly and mechanically applying common conceptualizations to the development of different countries. The variables taken into account should be widened, the ponderation of them should be readjusted, and, most of all, history should be included as a relevant variable. In conclusion, we are clarifying that we will use these vague terms, committing a calculated abuse with the purpose of informal transmission of ideas and opinions.

2. National Development

The concept of “development” has tended to be enclosed within its economic dimensions. The development of a country is often measured in terms of its index of economic growth, gross national product, per capita income, macroeconomics stability, etc. Lately, however¹, the tendency of international organizations charged with evaluating the development of countries has been to take into account other variables, and for that reason, they have included a broader range of variables embodied in concepts such as human development.

In general, the essence of the question resides in how “development” or “progress” are related to the “quality of life” of the individual or the nation. We need to consider which conditions assure the progress in the “quality of life”. Obviously, variables beyond those of economic and material character need to be taken into account, like those which have to do with spiritual and cultural development.

Mere economic conditions cannot assure, in themselves, the quality of life (they are necessary, but insufficient). What is the relative weight of each of the variables included? This is not a question which has been answered to the satisfaction of all. How important is democratic political stability? How about access to education? How important is the situation of the female gender? What is the significance of each variable in each different society with its own values?

In attempting to measure poverty, for a long time now we have classified human needs in two types: “hard” needs (basic material necessities: nutrition, potable water, health, housing) and “soft” needs (sociocultural in nature: education, democratic participation...). The “soft” needs are more difficult to establish in a general way because they depend so much on different sets of national values.

The best known instruments for measuring absolute poverty are the poverty line (which separates the poor from the non-poor), poverty profiles (related to the

¹ In the 1970s (and even before), a focus base upon the concept of “basic human necessities” predominated. This focus proposed improving health services, potable water, housing and education, See Streeten, Paul and Burki, S.J.: “Basic needs: Some issues”, *World Development*, Vol. 6, No. 3, 1978, pp. 151-160. This scheme never was completely implemented in practice, due to the opposition of many in both the North and South.

characteristics of the poor) and poverty indicators (which include an analysis of income and living conditions of the poor). In general, there is no great certainty about the precision and efficiency of these measuring instruments. In a way similar to the measurement of development, the problem is found in the relative weight assigned to each of the different indicators chosen. The same thing occurs with the measurement of relative poverty. Once again, it appears that the best available instrument is the Human Development Indicator (HDI) used by UNDP, which has sought to respond to doubts about the exaggerated importance assigned to income or gross product. However, this instrument is also far from perfect.²

The truth is that the search for a broader framework of reference with respect to development and poverty constitutes a great progress in the way we evaluate these processes in national and international situations.

It should be said, however, that there continue to be strong tendencies favoring criteria of economic character when making operative evaluative judgments and decisions in international (and intra-national) relations. While the discourse of many international institutions would make it appear that they have abandoned economicism (or mere monetarism), these vices are still very much with us. Marxist economicism has been abandoned in its political and social versions, but the capitalist economicism endemic in neoliberal values is stronger than ever.

Once "development" has been conceptualized within a broader vision, a way can be established for defining actions which should be undertaken to strengthen this process in different scales.

The fight against poverty must be inscribed in this framework of "development". This means that cultural, political and spiritual dimensions must be included along with economic dimensions in any equation for evaluation. It is not possible to prescribe a universal set of actions for each country (or even regions within a given country), so specific appropriate policies must be sought.

What has been said above does not mean that we underestimate the importance of economic growth in establishing the framework for strategies of development and for combating poverty. We must be clear: it is not possible to succeed in the fight against poverty without economic growth in a country. This fact conditions and limits our range of possible actions in many ways. If, in order to obtain funds for social spending, the government decides to impose an aggressive tax policy which weakens the private sector, the overall result will probably be negative. In the long run, it is impossible to substantially reduce poverty in the absence of economic growth.³ It is necessary, then, to undertake

² See Schubert, Renate: "La pobreza en los países en desarrollo: concepto, magnitud, consecuencias", *Contribuciones*, No. 3, 1995, Buenos Aires, Argentina, pp. 7-32.

³ Theodore Panayotou correctly states: "sustainability cannot be reached if there is no economic growth. For sustainability the alleviation of poverty, a lowering of the birthrate, the substitution of human capital for natural resources, a favoring of the quality of the environment and a necessary flexibility in supply are all required. It is not possible to achieve these changes in a sustainable way without growth. Change is only feasible if higher incomes area reached." "Desarrollo sostenible y crecimiento económico", *Ciencia Política*, IV Trimestre 1994, Colombia, pp. 97-98, part of the book *Ecología, Medio Ambiente y Desarrollo*, Ediciones Guernika, México, 1993. Also see Raczynski, Dagmar: "Estrategias para combatir la pobreza en América Latina. Diagnóstico y enseñanzas de política" en Raczynski, D. (edit.): *Estrategias para Combatir la Pobreza en América Latina: Programas, Instituciones y Recursos*, Santiago de Chile: CIEPLAN, 1995, pp.11-42.

action in a balanced manner and considering effects in both the short and long run.

On the other hand, it is not true that economic growth implies a reduction in poverty. All socio-economic experiments which put economic growth as the supreme objective and assume that other social objectives will be attained automatically as a subproduct are baseless. The "trickle-down" idea⁴ and all its offshoots are condemned to failure unless complementary policies are pursued to redistribute wealth. If there is no perceivable progress for everybody, a certain social equity, a better distribution of wealth, there is no possibility for sustainable social development in the long term. For this reason, the "structural adjustment" schemes⁵ which have been undertaken in the last few years have been full of contradictions from the moment of their conception in international financial organizations. It is not possible to assure sustained success (with a reduction in poverty and social development) if only the basic macroeconomics objectives are given attention (as necessary as they may be).⁶ Once again, macroeconomics stability is necessary, but insufficient to assure progress in developing countries.⁷

In the same way, widening the gap between rich and poor is dangerous: in the long run, the political and social instability, insecurity and collective disenchantment conspire against sustainable progress. It is not just a matter of ethics or human solidarity (which always should be the most important dimension), but also of the viability of a national development strategy. On the other hand, it should be understood that the wealth of a society is directly related to the quality, training and productivity of its members. A society of productive individuals, who work and consume (seen from an economic view), the majority of whom are happy, is a guarantee for sustained success.

