

**Development
For
People**

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ABBREVIATIONS AND ACRONYMS

AIDS	Acquired immune deficiency syndrome
ALESCO	Arab League Educational, Scientific and Cultural Organization
ASEAN	Association of South East Asian Nations
DES	Dietary energy supply
EPI	Expanded Programme of Immunisation
HFA-2000	Health for All by the Year 2000
IDWSSD	International Drinking Water Supply and Sanitation Decade
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IMF	International Monetary Fund
IMR	Infant mortality rate
Kcal	Kilocalorie
LSMS	Living Standard Measurement Study
MCH	Maternal and child health
NGO	Nongovernmental organization
NIC	Newly industrialized country

OAU	Organization for African Unity
ORS	Oral rehydration salts
ORT	Oral rehydration therapy
PHC	Primary health care
PEM	Protein-energy malnutrition
PQLI	Physical quality of life index
PVC	Polyvinyl chloride
SAARC	South Asian Association for Regional Cooperation
SAM	Social accounting matrix
SSDS	System of social and demographic statistics
TNC	Transnational corporation
USMR	Under-5 mortality rate -

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FOREWORD

The Amman Roundtable was the culmination of three Roundtables on the Human Dimension of Development held over the past three years. The logic of the progression of topics is clear. In 1985, in Istanbul, the North South Roundtable emphasized the neglect of the human dimension during the development crisis of the 1980s. In Salzburg a year later,

the Roundtable turned to human development, adjustment and growth, stressing how concern for the human dimension should be combined with the making of economic adjustment policy. Then in 1987 in Budapest, the issues were broadened to consider the wider dimensions of managing human development. In 1988 in Amman, we fumed to longer-term issues. The crisis of development continues, especially in Africa and Latin America, and to some extent in the Middle East. But the challenge is to go beyond protection of the human dimension in the course of adjustment in order to reaffirm and reestablish human goals for the longer term. Hence our topic. Human Goals and Strategies for the 1990s.

As it happens, it is a most opportune moment internationally to tackle this subject. The Amman Roundtable took place early in the international process, still under way, of considering and preparing an international strategy for the Fourth Development Decade—the 1990s—a process which will involve many of the Amman participants in their official capacities. This Roundtable meeting provided an early opportunity for free and frank informal discussion — a chance to review candidly and tentatively the problems and difficulties of the process, as well as its opportunities and possibilities. Most importantly, this meeting provided an opportunity to discuss how the process of putting together a Fourth Development Decade could be tackled in a way which will lead to more effective and serious results nationally, regionally and internationally than either the last decade or even the first two. Five conclusions should be underlined.

First, the Fourth Development Decade should make human goals central. This is in no way to call for the neglect of economic or political issues; but the basis of international consensus should be sought by starting with the human dimension and showing how the economic dimension must be related to it. We must avoid the negative reaction to basic needs which occurred in the late 1970s. Basic needs must never be presented as an alternative to necessary economic reform, internationally or nationally — nor must basic needs be presented as a bloodless, human-less and humorless approach. When we speak about basic needs, therefore we should make clear that we are also referring to a continuous process of "structural change" within countries, as well as in the relation between countries, to continuously improve human welfare.

Second, and perhaps most important, the Fourth Development Decade must grow out of country and regional debate and action. If the Fourth Development Decade is to be successful, it must be rooted in the realities of different countries and the priorities of accelerating development in different contexts. No longer can we have a decade primarily put together by diplomatic representatives in New York, with little or no contact with national policy makers and planners. This is as true for the donor countries as for the recipient countries, particularly when we discuss issues involving international trade and financial flows. Perhaps inevitably, the First Development Decade was such a New York-based process, in response to a speech by U.S. President Kennedy calling for such a decade as a counterpart to his domestic pledge to put a man on the moon by the year 1970. The main document was largely drafted by one man: Hans Singer. Only later was the Committee for Development Planning set up under Professor Tinbergen to accelerate the process and monitor performance. When it came to the Second Development Decade, Tinbergen and the Committee for Development Planning stressed that the global goals would need to be considered country by country, and they encouraged countries to formulate national goals in relation to the global targets. But this was never done either in the Second or Third Development Decades.

Now, by the 1980s, we already have useful examples from different parts of the world where goals for longer-run development have been formulated and politically approved on a subregional basis. With regard to the social dimension of development, SAAKC is perhaps the clearest instance, (SADCC has been similarly active in economic issues.) In 1986, MARC heads of state approved a range of human goals for the 1990s covering health, education, water and so forth. The U.N. family should encourage and support a range of similar subregional meetings during 1989 in order to provide a framework from which can be pulled together more realistic goals for the 1990s, related to the challenges and specifics of different parts of the world.

Third, goals for the Fourth Development Decade can and should be taken as marching orders by the U.N. agencies themselves. Here, a modest beginning has been made in the 1980s. The goals for the International Drinking Water Supply and Sanitation Decade, for example, have been used to create a structure and a system for international follow-up and

country support UNDP, the World Bank, WHO and UNICEF meet regularly together to coordinate action, to encourage and mobilize additional support and to monitor progress. With respect to primary health care -Health for All by the Year 2000 = WHO and UNICEF have been closely involved in a number of specific areas of action. The best incisive example is immunization, where, in addition to these two agencies, a Bellagio Task Force has been created involving UNDP and the World Bank, major bilateral donors, some developing countries and leading experts to provide a framework for mobilizing action and support and monitoring performance. UNICEF has required all its country offices to provide whatever support is necessary to enable countries to pursue the goal of universal immunization by 1990, and UNICEF has its own monitoring system, country by country, office by office, to ensure that UNICEF is doing all it can toward this end. These examples show what can be done and some of the ways to set about taking these goals more seriously than before. They also show that dramatic progress is possible even at times and in countries where economic constraints are more severe than at any other time since the 1930s. We need to explore how such approaches can be made a high priority for all the U.N. agencies during the 1990s.

Fourth, vision and realism must be combined in setting these goals, as well as selectivity, and perhaps some stagecraft. If the goals become an endless shopping list, they will not serve to focus issues, to mobilize support or to inspire action. Yet realism and technical support are also vital in the formulation of achievable goals. The Bellagio Task Force met in March 1988 in Talloires and proposed health goals for the 1990s. These goals covered a range of health actions which the group considered to be both feasible and desirable. As an example of vision and inspiration, the Talloires group proposed the elimination of polio by the year 2000 as a gift of the twentieth century to the twenty-first. It is a goal reminiscent of the remarkable achievement of the eradication of smallpox in the 1960s and 1970s - which goal, incidentally, was dismissed when first proposed by the USSR as unrealistic political propaganda.

Finally, we must tackle the difficult problem of ensuring economic support for the human goals we identified. This will take us into the controversial areas of international economic policy, with all the confrontations and conflicting views that this entails. Let us do our best to think freely and creatively in this field. We must also rethink aid targets for the 1990s. The problems of social development in the poorest and least developed countries are of increasing severity, not only in the short run, but probably for the next five to ten years at least. We should consider adding to the 0.7 percent of GNP target stronger commitments to achieve the 0.15 percent for the least developed countries and perhaps, in addition, a new, special target of 0.1 percent for direct support of social development in the poorest countries. Some such target might mobilize the extra financial efforts needed to ensure sustained human development in the 1990s and provide the human base in the poorest countries needed in the next century.

None of this is beyond us. Indeed, in the Arab region, recent experience has shown how global goals for the year 2000 can be given a specific country and regional focus and be used to mobilize action even more rapid than was envisioned by the drafters of the global goals. One of the central human goals of the Third Development Decade was to reduce the infant mortality rate (IMR) in all countries to 50 at most by the year 2000. In April 1988, the Arab Health Ministers, meeting in Amman, advanced that target by ten years by committing themselves to achieving by 1990, in each of their countries, infant mortality levels that would be half what they were at the start of this decade. The first Arab country to meet that 1990 aim is Jordan, which has already brought its IMR down to 35 - less than half the 1980 level of 80.

This success well illustrates some closely related points. Sustainability is vital. In the Arab region, steps are being taken now to assure the continued, steady decline of infant and child mortality and to strengthen the outreach capacity of the health system by creating new links with the primary education system. This effort has the joint support of UNESCO, WHO and UNICEF and is now in its early stages in Jordan, Egypt, Lebanon, Morocco and Sudan. Monitoring is also vital. We must also keep track of progress toward the IMR goal. The Arab region is now pioneering a new statistical sampling method by which current national IMR levels can be measured and made available within a month or two.

Rapid progress toward human goals need not, therefore, involve wishful thinking. They can be built on practical experience - and indeed, they need to be, if the range and diversity

of human ingenuity and vision are to be canted forward into more baleful developments for the 1990s.

New York
December 1988

Richard Jolly
Chairman, NSRT

PART I TOWARD THE YEAR 2000

CHAPTER 1

Holistic Development for the 1990s Crown Prince Hassan Bin Talal

"The most difficult thing in life is to understand the obvious." The obvious truism which we need to understand and elaborate upon today is the need for a holistic approach to development.

A Holistic Approach

A holistic approach calls for the abandonment of theories popular in the 1950s and 1960s which overemphasized economic growth, to the detriment of the human factor. In the 1970s, the world moved toward greater awareness of growing poverty. The approach adopted, based on basic needs, failed not only because of the selfishness of the "haves" and the helplessness of the "have-nots," but also because it lacked a holistic vision. The 1980s have so far seen more selfishness and more helplessness, both compounded by the overwhelming problems of debt, deprivation and growing disparities among and within countries.

As we approach the 1990s, some rays of hope are appearing on the horizon: a gradual move toward ending regional conflicts, more balanced management policies, a greater awareness of interdisciplinary linkages, and more benefits arising from technological advances. To maximize the benefits of this improving global environment, we must develop a well-defined holistic strategy including three basic elements. The first is to make social development an integral part of economic policies and human welfare a top priority in national policy making. The other two elements may not yet be fully accepted, but without them, we can hardly face the next century. The second element is intergenerational responsibility, which means ensuring that this planet is not inherited by our children with its environment degraded, its resources depleted and its lifesupport system impaired. Finally, "human solidarity" is sustained by the recognition that adversity anywhere is a threat to prosperity everywhere. We must accept the reality of a "human neighborhood" on an evershrinking planet. Technological advances have brought human beings closer to each other, for better or for worse, and we have to learn to live with each other, whatever our prejudice, color or creed.

The three elements of a holistic approach to development can be illustrated by identifying four specific areas which are often neglected in global strategy.

Youth

It is estimated that by the year 2000, people less than 30 years of age will constitute almost 60 percent of the world's population.

In the South, the rapidly increasing population of the young will pose new challenges to social and political structures. It will call for a radical review of urban planning, of the labor market, of agricultural policies, of methods of education and vocational training, of health care, etc.

In the North, the increasing population of the old will bring about its own challenges—to systems of social security, to the job market, to living habits, etc.

In global terms, a new generational confrontation will need to be averted if we are to

preserve existing infrastructures and systems.

Women

The central role played by women in the development process is now being increasingly recognized. Women constitute the majority of the world's population, yet many societies still persist in discriminating against them.

The goals and strategies to be developed for the year 2000 must include not only a full awareness of this reality, but also farsighted recommendations for concrete measures that can be taken to improve the situation of women.

Women earn only 10 percent of the world's income and own 1 percent of the world's property. This is not only an affront to our common humanity; it is also a sad comment on our times, when we have the means, more than ever before, to redress such a situation, and yet we fail to do so.

Regional and Interregional Cooperation

There is a growing awareness of the benefits of regional cooperation. The increasing number of regional organizations bears testimony to this welcome phenomenon.

We must now identify the profiles of different regions for the purpose of interregional cooperation. We should ensure that regionalism provides new building blocks for global cooperation. The new trend toward ending regional conflicts should be strengthened in order to put an end to fragmentation and exclusivity, particularly in the field of development, where each stands to gain from all. Instead of reacting individually to maximize benefits or minimize damage, we must acknowledge the fact that individual, isolated reactions will only aggravate the inertia in the world economic system. Regionalism, nourished by homogeneity, common interests and shared perceptions, should be used to reinvigorate multilateralism and to promote a new international environment conducive to global cooperation.

Humanitarianism

Humanitarianism should no longer be seen as "do-good aim" or as a "charity business" adopted as a solution to the problem of surplus commodities. Rather, it should be viewed as a manifestation of "enlightened self-interest."

As was pointed out in a recently published report, entitled *Winning the Human Race*, by an independent commission which I had the privilege to initiate, humanitarianism demands that "whatever detracts from human well-being must be questioned, regardless of its effects on economic growth, political power or the stability of a certain order."

Addressing humanitarian problems is the first essential step toward social development, without which economic development can never be durable.

CHAPTER 2

Energizing People for the 1990s

William H. Draper

In preparing development strategies for the 1990s, we need to grapple with the question: How can we make people the architects of their own development? We need to abandon trickle-down theories for trickle-up programs. We need to concentrate on the base of the pyramid, not the point. Five Energizers of Human Resource Development Putting people at the center will direct attention to

five "energizers of human resource development."

all needed to unleash the spirit of success that lies within each of us. These five energizers are interlinked and interdependent. They are education, health and nutrition, a high-quality environment, employment and, finally, political and economic freedom.

Education

Education is the root of all development, no matter which aspect is considered.

Education is a critical measure of improved conditions of life. In the last forty years, adult literacy rates in the developing countries have doubled: they have increased from 30 percent to 60 percent. That is the good news. The bad news is that the remaining 40 percent will be the hardest to reach. More bad news is that education is also being shortchanged as low income countries struggle at the macro level with structural adjustments to their debt-ridden economies.

While dollars spent on a power plant or a port can yield a high return, investments in teachers and schools can yield an even higher return. There is a critical need for all concerned to focus on the long term in estimating the payoff on education.

In chapter 4 of this volume, Keith Griffin and John Knight note that in 1972, the low-income countries -excluding India and China-allocated 13.2 percent of central government resources to education. By 1985, the percentage had dropped to 7.6. What does that mean as we look toward the next century? If population growth and declining investments in education continue at current rates, there will be more than a billion illiterates on this planet at the turn of the century. The unhappy truth is that education is being shortchanged in favor of the growth of military and public administration expenditures in these countries. Clearly, if we accept education as the basic underpinning of human resource development, these recent negative trends must be dramatically reversed. "Dollars for scholars" should be the first priority for all the governments of the world, or none of us will be prepared for the twenty-first century.

Health and Nutrition

Good health is another requisite of human resource development. Again, there has been some improvement: life expectancy in the developing countries is rising. But it is still far short of the 76 years of life expected by citizens in the industrialized economies. Similarly, infant mortality in the low-income countries has been gradually declining, reaching 6.9 percent in 1986. But it is still nowhere near the less than 1 percent rate reported by the industrialized countries.

Debilitating malnutrition is a constant threat to the health of millions in the developing world. In famine-stricken Africa, agricultural production is growing at 1 percent per year, while the population is increasing at the rate of 3 percent per year.

Besides food, clean water and sanitation are essential for health. In the eight years since the International Drinking Water Supply and Sanitation Decade began, we have succeeded in bringing safe drinking water to half a billion more people, and a quarter of a billion people have been supplied with new sanitation facilities. Yet 1.2 billion individuals are still without safe drinking water, and nearly 2 billion still have their health threatened by the lack of sanitary facilities.

Only when people are free from malnutrition and crippling diseases can they realize their full human potential. Although it is essential to devote more financial resources to human health, much can be accomplished by better management of existing resources. By deferring the construction of an expensive urban hospital for five years, Pakistan managed to increase immunization coverage for its children from 5 percent to 75 percent - preventing some 100,000 deaths every year.

Environment

A high-quality environment is another basic requirement for human resource development. This includes both adequate housing and a natural environment which will sustain the world's population. Today, about one third of the world's land surface is threatened by some form of desertification. parts of the Sahel, deserts are overrunning farms and villages in the rate of ten miles per year, turning rangelands into dustbowls. Each year, biologically rich tropical forests covering an area the size of Austria are being slashed and burned to clear the land for agricultural production. Our quality of life and health are also threatened by a diminishing ozone layer, the greenhouse effect, and polluted air and water.

Perhaps nowhere is the problem of attaining decent living conditions more dramatic than in the giant metropolises of the developing world. From the slums to Cairo to the, favelas of Rio, conditions today are appalling. Over the next twelve years, the already burgeoning urban population of the developing world is expected to swell by 750million people. By the end of the century, some developing-world cities will have reached staggering sizes: it is estimated that 17 of the 23 cities that will have

populations exceeding 10 million will be in the developing world. In the year 2000, Mexico City may be the biggest city in the world, with a population exceeding that of the entire nation of Canada today.

Just to maintain today's marginal standards, most countries will have to expand such urban services as water, sanitation, transportation and communications by 63 percent over the next twelve years.

Employment

Adequate employment is the fourth human resource energizer; but again, steeply rising populations both in the cities and in rural areas pose the threat of massive unemployment. In Kenya, which has one of the world's fastest-increasing populations, an estimated 330,000 jobs per year must be created to reach a stable employment situation.

Overall, it is estimated that developing countries will need to create jobs for 700 million people over the next two decades. This represents more jobs than currently exist in the entire industrialized world!

Without work, people will continue to lack the means to purchase the basic necessities of life or to invest in their own or their children's future. But employment is more than a means of attaining a subsistence living: it is a channel for people to develop their talents and energies to the fullest, to contribute to society, and to realize their own full potential.

The industrialized nations have a responsibility to encourage the creation of new jobs in the developing world. They must keep their markets open to goods and services produced in these countries. Protectionism is the enemy of development, just as it is the enemy of consumers in the industrialized nations.

The developing countries, of course, must bear the major burden of creating new jobs. They must be willing to create a climate which releases the energy and entrepreneurial spirit of their citizens.

Political and Economic Freedom

People must have a democratic voice in their own development. Laudable objectives of human development are sometimes adopted in national plans, but these plans are naturally frustrated when the beneficiaries are given little say in the actual planning and implementation.

As well as political freedom, people must also have the economic freedom to participate in their own development - the freedom to be entrepreneurs. The private sector is a potent engine for development. It can unleash the dynamism, creativity and talent of individuals throughout the world.

Give men and women a free hand to manage their own development, and a permanent stake in that development, and they will work miracles for themselves, then communities and their countries. This is an essential key to creating the 700 million new jobs, attaining new economic growth and achieving the new social goals which are appropriate to successful human resource development as we look toward the twenty-first century.

Human capacity is the most important resource that a country possesses. Japan has very few natural resources, yet it is the fastest-growing large industrialized country in the world. It is through human creativity, initiative, capability and commitment that true development can be achieved. Development means releasing human energy. It means providing an opportunity for people to make the maximum contribution to their own development and to the self-sustaining development of their communities.

Such an environment is provided not only through the provision of basic freedoms in society, but also through the manner of its economic organization. For example, the nonproductive use of large amounts of labor and capital resources in excessively large government bureaucracies denies a country the productive use of these people, who have no incentive to give their best.

An important combustion, therefore, to the better use of human resources is to provide incentives for people to switch to more productive endeavors. These incentives include such things as market-based prices, equitable tax systems, and rational import and export controls. The result will be fanning, commercial and industrial activities

that produce more goods and services for society.

Accelerating Development

Now, as we look toward the year 2000, we must devote all our efforts to securing the five critical energizers of human resource development. Any development strategy, national or international, must take these essential elements into account.

How can we step up the pace of development? What is needed today is a new Marshall Plan, financed by all the industrialized nations of the world and focused on the poorest nations.

Over forty years ago, the United States launched the Marshall Plan, an ambitious and far-sighted program to rebuild war-torn Europe. It was basically a capital infusion plan to rebuild roads, factories and schools. The U.S. channeled \$3 billion into Europe each year for four years. An equivalent amount in today's dollars is needed for the developing countries. But capital alone will not achieve the needed results.

When the Marshall Plan was launched, the human resource infrastructure in Europe was already there, even though in 1947 the world was still reeling from heavy war-inflicted losses. The five energizers of human resource development were well established.

Today, capital alone cannot improve either the economies of the developing countries or the lives of the majority of their people. Human brain power, skills and energy must be mustered to use capital effectively. Schools and universities will be only as good as their teachers and professors, no matter how modern the design and how sturdy the construction. The best-equipped hospitals and clinics will do little to improve health care unless doctors, nurses and medical technicians are available to minister to patients. Massive food aid will never relieve hunger for very long. Men and women must find employment as a means of attaining a subsistence living: it is a channel for people to develop their talents and energies to the fullest, to contribute to society, and to realize their own full potential.

The industrialized nations have a responsibility to encourage the creation of new jobs in the developing world. They must keep their markets open to goods and services produced in these countries. Protectionism is the enemy of development, just as it is the enemy of consumers in the industrialized nations.

The developing countries, of course, must bear the major burden of creating new jobs. They must be willing to create a climate which releases the energy and entrepreneurial spirit of their citizens.

CHAPTER 3

Human Development Goals and Strategies for the Year 2000

[The main ideas generated and the conclusions reached at the Amman Roundtable were presented in the form of a statement, entitled the Amman Statement on Human Development Goals and Strategies for the Year 2000, which was published and disseminated widely in 1988 by the North, South Roundtable and the WOP Development Strategy Programmer. What follows is an edited version of that statement.]

The challenge facing the international community today, and the challenge facing many individual countries, is to replace the human neglect of the 1980s with longer-term strategies for the 1990s which put people first.

There are important reasons for this priority. The economic problems of debt and exports, recession and adjustment, have absorbed so much time and resources in the 1980s that in many developing countries, basic human needs and concerns have received diminishing attention. The result is that in most of Africa and Latin America, trends toward long-term improvements in nutrition, health and education have given way to stagnation and often decline.

The need to give more attention to human concerns has been increasingly accepted in the main international institutions, but the emphasis is still too often on protecting the basic needs of particular groups in the short run rather than on mobilizing a broader process of sustained, human-centered development over the long run. Such a long-term approach is now necessary and feasible and could provide inspiration and direction for the

Fourth Development Decade up to the year 2000.

Previous development decades, calling for strategies combining longrun economic and social development, have achieved some success, especially during the First and Second Development Decades. But both conceptually and operationally, human goals and concerns must be made more central. Strategies in the new decade must also address other basic problems. The changes experienced in the world economy in the last fifteen years, and the distress that often accompanied them, have often been policy induced, and they have brought to the surface basic weaknesses in previous development strategies. Excessive reliance on external borrowing has resulted in a debt crisis in many parts of Africa and Latin America and elsewhere. Attempts to manage the debt crisis by restricting production have, as intended, led to a shift toward exports and a steep decline in imports. Indeed, this process has gone so far that by 1985, the formerly capital-importing developing countries were transferring resources to the rich countries at a rate of US \$31 billion per year. Decisions to reduce public expenditure have resulted in many low-income countries in a fall of more than 40 percent between 1972 and 1985 in the share of central government expenditure devoted to education.

Moreover, progress has become increasingly uneven both among regions and among the various social classes in individual countries. Since the second half of the 1970s, growth has slowed in all regions of the Third World, with the exception of China and South Asia. In the rest of Asia, economic dynamism has been maintained, although at a reduced rate, but average incomes have actually fallen in much of Africa, the Middle East and Latin America. Urban unemployment has tended to rise in Latin America, and real wages in Africa and parts of Latin America have often fallen sharply. Poverty and inequality have increased in many countries, and the number of hungry people in the world has risen. The extent of regional diversity had become extreme by the late 1980s, with most of Africa and much of Latin America locked in crisis, with as yet little sign on the horizon of the long-run changes required.

Putting People First

What is needed today is a revised focus, one that views development as a sustainable process of expanding the capabilities of people; that seeks to mobilize all the human and material resources available to an economy; and that systematically seeks out low-cost methods of production which generate additional employment. This "capabilities approach" necessarily emphasizes the centrality of human initiative and creativity, individual and collective, and hence the need to democratize the development process. This approach provides an integrating concept which can guide public policy at the national, regional and international levels.

The capabilities approach acknowledges the human being as the engine of growth and recognizes that expenditure on human development represents as sound an investment as conventional expenditures on machines, buildings and physical infrastructure. The objective of this approach is to bring into play unused resources in order to increase the level of productive activity.

In any development strategy that stresses the expansion of human capabilities, the following aspects are sure to receive high priority: (i) health, particularly for mothers and children (especially girls, the mothers of tomorrow); (ii) education, particularly basic, primary and secondary education (here, again, efforts should focus on young girls); (iii) nutrition, particularly for vulnerable groups; (iv) specific targets for enhancing the status of women; (v) increased productive employment for low-income groups; (vi) a population policy, fully integrated into the overall strategy; and (vii) a better geographical distribution of human resources, achieved by providing employment opportunities and avoiding, for instance, excessive rural-to-urban migration or an international brain drain.

The overall approach should aim at generating growth that is environmentally enriching and capable of being sustained, thus contributing to the implementation of the main thrust of the Brundtland Report. Equally important, it should aim at enhancing the participation of all in the polity and society and creating a climate where honesty, respect and social peace prevail.

For the last few years, the primacy of women in much of the development process has finally been acknowledged and supported in a variety of international declarations and treaties. What has become increasingly clear, however, is the triumph of rhetorical tokenism

over concrete public policy. If the Fourth Development Decade is to achieve anything, it must categorically, unequivocally and irreversibly integrate women into the mainstream of development as both means and ends.

Previous international development strategies have concentrated on changes in developing countries, for the most part making reference to industrialized countries only in relation to their role in supporting Third World development. Yet a greater focus on enhancing human capabilities is equally essential in the industrialized countries, which are grappling with their own problems of unemployment, instability of the family system, rapidly growing numbers of older and retired persons, escalating increases in health expenditures, and continued gender and racial divisions.

Participation, the Private Sector and the Role of the State

The change in focus that is herein advocated requires a substantial reorientation of the role of the state and of the private sector. The state should become an efficient, active partner in promoting human development. It is responsible for providing an enabling environment in which all individuals can develop their capabilities to the full and can thereby become fully productive members of society. Moreover, the state must fulfill its wider responsibilities for creating incentives and undertaking expenditures which increase the productive capacity of the economy.

The private sector also has a major role to play, and as many governments, left and right, have increasingly realized, the potential of the private sector must not be weakened by arbitrary interventions by the state. Private sector productive enterprises, large and small, have the creativity and resources to increase productive employment, while private-sector non-governmental organizations (NGOs) play a critical role in responding to community needs. Thus the enabling environment should also be supportive of local and community initiatives and of democratic participation by all members of society, regardless of gender, race or social class. The state must ensure that the weak and vulnerable are not neglected, but are enabled to develop their capabilities and play their full part in economic and social life.

The Opportunity of the Fourth Development Decade

The formulation of development strategies for the 1990s, the Fourth Development Decade, presents an opportunity to put these ideas into practice. Building upon the experience of earlier decades of development and learning the lessons of the past, both negative and positive, the international community and its constituent nations can now aspire, by working together for the common good of humankind, to construct and implement a set of policies which will have a significant impact on increasing the capabilities of all women and men. Given the severity of economic conditions in so many developing countries, this is an opportunity that must not be missed.

The recent peace initiatives constitute a unique conjunction of events which both helps to create a peaceful environment more conducive to development and should make it possible to reallocate a portion of expenditure hitherto devoted to armaments to programs for enhancing human development. Since rising military expenditure in the 1980s has been in many countries a major constraint on human development, a reversal of this trend could provide some of the resources needed for human-focused strategies. At the global level, the superpowers can now apply resources being released from reductions in armaments toward providing increased support for the Fourth Development Decade. At the regional and national levels, developing countries should similarly be challenged, and the relationship between peace and development should be made a key point for discussion in the formulation of regional strategies.

The Strategy as a Process

The capabilities approach can be most effectively implemented if it is incorporated into a set of strategies, plans and policies designed to address the specific needs of particular regions and countries. Although the approach is universal in its applicability, its translation into effective policies and action requires planning from the bottom up, not from the top down, and certainly not from the global level down.

The Khartoum Declaration, the Jakarta Plan and the Latin American Critical Poverty Project all provide evidence of a desire for a new approach which gives first priority to human development. This desire extends from the grassroots all the way to the ministerial level.