The question can be stated in a more radical manner: no sustainable economic growth is possible without social development, or, stated in a different way: social development should be considered fundamental for long term economic growth, rather than just as a consequence of this growth. Economic growth and social development, like twins, should grow together.⁸

Several objectives besides economic growth are important in the development equation:

⁴ The idea of giving priority to economic growth, with the expectancy that the wealth generated would somehow trickle down towards the poorest sectors of society in developed countries was the dominant theory in the 1950s and 60s. See Freres, Cristian y Ortíz, Laura: "La cooperación internacional y el desarrollo social latinoamericano", *Síntesis* No. 23, Enero-julio, 1995, España.

⁵ One of the causes for the change in paradigm in international cooperation for development towards structural adjustment was the debt crisis in the 1980s. See Lewis, John: "Development Promotion: a time for regrouping", in J. Lewis and V. Kallab (eds.). *Development Strategies Reconsidered*, Washington, DC: Overseas Development Council.

⁶ It should be said that the responsibility for the social problems which have accompanied structural adjustment is shared by the national governments, which have not known how to adapt schemes of adjustment to ends of distribution and social development. See, for example, Bombarolo, Felix and Aride, Horacio (eds.), *Pobreza y Modelos de Desarrollo en América Latina*. Buenos Aires, Argentina: Ediciones FICONG, 1994.

⁷ The Catholic Church in Latin America has spoken out on this issue: "Macroeconomic improvement should be accompanied by fair channels for distribution, with active participation of the community. Man should have the importance he merits. In this respect it is necessary that the State and society are capable of correcting the defects of the market economy and, in consequence, achieve a more equitable treatment in the question of poverty." Cited in the article by Contreras, Carlos: "La pobreza y la cooperación internacional en América Latina", *Síntesis*, No. 23, enero-julio, 1995, España; p.160.

⁸ This was the position sustained by France, Japan and the recently industrialized Asian countries at the Copenhagen Summit.

- Strengthening of national democratic life (with stable and well structured political institutions and transparency).
- Widening the participation in decisions and collective actions in all instances.

It is not enough to just strengthen the democratic electoral system (though this is a basic starting point). The credibility of institutions and political parties is decisive. In this sense a basic task is that of a drastic reduction in administrative and political corruption, endemic in a good part of the Third World (for example, Latin America), associated with the previous model of development (Statist and paternalist).

The diminishing credibility of the political classes endangers democratic institutions, which in many places are not yet consolidated. This situation is even more dangerous when the predominating government policies have a powerful negative impact on the living conditions of large sectors of society. Political credibility should be an objective in an integral strategy for national development.

The rupture with the statist, interventionist and paternalist schemes of past decades must not lead to a weakening of political authority⁹ in a country. Without strong political, institutional and governmental authority, it will be impossible to successfully undertake global policies which affect collective life in many ways.¹⁰ The predominant state reforms presently being undertaken are primarily related to the "size" and to the "finances" of the State, rather than to the more decisive question: its functions in the new historic order. Classic democratic electoral procedures, though necessary, are also insufficient for assuring greater democratic development. It is necessary to advance towards forms of organization which permit a more direct participation of the citizenry. Reforms which encourage decentralization, regionalization, flexibility, agility and administrative efficiency are needed. But political authority is decisive.¹¹

Those objectives which possess a strong political character are important for the success of a development strategy (and, of course for reducing poverty). Both for economic growth and for the political and cultural dimensions of development, the existence of non-governmental organizations or grassroots organizations appears to be important. Whether for reasons of weakness in State budgets, as well as the inefficiency, administrative bureaucracy and corruption endemic in its functioning, or simply the efficiency of these social instruments, there has been a proliferation of these types of organizations worldwide. Though an overall evaluation of the results of these non-governmental organizations is not possible

⁹ As Fabian Repetto has said: "...the more solid the public authority to regulate the market, without creating obstacles for a dynamic economy, the greater the possibilities for implanting successful policies for fighting poverty". Repetto, F. "La pobreza y sus impactos en la nueva relación economía-política; una perspectiva latinoamericana", *Síntesis*, No. 23, enero-julio 1995, España, pp. 59-77.

¹⁰ The question we are addressing here is, to some extent, that of intra-national governability. This is one of the most serious considerations which a country must undertake when applying a particular development strategy.

¹¹ Adrian Leftwich establishes an interesting analysis of the development of the countries which were successful in the growing economy between 1965 and 1990: Botswana, South Korea, Singapore, China, Indonesia, Thailand and Malaysia. He states that a sustainable momentum was generated for the development of a particular type of State, a "development State", which must be understood politically. This political character is what he emphasizes. He summarizes its characteristics as follows: "(i) a determined development elite; (ii) relative autonomy; (iii) a powerful, insulated and competent economic bureaucracy; (iv) a weak and subordinated civil society; (v) the effective management of non-state economic interests; (vi) repression, legitimacy and performance". Leftwich, Adrian: "Towards a model of the development state", *The Journal of Development Studies*, Vol 31, No. 3, Feb. 1995, pp400-427, London U.K.

(some are useful, others useless, others insufficient)¹², it is impossible to deny that they represent an important dimension in the present social collective organization, and they will doubtless continue to be important in the future.¹³ The general tendency towards a strengthening of civil society (while governments and institutions are being questioned) is not due to a growth of large industrial and commercial enterprises, but rather the appearance of grassroots organizations and non-governmental organizations pursuing varied social objectives. This does not mean that private enterprise is becoming less important in the world, but its rules and tendencies are to a certain extent predictable; for example: greater concentration of capital in fewer hands, associated with a strong capacity for social influence (nationally and internationally). That isn't the point. The course of the modern economy (with its sets of laws) cannot become the determining element in the social life of mankind if an equitable and sustained human development is desired.