Planning for enhanced human capabilities should be rooted in country realities, based upon the participation of all sections of society. NGOs can play an important role here, giving a voice to social groups and classes that are seldom heard. The building blocks for the international components of the strategy for the Fourth Development Decade should be national, sub regional and regional programs. The global dimension of the new strategy should then build upon the work of the United Nations regional commissions and the expertise of the specialized agencies, under the coordinating authority of the United Nations Secretariat and with the independent professional advice of the Committee for Development Planning.

Building the development strategy on the basis of national and regional or sub regional consultations should make it possible to avoid the weaknesses that arose in preparing earlier strategies, in which political influence and diplomatic negotiations were unduly concentrated at the global level while national and regional considerations were neglected, thus undennining the technical feasibility of these strategies. We must break the pattern of basing successive international development strategies on growth targets projected to rise from 5 to 6 to 7 percent per year in each decade when in practice the result was a disappointing decline (mm 4.3 to 3.4 to 2.9 percent).

Once a draft outline strategy for the decade has been prepared, a process of political consultation, strategy reformulation and final endorsement will be essential. The culmination of this process should be a major international conference on human development.

Financial Resources

Most of the resources needed for a human capabilities approach to development can be generated internally. In many countries, however, especially in Africa, external resources will be needed to supplement domestic savings, especially to support human development. Therefore, the strategy for the Fourth Development Decade should be underwritten by an exceptionally large transfer of concessionary resources, particularly during the first half of the decade, in order to provide a strong catalyst for change. In the case of the poorest of the developing countries, measures under consideration for relieving all or a major portion of their private and public foreign debt are important for support of the human development strategy. All international institutions and donor countries should review all their assistance against the test of how it contributes to enhancing human capabilities and reducing poverty and should allocate at least one-third of their foreign aid to the direct support of human development.

Indicators of Human Development

A new approach to development policy will generate new demands for information and reliable statistical data on the key variables of the strategy. This, in turn, implies that national and international statistical services should be strengthened and asked to develop and publish social and human indicators of progress, including indicators that shed light on genderspecific issues. These indicators would of course supplement, not replace, existing conventional measurements.

The selection and measurement of human and social indicators should not be left to governments and official agencies. NGOs, including universities and research institutions, have both the ability and the freedom from political interference to develop such indicators, and NGG sources of information - trade unions, community groups and religious groups - will be particularly valuable in this area.

At the national level, all countries should be encouraged to review and restructure their national development plans to include human balance sheets and human goals. The specialized agencies, for their part, should stand ready to provide technical assistance to those countries requesting help in reformulating their plans and policies. The international financial institutions, in turn, should look with sympathy upon claims for more generous financial assistance from countries placing sustainable human development at the center of their economic strategies.

Mobilizing Support and Monitoring Results

Mobilizing support, promoting concrete measures and monitoring results are all vital to the success of the strategy, and machinery should be established to ensure that the U.N. agencies are effectively brought together to support such efforts. This Roundtable

therefore recommends the establishment of an ad hoc high-level committee or possibly an international Council on Human Development within the U.N. system to oversee the implementation of the strategy for the Fourth Development Decade. This committee or council should include the executive heads from the specialized agencies most directly involved in implementation, regional economic commissions, and the World Bank and regional development banks. A senior official from the United Nations Secretariat should be the chairman.

The committee or council would provide a forum where fundamental issues of accelerating human development could be discussed. At the operational level, the challenge is to provide greater international focus and support. At the conceptual level, such issues and concepts as participation, empowerment and the relationship between human rights and development need to be further explored. Representatives from other relevant U.N. agencies should be co-opted at appropriate points. The committee or council would publish regular reports on these issues, including an annual report on human development summarizing progress achieved in implementing the strategy.

Commissions of Wise Persons

At the international or regional level, in order to stimulate rethinking and practical action, high-level Commissions of Wise Persons should be constituted to interact at the highest level with national and international policy makers on concrete strategies and measures for human advancement. Such commissions should preferably be small—perhaps no more than six members each, with equal numbers of women and men—and should consist of outstanding personalities who could use their experience and influence to encourage structural changes nationally, regionally or globally. Such commissions might also help to persuade regional and international institutions to support and finance structural changes which will result in visible improvements in the human condition. Links should be established—perhaps in the form of occasional joint meetings—between the Commissions of Wise Persons and the ad hoc Council on Human Development.

Conclusion

What is needed today is a continuous process, not a single event or a single set of definitive targets, to institutionalize the importance of human beings in economic development. For the last three decades, we have witnessed many intellectual flirtations with the concept of human-based development and some partial experiments at the country level. But a systematic and sustained approach has been lacking at both the conceptual and operational levels.

Let us now ensure that a continuous process is generated to place human beings at the center of economic development in the decade of the 1990s - the Fourth Development Decade. In this way we can hope, substantially and realistically, to accelerate moves toward a world in which by the year 2000, infant mortality has been greatly reduced, malnutrition almost abolished, illiteracy substantially diminished, and a system of primary health care made accessible to all. Children and youth will then have the opportunity to realize their full potential, to become productively employed and to participate in society on equal terms. This is a vision which should now be translated into national development plans and policies, regional and global targets, and international policy making.

PART II GOALS, STRATEGIES AND INDICATORS

CHAPTER 4

Human Development: The Case for Renewed Emphasis

Keith Griffin and John Knight

"The process of economic development can be seen as a process of expanding the capabilities of people. The ultimate focus of economic development is human development; that is, we are ultimately concerned with what people are capable of doing or being. Can they live long? Can they be well nourished? Can they escape avoidable illness? Can they obtain dignity and self-respect? Are they able to read and write and communicate and develop their minds?"

According to this view, development is concerned with much more than expanding the supplies of commodities? The enhancement of capabilities often requires changing technologies, institutions and social values so that the creativity within human beings can be unblocked. This, in turn, results in economic growth. But growth of ODP is not the same thing as an expansion of capabilities. The two are linked, but they are not identical. Economic growth can be seen as a means to the end of enhancing people's capabilities. Yet economists have traditionally concentrated on the production of goods and services and on its rate of growth. Increased physical output, in turn, has been assumed to give rise to greater economic welfare. More recently, greater emphasis has been placed on the distribution of goods among people and to considerations of need and equity. The philosopher John Rawls defined deprivation in terms of the availability of "primary goods" or "things it is supposed a rational man wants, whatever else he wants."³ The International Labour Organization attempted to translate the concept into operational terms with its advocacy of "basic needs."⁴ Basic needs, however, remains a goods-oriented view of development, whereas what is wanted is a view which puts people first. Although there is some relationship between income per head and human well-being as the term is commonly understood, the statistical association is not close, and divergences from the general tendency are at least as striking as the general tendency itself: Human fulfillment is about whether people live or die, whether people eat well, are malnourished or starve; whether women lead healthy and tolerable lives or are burdened with annual childbearing, a high risk of maternal mortality, the certainty of lifelong drudgery; whether people can control their lives at work; whether their conditions of work are tough and unpleasant; whether people have access to work at all; whether people control their political lives; whether they have the education to be full members of society with some control over their destiny. These are all aspects of the standard of living, but they are only loosely included, or not included at all, in the measure of GNP per capita. Any approach that puts people first must come to terms with the fact that in the Third World, the average age of the population is low, although it is tending to rise slowly. In 1980, in the developing countries as a whole, 39.1 percent of the population was less than 15 years of age, as compared to 23.1 percent in the developed countries. Conversely, only 4.0 percent of the population of the Third World is over 65 years old, whereas in the developed countries, 11.3 percent of the population is older than 65.⁶ Thus human development in the Third World is necessarily concerned in large part with enhancing the capabilities of the young.

Human Development over the Past Two Decades

It is natural to inquire whether economic growth in the last two decades has been accompanied by increased human capabilities. Certainly there has been growth: in no group of countries did per capita income fail to rise during the period 1965-85 (see table I). Some groups of countries did much better than others, however. The developing countries as a whole grew faster, viz., 3.0 percent per year, than the industrial market economies, viz., 2.4 percent per year. But within the Third World, there was a tendency for the poorest countries to fall relatively farther behind the less poor. Thus GNP per capita in the middle-income economies increased by 3.0 percent per year, whereas in India, the rate of growth of income per head was 1.7 percent. In the low-income countries other than India and China, income growth per head was only 0.4 percent. China, where GNP per capita increased by 4.8 percent per year, was the great exception. Among the middle-income countries, East Asia did much better than Latin America. Human capabilities increased relatively most rapidly in both China and East Asia.

TABLE 1
 Growth of GNP? r Capita, 1955-55
 (Percent ^{Per} Annum)

Low-income countries	2.9
China	4.8
India	1.7
Other	0.4
Middle-income economies	3.0
Lower middle-income	2.6
Upper middle-income	3.3
High-income oil exports	2.7
Industrial market economies.	2.4

SOURCE: World Bank, Women Development Report 1987

(New York Oxford University press, 1987).

The general rise in average incomes could be a misleading guide to the income gains of the poor- In some countries, including very large ones, the incidence of poverty remains high. This often is due in part to a high and even rising degree of inequality in the distribution of income. A large number of cross-sectional studies of countries have been undertaken, and these have been used to provide support for the hypothesis of growing inequality? Moreover, a number of studies of individual countries, based on time series data, have shown that inequality has increased along with a rise in average incomes. Indeed, some authors have attempted to show that not only has inequality increased, but in some countries for quite long periods, the absolute standard of living of some sections of the poor has declined. It cannot be assumed, therefore, that basic human capabilities have risen to the same extent as average incomes.

The debate today is not over whether inequality within countries has increased, but whether increased inequality is inevitable. The balance of recent evidence suggests that the degree of inequality is not closely related to the level of income per head, as was once thought, but to factors dependent upon the strategy of development that is followed. These factors include the distribution of productive assets (particularly land), the distribution of educational opportunities, the employment intensity of the development path and the general policy stance of the government. It is possible, therefore, for governments to successfully pursue distributive equity objectives as well as growth objectives. Similarly, governments have it within their power to promote the enhancement of human capabilities by means of their education, health, nutrition, participation and other policies. Moreover, the twin objectives of distributive equity and human development will often be accomplished by the same policies.

Taking a long view, there is no doubt that basic human capabilities have indeed increased in the Third World. Perhaps the best indicator of this is the increase in life expectancy at birth since around 1950. In the poorest countries, life expectancy at midcentury was between 30 and 40 years; today it is at least 50 years in most countries and rises to 70 or more for females in such countries as China, Malaysia, Sri Lanka, Chile and Argentina.

The data on infant mortality tell a similar story. There has been a long run decline everywhere, and in some countries the decline has been dramatic, with the rate falling by 50 percent or more. This is true in Latin America for Argentina, Chile and Colombia and in Asia for China, Malaysia, the Philippines and Sri Lanka. However, infant mortality rates remain very high, i.e., about 100 per 1,000 infants under age 1, in Bangladesh, Pakistan, Tanzania and Cote d'Ivoire. As with life expectancy, there is only a weak correspondence between infant mortality rates and per capita incomes. Long-run improvements in both life expectancy and infant mortality for the period 1965 to 1985 are shown in table 2. The long run improvements in both indices are apparent for all regions. However, as with income, averages may overstate somewhat the gains to the poor, whose access to health services is marginal in many countries. There is much evidence

that health delivery systems (oriented to ward hospital-based, high technology, specialized services) provide limited population coverage and contribute to an unequal distribution of health services.

Turning now to primary education, this is one of the great success stories of the Third World, at least in quantitative terms (see table 3). It is less certain that there have been improvements in the quality of education. School enrollments have expanded rapidly in the last twenty years, and in most countries, primary education for boys is universal, or nearly so. The position of girls is not as good, but even so, in over half these countries, over 90 percent of girls attend primary school, although they are less likely than boys to complete their primary education. Discrimination against

girls in education continues to be a problem, above all in Pakistan (where twice as many boys as girls attend school), but also in India, Bangladesh, Egypt and Cote d'Ivoire. Although illiteracy rates are still over 52 percent in Africa and South Asia, one can anticipate that they will continue to fall as the proportion of the population with a primary school education rises. Nonetheless, the absolute number of illiterate persons will probably increase for years to come.

Secondary education has also grown rapidly, although often from a very small base (see table 3). Still, between one-third and two-thirds of the relevant age group attends a secondary school in most Third World countries, including the two largest, India and China. The third largest - Indonesia - has expanded its secondary school system very rapidly and has overtaken the two Asian giants. Serious shortcomings remain in Pakistan and Bangladesh (where expansion of the system has been slow) and in sub-Saharan Africa (where, apart from Tanzania, expansion has been swift).

Given the difficulties encountered in Asia and Africa at the time of independence, progress in secondary education has been remarkable.

TABLE 2

Life expectancy, infant mortality and GNP per capita.

	Primary		Secondary
	1965	1984	1965
Low Income country	74	97	21
India	74	90	27
China	89	119	24
Other	44	70	9
Middle - income countries	85	10a	22
Lower middle income	75	103	16
Upper middle income	96	Ins	29
High-income oil exporters	43	75	10
Rnduevielawkstecmtmeies	107	102	63

SOUR (£ World Development Report 1987 (New York: Oxford University Press,

1971.

Thus the indicators suggest that there has been a long-term increase in human capabilities in the Third World. The growth not only in output, but also in capabilities, reflects the application by society of cumulative collective knowledge. Never before has the stock of knowledge in the world increased so rapidly or been so widely disseminated as it has in the last forty or fifty years. Nonetheless, worldwide access to science and technology is unequal. The diversity of the world's languages is a source of enrichment and cultural plurality, and within many nations language is a unifying force. But within some nations, linguistic heterogeneity is a source of disunity and conflict. Between nations, language can

act as a barrier restricting the access of hundreds of millions of people to world knowledge. Yet these barriers are slowly being overcome, not least because language teaching has greatly increased the number of people who can speak more than one language.

Nationally and internationally, there have been dramatic changes in the ways information and culture are transmitted. There was a time in human history when most education occurred within the family. Gradually, however, the transmission of knowledge became institutionalized, first within the church and other religious organizations and later within state and, to a lesser extent, private schools. More recently, superimposed on these inherited means of spreading knowledge, information and cultural values, the mass media have become increasingly prominent. Both deliberately and unintentionally, in both formal and informal ways, these mass media now exercise an enormous influence over what people know, how people interpret and understand the world, and what values people adopt and act upon.

Human Development in the Current Economic Context

Viewed in long-term perspective, there has been remarkable progress in human development in the Third World. Recent short-term developments, however, have been unfavorable, and in some countries a full-scale crisis has emerged. The most obvious sign of crisis is the dramatic slowing down in the rate of growth of per capita GDP between the last half of the 1970s and the present. The deceleration of growth occurred in all regions of the Third World (excluding China), and in every region except South and East Asia, average incomes fell markedly (see Table 4).

TABLE 4

Rate of Growth of GDP Per Capita, 1976-87
(Percent Per Annum)

1976-80	1981-85	1986	1987	
Africa	1.9	-3.5	-4.9	-4.6
Latin America	2.8	-1.8	1.6	0.4
West Asia	0.8	-3.9	-0.3	-3.9
South & East Asia	4.1	2.9	3.2	2.7

Source: Economic and Social Affairs, United Nations Secretariat.

Parallel to the decline in growth rates has been a fall in the rate of growth of the productivity of labor. The phenomenon is widespread throughout Asia, Africa and Latin America, and indeed, in Africa and Latin America, the average level of productivity declined, not just the rate of growth of productivity. During the period 1980-85 the average productivity of labor declined by 1.5 percent per year in Africa and 2.7 percent per year in Latin America.⁹ This reflects the fact that in Africa and Latin America, total output increased less rapidly than the size of the labor force, and in Latin America, total output actually declined. A reduction in value added per employed worker is of course desirable in a period of recession, insofar as it allows large numbers of people to continue to secure a livelihood rather than to become openly unemployed. On the other hand, a fall in output per person-year inevitably puts downward pressure on the real wages and incomes of those who remain in employment and on the level of profits (and hence, on investment and long-term growth of output and employment).

In practice, rates of urban unemployment in the major cities of Latin America tended to rise (see table 5), and nonagricultural real wages in Africa and parts of Latin America tended to fall (see table 6). In Latin America and the Caribbean, the rate of open urban unemployment rose from 6.8 percent in 1970 to 7.1 percent in 1980 to an estimated 10.3 percent in 1986. In some countries, of course, unemployment rates were considerably higher than this - e.g., Colombia, Chile, Peru and Venezuela.

In Chile, real industrial wages in 1986 were 7.9 percent lower than they had been in 1980. In Mexico, the fall was 33.9 percent and in Peru, 34.5 percent. The situation in parts of Africa was equally bad. In Kenya, for example, real nonagricultural wages in 1985 were 22 percent lower than they had been in 1980, whereas in Tanzania in 1983, the fall was 40 percent.

Table no 5 open arben
unemployment, 1970-86
Per centages

	1970	1980	1986
Argentina		4.9	2.6
Brazil	6.5		6.2
Chile	4.1	11.7	
Colombia	10.6	9.7	13.8
Mexico	7.0	4.5	4.
Peru	8.3	10.9	.H
Venezuela	7.8	6.6	

SOURCE: *World Development Report 1987*, table 9.p.39.

Tnu 6

Real Wages in
Nonagricultural
Index : 1980= 1(p)

	Year	Index
Africa	1985	78
Kenya		
Malawi	1984	76
Tanzania	1987	60
Zambia	1984	67
Zimbabwe	1984	89
Latin America	1986	63.5
Brazil	1986	62.8
Chile	1986	61.9
Colombia	1986	66.5
Mexico	1986	66.1
Peru	1986	65.5
Venezuela	1985	61.6

Slow growth, declining productivity, rising unemployment and falling real wages and average incomes have resulted in increased poverty and an acceleration in the number of hungry people in the world. "Between 1970 and 1980,¹ according to the World Food Council, "hunger grew by 15 million people, or an average of 1.5 million people a year. The first half of the 1980s added almost 40 million hungry people, or close to 8 million per year - a five-fold increase in the average annual growth rate."¹⁰ The absolute number of undernourished people increased in every region of the Third World, but only in Africa did the proportion of undernourished people rise, namely, from 29 percent in 1979-81 to 32 percent in 1983-85.¹

Problems of environmental, ecological and political deterioration exacerbate the long-term economic problems in some parts of the Third World. In the Sahel, the Himalayas and the Andes, economic progress is hampered by desertification or erosion, partly the result of climatic change and partly of population pressure. In other areas,

TABLE 7

Per Capita Income and Per Capita External Indebtedness in 25 Countries, 1985
(US. Dollars)

PerCapita GNP		PerCapita External
Ethiopia	110	44.2
Bangladesh	150	64.9
Mali	150	195.9
Niger	250	180.5
India	270	46.3
Kenya	2%	206.8
Tanzania	2%	1626
Senegal	370	271.8
Pakistan	380	13211
Zambia	390	669.1
Bolivia	470	620.6
Indonesia	530	220.5
Philippines	580	478.7
Egypt	610	501.9
Coled'Ivoire	660	8362
Zimbabwe	680	255.1
Nigeria	8(184.0
Peru	1010	735.9
Colombia	1320	494.5

SOURCE: World Bank, World developmentOxford University
Report 1987 (New York Press,

deforestation is upsetting the ecological balance, to the detriment of poor people. In many developing countries, war and political instability exacerbate the poverty problem by withdrawing confidence in the currency, diverting scarce resources, destroying assets, disrupting assistance programs and sapping incentives and motivation at both the family and community levels.

The world economy has undergone a profound change in recent years. This change was not planned, and in fact has been highly disorderly. World financial markets expanded rapidly for several years and then collapsed in October 1987; remedial measures have brought with them the threat of economic recession; exchange rates have been unstable and have moved in unpredictable ways. These changes have had disruptive consequences for economic progress and have inflicted severe damage on the real economies of many Third World countries.

It is important to recognize that the current economic crisis is policy induced. It is not an arbitrary act of nature, but a consequence of changes in economic philosophy and in government policies. The policies introduced in the last decade reflect both a revised view of the proper role of the state and changed governmental preferences as between inflation and a higher level of economic activity.

The debt crisis is yet another manifestation of massive world economic imbalances. By 1985, a number of Thud World countries were deeply in debt to the international banking system and multilateral financial institutions. In absolute terms, the largest Third World debtors were Brazil (\$106.7 billion), Mexico (\$97.4 billion), Argentina (\$48.4 billion), South Korea (\$48 billion) and Indonesia (\$35.8 billion).¹² In per capita terms, however, a great many other countries have very large external borrowings and have been having enormous difficulties servicing their debts (see table 7). In Mali, Senegal, Zambia,

Bolivia, Cote d'Ivoire and Chile, the per capita external debt is greater than the per capita income, and in a number

The banks find themselves in the position of having to make greater provision in their balance sheets for bad debts while extending additional loans to the Third World so that at least some of the interest can be repaid. The time may come when both creditors and debtors recognize that an orderly program of debt forgiveness would be to everyone's advantage. Meanwhile, the developing countries have become net suppliers of resources to the rich countries. In 1980, (capital-importing developing countries received a net transfer from the rest of the world of \$39,400 million, but by 1985, resources were flowing in the opposite direction-these developing countries transferred \$31,000 million to the rich countries.¹³

Many governments have been forced by an outflow of resources to cut investment, reduce public expenditure and impose a deflationary contraction on the economy. At the same time, in order to service at least part of the debt, attempts have been made to shift resources in favor of the export sectors. This process is described as structural adjustment. It also reflects the need for long-term development strategies which do not assume substantial resource inflows in the future.

Structural adjustment has forced governments to reveal their expenditure priorities, and unfortunately, many governments have shown that in practice, human development receives very low priority. Indeed, in many countries, central government outlays on the social sectors have decreased relative to total government expenditure and in real per capita terms. Education and health have been particularly hard hit. In contrast, the proportion of central government expenditure on general public administration has risen between 1972 and 1985 from 36 to 39 percent in the low-income countries, from 24 to 36 percent in the lower middle-income countries and from 18 to 32 percent in the upper middle-income countries. Some data for selected countries are presented in table 8.

In each of the three groups of countries included in table 8, central government expenditure on education and health in 1985 was proportionately lower than it was in 1972. In the low-income countries, for example, education accounted for 13.2 percent of central government expenditure in 1972 but only 7.6 percent in 1985; health accounted for 4.9 percent in 1972 but only 3.7 percent in 1985. Expenditure on defense, in contrast, actually rose from 17.2 percent of government expenditure in 1972 to 18.6 percent in 1985. That is, in the latter year, expenditure on the military in the poorest countries of the world was nearly 65 percent higher than spending on education and health combined.

TABLES
No 8

	1972	1985	1972	1985	1972	1985
Low income countries of which	13.2	7.6	4.9	2.7	36.2	39.1
			8.2	5.5	72R	17.9
Burkina Faso	20.6	16.9 _{2.3}	5.3	7.9	36.7	36.4
Malawi	15.8	0.8	2.3	1.8	56.1	86.2
Zaire	15.2		7.9	6.7	30.2	35.3
Kenya	21.9	19.8	7.2	4.9	22.6	48.6
Sri Lanka	13.0	6.4	6.4	3.6	37.7	66.3
	16.0	13.8	5.2	3.8	24.0	36.1
Lower middle income countries, which		12.2	6.2	1.5	31.2	70.2
Bolivia	31.4	11.1	1.4	2.5	41.2	33.9
	7.4					54.1
		10.0	3.2	1.8	18.7	25.7
Turkey	30.5	14.1	7.4	6.5	25.1	18A
Tunisia				6.1	20.0	
Crick	20.0	13.2	10A			
Uppermiddle-countries, of which	12.7	10.6	7.9	6.6	18.3	32.3
		3.2	6.7	7.6	18.3	38.0
Brazil	A!		5.1	1.5	15.2	44.4
Mexico	16A	12.4		1.8	20.0	21.7
Argentina	20.0	9.5	0.0	7.6	24.8	31.1
Venezuela	18.6	17.7	11.7			

In the low-income countries, the share of education in central government expenditure fell by 42.4 percent between 1972 and 1985, whereas the share of health fell by 20.4 percent. The pattern of cuts was reversed in the middle-income countries: in the lower middle-income countries, the share of education declined by 15.9 percent compared to a cut of 26.9 percent in health expenditure, and in the upper middle-income countries, there were cuts in shares of 13.8 percent and 41.8 percent in education and health respectively.

The share of education fell in six of the seven low-income countries selected for the table. Indeed, in Zaire, government expenditure on education virtually ceased. The situation as regards health expenditure was as bad or, considering the initial conditions, even worse. In most Third World countries, government expenditure on health services was low even in 1972. By 1985, the share of health in total public expenditure had fallen in each of the groups of countries and in almost all the countries listed.

Overall, then, the picture is not encouraging. There seems to be a clear bias within the political system toward a reduction of public expenditure on human development in times of distress. This possibly reflects underlying changes in currents of thought about the appropriate role of government, as mentioned earlier. This change in economic

philosophy appears to have originated in the advanced industrial economies, particularly in the United States, West Germany and the United Kingdom, and to have spread from there in many developing countries. But in addition to the change in currents of thought brought, the reduction in expenditure on human development appears to have been a short-run and, as we shall see, a shortsighted response to the series of crises in which governments found themselves. Given the need for structural adjustment, many governments believed it was easier or more expedient to reduce expenditure on human development than on other items in the central government's budget.

The situation, however, is not altogether bleak. There has been continued improvement in countries which have been able to maintain economic growth and avoid the worse impact of the 1980s recession. The above average performance of the South and East Asian countries of 2.7 percent GDP growth per capita per year in 1981-85 was accompanied by continuing progress, and even some acceleration, in health and nutritional trends. Sectoral policies emphasizing the need for accelerating agricultural production in formerly food-importing countries and for expanding lowcost, wide-coverage programs in health, nutrition and water supply have been important contributory factors. Moreover, several countries in Africa, other parts of Asia and Latin America have been able to sustain expenditure on human development even while implementing structural adjustment programs. For instance, targeted programs in the area of child health and nutrition throughout the 1970s and early 1980s enabled Chile to achieve a continuous decline in infant and child mortality despite serious economic fluctuations. An example of a successful sectoral program during adjustment was the drought relief program in Botswana, backed up by a comprehensive system of monitoring nutritional status.¹⁴ Indonesia is one of the countries which managed to expand expenditure on education and health as a proportion of total government expenditure from 8.8 percent in 1972 to 13.8 percent in 1985 (see table 8).

There are policy choices to be made: there are a number of alternative responses open to governments. The objectives of policy during periods of structural adjustment should be to safeguard human development programs whenever possible and, if curtailment of public expenditure is unavoidable, to ensure that the burdens of adjustment are borne by those most able to do so. In many Third World countries the opposite has occurred: human development programs have been savagely cut, and the burden of the adjustment has fallen on the poor. This has weakened long-run prospects for development while increasing inequality and poverty. It would instead have been much better to restructure human development programs, to reduce inefficiency, to improve targeting and, where necessary to maintain the existing level of services, to introduce discriminatory user charges.

The Human Capabilities Approach: Scope and Definition

The development of human capabilities should be seen not as an objective with a definitive end point, but as a process continuing in time without end. It is an approach to overall development which puts the wellbeing of people first and regards human beings simultaneously as both the means and ends of social and economic policy. It is not a formula that can be applied mechanically, but it does contain ingredients which distinguish it from commodity-centered approaches to development. It places considerable emphasis on local resource mobilization as a way of allowing people to develop their capabilities and on participation as an agent of constructive change.

In many Third World countries, government is highly centralized and authoritarian. The people are often relegated to the status of subjects and come to fear and distrust government. Particularly in rural areas, and above all among the poor, government officials are seen more as coercive than as persuasive agents. Thus the relationship between the state and the majority of the people is un conducive to the mobilization of large numbers of people for development. At the very least, a strategy which gives priority to the development of human capabilities requires decentralized administration to the local level and administration at that level by officials who enjoy the confidence and support of the great majority of the population.

Beyond this is the need to organize the population so that it can participate in its own development. Participation, or the opportunity to participate if one wishes, is of course an end in itself, but participation also has a number of instrumental values which make it conducive to a process of human development. First, participation in representative,

community based organizations can help to identify local priorities, to determine which needs are essential or basic and which of secondary importance, and to define the content of development programs and projects so that they accurately reflect local needs, aspirations and demands. Next, having identified priorities and designed the programs which incorporate them, participation in functional organizations (service cooperatives, land reform committees, irrigation societies, women's groups) can be used to mobilize support for national and local policies and programs and local projects. Last, participation can be used to reduce the cost of public services and investment projects by shifting the responsibility from central and local government (where costs tend to be relatively high) to the grassroots organizations (where costs can be lower). In some cases, for example, it may be possible to organize the beneficiaries of an investment project and persuade them to contribute their labor voluntarily to help defray construction costs. In other cases, some public services (clinics, nursery schools) can be organized, staffed and run by local groups rather than by relatively highly paid civil servants brought in from outside. Thus, in an appropriate context, participation can contribute much to development.

The instrumental value of participation and human development is not limited to the economic sphere. There is, for example, a political dimension to human development. If formal democracy is not to be an empty shell, then people must have an education and information so that all groups in society are aware of the issues facing the country and can participate effectively in the political process.

Human development is of intrinsic value too. In some respects, the development of human capabilities is increasingly regarded as a right to which all people are entitled. This right includes the ability to read and write, access to basic health care and freedom from starvation. In addition, certain aspects of human development are akin to consumption goods, in the sense that they are sources of satisfaction or pleasure. Education is desired in part for its own sake. Employment, too, provides direct satisfaction by giving "a person the recognition of being engaged in something worth his while,"¹⁵ and a clean and healthy environment can be a source of aesthetic pleasure.

We are particularly concerned, however, with the ability of human development expenditure to increase the productive capacity of an economy and raise the level of material prosperity. There are several ways it can do this.¹⁶ First, human development expenditure can raise the physical, mental and cognitive skills of the population through education and training. Second, public policy which focuses on human development can assist in the efficient deployment and full utilization of knowledge and skills; it can increase entrepreneurial and managerial capabilities; and it can transform theoretical knowledge into applied technology through research and development programs. Third, public policy can establish an institutional framework which enhances incentives, removes impediments to resource mobility and resource mobilization and increases participation in decision making, which in turn can help to improve economic efficiency.¹⁷ Many programs could be classified as human development programs, but we shall restrict our consideration to three broad categories: education and training; health services, water supply and sanitation; and food security and nutrition policies. It must be stressed, however, that although these programs can be listed separately, there are in fact a great many complementarities among them. For example, a program of school meals, intended to improve the nutrition of young people, often leads to reduced school dropout rates and hence to an increase in the quality of the education system. Similarly, reduced infant mortality rates combined with greater education for women and greater non-arm employment opportunities for women are associated with lower fertility rates and a lower rate of increase of the population.¹⁸ Women, indeed, play a key role in human development, not only because they account for half or more of the total population, but also because they have a major responsibility in most societies for ensuring adequate nutrition for the family, caring for the sick and educating the very young before they enter the formal education system. In addition, recent research has shown that the weight at birth and the subsequent development of young children are affected by the state of health of the mother during pregnancy. Hence there is complementarity between the health of the mother and that of the child.

In most developing countries, women have substantially less access to education, to jobs, to income and to power than men. Women's levels of health and nutrition are often inferior to men's. Women generally account for the largest proportion of deprived people. The

improvement of human capabilities requires in particular that the capabilities of women be improved. In some countries, attitudes and customs will have to change; governments can play a role in this process, e.g., through programs directed at women.

Employment, too, is complementary to many human development programs. Employment requires and is dependent upon skills being present in the labor force; but employment also generates skills in a process of learning by doing, and conversely, lack of employment can easily lead to the loss of skills. Thus, unemployment represents not only a loss of potential output in the present, but by destroying skills, unemployment represents a loss of future output as well.

In countries where unemployment is high, perhaps because of the way tactical adjustment policies have been implemented, there may be scope for the direct mobilization of labor on capital formation projects. That is, underutilized human resources in the form of unemployed labor can sometimes be transformed into investment which can help to sustain long-run economic growth. Labor-intensive construction projects can be used to expand irrigation facilities, to create reservoirs and sources of safe water, to provide farm-to-market roads, to undertake field terracing, anti-erosion works and tree planting projects, and to build schools, clinics and community [centers](http://centers.is). Such programs in principle have the capacity to mobilize local resources that might otherwise remain unused and thereby raise the level of output and the rate of growth. Moreover, if they are properly administered, they do this by creating sources of income, in the form of employment, for some of the poorest members of society and thereby lead to a redistribution of income in favor of those most in need. In this way, the creation of employment can lead directly to an enhancement of human capabilities.

Human Capital Formation, Investment and Economic Growth

Expenditures on improving human capabilities have the potential to yield a return to society no less than the return from physical capital formation. Take the example of education. The standard technique for determining priorities for educational expenditure is social rate-of-return analysis. Some broad conclusions can be drawn from (be many such studies that have been conducted in developing countries (summarized in table 9). First, the private rate of return to all levels of education is normally extremely high, reflecting in part the government subsidization of education. These high private rates of return help to explain the strength of private demand and of political pressure for education, which in turn have contributed to its rapid expansion in recent decades. Second, the social rate of return to all levels of education, although consistently lower than the corresponding private return, is generally no less than average rates of return on fixed capital investments. Thus, despite its rapid expansion, there are many developing countries in which education is still underprovided. Third, the estimated social rate of return is generally highest at the primary level and lowest at the tertiary level of education.

Such estimates have to be treated with caution. There is a limit to what one can learn about the social benefit of educational expansion from cross-sectional estimates of private earnings streams. The earnings differences between different educational levels may be attributable to various non-causal correlates of education, such as intelligence and determination, rather than (or in addition to) education itself. Insofar as this is important, social rate-of-return estimates are biased upwards. On the other hand, there are various reasons why such estimates may understate the social value of education. They do not take into account the various "extremities" to which education can give rise, such as the potential effect of educated people on the productivity of those around them or on the health of their families. Nor do they take account of the power of education to enrich the lives and capabilities of people in ways other than by raising the production of goods and services. Moreover, a recognition that investment in human beings makes less use of scarce foreign exchange than does investment in machinery and equipment would similarly favor educational expenditures.

Table 9

Returns to investment in education by region, type and level .

Number of Countries Reporting	Region	Social			Private		
		<u>Primary</u>	<u>Secondary</u>	<u>tertiary</u>	<u>primary</u>	<u>Secondary</u>	<u>Tertiary</u>
16	Africa	28	17	13	43	26	32
10	Asia	27	15	13	31	15	18
10	Latin America	26	18	16	32	23	23
43	Developing countries	24	15	13	31	19	22
15	Developing countries	-	11	9	-	12	12

The social return to expansion of primary education depends largely on its effects on the productivity of peasant farmers. The evidence suggests that this, in turn, depends on whether farmers are operating in a traditional or modernizing environment- one in which change is rapid. Education assists farmers in obtaining and evaluating information about improved technology and new economic opportunities, and thus to innovate. The level of education required depends on the levels of technology currently in use and potentially suitable. Education being complementary to other inputs, its value cannot be assessed in isolation. It depends on the degree of access to credit, extension services, new seeds and other inputs. The greatest impact on rural development can thus be made where education is part of a package of measures.

Perhaps because of the rapid expansion of education in many developing countries, the quality of education is frequently unsatisfactory. The same educational attainment may require more years of schooling in a developing than in a developed economy. In part, this reflects a lack of early environmental stimulation of children and the inadequacy of their health and nutrition. However, it also reflects the quality of teacher training and the strain on resources-often associated with rapid quantitative expansions such as overcrowded classrooms, high pupil/teacher ratios, lack of textbooks and ill-equipped facilities. In times of fiscal restriction, expenditure on physical inputs is squeezed more than salaries. In some countries education to prevent them; immunization against the six communicable diseases; and an essential drug program covering some fifteen to twenty basic products.

The reduction of malnutrition is more difficult. People are hungry because they lack resources to grow enough food or to buy it. The fundamental solution to protein-energy malnutrition may thus require a redistribution of resources, but directed food subsidies and direct feeding schemes can assist. Recent improvements in food technology can help to overcome micronutrient deficiencies, e.g., by fortifying the nation's salt with iron or iodine.

Studies have shown that improvements in water supply can have dramatic effects on the incidence of diarrhoea diseases. The cost of providing vaccine doses against six main vaccine-preventable diseases is about \$1.20 per child. The per capita cost of fifteen essential drugs needed at the village health post level is only some \$0.50-0.60 per year, and an episode of diarrhoea can be treated with oral dehydration salt available commercially at \$0.15 - 0.20. The costs of combating micronutrient deficiencies are very low; vitamin A capsules cost \$0.10, the cost of iodizing salt is \$0.05, and iron fortification of salt or centrally processed grains cost \$0.05 -0.09, all per person per year.²⁶

The costs of providing primary health care are low, and yet provision is not as widespread

as it could be. According to a WHO estimate, some three-quarters of all health spending in the developing world is being used to provide expensive medical care for a relatively small urban minority? Moreover, modern hospitals and costly medical technology absorb the great majority of health-related foreign aid to developing countries. There is a case for reallocating resources toward low-cost, high-impact primary health care measures.

Health expenditures of this sort can be justified not only by their effects on people's capabilities to enjoy life, but also by their effects on productivity. There is evidence that dietary energy improvements have an immediate effect on the performance of workers, and that supplementation of micronutrients can have an even more dramatic effect on anaemic workers. Growth retardation at an early age, caused by dietary deficiency or infection, is a powerful mechanism for perpetuating the vicious circle of poverty, malnutrition and stunting. Severe malnutrition of children under age 5 leads to lifelong impairment of cognitive and physical performance. If children can be protected from these harmful effects, their long-run productivity and income could be greatly enhanced; and the resources required for their subsequent health care could also be reduced. Nor need the benefits stop (here: primary health care lends itself to social mobilization and community participation in the design and delivery of programs, and this is likely to result in communities being better organized, more self-reliant and more vocal).

The creation of human resources is one thing; their effective utilization is another. It is important that there be the right environment and incentives for human resources to be used fully and productively. Their effective use requires that factor prices should reflect their scarcities. The failure of markets to secure this outcome can result in economic inefficiency associated with, e.g., mismatch of supply and demand, unemployment of labor and the brain drain. A potential problem is that the free-market outcome may well conflict with income distribution objectives of government. In that case, the better solution may be to pursue income distribution objectives by means of other instruments.

Human capabilities can be dormant, waiting to be tapped, leaking perhaps in organizational initiative. Sometimes these capabilities can be tapped through greater participation of people at the grassroots level. Obstacles may arise from gross inequalities in power, wealth and incomes between different groups and classes in society. The lack of freedom of association and organization may constitute a barrier in some cases. There are also societies where discriminatory practices based on gender, race, caste, religion, status, etc., effectively preclude equal economic or social participation by some groups. Illiteracy, limited education and knowledge, lack of confidence, passivity, etc., also constitute barriers to participation of individuals and groups in society.

Some of these obstacles are more amenable to policy change than others. The role of government has to be examined carefully. Experience suggests that local people will not be motivated if group activities are both controlled and taxed by government. Perhaps the effective role of government is to provide information and an organizational framework, to ensure that the incentives are right and to let people do the rest.

Human Development and the Distribution of Income

It is widely believed that expenditure on human development programs is either distributionally neutral or else discriminates in favor of the poor. This view, however, is usually incorrect. Speaking of Asia and the Pacific, an BSCAP study reports that "inequality in opportunities to benefit from human resource development is pervasive in the developing countries of the region. There is inequality between sexes, among regions within each country, between rural and urban areas and among persons in different economic and social groups."²⁸

What is true of Asia and the Pacific is equally true of Africa and Latin America. The major beneficiaries of human development programs tend to be males, households living in the large urban areas, and people with middle or high incomes. Females, residents in the rural areas and those with relatively low incomes benefit proportionately less than others from the resources allocated to human development. This is due in part to "urban bias" in the provision of services, in part to cultural and sociological reasons, but above all, to a pattern of unequal subsidies among programs that effectively favors upper-income groups. The per capita subsidy of human development programs used disproportionately by the relatively better off (such as university education) lends lobe

much higher than the per capita subsidy of programs used largely by the poor (such as health clinics in rural areas). Consequently, the potential of expenditure on human development to reduce social rigidities, increase social mobility and thereby ameliorate inequality remains large.

There is thus a need, particularly in times of structural adjustment, for governments to change the composition of their human development expenditure programs to ensure that on balance, most of the benefits accrue to those in the lower half of the income distribution.⁹ This can be done, for example, by switching resources from expenditure on urban hospitals to expenditure on primary health care (particularly in countries where hospitals account for 50-60 percent of government health funds), and by switching resources from university education to primary and secondary education (particularly since expenditure per university student often is 10-40 times greater than expenditure per primary school student).

In addition to a change in the composition of public expenditure, there may be a case in some countries for introducing user charges to help cover part of the cost of human development programs. If the tax system were optimal and progressive, and if the benefits of public expenditure programs were equitably distributed, the case against user charges would be quite strong, and the case in favor of universal free education and health services would be attractive. But since tax systems in the developing countries often are in practice regressive, and since the benefits of many human development programs are reaped disproportionately by the better off, there may be an argument on grounds of equity for charging for services. In addition, where the alternative to imposing charges is to cut services, there may be an argument on grounds of long-term development for requiring users to cover at least part of the cost.

It is essential that if user charges are introduced, they must be designed in such a way that they do not add to the regressivity of the tax system. This can be done in several ways. First, user charges should be avoided as much as possible on services largely used by the poor, e.g., primary education, primary health care and public water points. Second, in the case of services and facilities used by both the poor and the rich, e.g., secondary education, non-basic health services and piped water, user charges should be selective, discriminating among users according to per capita income. Third, full-cost charges should be imposed on services used largely by upper-income groups, e.g., university education and sophisticated medical treatment available only to a few. But, fourth, where full-cost charges are imposed, low-income groups should be entitled to scholarships (e.g., for university education), exempted from the charge or subject to only a nominal charge. In this way, a system of user charges can actually be used to create a more egalitarian society.

No system of user charges, however, can counteract discrimination in access to services. This is something that requires positive intervention by the state. One of the clearest cases of discrimination is that against women. In some countries, namely, Bhutan, Nepal, India and Pakistan, discrimination is so blatant that, contrary to the pattern everywhere else, the life expectancy of women is less than that of men. This reflects in part a lower regard for the health of female infants than for male infants. In education, too, there is great discrimination. On average, the illiteracy rate among females in the developing countries is 75 percent higher than among males, i.e., 48.9 percent illiteracy among women as compared to 27.9 percent among men.¹¹ In primary school, women account for 44 percent of the pupils in the developing countries; in secondary schools, 39 percent; in tertiary education, 36 percent. In the least developed countries, the situation is even worse: women account for only 20 percent of students and 11 percent of the teaching staff in tertiary education.

In addition to discrimination based on sex, there is discrimination based on race (as in South Africa, Fiji and Malaysia) and on religion (as in Iran). Finally, there are specific problems associated with people of a particular [age](#). In some countries, the problem takes the form of child labor. For example, some children enter the labor force, e.g., in the carpet-making industry, before they have received primary and secondary education. In other countries, it is reflected in a disproportionately high incidence of unemployment among urban youth, a high incidence of long-term unemployment (and consequently of unemployability) among some sections of the young and, partly as a result of this, a sense of hopelessness accompanied by social disorders, such as criminality and drug addiction.

The distribution of the benefits of human development programs among the social classes is slightly paradoxical. Most of the absolute benefits of public services in

health nutrition, education, housing and transport accrue to the non poor, but even so, public subsidies and benefits in kind account for a higher proportion of the total income of the poor than of the non poor. Everything else being equal, therefore, a reduction in public expenditure is likely to fall most severely on the poor.

To avoid this, governments should alter the composition of public expenditure and possibly introduce discriminatory user charges. There is also the possibility of more accurate targeting of benefits in favor of the poor. It must be recognized and confronted squarely, however, that a redistribution of public resources in favor of the poor may in some circumstances be at the expense not of the rich, but of the lower middle classes. This could easily occur, for example, as a by-product of a switch of expenditure from urban to rural areas. Such a reallocation of resources might well be politically difficult to achieve, particularly if the urban population is more vociferous and better organized than the scattered rural population. The political economy of public expenditure cannot be ignored when designing human development programs, but at the same time, it must be recognized that in many developing countries, large sections of the poor have been denied an equitable share of the benefits of government programs.

Human Development and the Alleviation of Poverty

There is a temporal dimension to the alleviation of poverty. It is important to know whether policies which alleviate poverty in the short term do so at the expense of long-term alleviation, or whether they make it easier to achieve long-run success. Sustained economic growth is crucial to reducing poverty in the long run. Among the decisive factors will be the rate at which resources such as physical and human capital accumulate and the rate at which technical progress occurs in relation to the growth of the population and labor force. The converse may also be true, however—that is, immediate poverty alleviation may be good for growth. For instance, insofar as measures to enhance human capabilities through improved knowledge and health help people to escape from a vicious circle of poverty, they may make possible further long-run improvements in their condition. The normal view that capital expenditures promote growth, whereas current expenditures raise only current welfare, need not hold for such measures.

While economic growth is not sufficient to ensure human development, sustained growth is likely to be central in the long run to policies intended to expand the capabilities of all people in the Third World. The austerity currently experienced in many parts of Latin America and Africa is likely, if continued for much longer, to be incompatible with the maintenance of democratic political processes and with the continuation of human development programs at acceptable levels. In Latin America, for example, the debt crisis has forced countries to undergo a massive contraction in aggregate demand, substantial depreciation of exchange rates and often, after more than a decade of trade liberalization, a predisposition to no tariff barriers to trade and very high tariffs on imports. The result has been a decline in the real value of imports by more than 45 percent between 1980 and 1985 (as well as a fall in the real value of exports because of lower commodity prices). Employment, investment and growth have all suffered severely. Unfortunately, the adjustment measures that have had to be adopted in many parts of Africa and West Asia have been even more deleterious. A revival of growth is essential in all three of these regions.

Nonetheless, it may be possible to adopt medium-term measures to contain poverty during the period of financial and economic crisis. One way to do this is to target the benefits of human development programs to favor the poor. Targeting presupposes that it is possible to identify the poor in general or those with specific needs, e.g., for improved nutrition. This in turn requires that data be available and in a form which permits analysis in terms of relevant social categories, e.g., by level of income, occupational group, social class, age, etc.

The difficulties and costs of accurate targeting should not be underestimated. In some cases, it may be cheaper and more efficient to provide a universal service rather than attempt to discriminate in favor of particular groups. Moreover, there is a danger that every targeted program will fail to reach some of the intended beneficiaries while providing services to some unintended beneficiaries. A study of the Indian integrated rural development program, for example, showed that 20 percent of the actual beneficiaries had incomes above the poverty line and hence in principle were not

eligible for participation in the scheme: t

Targeted programs which rely upon the exercise of discretion by government officials are vulnerable to corruption and abuse. Programs targeted on people with an income below some arbitrary minimum or with food consumption below some arbitrary daily caloric minimum fall into this category. More likely to be successful are programs which rely on self targeting or else are universally available within a restricted category. Examples of the latter include free lunches to all primary school children or rationed food supplies available only to inhabitants of rural areas. The chances of corruption in such cases are relatively low, but conversely, the chances of providing benefits to many who are not poor are relatively high.

Self-selection of beneficiaries has great appeal, because in principle, it is possible to offer universal coverage while in practice designing the program in such a way that it is attractive primarily to those most in need of assistance. Food-for-work programs, for instance, can be open to all, yet it is obvious that they will appeal primarily to the unemployed from households where average food consumption and incomes are low. Similarly, it is possible to design a limited food rationing system to which everyone has access, but which in practice favors the poor, the rest of the community voluntarily obtaining its supplies elsewhere.³² The easiest way to do this is by concentrating on varieties of food grains and qualities of products which are of special interest to low-income groups and which are characterized by low or even negative income elasticity's of demand.

The general point is that it may be possible to redesign human development programs, e.g., by better targeting, to ensure that particularly in times of increased hardship, a higher proportion of total benefits accrues to the poor. This general point can be extended by considering whether it is possible within a context of falling public expenditure to change the composition of public expenditure in order to give higher priority to reducing poverty. This raises the issue of the importance given by policy makers to human development as compared to the claims for spending by other government services.

Military expenditure can be used to illustrate the choices facing governments. In extreme cases, expenditure on defense is a multiple of expenditure on education and health. The data must be interpreted with caution, as statistical conventions appear to vary from one country to another, but the figures may provide a rough indication of orders of magnitude. In low-income countries other than China and India, average expenditure on defense in 1985 was 18.6 percent of total central government expenditure, whereas education and health combined accounted for 11.3 percent. In the lower middle-income countries, the proportions were 14.2 and 17.6 percent respectively.³³

Governments need to ask themselves whether reduced military expenditure would lead to reduced national security. Governments should also consider whether slack and inefficiency in the armed services is greater than in other areas of public expenditure; anecdotal evidence suggests that it often is. Similarly, defense procurement policies could be reconsidered. The market for military equipment is in general oligopolistically organized and hence not very competitive, and the price markup on supplies is high. The scope for financial savings in the defense budget may be much greater than in other areas of public spending. If so, it may be possible to release resources for human development programs without impairing a country's ability to defend itself.

Finally, it may be possible, particularly during a relatively short period of economic crisis, to use some of the resources allocated to the military services to support human resources, antipoverty measures and public investment programs. It is usual for the armed forces to be employed or help the civilian population when natural catastrophes such as floods and earthquakes occur. The question being raised here is whether the armed forces could play a constructive role over a longer period when economic catastrophes occur. The manpower and construction equipment of the armed forces might be used to sustain public investment in infrastructure (roads, bridges) and to construct the physical facilities needed for human resource programs (rural clinics, primary schools). Equally, the training facilities of the armed forces could be used to train the civilian labor force in useful skills (electricians, mechanics). In this way, the conflict in priorities between military expenditure and human resource development could at least be reduced.

There may also be opportunities to reduce poverty by mobilizing slack local resources. The ease with which this can be done depends in part upon the degree of grassroots

participation. Particularly in the rural areas and particularly during the off-peak seasons, the supply of labor is likely to be highly elastic and its opportunity cost low. If this labor is combined with technology of low capital intensity, it should be possible to generate substantial employment, raise the incomes of the working poor and produce productive assets of lasting value. The organizational intensity of a strategy of local resource mobilization, however, is likely to be high. In effect, the mobilization of labor is used as a substitute for physical capital. But again, the cost of mobilizing slack local resources can be kept to a minimum if the local population has already been organized around institutions intended to promote their well-being.

The capability of small-scale, locally based development to be self-sustaining often is underestimated. If resource mobilization is successful in raising rural incomes, experience shows that a significant proportion of the additional income may be ploughed back into investment, which then raises incomes further in the next period. In other words, marginal savings rates are potentially quite high even among very low income households. Thus, human development programs based in rural areas should not be regarded as income transfers to the poor, but as an efficient way of raising the incomes of the poor on a sustained basis.

In the urban areas, particularly in what is known as the informal sector, it may be possible to mobilize slack resources and release entrepreneurial initiative simply by removing government-imposed obstacles to progress. Quite often government policy toward the urban informal sector contains "too few elements of positive support and promotion, and too many elements of inaction, restriction and harassment."³⁴ The punitive demolition of squatter settlements merely destroys the housing of the poor; it does not result in better health or a more sanitary environment. Similarly, trade licensing systems create monopoly rents for license holders while discouraging investment in the informal sector. The effect of this is to harm the lower-income groups by reducing both employment and the supply of goods and services originating in the informal sector which the poor consume. From Kenya to Peru,³⁵ the informal economy is usually thought of as a problem rather than as a reservoir of frustrated initiative and untapped talent - a way out of underdevelopment for many of the poor. Yet, especially at a time when public expenditure is falling (and expenditure on human development is falling faster than the average), a strong case can be made for removing laws and regulations which make it difficult for the poor to help themselves, to put a roof over their heads, to obtain a job or to establish a small shop or enterprise. If the ability of the state to help the poor in a time of economic crisis is declining, the least that can be done is to make certain that the state does not aggravate the problem of poverty or obstruct the efforts of low-income groups to improve their situation through their own exertions.

Conclusions

The peak of enthusiasm for "investment in human beings" occurred in the 1960s. Since the first oil crisis, the pendulum has swung in the other direction. The question now is how to manage the economic crisis and return to economic growth. There is a tendency to consider education, health and social services as consumer goods-luxuries to be afforded in good times, but not in bad. The pendulum has swung too far toward the neglected human resource development.

When governments face a severe dilemma of having to choose between adjusting to short-term economic and fiscal constraints and pursuing long-term human resource goals, there is a danger that the former will dominate the latter. For instance, the costs of neglecting the former are more calculable, and more attributable, than the long-run costs to the development process of neglecting the latter. Nevertheless, the solution to the short-term problems of the present may contribute in a series of equally pressing short-term problems in the future.

A broader view must be taken of the development process than is normal - a view which encompasses not only the growth of national income per head and improvements in its distribution, but also the enhancement of the capabilities of people to be and to do more things and to lead fuller lives. Education, health and nutrition have an important role to play in helping people to develop their capabilities. The enhancement of human capabilities is both an end in itself and a means to higher production and income. There is evidence that the economic returns to expenditures on education and health can be high. There is thus a good case for protecting such expenditure against the fiscal squeeze which generally

accompanies economic recession and structural adjustment programs.

Although the distribution effects of government taxation and expenditure are often regressive, with richer households receiving larger benefits, it is the poor who may suffer most from public expenditure cuts, in that the smaller absolute benefit to the poor is nevertheless a more important part of their income. The basic public services, such as primary education and basic health care, need to be protected for reasons of both efficiency and equity. There is a case for greater targeting of subsidized public services to the poor, e.g., by concentrating on poor rural areas and using self-selective schemes like food for work. It is naive to expect that, in a period of curtailment, additional funds will be provided or that funds will be diverted from other activities (such as defense) for those activities which enhance human capabilities, then at least the basic services should continue to be provided free and, where it would not be a regressive move, selective cost recovery might be introduced to maintain and enlarge programs providing non-basic services.

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CHAPTER 5

Toward an International Strategy for Basic Education, for All Sylvain Lourie and Hans Reiff

If past trends continue at the present pace, by the year 2000 the total number of illiterates in the world will surpass the one billion figure (about one-third of the adult world population), while four out of ten children in the developing countries will not complete their primary education, thus enlarging the ranks of illiterates. In order to speed up the historical trend of reducing illiteracy worldwide by only 1 to 10 percent per year, a quantum leap will be required in the form of a "basic education revolution."¹

How can a basic level of education be achieved for all human beings in the form of primary education for children and basic literacy skills for unlettered youth and adults? Starting with a statistical analysis of past trends and recent developments, constrained by structural adjustment policies and austerity measures,² this paper presents some alternative projections for the year 2100 of enrollments and literacy, including estimated economic implications. Past trends and future prospects for international cooperation in basic education are also discussed.

An effective and why international development strategy aimed at maximizing welfare must search for a shared solution to the challenges of universal primary education and literacy. Such a cooperative search can take place only if national policies aimed at this objective are also accompanied by the mobilization of a high level of national resources. For such an international strategy to be effective, it needs to go beyond the conventional means of resource mobilization, accumulation and use, transfer of technology, technical know

how and project aid. It must be inspired by a prospective analysis of both the costs and benefits of public and private investment in basic human competencies. The improvement of the policymaking environment through dialogue and international intellectual cooperation in support of major reforms in national human development policies is likely to be more productive than support to individual educational projects and institution.