It should be kept clear that future collective organization should be a special combination of state institutions and multiple organisms of civil society. In the long term, a renovation of representative democracy will depend a great deal on the mechanisms which exist for connecting national decisions with grassroots and non-governmental organizations.¹⁴ The relations between the government and base organizations, in general, will define to a great extent the exercise of governmental power on the basis of new social foundations.

It should be emphasized that the political and cultural dimensions that non-governmental organizations might possess must not distract us from the fact they constitute an important mechanism for achieving collective objectives of economic growth and social development. This means that there is a need to define specific economic plans related to the base organizations and to give them special priority.¹⁵ Institutional development which seeks to go beyond the formal, authoritarian or symbolic needs to go hand-in-hand and nourish itself with necessary organisms of civil society. By this means political authority to lead society from the governmental level would be assured.

This political authority is decisive if government actions needed for sustainable growth are to be undertaken. For example:

¹² "... the NGOs offer some possibility, both in mobilizing persons and resources and in its work methodology, of really reaching the poorest. Also, they have a clear commitment in social development. However, NGOs are not a substitute for State policies, and their impact is modest in most cases. They suffer the same problem of coordination as their official donors, and there are few NGOs which undertake a serious monitoring of their projects or which can assure their self-sustainability in the long term." Freres y Ortíz, "La cooperación...". pp.193-194.

¹³ In the Rio Conference in 1992, 4,000 individuals participated in representation of 1,400 NGOs. There was a parallel forum with 25,000 participants from 167 different countries. The NGOs were also strongly present in the Viena Conference and the Population Conference in Cairo in 1994. See Spiro, Peter: "El papel de las Organizaciones No-Gubernamentales en el contexto internacional", *Ciencia Política*, II trimestre, 1995, Colombia.

¹⁴ As Julie Fisher remarks: "Since most of the Third World countries lack both favorable circumstances and exceptional leadership, the proliferation of NGOs may provide the only possible, albeit long-run, way of undermining powerful monopolies". Fisher, Julie: *The Road from Rio*, Westport, CT, USA: PRAEGER, 1994. p.14.

¹⁵ The following are two examples of different magnitude: (i) By means of grassroots and non-governmental organizations it is possible to favor agricultural production on small farms, assuring that products reach urban consumers more directly and at lower cost, thus reducing costs of distribution and transportation. (ii) With a proper orientation towards base organizations, these can serve as an instrument for formalizing informal market transactions; a means of achieving reforms in property laws which continue to constitute an obstacle to social development in much of the world (by not permitting the effective integration of informal "property").

- A tax policy for investment in the fight against poverty and social development.
- Judicial property reforms.
- Economic policies.
- Education, health and infrastructure policies.

The more the wealth is concentrated, the less opportunity exists for obtaining real income for the poorer sectors of the population. The key point here is interpersonal distribution of wealth in the whole of society, and it is here that the policy of a country, based on authority and credibility, is so important. Those components which determine the interpersonal distribution of income, then, must be influenced: the distribution of productive resources, the destiny of these resources, the benefits which these resources offer.

This emphasizes the need for reforms in land tenancy, management of the economy (for example, credit), in basic services of education, training, health, infrastructure, etc.

A progressive tax policy on profits and luxury goods is inevitable if national resources are to be captured for social development and combating poverty. Of course, this must be compatible with economic growth in avoiding the imposition of harsh conditions on enterprises which must be internationally competitive. The central point is to create a strategy for achieving this compatibility: flexibility in time-frames and objectives. These questions possess an important international dimension: international rules which discriminate against developing countries can impede the redistribution of wealth and reduction of poverty.¹⁶ The rhythms of productive transformations in a developing country are very important. An acceleration of these rhythms (for example in the liberalization of the economy) can generate bankruptcy, misery and unemployment.

Property reform historically has not been successfully undertaken without profound social revolutions.¹⁷ In the new world order, the undertaking of these reforms, while preserving the political stability and democratic regime constitutes a great challenge, and will only be possible if governments have a high degree of authority and credibility.¹⁸

At the same time, it is not possible to generate sustainable development without strong governmental support for health, education and construction of infrastructure, in addition to incentives for production which benefit the weaker

¹⁶ The direct transfers to specific sectors are preferable to indirect ones which create distortions in local finances and economies. Subsidized interest rates and restrictions in prices of basic products are not beneficial in the long term.

¹⁷ As Hernando de Soto, a Peruvian, has said: "What we should remember is that generalized change towards a system of property ownership has always been a revolutionary change. For this reason, if formalized property is to be accessible to the majority of the population in the poor countries who have land, this can only come about as a result of a deliberate political decision. Only at the highest political levels can a global vision be developed capable of perceiving the benefits of a property revolution, as well as the will to surmount obstacles which will appear along the way." De Soto, Hernando: "El ingrediente que falta: lo que necesitan los paises pobres para que sus mercados funcionen", *Revista INCAE*, Vol VIII, No. 1, Costa Rica, 1994, p.12.

¹⁸ There are many specific actions which can be taken in a policy of development and struggle against poverty: credit reform, reconversion of the informal economy to formal economy, promoting the organization and association of small businesses to improve their competitiveness (cooperatives, etc.). One example: short of developing a scheme of credit subsidies, the State can decisively support the development of credit. The classic criteria of the commercial banks are often not appropriate to this type of credit, and experience has demonstrated that the credit rules in informal neighborhood lending (Grameen Bank in Bangladesh and the Rakyat in Indonesia appear to be examples) can be adapted to more formal situations: economic, legal and institutional support in the reduction of risk require important reforms.

sectors. No matter how developed is co-participation with civil society, grassroots organizations and non-governmental organizations, strong economic support from the State is necessary.¹⁹ Honesty, transparency and national will and consensus are requisites for this to be possible. International cooperation could be very important for achieving these objectives.