In those cases where domestic educational policies are beyond influence in the short term, direct investments in basic education can still yield positive long-term returns, but only if accompanied by a packaged transfer of capital and technical know how in support of a technologically literate environment, a participatory research capacity, and a sustained system of statistical analysis and forecasting. In combination, these elements can lay the foundations for the accelerated development of basic education whenever fundamental policy reform becomes feasible.³

Basic Education: A Neglected Human Right

A recent session of UNESCO's Executive Board (May 1988) stressed the need for national and international development strategies which give due consideration to the long-term and cumulative benefits of investing in basic education and literacy- UNESCO considers such investments to be the major determinants of the future quality of life, as well as the critical means and the major goal of promoting human development.

However, while an increased awareness of the glaring injustice and disadvantage that one-third of the adults and one-half of the children of the world suffer due to illiteracy has succeeded in putting basic education on the political agenda in many countries, it has failed to produce a large-scale social mobilization or massive action programs.

For more than two decades, it has been recognized that only universal primary education can check illiteracy at its source. In addition, large scale literacy programs for out-of-school youth and adults would be required to create a socio-cultural environment conducive to promoting a permanent demand for primary education. Thus far, only modest international support for basic education and literacy has been forthcoming, mainly as a supportive instrument in implementing child survival strategies (e.g., women's literacy programs). Basic education has not so far been viewed as a basic human right and a precondition for economic and social development. The international community has confined itself to designing plans of action and structures for international and regional cooperation. These may not have had a significant impact because of a lack of adequate resources.

While it has been argued that "outsiders" cannot directly engage in combat for a literate world and substitute their action for that of competent agencies in sovereign states,^a one needs to recall that in the past, major successes have been scored in generating national and international will to mobilize massive support for child health and child survival. Although no strict parallel can be drawn between health and education in either the nature of the problems or the approaches to their solution, it is also true that a massive and continued support has ever been extended to primary education and literacy, the twin components of basic education.

Two arguments have been cited by those advocating prudence regard, big international support for primary education and literacy. First, they say that if three decades of development cooperation and aid had been truly effective, it would by now have been possible to reverse the trend of a growing educational and human gap between the rich and the poor. Second, it is argued that illiteracy is such a deeply rooted social phenomenon, complex and interdisciplinary in its nature, that even decades of dedicated, persevering and imaginative national and international efforts could not have resulted in its elimination. A fair assessment of development cooperation in basic education and literacy must recognize, however, that (i) it has been extremely modest and marginal relative to the magnitude of the task of providing basic educational opportunities for all and creating an effective demand for literacy,⁵ and (ii) dedication and perseverance in combating illiteracy through imaginative intersectional approaches have been the exception rather than the rule.

Illiteracy: Status and Trends

While nearly all developing countries are afflicted with the problem of illiteracy to some degree, the nine countries shown in table 1 each have more than 10 million adult illiterates and collectively account for about three-quarters of the world's illiterate adults.

With regard to the distribution of illiterate by region and by sex (see table 2), we observe

that in 1985, Asia accounted for almost 75 percent of all the world's illiterates, while the rate of illiteracy in this region (36.3 percent) was also somewhat lower than that of all enveloping countries combined (38.2 percent). As was to be expected, the highest rate of illiteracy (67.6 percent) can be found in the least developed countries (LDCs), most of which are situated in Africa, which reports an illiteracy rate of 54 percent. In the developing countries, the illiteracy rate of women was, on the average, 21 percentage points higher than that of men.

Countries with More than 10 Million Illiterates Age 15+ in 1985

Country	Illiterates 1985 (percentage)	Number of illiterates (Millions)	Proportion Of world Total	
			percentage	Cumulative percentage
India	56.5	261	29.7	29.7
China	30.7	229	25.8	55.5
Pakistan	70.4	39	4.4	59.9
Bangladesh	66.9	37	4.2	64.1
Nigeria	57.6	27	1A	67.1
Indonesia	25.9	26	2.9	70.0
Brazil	22.3	19	2.1	72.1
Egypt	55.5	16	1.8	73.9
Iran	49.2	12	1.3	73.2
Subtotal	27.7	669	75.2	
Other countries		220	24.8	
World total		889	100.0	

Source: UKCE, "Current Literacy Situation in the World," mimeographed, document no. STeS/WS.9

While the percentage of illiterate adults in the world (age 15 and above) has been steadily declining from an estimated 33 percent in 1970 to 28.6 percent in 1980 and 27.7 percent in 1985, the absolute number of illiterates has increased from about 760 million in 1970 to 824 million in 1980 and to 889 million in 1985 (more than 60 percent of whom are women).

Projections of literacy based on extrapolations of census results and on primary school enrollment projections is a very hazardous exercise, as is shown in table 3, where worldwide literacy projections undertaken in 1982 up to the year 2000 are compared with the 1985 observations resulting from 1980-81 census data on literacy and from more recent, rather discouraging, enrollment upends.

If past trends were to continue, by the year 2000 more than a billion adults will be illiterate, representing almost 24 percent of the adult population. The highest rate of illiteracy in the year 2000 will still be found in Africa (35.2 percent), followed by Asia (27.8 percent) and Latin America (10.4 percent).

TABLE
2
Illiteracy by Region and by Sex
(1985)

Region	Population Age 15+ (Millions)		illiteracy Rate Age 15+ (Percentage)		
	Total	Literates	Total	Male	Female
				F	M

World	3,203	2,314	889	27.7	20.5	34.9	144
Developed countries	931	911	20	2.1	27.9	2.6	0.9
Developing countries	2,272	1,403	869	38.2	43.3	48.9	21.0
Africa	300	138	162	54.0	25.6	64.5	21.2
Asia	1,833	1,168	666	36.3	15.3	47.4	21.8
Latin America And Caribbean	253	209	44	17.3	56.9	19.2	3.9
LDCs	179	58	121	67.6		78.4	21.5

SOURCE: "The Current Literacy Situation in the World," mimeographed, docunwm no. ST.857WS.9

TABLE
3

Literacy Projections, Population
Age 15+

	1970	1980	1985	1990	2000		
	Projected		Observed	1970-1980		1980-85	
						Bald	
Literate (million)	1,550	2,045	2,336	2,314	2,626	3,33	3,230
illiterate (million)	760	824	853	889	882	0	1,012
Total population (million)		3,869	3,189	3,203	3,508	912	4,242
Percent illiterate	32.9	28.6	26.7	27.7	24.9	4,24	23.9
Total population (million)	2,310				2		21.5

SOURCES: "Review and Appraisal of the Implementation of the Developed Strategy for the Third

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ER716(Paris: UNESCO, 1984); Starisricoi Yew*ook 19B7(Paris: UNES000ffce at Statistic, 19S7).

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Out-of-school Children and Youth

As shown in table 4, despite the rapid expansion of overall enrollments, the absolute number of children who are out of school has continued to grow in the developing countries at the rate of about 1 million per year over the period 1965-85 for the 6-11 age group and almost 3 million per year for the 12-17 age group over the same period.

TABLE 4						
Out-of-school Youth, Both & axes (Millions)						
	Age Group 6-11			Age Group 12-17		
Region	1965	1975	1985	1965	1975	1985
Developed Countries	9	7	7	23	19	12
Developing						

Countries	110	121	130	139	173	197
Africa	30	32	34	32	37	41
Latin America	14	11	9	18	19	19
East Asia	0.5	0.1	0.1	5	3	1
South Asia	66	77	86	88	115	137

SOURCE: "Reflection on the Future Development of Education," Educational Studies and Documents no.49 (Paris, UNESCO Office of Statistics, 1987)

It is estimated that in 1985, after correcting for the length of the primary school cycle and repeaters, there were about 100 million school age children who were not in school. About 70 percent of these out-of-school children were in the lowest-income countries. South Asian countries accounted for 45 percent of the out-of-school primary level children, while sub-Saharan Africa accounted for 30 percent. About 60 percent of these out-of-school children were girls.

Table S lists 10 developing countries with the highest populations of out-of-school children in 1985 and their projected estimates for the year 2000 based on two different scenarios of enrollment growth. These 10 countries together accounted for 31 percent of all children between the ages of 6 and 11 in 1985 but for 61 percent of the world's out-of-school children age 6-11.

TABLE 5

Out-of-school Children Age 6-11 in 10 Selected Countries (Millions)

	1985	2000	
		2% Growth	5% Growth
Total out of School (low-and lower middle –income countries) Selected countries.	87(21%)	129(12%)	52(10%)
India	22.5(25%)	126(12%)	0.0 (0%)
Pakistan	11.0(70%)	19.0(76%)	13.0(52%)
Bangladesh	6.7(45%)	6.1(55%)	0.0 (0%)
Ethiopia	5.5(31%)	9.7(87%)	7.9(71%)
Nigeria	4.1(26%)	4.6(50%)	30(10%)
Afghanistan	2.7(33%)	4.8(89%)	4.4(81%)
Sudan	2.3(33%)	44(30%)	30(53%)
Egypt	2.3(33%)	2.8(30%)	00 (0%)
Tanzania	20(46%)	4.9(64%)	2.5(32%)
Uganda	1.4(49%)	2.9(60%)	1.4(29%)

Enrollment grows at the rate of 2 percent per year in one scenario, which is slightly less than the average growth rate during 1980-85 (but higher than the growth rates observed during 1985-88) and at 5 percent in the other, which approximates their average growth rates from 1960-80. Both scenarios assume the same projected population growth in each country. The figures show that for India, Bangladesh and Egypt (countries with significant declines in fertility), a 2 percent growth rate in primary school enrollment will be sufficient to reduce the proportion to children out of school, while a 5 percent growth rate will reduce this ratio to zero. In the other countries, however, a 2 percent enrollment growth rate will not be adequate, and even a 5 percent growth rate narrows but does not close the gap. Even at a 5 percent growth rate, the number of out-of-school children will increase in the poorest countries (Ethiopia, Tanzania, Pakistan and Sudan) unless population growth slows down considerably.

Primary School Enrollments

On the occasion of the review and appraisal of the implementation of the development strategy for the Third United Nations Development Decade, UNESCO undertook projections of school enrollments in developing countries based on past trends and

population projections available in 1984.⁶

Projected Enrollment Ratios of the 6-11 Age Group by Sex for Developing Countries

Year	Total	Male (M)	Female (E)	P Minus M
1980	68.1	75.4	60.5	14.9
1985	71.9	78.4	65.1	13.3
1990	74.9	80.6	68.8	11.8
2000	79.4	83.7	74.9	8.8

SOURCE: "Trends and Projections of Enrolment by Level of Education and by Age 1960-2000," Current Studies and Research in Statistics, document no. CSR-E-46 (Paris: UNESCO Office of Statistics, 1983).

These projections were based on estimates that the world's school age population aged 6 to 17 will increase by more than 200 million between 1985 and 2000. Over one-half of this increase will be accounted for by the lowest-income countries in Africa and Asia. About 86 percent of the increase in school-age population will be children of the world's poorest 79 countries. Sub-Saharan Africa alone will account for 41 percent of this total increase; the school population there will be growing at the rate of 3 per cent every year. The challenge to universal primary education will thus remain tremendous. It will require providing a place in school to the 100 million children of school age who are currently out of school, as well as to another 100 million who will become of school age during the next decade.

The challenge may well be more important than was estimated some five years ago because of the increased levels of poverty, growing indebtedness and declining public expenditures, which have reshaped crisis proportions in an increasing number of developing countries. Recent evidence, Sylvain Lourie & Hans Reiff/ Page 65 obtained through UNESCO field missions, confirm accumulating problems of enrollment stagnation, declining educational quality, inadequate teachers' pay and similar indicators of educational crisis in many countries struck by economic recession. An ongoing UNESCO study⁷ on primary education in the world's 41 least developed countries and in 20 other countries particularly hard hit by negative economic trends observes that among the 17 least developed countries for which economic data are available, 10 have become poorer since 1980, as measured by falling GDP per capita in constant prices. In three-quarters of these 17 countries, public expenditure per capita has decreased since 1980, while private consumption expenditure (including outlays for children's education) has actually declined since 1980. Among the 20 other developing countries particularly affected by economic recession, most have registered a decline in each of these indicators, with particularly severe problems in Africa, Latin America and the Caribbean. Debt servicing absorbs an ever-increasing share of export earnings of the vast majority of these 61 countries.

In light of these observations, any idea of educational "cost recovery" from within the private sector (parents and communities) to make up for the decline in public expenditure must be viewed with skepticism. The economic recession clearly affects not only the supply of public services, but also the financial capacity of families to demand and pay for such services.

The Uncertain Future of Primary Education

In the 1970s, the continuous quantitative growth of primary education throughout the developing world seemed to bear out the faith of those who argued that the achievement of universal primary education would only be a matter of time and further investment. After all, by 1980, 444 million students were attending primary schools in developing countries, as compared to 310 million ten years earlier. Sub-Saharan Africa alone doubled its primary enrollments from 20 to 46 million students. Today, however, eight years

into the 1980s, this faith is difficult to uphold. In many of the world's poorest countries, as well as in other countries particularly affected by economic recession, further progress toward universal primary education can no longer be unquestionably assumed.

a) In a number of countries of Africa (Somalia, Mozambique, Togo, Madagascar, Tanzania, Mali) and the Caribbean (Guyana, Jamaica) primary school enrollments started declining in 1980, a trend which would have been inconceivable in the 1970s.

b) In every third country, the goal of universal primary education appears to be moving farther away. Efforts made to enroll children in primary school are no longer able to keep up with population growth. Gross primary enrollment ratios are declining in Madagascar, Togo, Tanzania, Somalia, Mozambique, Ghana, Mali, Algeria, Sudan, Guyana, Mexico, Trinidad and Tobago, Bangladesh and Democratic Yemen.

c) A large share of public resources devoted to education has diminished in more than half the countries studied, a trend particularly marked in Latin America and the Caribbean. It should be recalled that this happens in a context where public expenditure per capita as a whole is also generally declining.

d) Expenditure per student on primary education tends to decline in two-thirds of the countries studied. The resources provided to maintain a minimum educational quality have thus decreased, and in some cases, unit costs per student have been halved.

e) There is indirect but strong evidence of decreasing salaries for primary teachers in close to three-quarters of the countries studied. The decline has been particularly steep in a number of African countries (Botswana, Madagascar, Uganda) and in certain Latin American and Caribbean countries

(Mexico, Jamaica, Peru, Guyana, Uruguay). Teachers' salaries are hard to come by, the data are based on "aggregate recurrent expenditure per teacher," a fair proxy, considering that 90-95 percent of recurrent expenditure at the primary level is used to pay teachers.

In conclusion, we can observe that primary education is going from good to bad in many developing countries. Even where primary enrollments continue to grow—and this is generally still the case—progress toward universal primary education can no longer be taken for granted in the least developed countries and in other developing countries most severely hit by the economic recession. The financial resource base for paying teachers and maintaining the quality of educational services is becoming increasingly precarious. A determined international effort will be needed to cope with the educational fallout of adjustment policies and to help developing countries regain the educational momentum they have lost.

Coat Implications of Increasing Primary Enrollment

The World Bank has estimated (see table 7) that in order to raise the primary enrollment capacity in the year 2000 to 95 percent (i.e., 95 percent of the age group and 5 countries (gross provision of average pupils), low-income countries (China and India) will have to spend on an average 2.2 percent of their GNP on primary education alone, compared with 1.3 percent recurrent in 1985.

TABLE 7

Recurrent Expenditure for Primary Education in the year 2000 (At 100% Enrollment Capacity)				
Countries	Percentages of GNP for primary Education 1985			
	1985	Unit2mB	1985	Cost+
Low-income (excluding)	Cost		Materials	
Low-income (excluding)				
China and India	1.3	2.2	2.4	
Lower middle-income	2.2	1.8	1.9	

Improving the internal efficiency of education will require additional expenditure, an appropriate investment package and policy measures for quality improvement. In low-income countries, expenditure on teaching materials at the primary and secondary level steadily declined (in 1983 dollars) from \$2.60 in 1975 to \$0.67 in 1985. The last column of table 7 estimates the cost associated with a provision level of educational materials for primary education of \$4 per student per year (the present level of expenditure for middle-income countries). These quality improvement measures would increase the resource requirements for primary education to about 2.4 percent of GNP in low-income countries and 1.9 percent in lower middle-income countries. Raising expenditure on primary education from 1.3 percent to 2.4 percent of GNP would imply that, on the whole, education budgets will need to increase by about 7 percent per year in real terms, i.e., about 3-4 percent more than the projected growth of GDP.

In order to provide access to schooling for the 100 million children who are currently out of school, as well as to another 100 million who will become of school age during the next decade, significant expansion of the physical infrastructure will be required—on the order of \$20 billion, or \$2 billion per year in the 1990s, representing roughly the equivalent of 1 percent of the projected GNP in low-income countries during that period. Expenditure levels for providing universal primary education would thus be around 3.5 percent of GNP over a ten-year period, unlikely to be sustained from public funds. As the potential for capitalizing upon community and family involvement in the provision of physical infrastructure will become increasingly critical, more emphasis will need to be placed on using available human and physical resources more intensively (e.g., double-shifting, multiple-grade teaching, peer instruction, distance education technologies, etc.) and on revising staffing policies (in service training, career development, performance incentives, etc.).

Efficiency, Quality and Unit Costs

In low-income countries, enrollment growth has stretched available managerial, professional and financial resources beyond the limits of minimal effectiveness. Students from industrialized countries outperform by a large margin students from developing countries on standardized achievement tests of reading, mathematics and science. The disparity between the number of years needed to produce one fifth-grade completes in lower-income countries and in industrialized countries has also been widening, as shown in table g.

TABLES

Number of School Years Needed to Produce One Fifth-grade Completes

Countries	1975	1980	1984
Low-income	8.8	8.6	9.0
Lower middle-income	7.6	7.4	7.2
Upper middle-income	6.5	6.4	6.3
High-income	6.0	5.6	5.4

SOURCE:

Accelerated Education Development: A Program, for Africa, mimeographed
 of Whinston DC: World Bank Education and Employment Division, Population and Human Resources Department. 19881.

Because of higher dropout and repetition rates in developing countries, it took 9 years of school inputs in 1984 to produce a fifth-grade completes in the lowest-income countries, as compared with 5.4 years in industrialized countries. The cost associated with this low efficiency of the school system represented, in many instances, as much as 20 percent of the education budget. Moreover, the gap in internal efficiency between low and high-income countries has widened since 1975.

In terms of resource allocation and expenditures, developing countries spend much less per student than developed countries. In 1960, the industrialized countries spent 14 times more per student than low-income countries. By 1970, this expenditure gap had grown to 22 times and by 1980, to 50 times. Although the proportion of the school-age population is 75 percent higher in developing countries than in industrialized countries, the developing countries spend only about 3 percent of GNP on education, as against 4-5 percent for the industrialized countries. Table 9 shows that between 1975 and 1980, there was an increase in the percentage of GNP spent on education in low-income countries and a decrease in high-income countries, but since 1980, the gap between the two has again broadened.

Educational Aid Flows

As shown in table 10, the total flow of aid to education in the 1980s fluctuated by around \$4 billion per year. The bulk of assistance was directed toward the higher levels of education. For example, in sub-Saharan Africa, only 7 percent of all direct aid to education in the early 1980s was used to finance primary education, whereas 39 percent went to the tertiary level.

This meant that in terms of per student expenditure, direct aid to primary education amounted to \$1.10 per student, to secondary education \$11, to secondary technical education \$182 and to higher education \$575. Less than 4 percent of bilateral aid was channeled to primary education, while 42 percent was allocated to higher education. Only 11 percent of external aid to education in sub-Saharan Africa went for operating costs, while 17 percent went for fellow ships abroad and 44 percent for technical assistance.

Public Expenditure on Education as a Percent of GNP

Countries	1975	1980	1984
Low-income	3.0	3.3	2.9
Lower middle-income	4.2	4.6	4.6
Upper middle-income	4.3	4.5	3.6
High-income	5.6	5.3	5.1

SOURCE: "Accelerated Educational Development: A Program for Action," mimeographed (Washington DC: World Bank Education and Employment Division, Population and Human Resources Department, 1988).

TABLE

Comparative Educational Aid Flow (US\$ Millions)

Bilateral Aid from OECD/DAC		World Bank		Other Multilaterals		Total	
Aid to Education	% of Total Education	Aid	% of Total	Aid to Education	% of Total Education	Aid to Education	% of Total Education
1980 3,394.8	13.9	440.1	3.8	256.7	5.8	4,091.6	10.2
1983 2,755.7	11.7	547.9	3.8	498.9	8.2	3,802.5	8.6
1986 2,858.9	10.9	839.5	5.1	453.9	6.8	4,702.9	9.6

NOTE: OECD/DAC include loans and grants but exclude contributions in multilateral agencies. Other multilaterals include the regional development banks, UNICEF and UNESCO.

SOURCE: "Accelerated Educational Development: A Program for Action," mimeographed (Washington DC: World Bank Education and Employment Division, Population and Human Resources Department, 1988).

It appears that international aid to education was stagnant from 1980 to 1985 both in dollar terms and as a percentage of total aid flows, while the critical priority area of primary education was severely neglected.

Education and Human Development in the Industrialized Countries

In most industrialized countries, the economic and social toll of adjustment has also been high and shows no promise of dropping off in the medium term. In such an uncertain socioeconomic environment, the "human factor" will continue to assume preeminence as a factor of production. As investments in human capital, the development of skills and qualifications will thus receive an increasing importance in the future, and the skill formation process—education—will

attract even greater attention and compete for scarce public resources.

Because of the growing knowledge-intensiveness of the pathways to sustained development in these countries, the emphasis will continue to shift away from educational growth and toward educational quality and change. Thus, while most of the developing countries will continue to struggle to close the quantitative gap in basic education (often at the expense of quality), in the industrialized nations, pressure for high-quality compulsory education to meet the learning needs of underachievers, permitting them to pursue further education and training as adults, will be (umber intensified).

In such an international arena, the human gap between the poor and the rich countries is likely to widen in the future. Realistic expectations for increased foreign aid to help close this gap do not lead to unbridled optimism. Yet, more than at any other time in the last twenty years, a massive effort is now called for to get early school leavers "over the hump" and make sure that by staying in the system, thanks to quality improvement, they do not father swell the ranks of frustrated semiliterates who will soon disappear into the growing crowd of illiterates.

In addition to aid, international cooperation must also focus on strengthening the educational policy dialogue, capitalizing upon the central problem faced by both the developing and the industrialized countries—the challenge of a highly interdependent, open and fast-moving international economic system which risks outstripping human and social capacities unless education and training can enhance the capabilities of individuals to cope with change and thereby increase their security. The following common areas of concern and international intellectual cooperation seem worthy of attention.

a) The development, application, dissemination and mastery of advanced technologies are essential ingredients for development in

all countries. In addition to a work force capable of applying advanced technologies, this requires technologically literate consumers.

b) Widespread unemployment among youth and chronic long-term unemployment has created, in all countries, a large class of persons whose self-fulfillment depends upon educational preparation for an active society. This needs must be much more than a simple preparation for working life.

c) Because of the rapid shifts in skill and qualification requirements in the labor market in all countries and the resulting heightened sensitivity to educational deficiencies, the cost of failure in initial education is going up. For those who succeed, initial education must be followed up by skill formation processes which increasingly take place in the context of (public and private) labor market programs.

d) As the penalty for underachievement increases in developing as well as industrialized countries, it will become more necessary to ensure that the greatest numbers actually reach at least some minimum threshold of competency, which means that initial basic education must not only be accessible to all, but must also guarantee some minimum quality of outcome and of entrepreneurial creativity.

e) Rapid demographic and societal changes in all countries have resulted in exceedingly complex interactions between levels of income and poverty, social aspirations, fertility and family patterns, and labor market and educational participation, with each parameter feeding back into the others as individuals and families change their assessment of how to maximize their quality of life. The question unavoidably arises for both developing and industrialized countries as to whether it is possible for formal systems of basic education to achieve the degree of responsiveness and flexibility necessary to meet these changing demands or whether a feasible strategy for change must also include, in addition to those who traditionally supply basic education (governments and teachers), those who determine its demand (parents and employers).

Toward a Diversified International Strategy

During the past decades, in spite of official declarations of interest, the aim of universalizing primary education has not been given the budgetary importance one might logically have expected from both developing-country governments and the international aid community. Under the pressure of national demand, which is usually better organized at the upper levels of education, secondary and higher education have generally been expanding more rapidly than primary education and taking up bigger shares of public resources. To reverse this trend, an international strategy must both address the issue of greater supply (access and quality) and create a strengthened demand for basic education.

The demand for basic education amongst the most deprived groups of society is extremely fragile? Creating schools does not guarantee that children will come to them. In the least developed countries, problems of demand have become more serious. Poor school quality has contributed to poor retention rates and low achievement scores. Shifting part of the cost of primary education onto families has also had a discouraging effect on demand for education. Experience has shown that school feeding programs, which represent 10 percent of aid to developing countries and as much as 20 percent in Africa, do have a positive impact on school attendance, and that improving the nutritional status of children also improves their academic performance.

Not only does supply not necessarily create demand, but capital transfers in this area are limited. Room for capital-intensive projects in basic education is limited because facilities are generally small and widely scattered, and because they can best be financed by local resources. Supporting the salary bill of teachers poses a problem of fungibles of money and aid.

People living in conditions of extreme poverty, waging a daily struggle for survival, do not consider the acquisition of basic literacy skills a priority need. Also, the structural characteristics of poverty make it difficult for external resources or agencies to reach the poor through basic education, except in the context of a national policy that actively directs such a process! ^U A case could be made for increasing the share of assistance for adult literacy to countries whose national policies give priority to poverty oriented programs. Unfortunately, those countries are not synonymous with the least developed countries.

It has been generally recognized that primary literacy is important not only as a basic human right, but also because it improves access to technology and resources. Female literacy helps to improve the interfamily distribution of resources, upgrade childcare practices and reduce fertility. However, to translate this knowledge into awakening and strengthening demand is the most critical problem faced by the organizers of literacy programs. While some national governments have succeeded in mobilizing their populations to become literate, the extent to which their experience can be transferred to other countries is limited. Political interest in literacy can be built up and organizational structures created, but contextual factors which directly affect the learners' motivations are more difficult to influence. This is why the potential for a campaign approach to literacy is largely determined by the prospects for overall change within a given society.

The advocacy of basic education as a human right and as an important factor in human development on the occasion of the celebration of the 200th anniversary of the Declaration of the Rights of Man (1988) and of the International Literacy Year (1990) will certainly further strengthen international "demand." However, in order to motivate the multilateral and bilateral development and donor agencies to adjust their "supply" of educational aid accordingly, they will first require concrete evidence that governments in the recipient countries are translating international priorities into national budgetary commitments. Implementing a national strategy in basic education usually involves complex political problems whose solution through a national policy dialogue can be difficult and lengthy, although feasible.

Because of structural adjustment policies, aid recipients' demand for educational sector aid rather than for project aid has introduced the possibility of a wider international policy dialogue. Such dialogue has also become increasingly popular among donors as an effective vehicle for influencing the outcome of capital transfers in education." Policy suggestions in the area of basic education and literacy which might once have been considered infringements on national sovereignty are now becoming increasingly acceptable, as they often support "rational," although not politically attractive, solutions.

The boundaries between "policy dialogue," "leverage" and "conditionality" are extremely hazy, especially in such a culturally sensitive area as basic education, which 'soften linked with such controversial concepts

as "minimum standards" and "basic needs." In the long run, "leverage' policies in education -i.e., the agreement by the recipient to enact certain policies in response to incentives (sector aid) by donors -are generally unsuccessful. Donors cannot continue to play simultaneously the roles of judge and financier. "Policy dialogue"- a process by which the recipient country comes to view educational policy changes as advancing its own human development process-can be successful if accompanied by strong analytical inputs by national researchers, leading logically to country specific solutions. International intellectual cooperation could consolidate gains already made

in the area of policy dialogue in education and in strengthening country capacities if both recipients and donors make it a genuine two-way process, where initiatives come from the South to the North rather than vice versa.

The Creation, Use and Networking of Knowledge

Human development, whether expressed in terms of human "potential" or human "capital," has a recognized international dimension, especially in the transfer of knowledge and expertise to social and economic institutions. The interdisciplinary knowledge and grassroots expertise required for analyzing problems and proposing solutions in basic education and literacy will need to become an integral part of the powerful, influential and pervasive knowledge system and its international network. This is an area where international cooperation can be particularly effective, as it can, in principle, link the grassroots experiences of fieldworkers and of nongovernmental organizations with the analytical capacities of researchers in higher education. Through such an alliance, higher education systems, with their intellectual resources spanning the whole range of scientific and technological achievement, could increasingly contribute to diversifying the frontiers of knowledge in primary education and literacy.¹²

As a number of developing countries share similar problems and needs in this area, a South-South exchange of experience and expertise could make a considerable contribution to greater understanding between the countries and peoples concerned. Cumulative experience has shown, however, that regional cooperation in basic education and literacy is a complex issue, since most countries have historically regarded primary education as a tool for forging a national identity and consciousness. Thus, while not all scholars from a region display similar levels of sensitivity in the analysis and search for solutions of basically similar problems, regular exchanges between consultative teams from different countries can provide germane dialogue.

Knowledge in the field of basic education and literacy is very location- and culture-specific. It can be generated best through participatory research, which must rank high on the national and international academic agenda.

Aid agency support must be addressed to the local university community, thus helping to reduce this community's isolation from influencing the country's development policies or benefiting from its experiences.

Massive support must be given to develop a local and national database on basic education and literacy. Such data should not be restricted to the formal system, concerning only information on pupils' characteristics, qualifications of the teaching staff and number of classrooms. It must also embrace data on cost and financing, on conditions of school buildings and on the availability, quality and use of instructional materials. Systematic measurement of the results of the educational process and of participation in literacy programs is essential. Statistics on literacy and nonformal education must be made more reliable and comparable, making projections possible.

Credible indicators in the area of basic education and literacy have yet to be designed. Relatively simple instruments for collecting data at short intervals and through sample household surveys should yield unsuspected information about literacy and nonformal education and, more generally, on the sociocultural dimensions of demand for education. Developing countries must have access to global information which can be easily screened and used for enriching national educational policy design and implementation. This may be achieved by linking the three important functions of development cooperation, scientific development research and knowledge networking at both the national and regional levels. By promoting such a comprehensive information base, aid donors could greatly enhance their usefulness to government officials, researchers and practitioners involved in education and training in the developing countries.

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CHAPTER 6

Health for All: A Primary Goal by the Year 2000 **Farouk Fartow and Maaza Bekele**

The people of the world in the decade following World War II (mid-1940s to mid-1950s) were, on the one hand war-weary and on the other, disease-ridden. The countries in the northern hemisphere had to cope with reestablishing disrupted health services and redressing the effects of the deterioration in health conditions in war-torn countries. The people of the southern hemisphere and many in the North as well (especially parts of southern Europe) were suffering from life-threatening, debilitating diseases ranging from malaria to plague, most of them rooted in adverse environmental conditions and associated with poor hygiene and sanitation—the manifestations of poverty and ignorance. Countries turned to the small, newly formed World Health Organization (with a staff of only 200 in 1948) to help them fight disease and premature death.

Early Success Stories Yaws Controlled

The crippling and disfiguring tropical disease yaws became the focus of scientific and medical attention, with an estimated 50 million people infected. Using the scientific breakthrough with long-acting penicillin, a world wide campaign was mounted (in close partnership between WHO and UNICEF) to control yaws. The disease was not eradicated, but the burden became almost nil through mass treatment, organized in many countries by community groups—a pattern which would be repeated in the years to come.

Biological Standards Set

The fight against yaws brought to light an important technical problem: that of standardization (of biological and pharmaceutical products—vaccines, drugs, blood products, hormones). There was a lack of uniformity in the preparation of long-acting penicillin, so that different substances

this report is based on a number of earlier and documents of the World Health Organization referred to in the bibliography. We have also benefited from expert advice on the current situation by a number of our WHO colleagues, which we gratefully acknowledge.

These had different effects on the disease. To combat this problem, national decision makers decided that WHO should coordinate the work of a network of scientists and national laboratories chosen for their technical excellence to collaborate through WHO Expert Committees and WHO Collaborating Centers to share expertise and resources.

The WHO Expert Committee on Biological Standards has met every year since 1951 to formulate its recommendations for international standards. The committee, having gained the confidence of the scientific community, led to many important developments -as, for example, when Albert Sabin, father of the live polio vaccine, chose WHO to be the repository of his unpatented poliovirus strain, from which generations upon generations of vaccine have drawn at no cost and due to which millions of children have been spared disablement and death.

NGO Collaboration

Another important development of the 1950s was collaboration with voluntary professional and non Governmental organizations in the cause of health. Some 40 such bodies came forward to support international health work within the spheres of their competence. By the end of the 1950s. WHO had established official relations with such NGOs as the International Council of Nurses, the International Society for the Welfare of Cripples, the World Federation of Mental Health and the International Leprosy Association. The enthusiasm of such organizations and the resources they made available were of vital importance in the struggle for better health. They in turn benefited from the technical information and the moral support provided by WHO.

Today, there are no less than 158 NGOs in official relation with WHO, working in a variety of areas from the strictly professional, highly scientific bodies (such as the International Union against Cancer, which is doing joint work on cancer pain relief) to the more people-oriented organizations such as OXFAM, the Save the Children Fund, Rotary International with the "polio-plus" (UNICEF), and the Boy Scouts and Girl Guides.

Smallpox Eradicated

Building on national and international goodwill and ever-strengthening scientific knowledge, the leaders in the health field made a determined effort in the 1970s to conquer smallpox. For the first time, a gigantic mobilization of national health workers, scientists and the required financial resources was attempted to wipe out an ancient scourge- and it succeeded! In 1967, smallpox was endemic in 31 countries with a total population of 1 billion. Between 10 and 15 million were stricken with the disease, of whom some 2 million died, while millions of survivors were left disfigured or blind. People in nonendemic countries were not safe; their governments were spending hundreds of millions of dollars to protect themselves through compulsory vaccination and border controls.

On October 26, 1977, the last human being to fall victim to endemic smallpox was identified in Somalia. The benefits accrued can be counted not only in terms of relief of human suffering and needless death (the decade 1978-88 would have seen 100-150 million victims and some 20 million deaths), but also in net economic returns from human productivity and budgetary savings of more than \$ 1 billion annually, worldwide. Moreover, the technical lessons learned in this campaign in the use of vaccines and in methods of organization and mobilization have been of enormous practical benefit to many other health programs.

The Fight against Disease Stepped Up

With the confidence engendered by the smallpox eradication campaign, the health community went forward with other important programs which came to be identified as "vertical programs," attacking diseases and problems as single units. The fight against tropical diseases-malaria, schistosomiasis, African sleeping sickness, leprosy - was stepped up with a greater concentration of research into suitable drugs and vaccines. Hence the birth in 1974 of the Expanded Programme of Immunization to vaccinate children under age 15 against six preventable killer diseases. In 1974, only 5 percent of infants in developing countries were protected, as against 50 percent in 1988.

Maternal and Child Health

Allied to the service for children is the family planning service for women to encourage proper spacing between births and discourage childbearing at adolescence and late in life. The Mother and Child Health Programme (MCH, to which a greater emphasis on decreasing maternal mortality has recently been added) concentrated in the 1970s on the worldwide campaign to reinstate breast-feeding of infants as the healthiest way to

nurture the newborn and the young child. The International Code on the Marketing of Breast-milk Substitutes was successfully negotiated between governments, consumers and industry in the latter part of the 1970s and was adopted by the World Health Assembly in May 1981 to protect and promote breast-feeding in order to improve infant and young child health.

But Health Eludes a Billion People

However, despite these spectacular achievements, the great strides forward in vaccine production and use, and the enormous efforts being made nationally and internationally to improve people's health slams, by the mid-1970s nearly 1 billion people were (and still are) trapped in the vicious circle of poverty, malnutrition and disease which engenders despair, saps energy and reduces the capacity to work productively.⁷ There were great disparities between countries, as evidenced in life expectancy at birth (about 70 years in developed countries and 50 years or less in developing countries) and infant mortality rates (between 10-20 per 1,000 live births in developed countries against a range of 70-300 per 1,000 in the developing world). Moreover, these disparities could be observed within countries, both developed and developing- between city and country, between rich and poor, between office worker and laborer, between male and female.

The health community therefore posed to itself and to the world at large a series of critical questions as to the efficacy of the approach in international health work:

a) Why were the vertical programs not solving health problems? Had they become too fragmented and competitive, and therefore inefficient?

b) Was it not more urgent to establish and strengthen basic health infrastructure to serve the needs of the majority of people rather than to concentrate resources in single-action programs or at the urban hospital-based level? How were countries to redress the imbalance between urban and rural health care coverage?

c) Was the necessary health manpower being trained, particularly in the tropical developing countries, with markedly different disease patterns than the countries of the northern hemisphere? Was there an imbalance in the employment structure that contributed, among other things, to the brain drain?

d) How could the resources available to the health sectors be most efficiently used? How could the rising cost of health services be curtailed?

e) Was the high-cost "health industry" evident in the developed countries not also producing unrealistic expectations in the developing countries? Was not health technology going out of

control? Should not communities establish social control over the technology used and bring it within the reach of the majority?

f) Were the "diseases of affluence" (lung cancer, high blood pressure, heart disease), which were rife in the North and growing now in the South, not mainly the result of unhealthy lifestyles, evident in the use and abuse of tobacco, drugs, and alcohol, the lack of physical exercise and health-sustaining leisure, and reckless driving compounded by pollution of the environment? How could the health community best approach this issue and exert a positive influence on ways of living?

g) What were the long-term implications of rapid population growth,

changes in the demographic structure, rapid urbanization, the rural-to-urban drift, decreasing agricultural production, industrialization without proper safeguards, and above all, prevailing development patterns, which often discriminated against the poor? How could the health sector work more effectively with related sectors to overcome constraints on health and development?

The time was ripe to learn from the lessons of the past, to rethink health goals and strategies and to develop a new value system for health.

Health for All by the Year 2000

The international health community, particularly WHO and UNICEF, set about documenting the evidence of successful, innovative approaches to community health, particularly in the developing countries. Experiences in China, Cuba, and other developing countries showed that there were alternatives to wholesale adoption of the conventional health care system, dominated by costly technology and focused on hospital care. The findings brought to light certain underlying principles in alternative approaches to health:

- a) An explicit commitment to coverage by health care services of the whole population, with special attention to the most vulnerable and to those in greatest need.
- b) The active involvement of individuals and families in the drive toward better health and well-being.
- c) A participatory dialogue between health workers and communities to determine real health needs and priorities.
- d) At least primary education for both boys and girls, with the acceptance by society of women and mothers acting with some independence in caring for themselves, their children and other family members, as well as in decision making within their families and communities.

In these and other findings lay the basis for a radical departure from conventional practice toward an approach to health based on sound technology, but centered on people and their aspirations and inspired by the values of universality, social justice and equity.

Thus in 1977 the Thirtieth World Health Assembly was able to initiate a "health and social revolution" when it established the goal of Health for All by the Year 2000. This effort to enable people everywhere to lead socially and economically productive lives was later endorsed by the U.N. General Assembly.

What Is Health for All?

What, in practical terms, does "health for all" mean? Primarily, it seeks to fulfill the objective of the WHO Constitution, i.e., "the attainment by all peoples of the highest possible level of health." Dr. H. Mahler, Director General of WHO, put it this way:

As a minimum all people in all countries should have at least such a level of health that they are capable of working productively and of anticipating actively in the life of the community in which they live. Health for all aims at all people whatever their present level of social and economic development, but justice demands that the greatest attention be paid to the underprivileged, so that they become able to extricate themselves from their poverty trap. But, as they do so, they will be wise to progress in a way that does not lead them into yet another trap that of excessive medical consumption. Health for all is thus a moving target.²

The international health community holds the view that this target can be attained through a more astute use of the world's resources. Moreover, health is essential for social and economic development, and investment in people's health is not competitive with, but complementary to and mutually supportive of, economic development.

Primary Health Care-The Key

The next logical question posed was how best to organize to achieve health for all. The question was largely answered by the international conference held at Alma-Ata (USSR) in 1978, jointly sponsored by WHO and UNICEF, which declared that primary health care (PHC) was the key to attaining health for all by the year 2000. The declaration of Alma-Ata defined PHC as

essential health care based on practical, scientifically sound, and socially acceptable methods and technology made universally accessible to individuals and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination.⁴

In the view of the Alma-Ata Conference, PHC is an integral part of every country's health system, its central function and main focus. It includes ensuring the availability of at least the following eight essential elements: (i) education concerning prevailing health problems and the methods of preventing and controlling them; (ii) promotion of adequate food supplies and proper nutrition; (iii) an adequate supply of safe water and basic sanitation; (iv) maternal and child health care, including family planning; (v) the prevention and control of locally endemic diseases; (vi) immunization against the major infectious diseases; (vii) appropriate treatment of common diseases and injuries; and (viii) provision of essential drugs.

The stress in primary health care is placed on the promotion of health and the prevention and treatment of illness at the grassroots level, as far as possible with the resources available within the country. Primary healthcare is not the concern of the health services only; it is also the concern of all the related sectors and aspects of national and community development - in particular, agriculture, animal husbandry, food, industry, education, housing, public works and communication. To improve the well-being of the population, all those sectors must marshal their resources as much to improve health as to foster wider development goals.

Primary health care is thus an integral part of development policy and requires the commitment of the state to improving the health of the population through the coordinated efforts of both the social and economic sectors. PHC also requires a more equitable distribution of resources for health both within and between countries. Moreover, the principles and activities connected to PHC are applicable to developed and developing countries alike.

The Global Strategy for Health for All

To achieve the goal of health for all a global strategy was elaborated and approved by the World Health Assembly in 1981- The main thrusts of the global strategy have been summarized below.

[They] start and end with the development of the health system infrastructure, beginning with primary health care, for the delivery of countrywide programmes that reach the whole population. These programmes include measures for health promotion, disease prevention, diagnosis, therapy, and rehabilitation. The strategy involves specifying measures to be taken by individuals and families in their homes, by communities, by the health service at the primary and supporting levels, and by other sectors. It also involves selecting technology that is appropriate for the country concerned in that it is scientifically sound, adaptable to various local circumstances, acceptable to those for whom it is used and to those who use it, and maintainable with resources the country can afford. Crucial to the strategy is ensuring social control of the health infrastructure and technology through a high degree of community involvement ...International action [includes] exchanging information, promoting research and development, providing technical support and training, ensuring coordination within the health sector and between the health and other sectors, and fostering and supporting the essential elements of primary health care in countries 4

In addition, the national health authority has to be strong enough within the political structure to ensure that the needed resources are made available and properly used. However, resources have to be mobilized under the banner of health for all not only within the health sector, but also in the related sectors, and personnel must be reoriented and/or trained in the appropriate concepts.

Targets for the Year 2000

The global strategy specifies a number of targets to be attained by the year 2000, namely:

- a) All people in every country will have at least ready access to essential health care and to first-level referral facilities.
- b) All people will be actively involved in caring for themselves and their families as far as they can and in community action for health.
- c) Communities throughout the world will share with governments responsibility for the health care of their members.
- d) All governments will assume overall responsibility for the health of their people.
- e) Safe drinking water and sanitation will be available to all people. 1) All people will be adequately nourished.
- g) All children will be immunized against the major infectious diseases of childhood.
- h) Communicable diseases in the developing countries will be of no greater public health significance in the year 2000 than they were in developed countries in the year 1980.
- i) All possible ways will be applied to prevent and control non communicable diseases and promote mental health through influencing lifestyles and controlling the physical and psychosocial environment.
- j) Essential drugs will be available to all.

Twelve Indicators to Measure Progress

Early in the formulation of the global strategy for health for all, it was realized that certain indicators would be needed to measure progress toward reaching the goal. These social indicators had of necessity to be both qualitative and quantitative and related to the growth of the economy in individual countries. Twelve such indicators were selected and endorsed by WHO member states. Progress would be measured by the number of countries in which:

a) Health for all has received endorsement as policy at the highest official level in the form of: (i) a declaration of commitment by the head of state; (ii) allocation of adequate resources equitably distributed; (iii) a high degree of community involvement; and (iv) the establishment of a suitable organizational framework and managerial process for national health development.

b) Mechanisms for involving people in the implementation of strategies have been formed or strengthened and are actually functioning, including: (i) active and effective mechanisms for people to express demands and needs; (ii) the active participation of representatives of political parties and other organized groups; and (iii) decentralization of decision making on health matters to the various administrative levels.

c) At least 5 percent of GNP is spent on health.

d) A reasonable percentage of the national health expenditure is devoted to local health care, i.e. first-level contact, including community health care, health center care, dispensary care and the like, excluding hospitals. The percentage considered "reasonable" will be determined through country studies.

e) Resources are equitably distributed, in that the per capita expenditure as well as staff and facilities devoted to primary health care are similar for various population groups or geographical areas, such as urban and rural areas.

t) Well-defined country strategies for health for all are accompanied by explicit resource allocations, whose needs for external resources are receiving sustained support from more affluent countries.

g) Primary health care is available to the whole of the population, with at least the following: (i) safe water in the home or within 15 minutes' walking distance, and adequate sanitary facilities in the home or immediate vicinity; (ii) immunization against diphtheria, tetanus, whooping cough, measles, poliomyelitis and tuberculosis; (iii) local health care, including availability of at least 20 essential drugs, within one hour's walk or travel; (iv) trained personnel for attending pregnancy and childbirth and caring for children up to at least one year of age.

h) The nutritional status of children is adequate, in that (i) at least 90 percent of newborn infants have a birth weight of at least 2,500 grams; (ii) at least 90 percent of children have a weight for age that corresponds to established reference values.

i) The infant mortality rate for all identifiable subgroups is below 50 per 1,000 live births.

j) Life expectancy at birth is over 60 years.

k) The adult literacy rate for both men and women exceeds 70 percent.

l) The gross national product per capita exceeds US\$ 500.

An Intersectoral Strategy

The goal of health for all was conceived not as a single sectoral strategy, but as a social development goal within an overall development strategy. A measurable improvement in health status can only be achieved through an Intersectoral effort, combining both economic and social elements in cost-effective strategies.

Moreover, the healthier the population becomes, the more rapidly development goals can be achieved. This crucial issue is unfortunately not very well understood outside health circles, and planning and programming for health remains largely a residual element in economic development strategies in both developed and developing countries. Health continues to be viewed as a high-consumption item rather than a productive factor.

This is not to say that the health services made available to various population groups should not be run more efficiently, and there should be more cost-consciousness in the use, for example, of technology. But this is only one aspect of the work that must be done to improve people's health. Health is largely outside the control of the health establishment in countries and is dependent on the development policy adopted, on whether health is an instrument of public policy, and on whether governments are able to implement Intersectoral (coordinated) approaches to the development programs and projects that can either promote health or lead to a deterioration in health status.

Evaluating Progress

Countries (primarily the health sectors) have undertaken to evaluate and monitor progress toward achieving the health for all goal both as an instrument for measurement

and in order to indicate the changes in policies or programs required to achieve better results.

The first progress report was reviewed by the World Health Assembly in 1984 and another in 1986. Eighty-eight percent of WHO's members states (146 countries) had the courage to evaluate themselves and to report their findings frankly to the world at large. They did this against the background of a volatile national and international economic situation; increasing indebtedness and poverty in many developing countries; high population growth rates in some countries and regions; changes in the demographic structure, with increasing numbers of the elderly and the very young; rising rates of urbanization and rural migration; drought and famine in some regions; political turbulence and refugee problems; illiteracy and unemployment.

Despite these problems, certain indications of progress are readily discernible.'

a) Political commitment (indicator 1) to the global strategy has been endorsed by most countries and has stimulated the health sector to take into account factors that it does not traditionally consider, such as political trends, economic development plans and social movements. However, even though health may often be higher than previously on the political agenda, the health sector remains on the whole a weak partner in socioeconomic policy development. Intersideral cooperation for health is still inadequate, although increasing concern over social and economic inequities and a conscious effort to reduce the same are also discernible. Economic constraints have also seriously affected the implementation of policies and strategies that have been approved in principle at the highest government levels.

b) The involvement of individuals, families and communities (indicator 2) in shaping and maintaining their own health has become a universal issue, particularly as the health spectrum is changing and greater emphasis is being laid on behavior and lifestyles affecting health. This trend is apparent in developed and developing countries alike, regardless of their political orientation.

c) The allocation of resources to health and the patterns of expenditure (indicators 3, 4, 5 and 6) are much more difficult to assess. In most countries, the national accounts reflect only the portion of the budget allocated to the Ministry of Health and not the other amounts spent on health directly or indirectly in both public and private sectors. In table I, data for 129 countries give an indication of the number of countries reaching the 5 percent of GNP target by 1984.

The use of the resources allocated to health is even more difficult to estimate and is indicated mainly in the (over) production of certain types of health manpower (doctors, dentists, specialists) and their consequent employment problems, especially if their training does not respond to needs.

Urban hospital services still appear to absorb a disproportionate amount of resources, and the types of technology employed are often not supportable even in the developed countries. Some countries are making valiant efforts to redress these imbalances, and in particular, to develop and employ technologies that are appropriate, affordable and socially acceptable.

d) In the prevailing economic climate and in the light of the structural adjustment policies weighing on a number of developing countries, national health plans have been found to be impossible to fund, and hence to implement. Commitments to provide services often cannot be honored with the financial resources available from government budgets and from such other measures as governments have contrived to generate funds for the health sector. The shortfall in funding has manifested itself in delayed implementation of policies to provide everyone reasonable access to services and in a compromised quality of care due to inadequate provision of vaccines, drugs, supplies, staff, transport and maintenance of existing facilities. Hence, well-intentioned commitments to provide universal access to essential health services (indicator 7) remain to be fulfilled. In fact, there is a small group of the poorest countries which have not only failed to make progress in recent years, but which have actually undergone a substantial deterioration in their health and living conditions. It is increasingly clear that only a massive global undertaking of mutual support, both technical and financial, is likely to make the difference in these countries in the coming decade.

The gloomy prospect for the least developed countries in particular should not, however, mask efforts to improve health and the quality of life (e.g., the immunization of children, discussed earlier). WHO statistics indicate that more than 80 percent of women are provided with care during pregnancy in 50 percent of 101 countries and are attended by

trained attendants in childbirth in 53 percent of countries. Moreover, 45 percent of married women of reproductive age use contraception - 38 percent in developing and 68 percent in developed countries.

The provision of safe water and adequate sanitary facilities, although advancing slowly in some regions, particularly in the rural areas, nevertheless shows a continuous upward trend. Essential drugs are also becoming more readily available. One hundred countries have now drawn up lists of essential drugs, in 40 countries essential drugs programs are operational, and WHO is pursuing a drug strategy aimed at ensuring that medicines are used rationally.

e) The report of WHO's Director-General to the 1988 Health Assembly on Infant and Young Child Nutrition confirms that nutritional status (especially wasting or emaciation) has apparently improved in the last decade (indicator 8). Similarly, the prevalence of low birth weight appears to be decreasing. Three factors could explain this improvement: (i) the overall impact of health sector activities in the prevention and management of disease, as indicated in the significant drop in infant and child mortality rates and increased national capacities to deliver and manage primary health care services; (ii) the rise in educational levels; and (iii) the increase in food availability for most countries, as reported by FRO.

1) Table 2 indicates that infant mortality rates have reached the target (below 50/1,000, indicator 9) in 80 countries, but that 47 countries have rates above 100/1,000, a disturbing phenomenon. Similarly, life expectancy at birth (indicator 10) remains below 60 years in at least 63 countries (38 in Africa, 5 in Americas, 6 in Southeast Asia, 10 in the Eastern Mediterranean and 4 in Western Pacific). Although progress is being made toward eradicating illiteracy, there were still 57 developing countries with literacy rates below 70 percent (indicator 11) in 1986. A few had more than 70 percent illiterate people, and the higher proportion was usually among women. Also, more than 40 developing countries have a GNP per capita less than US\$ 500 (indicator 12), as can be seen in the World Bank's World Development Report 1988.

The Regional Issue

As can be seen from the tables cited above, the international effort to improve health is managed through an established regional structure which facilitates decentralization of support, in terms of both policy formulation and technical matters, to countries which face similar health problems.

Examples of regionally focused strategies include in the African Region development of health manpower in the amount and of the type needed to help people combat their everyday health problems. A special priority is [given to](#) infant and young child care and the protection of the mother's health. The Safe Motherhood Programme is targeted at countries where a pregnant woman stands 100-200 times the chance of dying as a result of childbirth compared to a mother in the more affluent societies. Provision of readily available, inexpensive basic drugs is another essential thrust of the strategy in Africa. However, the countries of this region, in an attempt to use their scarce resources more efficiently, have adopted a strategy of concentrating on improving the management and coordination of various components of primary health care at the district level, which in most countries is a microcosm of the national administrative structure and managerial process. The approach has been endorsed by the OAU Heads of State and Government at their Assembly in July 1987, a political commitment which should yield the desired result.

In the Region of the Americas (in this context, Latin America and the Caribbean), the debt crisis and the international economic recession have produced a downturn in per capita incomes and an increase in poverty, especially in urban areas. This has threatened the health gains achieved in three decades, from the 1950s through the 1970s-increased life expectancy and reduced mortality, especially of infants and young children. Thus the region puts emphasis on fighting poverty as a major means of protecting health.

In the European Region, "if health for all is to be reached by the year 2000, two basic issues must be tackled. One is to reduce health inequalities and the other is to strengthen health by reducing disease and its consequences."⁸ Europe has therefore established and elaborated its own targets. The region has adopted the primary health care approach to fight diseases of affluence (cardiovascular diseases, road accidents, alcohol and drug abuse), as well as to reduce the rising cost of health care associated with inappropriate use of advanced

medical technology in high-cost tertiary care hospitals. The general medical practitioner is more coming into his own, and health economists and other social scientists are focusing on health and health care. This shows that the concept of primary health care is equally applicable to developed and developing countries.

In the Eastern Mediterranean and the Southeast Asian Regions, where increasing resources have been going to health, the major strategy thrust is the building up of national health system infrastructures able to provide at least basic health coverage for the national administrative levels. An internally consistent health service with adequate referral facilities is a major aim of most countries. The Western Pacific Region, which combines countries on a wide socioeconomic scale, aims to achieve greater equality both within and between countries. There is also a need to establish greater social control over the use of technology and to implement needed structural changes in the provision of health care.

Epidemiological Patterns

Nevertheless, despite progress made in implementing primary health care, a review of the data on mortality and morbidity permits a rough division of countries into three major groups according to substantial differences in the prevailing epidemiological pattern, although such differences also exist within countries and may be related to prevalent socioeconomic disparities.

The first group shows high prevalence and incidence of infectious and parasitic diseases, acute upper respiratory tract diseases and malnutrition, high infant and maternal mortality rates, high fertility and low life expectancy at birth.

An intermediate group gives evidence of rapid demographic and epidemiological change. Infant mortality rates are declining, and life expectancy at birth is rising. Fertility is high but beginning to slow down. The major causes of mortality are still infectious and parasitic diseases, but the chronic and non-communicable diseases associated with aging, lifestyles and behavior are beginning to make their presence felt.

The third group of countries shows a predominance of cardiovascular diseases, cancer, mental and neurological disorders and degenerative diseases, and conditions affected by lifestyles and behavior. Infant and maternal mortality rates are low, and life expectancy at birth is high. Fertility is generally low. Accidents and other forms of violent death rank third among causes of mortality. Chronic disability is a major health problem, especially among the elderly.

The last decade has seen rapid demographic and epidemiological changes, with the result that, although there are still a number of countries in the first group, especially in Africa and Asia, the second group now includes a fairly large proportion of the developing countries. The third includes most of the industrialized countries, but also a few of the countries classified as developing.

A People-based International Development Strategy for the 1990s

The assessment of progress toward achieving health for all strengthens faith in the relevance and applicability of the strategy. Yet the lessons learned in the 1980s are all too clear. To achieve a higher level of human well-being, development strategies and policies must have as their underlying objective sustained economic growth, which is protective of the human environment, and an equitable distribution of the fruits of such growth. The policies followed in the 1980s, particularly by developed countries, to reduce inflation have resulted in slow economic growth, which in turn has caused increased unemployment and impaired social services, including health. This slow growth has in turn cast a pall over the rest of the interdependent world economy. The developing countries, particularly the least developed among them, have had to retrench instead of stimulating economic activity in the face of a crushing debt burden and inadequate external support for their efforts, including structural adjustment.