The above considerations have not given special attention to a question of great importance: the role of women. International experience indicates that actions conceived to encourage development are enhanced when women are given a privileged place. (One fact which illustrates this: poor women use between 80 and 100% of their incomes for family needs, while men use between 40 and 90% of their incomes for family needs). The investment of resources in women (in education, health, economic, etc.) should be incorporated as a basic element in any policy for social development. The promotion of laws giving women equal rights is an important objective in the creation of an appropriate legal foundation for offering women greater opportunities.

The fight against poverty in the Third World implies a national development policy with important conceptual changes related to objectives, methods and time terms if it is to be successful. It implies changes in the role of the State and its relation to civil society, as well as a change in the understanding of what constitutes civil society. In summary, it implies a clear agenda of profound social reform in the political, economic and social spheres. It also, in a special sense, implies changes in the current focus of international cooperation.

3. The present historical context and international cooperation

The end of the Cold War opened a new historical order which must be understood in order to define development strategies. In general, the fall of Soviet communism was an important victory for the democratic progress of mankind. The Cold War had distorted the role and perspective of social and political figures, nationally and internationally. However, this process has not meant the disappearance of the negative tendencies always inherent in capitalist organization (or perhaps inherent in human nature). The ever-present vices of egotistical individualism continue to act at interpersonal, national and international scale. The intrinsic laws of capitalism continue to promote social inequality and concentration of wealth in all its dimensions. The data in this respect is irrefutable. For example: in 1960, the 20% of the population with the highest incomes received 70% of the world gross product, while the poorest 20% received only 2.3%. In 1990, this situation has grown much worse: the richest 20% received 82.7% of the world gross product, while the poorest 20% received just

¹⁹ On this we can cite Schubert: "It should be kept in mind that one of the central strategies alluded to in the World Bank, which consists of providing basic coverage in the areas of health, family planning, nutrition and primary education requires a higher expenditure of public funds. The second central strategy, though, based on a better use of the labor force of the poor, accompanied by more opportunities for income and better possibilities of action, does not require a higher economic effort on the part of the State. The most relevant characteristic elements of this second strategy are the market itself, political and social institutions, and adequate infrastructure and technology. The principal aspect is structural change rather than spending". *Op. Cit.* The reality is that both strategies suggested by the World Bank require state support if the country is to retain effective control over them.

1.3%.²⁰ As Paul Kennedy has stated about the present period, at no other time in human history has there been so much concentration of wealth and centralization of power (economic, military, political and technological) in so few countries and in hands of so few people.

We might say that liberal democracy and the market economy have affirmed themselves as the dominant paradigms (though we are not yet at the end of history), but this fact does not necessarily indicate a present or future marked by sustained progress. Decadence and destruction are always possible in a world where destructive technology appears to have no limits, and were we cannot assure madness and intolerance can be controlled. What is true is that the rules of liberal democracy and the market as the regulator of the economy are useful starting points which we must take into account in order to construct strategies for human progress. But we must also accept as a premise the limits and defects of these rules. In other words, it is necessary to define national and international mechanisms capable of debilitating the negative tendencies of modern society if we want to preserve an important place for humanist principles and solidarity as opposed to egotistical individualism.

We can point out as relevant in the new world order several specific factors:

- The nature of competitiveness.
- The predominance of the neoliberal ideology.
- Democratic advancement.
- Globalization as a starting point.

With respect to the first condition mentioned above, we must recognize that competitiveness, in the present context, is more economic than political, but nobody should forget that many wars, including world wars, have had their origin in economic rivalry. The important thing to keep in mind is the implied predominance of the economic use of capital and material resources (as opposed to their geopolitical or ideological use). In the same way, technology is acquiring more economic and less military dimensions.

The failure of European communism strengthened neoliberal ideas, or rather, schemes which emphasize macroeconomics, and especially, monetary aspects in social development, linked to a qualitative and quantitative reduction in the State (and the adoption of privatization slogans per se). For many Third World countries, the neoliberal reforms have in fact helped eliminate many economic distortions contained in their former economic models. It is doubtless true that macroeconomics stability and an aggressive policy of exportation is a basic condition of economic growth, and as such, for development. But these ideas have systematically underestimated objectives of social development and collective equity. Economicism and monetarism are not in themselves sufficient to promote sustainable development. The strategy of inducing economic growth first in order to later fight poverty and promote social goals has suffered in terms of its credibility. (The truth is that these experiences should be evaluated on a case-by-case basis: Chile has had some success in the fight against poverty, while the

²⁰ La cumbre social: una visión de América Latina y el Caribe, CEPAL, 1993.

same cannot be said of Mexico and Argentina²¹). The objective evaluation of programs of structural adjustment developed since the 1980s should serve to redefine development strategies in a new context.

Despite the fact that many political regimes with democratic elections tend to be in essence authoritarian, nobody can deny that considerable progress in the development of democratic institutions is being made. This has occurred despite the increasing deterioration of the credibility of political parties and governments. The tendency towards democratization includes the extraordinary growth of non-governmental organizations and grassroots groups in the entire world. These two elements should be considered in analyzing possibilities for international cooperation. For example: in past decades, the predominance of authoritarian regimes was a negative factor for the possibilities of success of international cooperation and for the past actions for promoting development. This should be rethought, and at the same time, the weakening of the State and the increasing range of organisms of civil society constitute a plausible starting point for new strategies.²²

Although world globalization has the effect of energizing production, work, social and cultural exchange, life perspectives and other dimensions of different nations, it also constitutes a source of disadvantage for some countries and for some social sectors in many countries. It also presents a possibility for more international coordination and cooperation. With the end of the Cold War²³ possibilities are created for rethinking international organisms and advancing in the direction proposed by Bertrand Russell of an international government. Obviously, this is an idea which is still not just around the corner, but it should not be considered as a sort of science fiction. From either the perspective of the long term or of a calculated utopia, to take up the idea of an authentic international government and work towards this aim is the first step towards its realization. The translation of these ideological dimensions into social and political initiatives depends, of course, on the mediation of history.

²¹ See Repetto, Fabián: "La pobreza y sus impactos en la nueva relación economía-política; una perspectiva latinoamericana", *Síntesis*, No. 23, enero-julio 1995, España, pp. 59-77.

²² Some international comprehension of this appears to be implied by the decision of AID of the USA to channel 40% of its resources through NGOs.

²³ See the ideas of Dieter Sehngaas and Michael Zürn in "Kernfragen für die Friedensforschung der Neunziger Jahre", *Politische Vierteljahresschrift*, No. 33, 1992, Germany, pp. 455-62.

Evidently, we have only pointed out some of the characteristics of the new world order, but they appear important in the definition and conceptualization of strategies of growth.

More than ever, we should understand that development of backwards countries requires both a national and international strategy. The role of the developed world and international organizations in the progress of the most backwards nations and the fight against poverty in the Third World (and also in the First World) is a decisive ingredient. It is clear that the new context behooves us to evaluate the policies which have predominated until now and, above all, offer a forward-looking reconceptualization. It is impossible to advance towards our objectives without generating necessary political conditions (both national and international). Development and the reduction of poverty can never be the result of mere technical or economic actions. Consensus and political will at the highest level is required.²⁶

Poverty, Development and International Cooperation

- The fight against poverty is an ethical and humanistic imperative for mankind, in the same way that the struggle against slavery was (Copenhagen Conference²⁴).
- Combating poverty should be inscribed within the strengthening of sustainable development of all nations, especially those less developed.
- The fight against poverty and for development is a task of authentic interest for all countries and mankind: "we're all on the same ship".²⁵ Fighting poverty is not just an act of altruism, but rather an investment towards survival.
- International cooperation is absolutely necessary for supporting development and reducing poverty, and an international agenda should be established and executed, with the commitment of all, towards the achievement of these objectives.
- Strategies for development and for fighting poverty cannot take the form of universal prescriptions applicable in all countries. Multiple and diverse strategies should be developed.
- The cooperation of the international community in these tasks should be inscribed in the framework of "clear and distinct" (Descartes) national policies; an irreplaceable input for catalyzing development.
- International cooperation should adopt a broader perspective directed towards positive and significant changes in international relations (economic, financial, technological, etc.)

²⁴ In the words of Juan Somavía, president of the Summit on Social Development in Copenhagen: "...will be remembered in history as the first time the world declared that poverty is a political fact and as ethically unacceptable as was slavery at the beginning of this century." *Revista Hombres de Maíz*, No. 32, abril, 1995, San José, Costa Rica, p.4.

²⁵ As Gro Harlem Brundtland has said "...in an interdependent world, our solidarity should extend past borders and generations. We should share equally the global cost of peace, the protection of the environment and development." Brundtland, Gro Harlem: "Una situación vergonzosa", in *The Progress of Nations*, New York: UNICEF, 1995.

²⁶ We agree here with the words of Hemmer: "In the situation of wealth in which a great part of the population of the industrialized countries lives, but also many elite groups in developing countries, the phenomenon of poverty constitutes, in the first place, a tremendous ethical scandal. In the second place, it is the cause of many concrete material problems. In fact, it generates international currents of refugees; endangers the environment in that it forces measures to assure the immediate survival of the poor; pushes the world population which in turn forces extreme demands on the planet. All of which is only the tip of the iceberg which threatens not only the industrialized countries and the elite in developing countries, but all of humanity in the longer term. In this sense, the fight against poverty is not only an ethical question but an existential one for all mankind." Hemmer, Hans Rimbert: "Posibilidades de encarar una política de desarrollo orientada a superar la pobreza: una visión general", *Contribuciones*, No. 3 (1995), Argentina, p.34.

The principal indicators of international cooperation are hardly optimistic: in 1995 and 1996 there has been a clear reduction in international assistance of developed nations to underdeveloped countries. Furthermore, there seem to be few signs that this situation will change in the next few years. Whether this situation is due to transitory domestic difficulties in developed countries, the growing competitiveness or errors and misuse of the funds by underdeveloped countries, the reduction is an fact we can not deny.²⁷ Precisely now, when funds for international cooperation are experimenting a reduction, the problems of poverty and development are becoming more acute. Despite advancement in the reduction of poverty in the last 25 years, difficulties continue and the panorama is sobering. Table 1 presents data on percentages and absolute numbers of people below poverty level in 1985 and 1990.

Regions	Percentage		Number in millions	
	1985	1990	1985	1990
Indian Sub-continent	51.8	49	532	562
Far East	13.2	11.3	182	169
Sub-Saharan Africa	47.6	47.8	184	169
Middle East and North Africa	30.6	33.1	60	63
Eastern Europe	7.1	7.1	5	5
Latin America and Caribbean	22.4	25.5	87	108
All developing countries	30.5	29.7	1051	1133

Table 1

It is interesting to show what the World Bank expected a few years ago for the year 2000:

Regions	Percentage	Number
Indian Sub-continent	36.9	511
Far East	4.2	73
Sub-Saharan Africa	49.7	73
Middle East and North Africa	30.6	89
Eastern Europe	5.8	4
Latin America and Caribbean	24.9	126
All developing countries	24.1	1107

²⁷ The only countries which have maintained the agreement to give 0.7% of their gross internal products for development (as was agreed in the Rio de Janeiro Conference in 1992) are Norway, Sweden, Denmark and Holland.

Table 2.

In general we can say that during the period of 1965-1990, some conditions were improved; life expectancy, primary education, and real per capita consumption. But these improvements have not been evenly distributed among nations. The situation is particularly grave in Africa. In Latin America, poverty worsened (especially during the 1980s), while in Asia some progress was made in fighting poverty (in terms of percentage; the absolute numbers of poor increased greatly). At any rate, the UNCTAD (E+Z 1993) report concludes that economic development in the Third World began to stagnate in the first years of the 1990s.²⁸

The projection produced by the World Bank for the year 2000 was based on the premise of economic expansion starting in 1994 and lasting into the next century, low interest rates and increased international commerce favorable to developing countries. Obviously, these premises were too optimistic. During the last years, things don't appear to have improved qualitatively in terms of reduction of poverty internationally.