A more people-oriented global development model is sorely needed as plans for a Fourth Development Decade go forward. A basic premise on which to build such a model must be that people's well-being, their ability and opportunity to contribute to growth and socioeconomic development, is the central focus of both national and international development strategy. Improvement in health status through the global strategy for health for all based on primary health care would thus become an integral part of such a

strategy and a powerful lever for socioeconomic development.

Within this context, public policies would put people, equity and justice first. They would continue to encourage and support community involvement and participation in developing and implementing the plans and programs that affect their lives. They would devolve authority and responsibility for management to the level at which the people can most effectively participate. They would seek to build up the human potential and capacities which now lie dormant in many countries (developed and developing), and above all, they would release the economic growth potential of planet earth through environmentally sensitive strategies and ensure a fair and equitable distribution of the resources available for development.

This can only be achieved where there is appropriate consultation with people and a sensitive perception of their needs, and where people are full allies in the process of change. The role of nongovernmental organizations should not be forgotten, particularly those based at the community level, which deal directly with the quality-of-life concerns of people, such as women's groups and youth organizations. They should be brought into more effective partnerships with the government in a symbiotic, synergistic role.

The United Nations system has a crucial role to play in the coming decade, not the least through complementarity in international action, first in support of countries as they analyze the economic and social implications of their development strategies in respect of the efficient use of available resources and the economic and social benefits that accrue from their investments. In this context, the health sector should continue to ensure that the momentum toward health for all is not lost and must support countries in their efforts to deepen the political commitment to greater equity as they strengthen and improve the health infrastructure.

In the international arena, the U.N. system possesses a vast wealth of knowledge, analytical expertise and skills that should be brought to bear on the design of a people-friendly development model for the 1990s. The system's contribution should be made early in the process and sustained throughout the decade. A critical element of development in the 1990s will be the measurement and monitoring of progress toward improvement in the quality of life of all peoples, which should be measured against specific social and economic indicators. The U.N. system should face up to the challenge of developing such indicators using the work already done, such as the indicators for health for all.

The U.N. family should be able to develop a vision of the future that rises above the acrimonious debate between haves and have-nots by suggesting sound targets and identifying the economic and political means of achieving them. Equity of access to basic goods, and services (in particular, access to health and education), participation and involvement, employment opportunity, and the protection of the most vulnerable groups in society still remain the goals to be achieved by the majority of mankind. Development with a human face is the vision of the future!

Notes

1. V. Diukanov, *Meeting Basic Health Needs in Developing Countries* (Geneva: WHO/UNICEF, 1975); Iteneeth W. Newell, ed., *Health by the People* (Geneva: WHO, 1975).
2. H. Mehler, "Primary Health Care: A Strategy for Health for All by the Year 2000," *Annual Review of Public Health* 9(1988):71-97.
3. A/Conf.152/1978: Primary Health Care - Declaration of Alma-Ata (Geneva: WHO, 1978).
4. Mahler, "Present Status" (see note 2).
5. Summary of the strategy of health for all discussed by Mahler, and a summary of the global undertaking appears in *Evaluation of the Strategy for Health for All by the Year 2000: Summary Report of the World Health Summit* (Geneva: WHO, 1987). vol. 1.
6. Mahler, "Present Status" (see note 2).
7. *Handbook of International Trade and Development Statistics*. 1986 Supplement (Geneva: UNCTAD, 1986).
8. *World Health Strategy* (see note 5). vol. 5.

CHAPTER 7
Investing in Human Health
Giovanni Andrea Cornia

After nearly Three decades of substantial, if uneven, improvements, health and nutritional conditions deteriorated sharply in the 1980s in the majority of the developing countries of Africa and Latin America. These countries were affected by adverse climatic conditions, by the most severe economic decline since the Great Depression, and underwent stringent - and often uncaring-adjustment programs. South and East Asian countries were, on the whole, able to maintain satisfactory rates of growth and to continue social progress. For some of them (such as India and Indonesia), where in the 1970s living conditions stagnated or improved only marginally, the 1980s have brought an acceleration in the rate of reduction of mortality and malnutrition.

Restrictive and inequitable fiscal policies have often contributed to the decline of health and nutritional standards. Reductions in tax revenue, typical of recessionary periods, and fiscal austerity, invariably part of any adjustment package, have seriously curtailed government resources for health and nutrition. A comprehensive analysis of the latest available evidence for 57 developing countries shows that real health expenditure per capita declined between 1979 and 1983-84 in 47 percent of African, 61 percent of Latin American, 43 percent of Middle Eastern and (only) 33 percent of Asian countries. Although it was not possible to analyze the distribution of the cuts by level of expenditure, suggestive evidence indicates that primary health care might have suffered disproportionately. No global estimates of government expenditure on food subsidies and feeding programs are available. However, over the 1980-85 period, real government per capita expenditure on food subsidies declined-in most cases substantially-in eight out of the ten countries for which comparable data could be obtained;

The prospects for growth and social development remain highly uncertain for most developing countries. Even discounting the negative influence of highly unstable currency, financial and equity markets, recent forecasts indicate that by 1990, GDP per capita in Latin America will have barely recovered its 1980 level, while real resource use per capita will remain well below that level in view of the large debt servicing obligations faced by the region.⁵ Despite important and painful efforts at domestic policy reform, adverse trends in commodity prices, trade volume and capital flows are expected to severely restrict growth in Africa south of the Sahara. As an indication of the tragedy faced by the African continent, OEM' per capita in 1990 and 1995 is projected - even under a high-growth scenario -to be lower than in 1973 and 1980 for low-income African countries.³ Although still positive for the aggregate, current and future growth prospects have recently deteriorated in a number of Asian countries dependent on commodity exports and/or affected by growing debt servicing obligations (such as Malaysia, Indonesia, Burma and Sri Lanka) or by natural disasters (such as India and Bangladesh).

Admittedly, the situation does not favor an optimistic assessment of the prospects for future improvements in the health and nutritional status of the poor. Yet developments which have occurred over the last ten to fifteen years in the areas of social mobilization and community participation, technological breakthroughs, mass communication and information, and the targeting of interventions on the poor have led to the formulation and adoption on a limited scale of new project/policy approaches holding the potential for rapid and widespread improvements in health and nutrition even in the context of an adverse economic environment. Most of these new approaches have shown a positive impact and have probably moderated the human cost of the economic decline of the 1980s.

These new health and nutrition approaches are cost-effective and, hence, reputable at the national level over the next ten to fifteen years. With the exception of low-income nations-for which additional community and government resources, as well as international aid, will have to be mobilized -existing resources should be sufficient to finance the expansion of low-cost basic services. To achieve this, a significant restructuring of existing government and aid budgets is required.

There is evidence of the positive impact of low-cost health, water supply and nutrition interventions on economic performance and relative income distribution. These programs-with rates of return often larger than those for infrastructural and other

investments-show their impact both in the short run (in the form of increased labor productivity, reduced work loss and substantial resource savings) and in the long run (in the form of improvement in the quality of the labor force, further resource savings and reduced population growth).

Despite class interests and bureaucratic inertia, on the whole, the political economy of the new approach seems to rest on relatively solid ground. There are already indications that some governments are expanding the delivery of a few basic services on a national scale.

The international community, and the United Nations system in particular, can play an important role to support progress in this area.

Trends in Health and Nutritional Status

Over the last thirty to thirty-five years, health and nutritional status have improved rapidly and substantially in most developing countries. However, two distinct phases can be identified. The first, from the early 1950s to around 1980, was characterized by a broad reduction in rates of mortality and malnutrition.^{the} The second, from 1980 to date, saw these rates

declining less rapidly or even increasing in a large number of African and Latin American countries while declining at historical rates, or faster, in several Asian countries.

The 1950-80 Period

Table 1 illustrates changes in health status on the basis of the infant mortality rate (IMR) data estimated by the Population Division of the United Nations. While not well suited to describing short-to medium-term fluctuations in infant mortality rates (see later), these data are generally considered to provide an accurate picture of long-term trends. The figures in table 1 speak for themselves. IMR has declined at a record or near-record pace over the 1950s, 1960s and 1970s. The improvement has been particularly rapid in a few Asian and Caribbean countries (China, Malaysia, Sri Lanka and Jamaica), where several of the low-cost programs described in this paper were implemented on national scale. In these countries, the rate of progress has been unprecedented by any standard—often three or more times larger than that achieved in Western Europe at a comparable stage of mortality transition.

TABLE I
IMR Per 1,000 Live Births by Selected
Years and Regions

	1950-55	1955-60	1960-65	1965-70	1970-75	1975-80	1980-85
Africa	191	180	169	158	142	124	112
Latin America	125	112	100	91	80	70	62
South Asia	180	163	148	135	125	115	103
East Asia	182	167	112	76	57	39	36
Arab countries	181	164	146	125	107	88	78
Developing Countries	180	165	137	117	104	96	88

NOTES: Averages over the five-year period considered. East Asia includes China, Japan, North and South Korea, Hong Kong and Mongolia.

SOURCE: World Population Prospects, Estimates and Projections, assessed in 1984 (New York: United Nations, 1986).

However, first, the regional averages presented in table 1 conceal a wide variety of experiences - some very successful, others not at all. In China, for instance, IMR declined between 1950-55 and 1975-80 at an average rate of about 6 points per year. In Bangladesh, the rate of decline was only 1.7 points.

Second, these gains are modest if seen in relation to the improvements that could have been possible on the basis of existing knowledge of primary health care and basic nutrition and of available resources. In a few extreme cases, health conditions stagnated altogether - as, for instance, in rural India, where IMR remained at around 136 over the whole 1970-75 period.

Third, the rate of improvement in IMR started faltering in the 1970s. On a yearly basis, IMR declined by an average of 4(05 points in the 1960s. In the 1970g, the decline had slowed to 2-3 points per year. This slowdown occurred much earlier than predicted, and at a lime when the prevailing levels of mortality in most developing countries were still high.

Changes in nutritional status are, on average, far more difficult to document, because information is incomplete and definitions are problematic. Large anthropometric surveys are not available in any significant number prior to 1975, while clinic-based data collected for nutritional surveillance purposes are even rarer. For those years, the extent of lmdemutritton is thus estimated indirectly on the basis of trends in food production and availability, dietary energy supply (DES), and level and distribution of household incomes and food consumption.

WHO has recently compiled and standardized results from more than fifty national surveys on child nutritional status carried out since 1975 These anthropogenic data, and those produced by FAO (World Food Surveys), UNICEF and other institutions, have been compiled in the First Report on the World Nutrition Situation .³ According to I his review, the global prevalence of low weight for age in preschool children declined from about 33 percent in 1975-76 to 26 percent in 1981-82. Although from widely different levels, such a decline seems to have been shared by all regions. The actual number of underweight children, however, increased in South Asia, Africa south of the Sahara and Southeast Asia while remaining broadly constant in South and Central America, because the rate of decline in the prevalence of malnutrition has been slower than the rate of growth in the child population

Indirect and more hypothetical estimates of the total number of malnourished people broadly confirm the view of a universal decline in the prevalence of undemutrifion over the 1970s, with a net (if modest) increase in the number of malnourished people because of population growth (see table 21

Malnutrition by Selected Years and Regions

	Prevalence of Malnutrition among People (Percentage)		Number of Malnourished People (Million)			
	1969-71	1979-	1983-85	1969-	1979-81	1987-
sub-Saharan Africa	24	22	26	60	80	1)
South Asia	21	18	17	155	170	170
SomhcatAsia	IS	10	8	40	25	25
central America	17	12	11	12	12	12
southAniarka	11		9	24	24	30
Near EaVNorthAhlea	15	6		20	9	7
China	-			-	-	
Developing countries (eacludingchina)	-		-	311	320	344

SOURCE First Repast on the Word Nutrition Simarion 1987 (New oil Nutrition, 1987).

Health and nutritional trends have changed dramatically in the 1980x. Empirical data on infant mortality for the 1980s are available for only a few developing countries and years. The 1980-85 estimates included in table 1 were calculated in 1984 by extrapolating past trends. They could not therefore take into account the effects of the 1984-85 drought, of the AIDS epidemic and of the severe economic dislocations of the 1980s - For these reasons, the further decline in IMR shown between 1975-80 and 1980-85 for all regions by table 1-including for Africa-does not appear realistic and needs reassessment in light of the empirical evidence which has become available in the meantime.

Empirical data from national sources support the view of declining IMR for several countries in Asia, such as South Korea, Indonesia, Thailand and India. In India, for instance, sample registration data show Thai IMR dropped from 124 in 1980 to around 104 in 1984, a larger decline than that recorded throughout the 1970s.

In contrast, empirical information from Latin America seems to point to apronouncedslowdownor insomecases, to significant increases in IMR during the 1980s.

Indeed, IMR increased in Brazil (where about 72,000 more infants under age 1 died in 1984 as compared to 1982), Guatemala, Uruguay and Guyana, while stagnating in Costa Rica, Panama and elsewhere.⁶ In the 1980s, all these countries faced considerable economic problems and were generally slow to introduce low-cost measures to protect the poor. Empirical evidence on IMR for the 1980s is totally missing for Africa. Hospital records from Zambia - a country which suffered severe economic dislocations during most of the 1980s - points to a sharp increase in infant and child mortality. Generally speaking, it is plausible that IMR rates may have increased, at times dramatically, or have at least stopped declining, in a considerable number of African countries. The implication is obvious: a substantially larger number of infants and children died in Africa in 1985 as opposed to 1980.

The available evidence on nutritional status concurs in pointing to continued improvements over the 1980s in many parts of Asia, with the possible exception of the Philippines, Sri Lanka and a few others. In Thailand, for instance, the incidence of first-, second- and third-degree malnutrition declined from 28.5, 5.9 and 0.8 percent respectively in the final quarter of 1985 to 21.0, 2.6 and 0.1 percent in the final quarter of 1986. In contrast, in

Latin America, no further improvement was realized, possibly owing to the severe drop in real wages and food consumption, especially among the poor. Empirical evidence of the increasing prevalence of malnutrition among children (measured by means of anthropometric indicators) is available for Jamaica, Peru, Brazil, Uruguay, Bolivia, Mexico, the Dominican Republic, Guyana and Barbados.⁷ While the duration and extent of such deteriorations vary substantially from country to country, this general trend indicates that progress in the nutritional status of Latin American children probably ceased in the 1980s.

In Africa, the long-lean decline in food production precipitate has been exacerbated in the 1980s by a sharp drop in household incomes and by drought. Despite recourse to food aid and imports, there was a substantial fall in average dietary energy supply, from about 2,150 Kcals in 1979-81 to 2,050 Kcals in 1987-85. The prevalence of under nutrition rose from 22 to 26 percent of the total population over the same period, while for children under age 5, the increase was from 23 to 25 percent. Empirical evidence of increases in child malnutrition during the 1980s is available for African countries as different as Ghana, Botswana, Madagascar, Rwanda, Lesotho, Burundi, Kenya, Guinea-Bissau, Tanzania, Zaire and Cameroon.⁹

In conclusion, the 1980s have witnessed a marked polarization of health and nutritional trends in the Third World. Malnutrition and/or mortality have increased in most countries of Africa and Latin America. In contrast, progress has continued - or even accelerated - in the majority of the South and East Asian countries. A good overall economic performance is at the base of this success, which can largely be explained in terms of the greater insularity and low level of indebtedness of the large Asian economies and of the ability of the fast-growing exporters of manufactures of East Asia to take advantage of any expansion in world trade. However, sectoral policies emphasizing the need for accelerating agricultural production in formerly food-importing countries and for expanding cost-effective, wide-coverage programs in health, nutrition and water supply have been important contributory factors.

New Approaches in Health, Water Supply and Nutrition

At the risk of considerable simplification, the main health hazards hatched today in developing countries - in particular, in countries with medium and high mortality - can be schematically classified as follows:

- a) Birth-related problems, such as tetanus neonatorum, trauma and asphyxia.
- b) Digestive tract infections, such as diarrhea, gastroenteritis and cholera.
- c) Infectious diseases, type A (vaccine-preventable), including measles, meningitis, whooping cough, diphtheria, tuberculosis and poliomyelitis.
- d) Infectious diseases, type B (non-vaccine-preventable) including hepatitis.
- e) Infections of the respiratory tract such as pneumonia, pharyngitis and otitis.
- f) Insect-borne diseases, i.e., malaria, onchocercosis, trypanosomiasis and yellow fever.
- g) Intestinal parasites, such as hookworms and others.

The relative importance of these diseases varies enormously from

place to place. Tetanus neonatorum, diarrhea, measles, malaria and acute respiratory infections (with malnutrition often as an associated cause), however, account for about 90 percent of the 14 million under-5 deaths in the developing world¹. Diarrhea, common in all developing regions, is the single most important cause of infant and child mortality.

As far as nutrition is concerned, the main problems are:

- a) Protein-energy malnutrition- particularly chronic undernutrition-which currently affects an estimated 400 million people. It successively leads to reduced activity, weight loss, stunted growth and, during acute episodes, starvation. In addition, WHO estimated that there are every year about 120 million low-birth weight babies born (about 17 percent of total births worldwide)²
- b) Iron deficiency anemia. found in about half the women and one third of the population of many developing countries. It leads to sluggishness, reduced work and cognitive performance, and diminished resistance to infection.
- c) Iodine deficiency disorder, which in the form of goiter and cretinism manifests itself in about 190 million people. Some 60 million people worldwide, particularly in the Andes and the Himalayas, are believed to be at risk. It is now recognized that iodine deficiency provokes reduced linear growth and reduced intellectual and neurological capacity in a much larger section of these communities.
- d) Vitamin A deficiency, resulting in exophthalmia (or night blindness) and in total blindness. It is the largest single cause of blindness, which altogether affects an estimated 40 million people worldwide. Because of it, about 250,000 children become blind or partially blind every year. It is most often seen in children with severe protein-calorie malnutrition and measles.

Highlights of the New Approaches

For the first time in human history, economically and socially viable solutions to most of the problems identified above (including, to some extent, protein-energy malnutrition) are now available to all developing countries, including the poorest among them. Such solutions are (i) health interventions, (ii) water supply programs and (iii) nutrition interventions.

Health Interventions

- a) A simple pregnancy management program consisting of periodic examination of pregnant women, supplementary feeding for malnourished mothers, vaccination against tetanus and training of traditional birth attendants.
- b) Oral dehydration therapy (ORT), which is the most appropriate cure of most digestive tract infections, while improvement in water supply and sanitation and health education are the best forms of prevention. ORT consists of the administration of a simple mix of salt, sugar and boiled water and can stop the dehydration which kills an estimated 5 million young children per year.
- c) Immunization, providing full protection to children against six type A communicable diseases and against tetanus neonatorum.
- d) An essential drug program covering about fifteen to twenty basic products³ provides efficient treatment (at the primary health post level) to most type B infectious diseases, respiratory tract infections and insect-borne diseases. The bulk purchase of generic drugs, reliance on the communities for their transport and the use of village health posts for their distribution are important elements of the program.

These and other key health activities are part of broader ends⁴ by primary health care (PHC) adopted in 1978⁴ and the majority of those developing countries which have accepted the objective of Health for All by the Year 2000⁵. Such an approach aims at providing basic care to all citizens through a three-tier health system⁶ in manned places- the first level by village health⁷ volunteers and⁸ preventive action and the a strong emphasis on community broadening of health interventions so as to include basic education, proper nutrition, safe water and sanitation. For some of the PHC components, specific⁹ targets- such as universal¹⁰ child immunization have also been¹¹ established¹² and¹³ universal awareness¹⁴ of oral rehydration therapy by WHO.

Water Supply Programs

Economically, socially and culturally appropriate technical solutions include handpumps, rainwater collectors and gravity-fed systems with public standposts. Handpumps in particular are well suited for improving the quality and quantity of water supply in rural and pe can provide between 20-40 liters of pure water per day to about 250 people. They are of simple design and can be manufactured in developing countries (such as the Indian Mark lie model, currently pr in a few developing countries). They are also relatively easy to install, n operate and maintain.

Efforts to increase the coverage of safe water (and sanitation throughout the developing world are integrated in the common anon Decade of the International Drinking Water Supply (IDWSSD) 1981-90, which spells out targets, technical and social approaches and estimates the financial requirements. As of 1986, 76 developing countries had committed themselves to the decade and set full or partial targets.

Nutrition interventions

The reduction of malnutrition possibly the most complex and thorny issue in development. Basically because the resources (such as land, water and inputs) to grow a food in for themselves, or they lack the purchasing power to the market. Therefore, the basic long-term solution to this problem involves fundamental changes in the area of assets ownership, agricultural extension, employment and income distribution. These changes-often difficult to bring about and requiring time to materialize-can be complemented by nutrition interventions aimed at mitigating the worst symptoms of malnutrition or at dealing with specific nutritional problems, such as those due to micronutrient deficiencies. Two of the most frequent interventions adopted to tackle the problem

of protein-energy malnutrition are food subsidies and direct feeding (including the promotion of breast-feeding). Other approaches (not dealt with here) include nutrition education, home gardens and improved food commercialization. Consumer food subsidies or food coupon programs aim at transferring a certain amount of income or consumption (normally 20 to 30 percent of the daily requirement) to population groups which cannot be integrated into employment-based poverty alleviation programs (such as the very young, the very old, pregnant women, the disabled, etc.) or who are simply very poor. Supplementary feeding (either on-site or at home) provides nutritional supplements (normally for a limited amount of time) to malnourished children and to pregnant and lactating women. Beneficiaries are often identified through an assessment of health status or of weight for age. Monitoring the growth of small children by means of growth charts is in most cases an effective way of detecting the early, otherwise invisible, stages of malnutrition. Most supplementary feeding schemes are administered through health centers or the school system.

Micronutrient deficiencies can now be dealt with through food fortification or supplementation. A breakthrough in food technology by Indian scientists has made it possible to fortify a nation's salt supply with iron. Similarly, salt can be fortified with iodine to control endemic goiter and reduce cretinism and deafness. If salt is not centrally processed or deficiencies are severe, an alternative is an intramuscular injection of iodized oil, with protection lasting three to five years. Vitamin A capsules or fortified sugar can substantially reduce the incidence of nutritional blindness and the severity of measles. In Bangladesh, for instance, wide distribution of capsules has prevented an estimated 2,500 cases of blindness each year. A global policy framework integrating these and other interventions, setting overall nutritional objectives and mobilizing resources for this purpose has not yet been established. The UNACC Subcommittee on Nutrition, however, has recently discussed the goal of reducing the prevalence of severe malnutrition to below 0.8 percent, while the International Consultative Council on Iodine Deficiency Disorders has recently been formed with the objective of mobilizing world opinion on the control of these disorders.

Impact on Health and Nutrition

In 1974, the World Health Organization (WHO) established the Expanded Programme of Immunization (EPI). Steady, but slow, progress was realized until the early 1980s, when efforts intensified substantially. Between 1981 and 1985, rates of coverage increased by almost 15 percentage points for developing countries as a whole and almost doubled in the case of measles. The results have been noticeable. Deaths from measles, poliomyelitis and tetanus (per almost leveled off during the 1970s declined

dramatically between 1982 and 1985, i.e., by about 60 percent for measles and polio and by over 30 percent for tetanus. However, the number of reported cases of poliomyelitis increased by 11 percent between 1985 and 1986 in Latin America.¹ The 1983 WHO Interim Progress Report on the Program for the Control of Diarrhoeal Disease showed that in eight surveyed hospitals in selected developing countries, the admission of diarrhoea patients dropped by 56 percent after the introduction of oral rehydration therapy, while the overall hospital case fatality rate dropped by 48 percent. An example of success at the micro level of the new overall health approach is offered by the Gwatkin project, in 1976, IMR was 103. Since the beginning of the project, measures such as breast-feeding, immunization, growth monitoring and education about home-based oral rehydration therapy have reduced IMR to 43 over a five-year period, a staggering improvement by any standard. The project—moving away from the centralized hospital tradition—established a network of 18 local health centers close to the homes of the population.¹⁷ Gwatkin et al. have evaluated the overall effect of integrated health and nutrition interventions in ten projects for which accurate data on infant and child mortality, nutritional status and costs could be assembled. While cautioning against overly simplistic conclusions, the authors note that mortality declines were notably more rapid in a clear majority of the ten project sites than they would have been in the projects' absence. Indeed, in seven out of nine cases for which comparison was possible, infant and child mortality fell rapidly (on average from 30 to 50 percent over a five-to-seven-year period) and at a substantially faster pace than in control areas. Five of the six projects that sought to stimulate physical growth and that collected anthropometric data also appear to have achieved somewhat more rapid weight gains than in control areas.

The health and nutritional impact of water (and sanitation) programs can be assessed in terms of the incidence of diarrhoeal diseases. A 1985 review of 67 studies from 28 countries¹⁸ indicates that, although the extent of the improvements varied substantially from project to project, improved water supply indeed had a significant impact in reducing diarrhoea morbidity rates (besides proving effective in controlling cholera, typhoid, amebiasis and other parasitic infestations). Improvement in water quality and availability, in particular, reduced the incidence of diarrhoea by nearly 40 percent (see table 3).

A recent review of World Bank-assisted nutrition programs comes, on the whole, to positive conclusions, namely, that substantial progress can be made even during periods of economic decline.²⁰ Among others, this review describes the significant nutritional impact of one food subsidy program in Colombia and of the Tamil Nadu Integrated Nutritional Project. The project, which started in 1980, concentrated exclusively on 6-to 36-month-old children and on expectant and nursing mothers. It employed growth charts to identify children who were nutritionally at risk (about 25 percent at any point in time) and administered to them, and to mothers at risk, short-term (three-month) supplementary feeding. All mothers were involved in the process through a comprehensive communication program. The effects of the program appear to have been dramatic. According to monitoring data for 9,000 villages, even in a year of drought and economic difficulties, serious and severe cases of malnutrition dropped from a baseline of 19 percent to 12 percent, while they went up from 16 percent to 30 percent in control areas. The latest 1987 data confirm that in the project area there was a 58 percent decline in serious and severe malnutrition.

Cost-effectiveness of the New Approaches

Health Programs

One of the common characteristics of the health interventions described earlier is the use of low-cost inputs. The cost of providing vaccine doses against measles, diphtheria, pertussis, polio, tuberculosis and tetanus is estimated at about \$1.20 per child even when allowance is made for transportation cost and 50 percent wastage. The per capita cost of fifteen essential drugs needed at the village health post level amounts (including transport) to 50 to 60 U.S. cents per year.²¹ Finally, a sachet of ORS is commercialized in most developing countries at 15 to 20 cents, and it can be procured by UNICEF at 8 to 10 cents. Even assuming four episodes of diarrhoea per child per year, the expenditure involved is at most around 60 to 80 U.S. cents and probably less, particularly if the solution is prepared at home by the mother.

The cost of these health interventions is substantially higher when including expenditure on

personnel, supervision, capital formation and other items. Even then, however, unit costs remain relatively low. Costs per capita vary substantially from country to country with the scale of the service delivered and with the cost concept adopted. An analysis of immunization programs suggests total yearly costs for a fully immunized child in the \$4.70 to \$16 range, with a median of around \$5. On a per capita, rather than a per child, basis these costs are of course much lower—around one-sixth of that. A study of seven primary health care projects offering a range of maternal and child health services found that annual operating costs per capita varied between \$0.6-2.7 for large-scale programs and \$6-15 for small demonstration projects. Monetary costs per capita of less than a dollar per year were found for the P1-IC program in Kasongo, Zaire.²⁴ An analysis of a very comprehensive program in Indonesia covering about 9 million children and including growth monitoring, supplementary feeding for energy and micronutrients, immunization, oral rehydration, training traditional birth attendants and family planning estimated the yearly average cost per child (age 0-5) of effective protection by all these interventions at \$1.12,²⁵ On a per capita basis, the cost was \$2.