It is true that international cooperation and funding from developed countries should be integrated in a new perspective, and that the errors in manipulating the resources provided must be corrected. New criteria and concepts should be created for defining a theoretical framework for adequate cooperation in the new historical context, and this framework should be clear in that international cooperation will never effective if it does not form part of intelligent, appropriate and transparent national policies. But it is also true that the corrections and reconceptualizations that could and should be undertaken do not justify a reduction in the resources made available by developed countries for cooperation. Certainly the quality of international assistance should be the object of analysis and formulation of alternative policies, as long as this is not just a disguised way of reducing commitment for establishing more aggressive policies for human development. There is no reason to expect that a reduction in the assistance will improve its quality.

It is now the opinion of many that the amount of resources committed in the past will be insufficient for the magnitude of the investments needed for promoting sustainable development and the reduction of poverty. There are dimensions in national policies in which economic assistance is qualitatively very important: infrastructure (highways, ports, telecommunications, schools, hospitals, etc.) and human resources (education, training, health services, etc.). That these investments must be made with the participation of local organisms of civil society and as part of the effort to increase the national productive capacity does not preclude the fact that they require considerable international cooperation.

I believe that, being careful to not oversimplify, international cooperation should be thought of in a similar spirit as affirmative action, which has been used to encourage progress of ethnic and social sectors historically marginalized within a given country. It is not just a question of providing direct resources and technical training, but rather something which should be conceived in a more

²⁸ One indicator: the average income went from 324 to 311 dollars in the 47 poorest countries in the world.

general manner: an objective of mankind, as is the defense of life and balance with nature. In synthesis: economic, technical, cultural, political and social resources should be dedicated to the promotion of sustainable development and international reduction of poverty.

There are many actions, and more determinant, besides direct funding and the provision of technical resources, which would help enormously. For example: the establishment of an international system²⁹ of commerce focused on these goals, an international financial system with more flexible rules and directed explicitly to promoting adequate conditions for development³⁰, an international system of technological development which permits an authentic transference to underdeveloped nations.³¹ All of these possible international frameworks for laws and procedures (which correct past errors and should be properly contextualized) should be seen as international agreements within the overall aim to build a new set of rules for international behavior.

It could be said that this implies invading the territory of private enterprise, and for that reason, misguided, but in my opinion, the reverse is true: much of the development of poorer countries depends upon international capital. We need to find international mechanisms for sustaining profitable economic actions for private enterprise which are also appropriate for the development strategies of a given country. Although capital is associated with particular persons, it cannot be ignored that it constitutes a decisive factor in economic development. It also possesses dimensions which transcend its owners, and for this reason can be categorized as something of collective interest. The rights of individuals must be made compatible with the collective good within the framework of representative democracy and the market.

In the same way, it is no secret that the economic policies of many developed nations exhibit a double standard: on one hand they prescribe liberalizing policies for poorer countries (reduction of tariffs, etc.) while maintaining protectionist policies for its own corporations (quotas, subsidies, etc.) Is it possible to think of a strategy for international development which does not assume objectives of more equitable social and economic international relations? An international political authority should exist which would permit transparency and equity in the actions of nations.

It would be easy to dismiss the above opinions as mere good intentioned thoughts. However, they are based on the premise that sustained human development should constitute the principal objective of nations in the present

²⁹ It is possible to encourage international means of financial security for favoring and establishing flow of capital and investment towards lesser developed countries, or resources allowing these flows to have a positive impact on social development.

³⁰ This question is clear: "...without a more radical change in the rules of the game of the international system- particularly with regard to the access of poor countries to markets of developed countries and to financial flows- cooperation for development will have an insignificant role in the fight against poverty." Freres, Cristian y Ortíz, Laura: "La cooperación internacional y el desarrollo social latinoamericano", *Síntesis* No. 23 Enero-julio, 1995, España, p.170.

³¹ The transference of technology cannot succeed without regard to national scientific and technical capability (a fundamental error of the past), but incentives can be presented in the form of the installation of technological enterprises profitable for all in developing countries, shared scientific and technical research, funds for projects in collaboration with universities, etc. The technological character of certain areas- like telecommunications and information- permit the effective and rapid utilization of knowledge which should be encourages internationally. For example: the use of cellular telephones, the use of microcomputers, the intelligent use of Internet, etc.

historical context. We are at a point in time when it is still possible to think in terms of saving humanity from many deprivations and dead-ends if we adopt a framework of universal goals with sustenance of humanist ethic.³²

The United Nations confronts an historic challenge to ascend to an international organization with greater political weight and higher efficiency in seeking solutions to international problems. Although it cannot be ignored that the UN has been severely conditioned by the political force relations derived from the outcome of the Second World War, and by the Cold War epoch (in which the possibilities for real international cooperation were extremely limited for political reasons), there is now at least a possibility for it to advance towards being an international "government". (There is no other available option, anyway). One of the hopes with relation to the strengthening of the UN is that there will be greater possibilities for sustaining more equitable international policies which favor development and the reduction of poverty. What is needed is a *political power capable* of combating double standards and selfish local and national interests which are contrary to the world perspective. The political and organizational reforms which this perspective presupposes are also an important instance for the different UN organisms to reconceptualize their functions in the present world context; in particular those organisms which are dedicated to promoting development and fighting poverty in the world. In this sense, the organization should consider the idea of development and reduction of poverty as an integrated global strategy involving many variables: economic, political, educational, environmental, cultural, technical, etc., and given the importance and priority it merits. The international political relevancy of economic and human development questions can only be reached if the UN places them at the highest level. Up until now, the predominance of military and security questions has been decisive. As illusory as it might now appear, we must work toward an Economic Security Council (for example, as UNDP has proposed).³³

The spirit of affirmative action of international character in multiple dimensions, as we are suggesting, will only be possible with international political will and consensus, especially on the part of the developed countries³⁴.

³² Preoccupation of universal order (over the destiny of mankind) can be found in various internationally recognized reports presented during the '80s: the Brandt Report (1980), the Palme Report (1982), the Brundtland Report (1987), the Nyerere Report of the Southern Commission (1990), the Stockholm Initiative (1991). See the following references: Brandt, Willy (Coordinator): *North-South; A Program for Survival*, Pan Books, London, 1980; Palme, Olaf (Under the Chairmanship): *Common Security- A Program for Disarmament, the Report of the Independent Commission on Disarmament and Security*, Pan Books, London, 1982; CNUED, *Our Common Future (the Brundtland Report)*, Oxford University Press, 1987; *South Commission: The Challenge to the South*, Oxford University Press, 1990; *The Stockholm Initiative on Global Security and Governance, Common Responsibility in the 1990s*, Prime Minister's Office, Stockholm, 4/1991.

³³ "With a few good political intentions and cooperation, along with a lot of creativity, the Council will supply real leadership in economic, social and environmental questions. The Secretary General has emphasized, in his Agenda for Development, the strong relationship between the questions of social development and security; they are two sides of the same coin. With this intergovernmental mechanism, economic management will be given the same importance as that received by security in the Security Council." Carlsson, Ingvar: "La ONU a los 50: la hora de reformar", *Ciencia Política* III Trimestre, 1995, Colombia, p.24.

³⁴ It is important to offer reasons to show this consensus can be profitable for developed countries. On one hand, nobody can deny that instability, sickness, drug addiction and general insecurity which could increase would affect everyone everywhere. It is impossible to close off the "North" in an impenetrable bubble. Collaboration is important. But on the other hand, it is necessary to seek international mechanisms which encourage economic, cultural, educational and social action in

The declarations of the Copenhagen Conference are a point of departure (despite the absence of more specific commitments) in terms of ethics and ideology, but we must not lose the perspective that security for everybody in the long term depends upon the possibilities of sustained development at international scale, therefore a way must be found towards a more real practical commitment (with agenda and timetable)³⁵.

Based on Agenda 21 of the Rio Conference³⁶ and the commitments in we can go forward with our work. Unfortunately, a contradiction exists between the general discourse of Rio and Copenhagen and the real practice with respect to international funding and cooperation. The Copenhagen Summit demonstrated that the struggle for sustained human development has taken a first step³⁷, but that there is still much to do. It demonstrated that a true consensus and political will do not yet exist for giving this world task the place it merits. In Copenhagen, many proposals of great vision were not acted on, and these should now be refined; for example, those contained in the 1994 UNDP report on human development, whose central idea is to request that the UN prepare a World Social Charter with goals, timetables, budgets and monitoring. Three proposals to evaluate:

underdeveloped countries which would imply a payment to the developed world (. It is possible to substantially increase international research in this direction.

³⁵ Various initiatives have appeared after Copenhagen in Spain and Latin America. See Contreras, Carlos: "La pobreza....", *Síntesis*, No. 23, enero-julio 1995, España.

³⁶ "The centerpiece of the formal results of the Rio Conference is Agenda 21. By focusing on developmental and environmental issues in an integrated fashion, Agenda 21 addresses the reverse flow of resources form developing countries and connects this issue with sustainable development. It commits the developed countries to providing 0.7% of the GNP for Official Development Assistance (ODA) and proposes the restructuring of the Environmental Facility that would expand its scope and accessibility. Agenda 21 also combines two strands of development action: one strand that focuses on improving the access of the poor to resources and the other that deals with the management of natural resources". Fisher, Julie, *Op. Cit.*, p.3.

³⁷ "Economic management has become the priority subject for G-7. This should have been the central theme of the Summit for Social Development in Copenhagen...since in the majority of countries, both developed and developing, economic and social development go hand in hand. Perhaps the most important advancement in Copenhagen was that both should be given equal priority in the national policies of a given country. This is also true internationally." Carlsson, Ingvar: "La ONU a los 50: hora de reformar", *Ciencia Política*, III Trimestre 1995, Colombia, p.23.

- The so-called 20:20 Pact for improving financial resources destined for human development (dedicate an average of 20% of the national budgets in developing countries³⁸ to areas of basic human development and 20% of the funding assigned international assistance by developed countries to goals of human priority). This pact raises the issue of shared responsibility: three fourths of the contributions would come from developing countries and one fourth from donor nations.
- With relation to the so-called “peace dividend” accruing from reduced military expenditures between 1987 and 1994³⁹; impose a goal of reducing military expenditures by 3% annually in 2005 and establish a relationship between the reduction of military costs and increase in social spending.
- The creation of a human security fund to finance international solutions to problems such as drugs, international terrorism, nuclear proliferation, transmittable diseases, environmental contamination, the depletion of world resources, natural disasters, ethnic conflicts and refugee questions. This fund would be financed by three main means: a percentage of the “peace dividend”⁴⁰, taxes on important international transactions or emission of

COMMITMENTS OF THE COPENHAGEN SUMMIT

The declaration against poverty, unemployment and social exclusion approved in Copenhagen by 113 chiefs of State and representatives of 71 other countries contains 10 points:

1. Create an economic, political, social, cultural and legal framework which favors social development.
2. Eradicate poverty in the world through decisive national actions and international cooperation.
3. Promote full employment as a basic priority of social and economic policies.
4. Promote social integration in all societies based on the promotion and protection of all human rights.
5. Promote full respect for human dignity and equality and equity between men and women.
6. Recognize the fundamental role of education, health and culture in social development.
7. Accelerate social, economic and human resources development in Africa and the least developed nations.
8. Assure that when programs of structural adjustment are undertaken, that these include social development objectives.
9. Significantly increase and efficiently utilize the resources assigned to social development in order to achieve the objectives of the summit through regional and international action.
10. Improve and fortify international, regional and sub-regional cooperation for social development by means of an associative spirit, through the UN and other multilateral institutions.

³⁸ In general, these countries only dedicate 13% of the national budgets (57 billion dollars annually).

³⁹ They diminished at a rate estimated at 3.6%, which constitutes an accumulation of 935 billion dollars in industrialized countries and 125 billion dollars in developing countries.