Water Supply Programs

Regarding the installation and recurrent cost of low-cost water supply projects, for small-diameter wells, the total cost per capita per year ranges from under \$0.50-1.50 (in Asia) to over \$5 in many parts of Africa, where the water table is located at up to 100-120 meters of depth. Large diameter wells have total costs of \$1-2 per capita per year. Rainwater catchment and piped water with standposts—the latter to be found mostly in urban areas—are more expensive, with total costs in the range of \$2-5 per year, although they represent a very appropriate technology in many areas.

Altogether, therefore, potable water can be made available in most parts of Asia at a total (annualized capital plus recurrent) cost of \$1-2 per capita per year and, where circumstances are favorable (as in river deltas, for instance), at well below that cost. Costs increase to the \$2-5 range in other parts of the developing world with less favorable conditions. As a point of comparison, annualized per capita costs of conventional urban water supply typically run up to approximately US\$ 100 per year in western European countries, with per capita operation and maintenance costs of about \$60.²⁶

Nutrition Interventions

Table 4 provides a tentative assessment of the per capita total costs of selected interventions in food subsidy, child nutrition and other nutrition programs combining nutrition surveillance, nutrition supplementation and some health care services. The figures indicate that such programs can be extended at relatively modest costs, i.e., at \$4-5 per capita in the case of food subsidies and \$1-2 for child feeding and nutritional surveillance. These costs are generally a fraction of those incurred for similar services in hospital settings or for untargeted food subsidies.

TABLE 4					4
Costs Per Capita of Food Subsidy and Feeding Programs					
Project	Type of intervention	Population Served	Cost	Per	
Cost Per				Capita	
(Thousands)		Capita (US\$)		as a	
Percent		of		Income	
Per Capita					
Colombia	Food subsidy	960	4.4	(1.7	
Tamil Nadu, India	Comprehensive health service (for children)	<250	1.0	0.4	nutrition and
Indonesia. NIP	Weighing and (for children)	194	1.0	0.2	feeding program
Imegi, Nigeria	Nutrition surveillance	h	15	2	
Nsawangak India	Nutrition supplements		10.5	0.8-2.0	1-2 and

medical service.					
Jamkhed,India	Nutsitiongupplements 40	1.25-1.50	1-1.25	and	education:
medical services					
SOURCE: Derived from R.D. Gwatkin et al., Can Nearly and Poeririon /mervenlron Make a Differ onogmphno.IJ(WashingtonDCOvemeasoevelopnentCouncil,1950): Alan Berg,Ma/nuhilran: What Can Be Done? Lessons from World Bank Experience (Baltimoret Johns Hopkina University Per's, 19X7).					

In all these cases, targeting the needy (from one-tenth to one-third of the total population) contributed to the cost-effectiveness of the programs. The last three projects presented in table 4 are somewhat more expensive in relative terms, partly a reflection of their limited scale of delivery. These expenditures-for targeted subsidies, feeding and nutrition surveillancecum-health care-compare quite favorably with those of more conventional interventions, such as generalized food subsidies.

Finally, the cost of combating the three micronunient deficiencies described earlier (iron, iodine and vitamin A deficiency) are very low. Vitamin A capsules cost \$0.10 per person per year. The cost of iodizing salt can be estimated at \$0.05, and that of providing iron via the fortification of salt or centrally processed grains varies between \$0.05-0.09

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Financing Low-cost Basic Serine's

It has been shown that comprehensive and high-impact PHC services can be provided at a cost of \$2-5 per capita per year, while equally critical water and nutrition interventions would require another \$2-5. An overall expenditure on these programs of \$440 per person per year would therefore allow for substantial gains against the double scourge of high mortality and hunger.

Are these costs excessive for the financial resources of developing countries? In 1981-82, total (i.e., government and private) per capita expenditure on health care averaged \$9 in low-income countries, \$31 in middle income and \$670 in developed countries²⁸ Public expenditure per capita taken alone ranged between \$0.8 and \$16 in 29 low-income countries, with about half of Idem spending \$3 or less, while for 39 lower middle-income countries it ranged between \$4 and \$67, with about half of them spending \$12 or less.

The implications are clear. Even if recession and adjustment have cut government expenditure on health, water and food subsidies, existing private and public resources would he able to support a rapid expansion of the above programs in the majority of developing countries. As an exception, however, most low-income countries would still be facing a severe resource constraint. In contrast, in the majority of middle-income countries, basic services in health, water and nutrition could largely be financed out of the present government (and private) expenditure in such sectors.

In most countries, however, allocation of public (and often also of private) resources suffers from severe distortions. WHO estimates that approximately three-quarters of all health spending in the developing world is being used to provide expensive medical care for a relatively small urban minority. Examples of glaring misallocation abound. In the Congo, for instance, the Ministry of Health's 1987 annual budget foresees no expenditure whatsoever on preventive care, while about \$15 million are being spent on the refurbishing and extension of one urban hospital. In the Philippines, in the early 1980s government subsidies to sophisticated private hospitals for heart, kidney and lung diseases, catering to upper-income groups, were five limes as great as the total allocation for primary health care 0a National biases are often reinforced by the preferences of aid givers for modern hospitals and costly medical technology, which absorb a large proportion of health-related aid The absence of a comprehensive analysis of aid flows to the health sector in developing countries does not allow us to quantify the extent of such bias.

Misallocation of resources is not to be found only in the health sector- Despite their greater cost-effectiveness, low cost water programs receive only about 20 percent of the investment in the sector; And of the total World Sank lending to water projects, only 8 percent was allocated in 1986 to low-cost activities.

Given the present allocation of resources, the goals of the B)WSSD, of HFA-2000 and of reducing third-degree malfunction to less than 0.8 percent will not be met even under

optimistic assumptions about economic growth and budgetary resources. For most countries-particularly when the world recession and draconian adjustments are reducing available resources - the only way these goals can be achieved is through the reallocation of part of public (as well as private) expenditure toward the low-cost, high impact measures described earlier.

Until recently there were few signs of significant changes in this gross misallocation of resources. According to the 1987 evaluation of the PHC strategy,³² however, some countries are now allocating a greater share of resources to underserved populations, while there seems to be a slowdown in the construction of new hospitals. India, Algeria and Pakistan are attempting to restrain expenditures on hospitals while stepping up immunization programs and other low-cost measures, in Brazil-possibly the country with the most unequal distribution of health resources-in 1981, 6 percent of the total expenditure of the national health insurance system was allocated to renal dialysis, coronary bypass and similar operations for 12,000 people - more than what was spent on basic health care and communicable disease control for 41 million people in northern and northeastern Brazil? The newly elected Brazilian administration, however, intends to withdraw incentives to highly specialized medical services,^M There is also evidence from countries such as Indonesia, which, in spite of severe fiscal adjustments, has increased expenditure on low-cost health a, preaches and shifted expenditure toward the financing of recurrent costs: Botswana and Zimbabwe expanded their primary health care, child feeding and drought relief programs when overall government expenditure was being resirained.¹⁶

To be significant, the restructuring of health, water and nutritional expenditure requires important changes. These changes, however, are "affordable" in most circumstances. The expenditure share on hospitals would have to decline from the 70-80 percent to the 45-50 percent range, while

that on large water programs should decline from 80 to 60 percent. The same holds true for expenditure on training. In Latin America, for instance, medical schools are expected to produce between 1985 and 1990 an additional 200,000 fully qualified doctors. For the same cost, it would be possible to train 150,000 doctors plus a million primary health care workers.

For practical purposes, it may be useful to set specific targets concerning the minimum share of resources to be allocated to PHC, low-cost water and targeted nutrition in government and aid budgets. Or, with Segall,³⁰ one could propose, for instance, that the growth rate of expenditure on low-cost programs be twice as large as that of the overall sector. In very low income countries, however, even a radical restructuring of government expenditure would not generate the about U.S. \$4-30 per capita needed to finance key interventions in health, nutrition and water supply. For these countries, the solution lies in the mobilization of additional resources from the beneficiaries of the services and from the international community. For instance, doubling concessional aid flows to the least developed countries, in line with the U.N. target of transferring 0.15 percent of the industrialized countries' GNP to the least developed countries, would generate an additional \$1-1.5 billion per year. Greater aid to low-cost, high-impact programs could be used for policy-based lending, with the purpose of facilitating the reallocation of budgetary resources in developing countries toward PHC and similar programs.

User charges could also generate part of the funds required for health and water. Because of their potentially regressive nature, however, user charges should be mean-tested for preventive health services and installation of public water points. In contrast, a large portion of the full economic cost should be recovered from all income groups for higher-income services.

Impact on Economic Growth and Social Equity

Over the last twenty years, a number of original contributions to economic analysis have been focusing on human needs and on the human factor in development. Most prominent among them are the "basic needs" and the "human capital" approach. In spite of these advances, health, nutrition and education have remained peripheral to the theory and practice of most academicians, policy makers and development planners. Indeed, while it is generally accepted that nutrition and health programs are desirable because of their contribution to the welfare and happiness of the population, most conventional and radical economists still do not see them as a sine qua non. of development. For conventional

economists, health and nutrition programs represent a form of lower-priority consumption which ought to give precedence to investment in infrastructure and industry. For many radical economists, most of these measures can be dismissed as "welfaristic" in other words, unable to bring more than superficial and temporary relief to the structural problems faced by the poor.

Both views have an element of truth. Not all public expenditure on health care and nutrition is productive. Some programs, instead of increasing the productivity of the poor and making them more self-reliant, may in fact make them more dependent on government. Yet these views ignore the important contribution that targeted and appropriate interventions can make to the economic performance of the recipients.

To be sure, there are fundamental ethical and humanitarian arguments for advocating better and increased investments in human resources. There are, however, also very solid economic arguments - and growing empirical evidence - to support this view. One can identify short-term, long-term and intergenerational effects on economic development of human-focused interventions.

Short-term Effects

a) Effects on labor productivity: Dietary improvements have been shown to have an immediate effect on the performance of adult workers. An energy supplement of 650 calories per day provided to plantation workers in Guatemala, for instance, was found to produce significant results in terms of greater work intensity, energy expenditure and productivity.³⁸ A survey of literature confirms this conclusion for a variety of countries.³⁹ Productivity gains were found to be even more striking in the case of supplementation of micronutrients. A study on rubber plantation workers in Indonesia found that treatment of anemic workers with iron tablets for a period of 60 days (at a total per capita cost of about \$0.08) resulted in an increase in productivity of 15.20 percent as compared to control groups. The benefit/cost ratio of the intervention in terms of increased latex production alone was estimated at 260:1. More recently, it has been estimated that output increases in the 10-20 percent range for every 10 percent rise in hemoglobin level.⁴¹ Using cost data on iron fortification and supplementation programs, it was shown that the benefit/cost ratio of such interventions varied from 7 to 70 for fortification and 4 to 38 for supplementation.

b) Effects on reduced work losses: Poor nutrition and health of workers are responsible also for substantial losses of output due to increased absenteeism from work. It is estimated, for instance, that millions of work days are lost every year to malaria alone. In addition, children's illness adversely affects adult productivity and family production (particularly in agriculture), as parental time is shifted from productive activity to nursing care or to the pursuit of health care. It has been estimated, for instance, that at least 140-280 million work days are lost annually to the care of the about 140 million malnourished children alone.⁴² Substantial reductions in work loss could thus be achieved through an improvement in the health status of the population as a whole.

c) Effects on resource savings: The establishment of a capillary network of primary health care posts has been shown to have immediate beneficial effects by way of reducing the demand for expensive hospital staff, inputs and infrastructure. The savings so realized would more than offset the costs incurred for the establishment of a primary health care system. Good data on costs are difficult to find. A recent survey covering several developing countries, however, shows that hospitalization is more expensive than outpatient care by a factor of 210 to 20.⁴³ Similar results have been obtained for the U.S. by Kennedy and Kotelchuck⁴⁴ and by the U.S. House Select Committee on Children, Youth and Families, which reported, for instance, that each \$1 spent on child immunization saves \$10 in later medical costs.⁴⁵

The provision of cost-effective basic services generates substantial savings for household budgets, too. Where there are no primary health care posts, drugs and health services are purchased by (some of) the poor from private providers at prices up to twenty times higher than those charged by village health posts. UNICEF,⁴⁶ for instance, reckons that the introduction of oral rehydration therapy in developing countries would not only prevent unnecessary deaths and reduce the occupancy of hospital beds, but would also generate savings of as much as US\$ 600 million on private and public purchases of often inappropriate and misused antidiarrhoeal drugs.

Similarly, the installation of handpumps in periurban areas can save those households forced to purchase water from private retailers up to 10 percent of household income. In these and similar cases, a reduction takes place in the monopoly profits and position rents of private providers, together with a net increase in the income and consumption of the poor.

d) Another positive, but more subtle, effect is on the time use of the poor. Closer and more efficient services can greatly reduce the time necessary for carrying out given tasks, such as fetching water or taking an infant to the health post. Women-the main beneficiaries of these programs-can often use the time saved for more productive purposes. However, some of the health and nutritional activities advocated in this paper (such as, for instance, oral rehydration therapy) place additional claims on women's time.⁴¹ While this issue deserves further investigation, it is likely that the implementation of all health and nutrition interventions and water supply programs described earlier would result in a net saving of parents' time.

e) Effect on the mobilization of idle resources: In many cases, lowcost basic services are provided with the active participation of the communities, which provide free labor and local inputs. A substantially greater volume of output can thus be achieved with the same monetary expenditure. In this way, production factors with low or zero (monetary) opportunity cost-but with intrinsic productive potential- are being brought into the stream of production- In Indonesia, for instance, the monetary cost per child of an integrated health/nutrition program was reduced by around 30 percent through the provision of free labor from village health volunteers.~

Long-term Effects

a) Effects on long-term labor productivity: Malnutrition at an early age, caused by dietary deficiency, lack of sensory stimulation or infection, leads to severe impairment of cognitive capacity and physical performance. There is now indisputable evidence of the positive relation between body size, aerobic capacity and endurance. Shorter people (generally with a history of chronic undernutrition since childhood) have less muscle mass and therefore a lower aerobic capacity. The latter was found to be associated with labor productivity among lumberjacks, sugar cane cutters, construction workers and other adult and adolescent manual workers in countries as different as Guatemala, Australia, Colombia, Brazil, India and Ethiopia.⁴⁹ In Guatemala, the analysis also showed that the present value of lifetime earnings of stunted sugar cane cutters was 16 percent lower than for taller cutters.⁵⁰ Substantial gains in the productivity of manual workers could be obtained, therefore, through appropriate health and nutrition measures aiming at reducing physical growth retardation during childhood. Long-term economic growth is even more markedly affected by the severe effects of early protein-energy malnutrition on the cognitive performance and mental development of the child. The link between education, labor productivity and economic growth is well established in the literature.⁵¹ Under nutrition (and insufficient sensory stimulation), however, affect brain growth, attention span and short-term memory-all factors having a negative influence on school performance. The loss of intelligence in growth-retarded young children thus reduces their later ability to learn and acquire skills required for productive activities. Although there is a total lack of longitudinal analyses examining adult capability and economic performance in relation to early childhood malnutrition, a few studies have attempted to quantify the benefits of nutrition interventions in favor of the young child through indirect methods. For instance, a well-known study⁵² using Chilean data on differential I. Q. of normal and undernourished children and differential earnings of construction workers ranked by I. Q. level comes to the conclusion that providing nutrition supplements during the first two years of life to the approximately 25,000 children becoming malnourished in Chile every year would generate additional benefits in excess of 1 percent of GNP.

Effects on cognitive capacity similar to those produced by protein-energy malnutrition can also be produced by specific nutritional deficiencies, such as iodine and iron deficiency. In Indonesia, it was found that iron deficiency anemia negatively affected attention span and school performance. So A three-month iron supplementation raised concentration and scores of the anemic children to the level of the control group.

b) Effects on long-term resource savings: Lack of adequate nutrition and health care at

an early age can also cause greater demand for health services and substantial outlays in the longer term, as early interventions are more cost-effective, as well as more efficacious from a health perspective, than subsequent treatment in adolescence and adulthood.^M For instance, the often large costs borne for the care of permanent impairments such as blindness, deafness, mutism, cretinism and paralysis of the lower limbs could have in many cases been avoided by investing modest resources earlier on child immunization or supplementation. In addition to immediate savings, therefore, substantial expenditures can be avoided in the longer term. Low-cost preventive measures would thus have a very favorable impact on the intertemporal allocation of resources from both the individual and societal perspectives.

c) Effects on population growth: There is abundant evidence that in the longer term, better health and nutrition are conducive to a reduction in fertility larger than the corresponding decline in infant mortality, thus lessening population pressure on resources.

Intergenerational Effects

Perhaps the most negative, and most often overlooked, effect of poor intrauterine growth and poor health and nutrition at an early age for female infants is that on reproductive efficiency during their adult life. In recent studies, a positive relation was found between low birth weight and poor nutrition in the mother's childhood and her later bearing of low-hitch-weight infants or infants with birth defects.⁵⁵ In this way, maternal malnutrition is passed over to at least two successive generations. Other studies show that it may take several generations to wash out the deleterious effects linked to poor intrauterine growth and early child malnutrition.⁵⁶

Redistributive Impact

Low-cost, high-impact and wide-coverage interventions also have an important redistributive impact, as they make widely available to the poor scarce resources such as good health, working potential and cognitive capacity while freeing part of their monetary and time resources for other purposes. In this way, the provision of proper nutrition, potable water in sufficient quantity and basic health care not only promotes development, but also strengthens the relative position of the poor in society, thus possibly facilitating more fundamental changes in the distribution of assets and incomes.

The Political Economy of the New Approach

A Favorable Overall Policy Framework

The preceding discussion has focused on those sectoral interventions which can help to improve health and nutritional standards even during periods of economic decline and adjustment. Successful examples of such interventions do exist. In Zimbabwe, for instance, despite the strong recession of 1982-83 and a most severe drought which lasted from 1981-82 to 1984, the infant mortality rate continued to decline, while malnutrition did not rise during the same period. These results were due to the government's decision to sustain expenditure on primary health care and to expand immunization and diarrhoea/disease control programs in spite of severe budgetary restrictions. With the support of NGOs and foreign donors, a cost-effective children's supplementary feeding program was instituted, providing-at the peak of the drought -food to over a quarter of a million children, while the expansion of the rural water supply program continued on schedule.

Over the long term, however, it would be illusory to try to pursue continued improvements in health and nutrition through sectoral interventions alone. Their success crucially depends on a global policy framework aiming at supporting the incomes of the poor and promoting growth with equity. In the case of Zimbabwe, for instance, credit and procurement policies favoring poor farmers, continued (if lessened) efforts at land reform and a broadly equitable distribution of the burden of adjustment contributed to the creation of an economic environment supportive of health and nutrition, while the long-term reforms initiated after independence contributed to the resumption of growth in 1984 and 1985.

Elements of Thnooation of New App roach

In singling out the main elements of the new approach which can make low-cost basic services a viable political proposition in a number of developing countries, one can identify four interrelated new elements.

a) Technological breakthroughs have facilitated the replacement of expensive by cost-efficient solutions (e.g., sturdier handpumps, easy to operate and maintain, and new PVC pipes, which have replaced traditional piped water systems) or substantially improved the efficiency of existing ones (e.g., new vaccines are heat-resistant, cheaper, easier to transport and less subject to waste). Similarly, breakthroughs in the understanding of the interrelationships between water use, waste disposal and disease transmittal have led to more efficient project design. All these breakthroughs substantially reduce unit costs of production.

b) Greater reliance on community participation and social mobilization in the design, delivery and monitoring of these activities has ensured, in the first instance, a greater internalization of the programs' benefits by the poor. Second, the adoption of less skill-intensive approaches leads to substantial cost containment and improvement in overall efficiency. For instance, the introduction of village health workers has allowed substantial savings on personnel costs and a more rational allocation of qualified staff to complex tasks. Considerable advances in (training-providing basic skills at very low costs and over short periods of time (from a few days to a month)

have been a key to the success of this approach. Worldwide, the cost of basic training for a community health worker is in the range of \$100 to \$500, By contrast, the cost of training a fully qualified doctor is at least \$60,000. Third, this approach mobilizes additional resources, such as labor and locally available materials, which have low opportunity costs but intrinsic productive value.

c) This approach makes maximum use of mass communication and education aimed at the diffusion of appropriate health and nutritional practices. It has been estimated that at least 75 percent of all health care takes place at the family or individual level, with women having the greatest responsibility for its promotion. Empowering women with appropriate knowledge about these practices is therefore essential. Long-term efforts at increasing literacy among women can be complemented by specific educational messages on health, nutrition and sanitation practices delivered through face-to-face demonstrations, simple printed material and radio or TV, now available even in many very poor communities. A concrete example is that of diarrhoea. Until recently, it was treated at considerable cost in clinical settings using expensive intravenous feeding. The new strategy emphasizes home treatment by the mother. The key element is thus the transmittal of information on the home-based therapy to the mothers.

d) Targeting of interventions on the poor is a powerful way of reducing program costs and increasing the equity of social expenditure, particularly for food subsidies and supplementary feeding. In the past, targeting was rare. This shortcoming substantially increased costs, limited coverage and produced adverse distributional effects. In contrast, some form of targeting appears feasible today. In Colombia, for instance, a highly effective distribution of food coupons was concentrated on families with children under age 5 and pregnant women of the 30 percent poorest municipalities. In direct feeding programs, targeting is now facilitated by the use of growth monitoring charts (illustrating over time the weight gains of the child against a given standard)-an effective instrument for identifying children in need.

The Mutual Interest Argument

Class interests, privileges and bureaucratic inertia represent formidable obstacles to the reallocation of resources toward low-cost, wide coverage, health /nutrition programs and to a better targeting of such interventions on the poor. On the whole, however, the expansion of low-cost basic services appears an attractive proposition both for governments and the poor for a number of reasons.

a) In view of the decline in resources provoked by the recession and the ensuing austerity of the 1980s in Africa and Latin America, many governments might be forced to abandon traditional western-based, high cost approaches in order to provide a modicum of services to the whole population and to reduce social tensions. In conditions of heightened scarcity, waste and misallocation may become less politically tolerable.

Data on the expansion of some of cost-efficient, high-impact programs during the 1980s tend to support this interpretation. Immunization rates against the six vaccine-preventable childhood diseases have increased for the developing countries as a whole (excluding China) from 23 to 41 percent between 1981 and 1986. Similarly, the proportion of the population covered by potable water supply has increased on average by about 5 percentage points between 1980 and 1985. The main task now is to accelerate the expansion of such programs.

b) In view of their positive impact on growth and human welfare, the implementation of such programs may well generate political support for existing governments among those in poverty, an important consideration in the old and newly established democracies of Latin America, Africa and Asia. While in countries characterized by severe political repression the argument of "mutual interest" loses applicability, there have been cases of "benevolent" or populist dictatorships genuinely promoting - possibly for some of the same reasons - health and nutrition programs in favor of the poor.

c) From the perspective of the poor, these new approaches to health and nutrition present two advantages. First, they not only generate better health and nutrition, but can also improve their income-earning potential in both the short and long term. Second, the heavy reliance on social mobilization and community participation in the design and delivery of these new programs results in better organized, self-reliant and dynamic communities with greater collective bargaining power and with an increased ability to take advantage of economic and political opportunities. This greater bargaining power may be an important asset when discussing other key components of the social contract.

The Role of the International Community

Three main lines of action can be identified.

a) it is essential to increase the flow of concessionaire aid earmarked to cost-efficient, high-impact interventions in low-income countries, particularly in sub-Saharan Africa. Even more important is an effort to improve the quality of existing aid flows to health, water, nutrition and education. Such aid now often finances high-cost foreign expatriates or urban-based infrastructural expenditure with little or even negative impact on the poor.

b) This concessional and semiconcessional assistance should be used for policy-based assistance with a very strong emphasis on human resource development. Indeed, external assistance can be extremely useful for facilitating the process of restructuring national resources toward low-cost, wide-coverage, high-efficiency interventions favoring the poor.

c) The United Nations system can play an important catalytic role in mobilizing a political consensus for these new initiatives, in coordinating the aspects related to policy and technical assistance and in channeling a growing share of this assistance to the recipient countries. The recent successful attempts at mobilizing the necessary political consensus and financial resources for universal child immunization by 1990, the renewed political resolve for HFA-2000 and IDWSSD and the discussion on the possible reduction of severe malnutrition below 0.8 percent are all encouraging signs. Planning for the achievement of these and similar objectives within a common, consistent framework and helping countries in operationalizing them could in fact represent one of the main thrusts of the Fourth International Development Decade.

CHAPTER 8

Employment Prospects and Challenges

J.P. Martin

Employment must surely occupy a central place in any strategy for human development, and the extent to which productive and remunerative employment is available to all who seek work must surely be among the main criteria for judging the success or failure of development policies. Employment has, of course, to be productive; an underutilization or a misutilization of labor represents a waste of

valuable human resources and of opportunities for development. Employment must be sufficiently remunerative to provide a decent income for an individual and his family. Productive and remunerative employment is indeed the best weapon to combat poverty, for the obvious reason that the poor have few assets other than their labor. But in addition to its productive and redistributive functions, employment gives people a recognition and status in society, while massive unemployment or underemployment are sources of frustration and despair for the individuals concerned and potential sources of social tension.

Judged by these criteria, the present decade has been a failure. The recession and adjustment which have characterized the 1980s have taken a heavy toll on the labor market. Even though the picture is not uniformly bleak, numerous indices point to a considerable worsening of the labor market situation in most countries and regions of the world in the 1980s. This deterioration has been extensively documented in recent ILO publications and this paper will merely attempt to highlight the main trends. At the risk of oversimplifying a highly complex situation in which there have been very wide variations in country experiences, this critical period in the world economy can be said to have affected the labor market in three main respects: an increase in unemployment, a deteriorating quality of employment and a reduction in incomes from work.

An Increase in Unemployment

Unemployment figures have long been regarded as an important indicator of the health of the economy in industrial market economy countries, and most of these countries continue to experience unemployment rates which in earlier times would have been considered unacceptably high. For developing countries, open unemployment has not traditionally been regarded as the most serious of their employment problems, and unemployment figures have been regarded as only a very poor and partial indicator of the overall employment situation, as indeed they are. In the absence of unemployment benefits, redundant workers are forced to accept any available activity in the informal sector. Thus it has been assumed that in developing countries, a lower demand for labor will manifest itself in lower output and, hence, lower income rather than in rising open unemployment.

Nevertheless, one of the most worrying aspects of the effect of the economic crisis—particularly in Latin America and sub-Saharan Africa has been a growing rate of open unemployment, reflecting the failure of job creation of any sort (formal or informal) to keep pace with the extremely rapid growth of the labor force, particularly in urban areas. In Latin America, it has been estimated that the number of unemployed has been rising at a rate of 5.6 percent per annum between 1980 and 1987, equivalent to an increase in the number of jobless of around 46 percent during that period, while in sub-Saharan Africa, the number of the urban unemployed has been increasing by 10 percent or more each year. In Asia, the growth of unemployment has been less dramatic, but it has been on the rise in most Asian countries, except the newly industrialized countries (NICs), in most of which (Singapore being a temporary exception) unemployment has remained low.

A particularly worrying feature of the unemployment situation in all developing regions is the very high proportion of young people who are jobless, including educated youth. This is one of the major problems to be tackled by employment policy in the future.

Another important phenomenon has been the growing participation of women in the labor force. This is normally regarded as a positive trend. However, in low-income countries, increased women's participation is often a sign of increased poverty, since women are obliged to seek work to help increase a household's subsistence income.

A final point which is relevant to both industrialized and developing countries is that recorded unemployment rates may still give an overoptimistic picture, since in times of crisis, many people withdraw from the labor market (the "discouraged worker" effect), thus reducing the participation rate.

Deteriorating Quality of Employment

To the loss of dynamism in the creation of employment must be added the relative growth of very low productivity, low income and highly insecure employment- for instance, in the urban informal sector, or in casual employment in rural areas. An optimistic way of looking at these developments is to say that they have at least prevented the unemployment rates from rising to a much' greater extent than they would otherwise have done. But even though there is a tendency these days to romanticize the informal sector, the growth of these types of employment is generally synonymous with a growth of poverty and of insecurity of employment and income.