⁴⁰ A 3% annual reduction in military expenditures would yield about 460 billion dollars between 1995 and 2000, 385 billion dollars in industrialized countries and 75 billion dollars in developing countries. A 20% reduction was suggested in industrialized countries and 10% in developing countries, which would yield 14 billion dollars a year between 1995 and 2005.

contaminants⁴¹, and a percentage of the 0.7% of the official social assistance fund for development.⁴² These three sources combined would yield about 250 billion dollars a year, or 1% of the gross world product.

Other proposals have been made for obtaining resources; for example funds of bilateral debt (and to some extent, multilateral debt), which, under international administration, control and fiscalization, could be destined to programs for development and reduction of poverty.⁴³ When the simple condonation is not feasible, it might be possible to destine a portion of these funds for development and reduction of poverty. Initiatives for transforming debt to resources for sustainable development (not just for improving the environment) might be successful in the future if inscribed in an operative international agenda with real political, economical and technical sustenance.

Whether with resources from the sources mentioned above or not, the organization and coordination of actions at this time promotes the need for a restructured Economic and Social Council, and increases the political and administrative pertinence of a UN Economic Security Council, in order to take decisions at the highest level, not only with regard to international threats like those mentioned, but also with regard to basic questions of world poverty, unemployment, food security, international migration and a new framework for sustainable growth. This last item implies the need for a change in the United Nations Charter, for which a high degree of political will will be needed if agreements are to be reached.

In the next few years we should work towards a new Summit on Social Development which leads to actions of more concrete and practical importance in the area of development strategy, which permits us to advance in the direction of international affirmative action and a more equitable international development.

Will it be possible to advance towards these types of objectives in the present historical context? Despite the prevailing discourse, the alleviation of the East-West conflict has not been accompanied by any real commitment to equitable international development. During the Cold War, much of the assistance provided by the great powers was motivated by geopolitical security questions.⁴⁴ The

⁴¹ For example: tax international movements of speculative capital, as James Tubin (Nobel Prize in Economy) has suggested: 0.5%. If the tax were 0.05 between 1995 and 2005, 150 billion dollars would be obtained annually. Another tax: one dollar for each barrel of oil (or its equivalent in coal) would yield 660 billion dollars annually.

⁴² Dedicating the first 0.1% of the 0.7 of the GNP and a few additional resources given by the countries would yield 20 billion dollars annually.

⁴³ The service of the external debt continues to be a difficult burden for backward countries. Although on a worldwide basis it diminished to 16.3% from 18.3% of the value of exports from 1990 to 1995, in many individual countries and regions the situation is much worse: in Latin America, the debt service consumes 30% of the value of exportations, and several other regions are simply unable to cover the interest on their debts.

⁴⁴ Paradoxically, with the end of the East-West conflict, the traditional interest in North-South politics vanished. See Menzel, Ulrich: "La esencia del dilema del desarrollo", *Nueva Sociedad*, No. 137, mayo-junio 1995, Venezuela, pp. 44-59. It should be also remembered that many actions for development have had an entirely political character connected with security in the developed and underdeveloped worlds: the Marshall Plan, the creation of the European Community, nuclear strategies and military alliances, control of strategic exports, all types of intervention in the Third World. The case of Latin America is particularly eloquent. Since the beginning of the century, the USA has recognized that its security depends in part on the economic development of Latin America. The security threats in its "backyard" caused the U.S. to invest resources in Latin America: for example, the massive investment in official aid for development starting in 1962 with the Alliance for Progress. The "alliance" was in reality a unilateral initiative' motivated by fear of the repetition of the Cuban revolution on the American continent.

present behavior of the main world economical powers does not allow us many illusions about the “peace dividend” being destined to the fight against poverty and for international development, or for the undertaking of important changes in the international economic and financial system to favor these world objectives. Unfortunately, all signs point towards a greater concentration of resources in the countries which are already strong economically and socially (and compete amongst themselves) rather than greater international assistance. In the best of cases, this assistance would be directed towards alleviating the most obvious points of instability (wars) or tragic emergencies (famine, natural disasters, etc.). There is a strong tendency for international action to be dedicated only to those aspects of underdevelopment which directly affect the developed world: infectious diseases, terrorism, migration, local wars, ecological balance, etc. In fact, the tendency is to leave the United Nations focus on these issues, while other issues (those more relevant to economic and social development) are discussed and decided in G-5 or G-7 meetings. Localist and nationalist positions have been strengthened in the last few years. Globalization has been accompanied by serious tendencies towards disaggregation and focalized fragmentation⁴⁵ and national and international social exclusion.

The present historic juncture, then, has contradictory tendencies (as occurs in any period⁴⁶). The progress of democracy, technology, economy or culture we are experiencing internationally should not be idealized, but rather considered within the limits imposed by history, in a context which will not always be optimistic. The universal enterprise for sustainable human development and against poverty constitutes a gigantic challenge which is at the same time unavoidable. Its success or failure will depend not only on governments and international institutions, but on the clarity, will and action of those on the planet who are conscious and committed to these ends for mankind.

⁴⁵ We are not in complete agreement, but the point of view of the French researcher Rogalski is suggestive: “The New World Order, promised after the Gulf War and the fall of the regimes in the Eastern block, is presented as a fragmented and controversial world without coherent order which appears to be oriented towards a general disintegration of the planetary society through the generalization of interstate conflicts in the entire world.” Rogalski, Michel: “El auge de la fractura Norte-Sur”, *Nueva Sociedad*, No. 132, Julio-agosto 1994, Venezuela, p. 101.

⁴⁶ We don’t agree with Rogalski when he says “the majority of the global problems survived the Cold War” and “the new world context which emerged does not present favorable characteristics for their elimination”. Rogalski, Michel: “El auge de la fractura Norte-Sur”, *Nueva Sociedad*, No. 132, Julio-agosto 1994, Venezuela. We agree with the first phrase, but differ from the second: the fall of Soviet communism represents a formidable international advancement towards human development. It is not sufficient, but its historic importance cannot be denied. the present technological advancement opens extraordinary possibilities for resolving world problems. A unilaterally pessimistic position in this is mistaken.