Thus, in Latin America, it has been estimated that the urban informal sector has grown at an accumulative annual rate of 6.7 percent between 1980 and 1987, with the result that its contribution to total nonagricultural employment has grown from 26 percent in 1980 to 33 percent in 1987. Putting this in a historical perspective, informal-sector employment in the Latin American region has grown more in the past seven years than it did in the previous thirty years, and the slow but steady trend that had been witnessed in Latin America over that thirty year period toward a reduction in the share of informal employment in total employment has been sharply reversed during the past seven years. In sub-Saharan African countries, for which relevant data are available, it appears that more than half the urban labor force is today employed in the informal sector, and that the urban informal sector employs between 10 and 15 percent of the total labor force.

The expansion of the informal sector was accompanied by, and resulted from, a decline in the rhythm of employment creation in the formal sector. However, within the formal sector, it is worth noting the key role that has been played by public-sector employment in total wage employment, particularly in Latin America and Africa.

In Latin America, public-sector employment expanded at accumulative annual rates of 4.6 percent-more than twice the rate in the formal sector as a whole. Partly, this expansion of public-sector employment resulted from the increasing duties of the state, but in part it has served to cushion the effect of employment contraction in the private sector. The imperative need to adjust to the fiscal deficits in these countries has resulted in sharp cuts in public-sector salaries and wages, with serious effects on public sector efficiency.

A similar but even more serious picture is presented by Africa, where during the 1970s and 1980s, many governments played the role of "employer of last resort," with the result that in many, if not most, sub-Saharan African countries, the public sector is the most important wage employer. The growth rates of public-sector employment were, however, clearly unsustainable and did not correspond to the expansion in the demand for government services. The situation has changed radically since the early 1980s, and public-sector employment growth is reported to be declining in some cases very sharply-in such countries.

Public-sector employment in most Asian countries tends to represent a somewhat lower proportion of nonagricultural employment than in the other two developing regions, but here too, the role of the state as an employer of last resort has certainly been significant, particularly in South Asia, and the ability of the state to continue to fulfill that role has in a number of countries been severely constrained. Thus, in most of the developing world, public-sector employment no longer means what it used to. It is characterized by declining job security and declining real wages.

A related point is that there is an almost universal trend toward a "tertiarization" of employment, i.e., an increasing proportion of the labor force employed in the services sector. However, the "services" sector is a catchall category, and one needs to distinguish the dominant characteristics of this sector in each country. In dynamic economies, it can represent a growing sector of financial institutions, trading and insurance, etc., that supports a growing industrial and trading surge. In less developed or stagnant economies, it is dominantly characterized by informal-sector petty services and trading which essentially sustain a bare living for vast numbers of the poor. In such cases, a growing services sector implies a phenomenon of distress adaptation to the overall poor employment performance of an economy.

Finally, although the share of agriculture in total employment has tended to fall in many developing countries (and there has been a large-scale shift of population to urban

areas), there are few countries which can claim to have achieved a breakthrough in the reduction of rural poverty and underemployment. The 1980s have been a period of considerable deterioration in sub-Saharan Africa in particular, where the real malaise lies in the low productivity of agriculture. In much of Asia and Latin America, on the other hand, agricultural productivity has risen -in some cases quite substantially -but its benefits have been unevenly spread. Landlessness has increased in many countries of South and Southeast Asia and Latin America, while the average size of small farms has fallen, leading to an increasing casualization of labor and to the migration of labor between rural areas (as well as to urban areas) in search of seasonal or other temporary employment³

Reduction of Incomes from Work

Table 1, concerning the evolution of wages in Latin America, demonstrates the general deterioration of the situation of wage earners in that region in the present decade. The fall in real wages in that region has exceeded that of per capita ODE in nearly all cases, implying that wage earners bear a disproportionate burden of recession and adjustment. Among wage earners, workers in the better-organized manufacturing sector registered a smaller loss than the much poorer minimum-wage earners or agricultural wage earners.

Similarly, in sub-Saharan Africa, real wages declined by approximately a quarter between 1980 and 1985, although in that region, it appears that lower income earners suffered proportionately less from falling purchasing power than higher income earners. Even the gap between agricultural and nonagricultural wages appears to have been steadily decreasing in many African countries, although both have fallen.

In Asia, on the other hand, real wages in manufacturing have increased in most countries in spite of economic difficulties (the most notable exceptions being Bangladesh, the Philippines and Sri Lanka). However, agricultural wage earners - particularly in plantations - have been much more negatively affected than factory workers not only in countries and regions where agricultural production has stagnated (e.g., Bangladesh and Nepal), but also in areas of high agricultural growth, suggesting that the reason for wages being depressed in agricultural labor markets is still an oversupply of labor in the rural areas of most countries.

Outlook for the Future

What are the prospects of at least reversing the adverse trends of the 1980s and of making some progress toward the goal of fuller employment by the year 2007? This is not an easy question to answer. Employment forecasting is hardly an exact science even in the advanced industrialized countries with a highly developed statistical apparatus. It is scarcely more than speculation in countries where there is a predominance of nonage employment, where the labor market is hugely unorganized, and where existing labor market data give only a partial and imprecise picture of the complex reality of the employment situation. In any case, the answer to the question will vary enormously among countries and regions. Thus we can do no more than review some of the determinants of the future prospects for development and raise some questions concerning the main policy options for achieving fuller employment in the next decade.

Demographic Factors

Current population and labor force projections do not give much ground for optimism that developing countries will experience much easing of pressures on labor markets from the labor supply side. In the developing world as a whole, some slowdown in the growth of the labor force is expected (1.86 percent per annum in the period 1990-2000, compared with 2.19 percent per annum for 1985-90), while in the more developed regions the rate of growth will be less than 0.5 percent per annum. But there are very significant differences among regions. In Africa, the rate of growth of labor force will continue to increase well into the next century (2.75 percent per annum between 1990 and 2000, compared with 2.58 percent per annum between 1985 and 1990); and in Latin America the annual rate of increase will only start to slow down very slightly in the next decade.

(2.36 percent between 1990 and 2000 compared with 2.45 percent between 1985 and 1990). In Asia, sharp drops are expected in the annual rate of labor force increase in China, Thailand, Sri Lanka and the NICs, but most low-income South Asian countries will continue to experience relatively high labor force growth (just under 3 percent per annum in Bangladesh and Pakistan). In absolute terms, these percentage figures mean that the labor force in the developing world will grow by some 542 million between 1985 and 2000, compared with 47 million in the developed countries - i.e., more than nine out of ten of the "new jobs" required to cope with labor force growth will have to be found in developing countries. Most developing countries will continue to have a labor absorption problem of staggering proportions. The industrial market economies, on the other hand, will witness very slow rates of population and labor force growth, which may make it easier for them to overcome the high unemployment rates which many of them are currently facing. But the steeply increasing rates of old-age dependency will confront these countries with difficult labor market and social security problems of a quite different order from those facing the developing world.

Prospects for Employment Growth

What are the prospects of employment in the developing world growing at a sufficiently fast rate to keep up with a growing labor force and to make a dent on the huge backlog of unemployment and poverty that has accumulated in the past decade?

The main determinants of employment prospects will be the rate of economic growth and the employment elasticity of that growth between now and the year 2000.

Growth prospects present a mixed picture. Most current forecasts of the growth rate of industrialized and developing countries do not foresee substantially higher rates of growth for either group of countries. For industrialized countries, rates of economic growth ranging from 2.5 to 4 percent seem likely, the higher figure being dependent on substantial progress being made by these countries to accelerate structural change, to reduce economic imbalances among themselves, to improve coordination of their macroeconomic policies and to reduce protectionist barriers. For developing countries, the corresponding figures would be around 4 to 6 percent, the higher figure being contingent upon the success of industrialized countries in implementing the necessary policy changes which would result in lower interest rates and improved trade and capital flows in favor of developing countries - but also upon the success of the developing countries themselves in improving their own economic performance through structural adjustment. If nothing more than the lower growth rate for developing countries were achieved, it would be barely sufficient to cope with anticipated growth rates in the labor force of many of these countries. If the higher growth rate could be attained, and if it were fairly evenly spread among developing countries, it should make some contribution to relieving the appalling employment problems that confront most of them. These problems can obviously be more easily tackled in an era of buoyant growth than in a context of recession or sluggish growth.

One also needs to keep in mind three important aspects of economic growth in the current context.

The first is that it is unlikely that whatever growth occurs will be evenly spread among developing countries. The World Bank scenarios for 1987-95 foresee out to the decline in per capita income in sub-Saharan Africa (minus 2.9 percent in 1980-87) and among the highly indebted countries (minus 1.3 percent in 1980-87), but their increase in per capita income during 1987-95 will be far below that of those developing countries which are exporters of manufactures. The United Nations also foresees the divergence in growth rates among developing countries persisting as a result of unfavorable prospects for capital flows, compounded by a weakening demand for the primary goods they export. All this suggests a considerably better economic performance in the countries of East Asia than in the poorer and/or heavily indebted countries of Latin America, Africa and some South Asian countries - and these, as noted earlier, are the countries which are likely to experience the highest rates of labor force growth.

The second aspect is that economic growth does not automatically lead to a commensurate growth in employment. This long-recognized fact (which was the rationale for the launching of the ILO's World Employment Programme in 1969) has

been reconfirmed by the particular circumstances of the 1980s, when even in OECD countries, unemployment rates have (with a few notable exceptions, particularly the United States) remained stubbornly high in spite of the growth achieved since 1983. In Latin America, when some growth was achieved following the severe contraction of 1980-83, this growth was not translated either into a fall in unemployment or into a reduction of the growth of informal-sector employment which had occurred during the recession.

Third, the resumption of higher rates of growth is dependent on a major structural adjustment effort in both developed and developing countries. The experience in the 1980s has shown that adjustment is a painful process. Adjustment policies have had very severe consequences on the employment situation in developed and developing countries alike. The adjustment effort will certainly have to continue in all countries well into the 1990s in order to increase productive efficiency, raise the level of domestic investment and improve the balance-of-payments situation.

Thus, as important as growth and adjustment are for long-term improvements in the employment situation, it is no less important to improve the employment intensity of whatever growth occurs in a context of adjustment and economic reform. The challenge of the 1990s is to achieve not only adjustment with growth, but adjustment with growth and employment. How feasible is it to reconcile these three goals? That is the question to which we will now turn.

Employment-intensive Growth and Adjustment

There is no inherent reason why employment promotion and structural adjustment need be looked upon as conflicting objectives. For instance, the reorientation of expenditure and investment programs toward more employment-intensive and less import-intensive activities, relying to the maximum extent possible on local resources, could make a major contribution to employment and to closing fiscal and balance-of-payments deficits. What are the most promising approaches?

The Modern Sector

Only in very few developing countries can the modern sector, public or private, be looked upon as a potential source of a sufficiently large number of new jobs to absorb a significant proportion of new entrants into the labor force. This is not to say that it should be, or could be, completely neglected in development policies in the coming years. Even though not a major source of employment in itself, a dynamic modern sector could, if there were sufficient linkages between it and the rural economy and the informal sector, become a force for growth and employment generation throughout the economy. Indeed, the long-term goal should be to abolish the dualism that exists between the "modern" sector and the rest of the economy through the development of such linkages. But in much of the developing world, that is a very long-term goal, and an excessive focus of attention on the modern sector leads to a neglect of the growth and employment generation potential in rural areas and in the informal sector.

The role to be played by the state as a direct provider of jobs is a question of ideology which is best left aside. But even those socialist countries which had sought to banish the specter of unemployment by guaranteeing their citizens the right to work through state ownership of all means of production are now engaged in reforms that will involve considerable displacement of labor. Whether this can be achieved without unemployment remains to be seen. But clearly, no government, wherever it stands along the ideological spectrum, can afford in today's circumstances to play the role of employer of last (or only) resort if this means creating artificial and unsustainable levels of public employment.

Nevertheless, while it has been evident that the modern sector cannot be regarded in low- and middle-income countries as the only answer to the huge employment problems mentioned earlier, every attempt should be made to increase that sector's employment creation potential—for instance, through policies affecting the choice of technology, taxation and credit. The greater contribution that can be made by small enterprises than large ones to employment is a phenomenon that has been observed in countries at all levels of development but small enterprises have a notoriously high mortality rate, and

the romantic idea that redundant civil servants, office workers or school leavers can quickly be converted into successful entrepreneurs is hardly borne out by the facts. The development of entrepreneurial and managerial skills for small enterprise development presents a major challenge for education and training systems.

An appropriate wage policy can also be important in this respect; but what constitutes an "appropriate" wage policy is a matter of some debate. As noted earlier, the incomes of wage earners in many countries have fallen sharply in the past decade, and it has often been considered an inevitable part of adjustment policies to allow them to do so. But there are limits to what can be achieved in this way, and in some countries, those limits may have been reached or surpassed. Apart from the social cost of large falls in real wages, there is also the cost in terms of worker demoralization, productivity losses, and industrial and social unrest. There is plenty of evidence particularly, but by no means only, in Africa - of a growing proportion of wage earners being obliged to supplement their incomes through secondary jobs, with disastrous results on morale and efficiency in their main jobs. In some parts of the developing world, contrary to conventional wisdom, modern-sector wage earners are ceasing to be the "aristocracy" of labor. Successful policies for growth and adjustment cannot be achieved without equitable incentives and industrial relations, and this points to the need for increased dialogue between the social partners and public authorities on the sharing of the burden of adjustment - a point that was made with some emphasis by the recent ILO High-level Meeting on Employment and Structural Adjustment. Several countries have attempted to promote a "social pact" whereby trade unions accept the need for a certain measure of wage moderation in exchange for an expansion of job-creating investment.

Neglected Areas: Rural Employment and the Informal Sector

The growth and employment generation potential of the rural economy and the urban informal sector has long been emphasized in development literature, if not in national policies. Perhaps one positive thing that may emerge from the crisis of the 1980s is a greater recognition of the need for more attention to be given to these neglected areas.

A twofold approach to the problem of poverty and underemployment in these sectors was outlined by the ILO's High-level Meeting on Employment and Structural Adjustment. First, in the process of reducing or restructuring government expenditure in the context of adjustment policies, special care needs to be taken to safeguard and, if possible; to enhance the programs which benefit the most vulnerable population groups in rural and urban areas. Improved programs in such areas as housing, primary health care, water supply, nutrition, education and training should be looked upon not just as welfare measures, but also - and more importantly - as investments in human resources essential for future growth and development. However, like all investments, they need to be carefully planned so as to make the maximum contribution to human, social and economic development. Education and training programs are particular cases in point. The growing army of unemployed educated and trained youth in many parts of the world is surely a tragic waste of scarce resources on ill-designed, inappropriate and irrelevant programs in these fields.

Second, the meeting stressed the importance not only of improving the delivery of public services to the poorer sections of the population, but also of enhancing the quantity and the productivity of employment among these groups - for instance, by improving their access to income-earning assets, skills, credit, improved technologies, markets, etc. Improving the productive capacity of the poorest sections of the population could be the pivot of policies for adjustment and growth, resulting not only in improved employment and income distribution, but also in a more intensive and efficient use of national resources.

Rural Employment

Countries of sub-Saharan Africa and much of Asia, in spite of a sizable rural exodus, are still predominantly rural economies, and a major objective must remain the maximization of labor absorption in rural areas. This may be less true for Latin America, but there too, the persistence of serious inequalities and poverty in rural areas points to the need for a greater effort toward rural labor absorption.

There is no universal prescription as to how this can be achieved. Clearly, one major

requirement is accelerated agricultural growth. Much emphasis has been placed in adjustment policies on improving the terms of trade for agriculture and providing adequate incentives to agricultural producers. This is often necessary, but the benefits of improved agricultural prices have tended to accrue to the modern, large-scale agricultural sector. The lack of dynamism in agriculture may be due not only to inappropriate prices, but also to technological backwardness or inefficient and inequitable agrarian structures. Improved technologies that are "scale-neutral" - i.e., which do not favor large farms at the expense of small ones - are particularly necessary in African agriculture, but there is scope almost everywhere for improving both agricultural output and employment through land augmenting technological progress. Redistribution of land, or at least greater security of tenure, is still an important requirement in many parts of the world both for greater equity and for improved efficiency. But agrarian reform is a difficult process which has only succeeded in attaining its objectives in favor of small farmers as a part of a much broader package involving improved access to credit, markets, technology, fertilizers, education and other basic amenities.

The pressure of population on the land makes it imperative to develop opportunities for productive employment in rural areas in nonagricultural activities. There is evidence that agricultural growth, through production and consumption linkages, can provide a major impetus to the growth of incomes and employment in nonfarm economy. An essential requirement for the success of this strategy is that agriculture's demand for the output of the nonfarm sector should be a wide range of goods and services with a high employment content. Moreover, accelerated growth in employment in the nonfarm sector can lead to increased local demand for agricultural output. But to achieve this virtuous circle of mutually reinforcing growth of agricultural and nonagricultural activities requires vigorous policies to encourage the labor-intensive nonfarm economy (especially through the provision of credit and marketing facilities, particularly in the early stages of these "infant industries"), as well as a widespread distribution of the fruits of agricultural growth to fuel effective demand for the output of nonfarm activities.

Few countries have yet achieved a successful breakthrough along these lines.⁴ To bring about such a breakthrough must remain a major policy objective.

The Informal Sector

However successful attempts may be to revitalize rural areas, they are not going to slow down the rapid growth of cities, at least in the foreseeable future. For a long time to come, the urban informal sector is going to play the role of a "labor sponge" in most of the cities of the developing world.

The informal sector is very heterogeneous, to the point where the concept can be more mystifying than edifying. The sector comprises a continuum of small-scale activities ranging from shoeshine boys to medium sized workshops that come very close to small-scale formal enterprises. Trade and services appear to be the predominant activities, while only a small proportion of the informal work force is engaged in manufacturing. The evidence also suggests that the informal sector does not constitute an undifferentiated pool of poor urban workers - quite the contrary. The income disparity among sub sectors, owners and workers is often extremely wide. Therefore, the informal sector is simultaneously a dynamic nursery of micro entrepreneurs which provides appropriate on-the-job training for millions of new labor force recruits and a refuge which transforms unemployment into underemployment, and which is often exploitative in nature. Being, by definition, beyond the scope of protective legislation, it involves poor working conditions, very long working hours and almost always extremely low income levels.

Although one of the main characteristics of the informal sector is said to be ease of access, entry requirements into micro entrepreneurship are in fact quite high. Success in self-employment requires a considerable amount of skills, experience, capital and maturity. School leavers are not sufficiently mature to meet the challenges of the world of business. They also lack the necessary capital funds to start their own businesses. Since credit schemes for would-be entrepreneurs are nonexistent in most countries, such people require sufficient personal savings to finance their initial investments. The transition from school into self-employment is thus long and tortuous, passing through apprenticeship, formal and informal wage employment, petty trade, etc. After leaving

school, young people first work for pay for a number of years in order to accumulate experience and savings before they eventually settle into self-employment. The popular view that unemployed youth can easily settle into self-employment is often based on an incorrect understanding of informal labor markets.

In the past, the attitude of most governments vis-à-vis the informal sector has varied from benign neglect to outright harassment. Since the early 1980s, however, this situation has begun to change in a number of countries. The informal sector is increasingly being viewed more positively as a lead sector for the creation of new jobs. So far, the single most important measure that has been adopted by some countries relates to the introduction of vocational subjects in the curricula of elementary schools in an attempt to make primary education more relevant for self-employment. This is an important step forward. But education or training alone are unlikely to provide the key to improving employment, incomes and productivity in the informal sector. Romanticizing the informal sector as a labor sponge that has virtually no saturation point and that requires little or no support can be greatly misleading. Although there are clearly limits to the extent to which public authorities can or should intervene, they can at the very least scrutinize existing laws and regulations to see whether they constitute unnecessary obstacles to the growth of productivity and employment in the informal sector. Beyond that, a pressing need is the improvement or provision of infrastructural facilities such as water supply, sewerage, access roads, etc. The more enterprising elements of the informal sector need to be given access to credit facilities and assistance in marketing their goods. Indeed, in the longer term, the improved vitality and productivity of the informal sector will depend on whether it can develop linkages and complementarities with the formal sector, thus contributing more dynamically to general economic growth and social progress.

Direct Employment Creation Schemes

There has been a growing interest in programs of direct employment creation. These have included labor-intensive programs for the development of local infrastructure in rural and urban areas (e.g., irrigation, access roads, forestation, construction of schools, clinics, low-cost housing), with particular emphasis on an intensive use of local resources, especially unskilled labor.⁵ They have also included measures to promote self-employment through the provision of credit, equipment and training to target poverty groups, such as unemployed youth and rural landless labor. Such schemes are assuming considerable proportions in some Asian countries for example, India, where the total expenditure on various employment oriented programs accounts for some 5 percent of the total outlay for the current Five-year Plan.

Such programs have much to recommend them, at least in terms of short-term poverty alleviation and employment creation. The longer-term benefits can also be considerable if they are carefully designed and integrated into local, regional or national development plans. This has not always been the case, however. The infrastructure created through such schemes, for instance, may prove to be of relatively little benefit to the intended beneficiaries, or inadequate attention may have been given to its maintenance. In the case of many self-employment promotion schemes, it is far from certain that they have resulted in long-term jobs or improved incomes. There are many pitfalls to be avoided, which a careful examination and evaluation of different national experiences should bring tonight if such schemes are to be replicated on a large scale in a cost-effective manner.

Note

1. See, for instance, World Recession and Global Interdependence: Effects on Employment, Poverty and Informal Sector in Developing Countries (Geneva: ILO, 1987); High-ten.) Math, on Employment and Synclinal Adjournalment: Background Document (Geneva, 11.0.1987); World Labor Report (Geneva: ILO, 1987), vol. 3: Appendix social (Sanmiyo: n.0/PRP-ALC, 1917); Structural Adjustment: By Whom, For Whom (New Delhi: IIA/ARTEP, 1987); and World Employment Review (Geneva: ILO, 1988).

3. See The Growing Sector: Studies on Public Sector Employment in Asia (New Delhi: n.0/ARTEP, 1988).

3. See Rural Employment Promotion, International Labor Conference, 75th Session, 1988, Report VII ((Geneva: ILO, 1988).

4. See Rural Employment Promotion and Informal Sector in Asia (New Delhi: n.0/ARTEP, 1987).

CHAPTER 9

Population and Human Resources
Naffs Sadik

The development of human capital requires as much advance planning-as well as action now-as physical or financial capital. The population does not merely grow and present itself for health care, schooling, jobs and housing. Rattler, as these investments inhuman capital are made, they affect population growth and distribution-the quantity as well as the quality of the available human capital base. Integration of population variables in development and human resource planning is therefore a dynamic process. Trends, changes or improvements in one area affect outcomes in the other (see figure 1).

If our goal is to encourage the development of "forward-looking strategies" for human resource investment, we must first set the stage: What is the experience of Africa, Asia and Latin America? What action can be taken to develop the potential of today's human resources? What action should he taken to ensure the rational planning of human resources for future generations?

The Challenge

Population is a resource, an engine of economic development and the object of all production, consumption and investment. Its growth during the last one hundred years represents an unprecedented human accomplishment.

Numbers are but one measure of success, however. In the thirty-seven years between 1950 and 1987. humanity grew by approximately 2.5 billion. In the next thirty-seven years, from 1987 to 2025, it will grow by another 3.2 billion (see table 1). Approximately 94 percent of this growth, or 3 billion people, will be in developing countries. During the same period, the labor force in these countries will grow by 13 billion, or 92 percent of all new job seekers.

Will 8 billion people be cause for celebration in the year 2025? The great unknown concerns the quality ofhuman resources which this number represents. Resource constraints are illustrated in table 2, where countries are grouped by levels of per capita income. At the poorer end of the scale, comprisingcoun ries with a percapita income of less than \$400, infant mortality is more than ten times higher than at the richer end, comprising countries with per capita income between \$4,300 and \$16,700. The underlying causes are well known-bad water, sanitation, housing and health care, too many pregnancies too close to each other, and malnutrition.

TABLE I

Increase in Population and Labor Force (1950-87 and 1987-2025)

Region	Absolute Increase in (Millions)	Absolute Increase	
		Population	Labor Force (Millions)
		1950-87	1987-2025
World Total	2482.0	3208.2	1072.5
More Developed	3565	2082	189.9
Less Developed	21255	31x0.0	882.3

SOURCE' Derived using 1904 population estimates and projections as assessed by the United Nations Population Division.

TABLE 2

Human Capital Measures in Council by Level of Per Capita Income 1984-85

Countries	by	Per	Capita
Income			

Low-Income Human Capital Measures	(<\$400)	Middle-Income (\$400-\$1,599)	Upper Middle-Income (\$1,600-\$4,299)	Industrial Developed (\$4,300-\$16,700)
Infant mortality (per 1,000 live births)	112	82	52	9
Life expectancy (years)	51	58	67	76
Daily calories per capita	2,073	2,514	2,987	3,417
Physicians per 100,000 people	17.35	8.23	13.4	53
Percent of children enrolled in school	70	100	100	100
Primary				
Secondary	23	40	56	90
Higher Education	3		15	67

SOURCES: World Bank, World Development Report 1987; World Resources Institute, World Resources 1987; United Nations, 1986 World Health Statistics. In the language of investment, such constraints impose great costs on parents—lost time, lost energy and lost earnings during pregnancy or sickness of mothers or children. For the community, losing children means wasted investments in health and education. Table 2 shows an additional cost of poverty. Caloric intake in poorer countries is only 60 percent of that in richer ones. Malnutrition stunts physical-

cal and mental development, reducing returns on the schooling investments and lowering productivity potential. Furthermore, malnourished children are more likely to be sickly adults, especially where health care is poor. The reason is that poor people have less access to doctors, so they are sick for a longer period, as well as more often, than their better-off counterparts.

Finally, table 2 shows that although most children are now enrolled in primary school, people in poor countries lag far behind the industrial countries in secondary and higher education. They have correspondingly less access to the understanding and use of productivity-enhancing technology which might help to close the economic gap between rich and poor countries.

This brief review reveals a strong correlation between a country's economic wealth and measures of human resource development. No approach to human resource development can ignore the relationship.

But limited wealth is not the whole story. Population growth itself may make the situation worse for the poorer countries. It can drastically reduce the resources available for human capital investments while increasing the demand for such investments. This point is illustrated in table 3 in the context of Africa. Column I shows that Africa has the highest erode birth rate and highest crude death rate of any region of the world. Population on the continent has doubled since 1960, compared with 38 percent and 4 percent do Asia and Europe respectively.

Rapid population growth in Africa places great pressure on the capacity of the economy to provide more jobs. It also affects the region's age distribution, and in turn, the ratio of dependent population (those age 0-14 years or age 65 and over) to working population (age 15-64). For the continent as a whole, the ratio is 0.94—twice as high as in Europe. Working men or women in Africa, therefore, have double the dependency burden (that is, their share of total demand for food, health care, housing and schooling) of their counterparts in Europe. Not only are funds for bare essentials more limited in Africa than in Europe, but much less money will be available for "higher-order" human capital investments, such as higher education.

The effects of rapid population growth are most evident in the distribution of population and production. For example, in Africa, 68 percent of the population is in rural areas (see table 3), implying a larger share of new births, projected at about 280 million between 1987-2000 in rural areas. This is precisely where doctors, potable water, schools and jobs are already

in short supply. By comparison, only 27 percent of Europe's projected population of 18 million will be in rural areas.

TABLE 3
Population and Human Capital Measures In Four World Regions

Human. Capital Measures	Africa	South America	Asia	Europe
Crude birth rate (1987-90)	452	78.8	25.4	10.8
Per thousand population (1987-90)	15.1	8.0	9.1	106
Crude death rate per thousand population	.94	2.0	1.6	82
Crude death rate per thousand population	282	28	636	104
Rate of natural increase (percent)	68	66	66	
Percent population increase since 1960	72	107	118	
Deepened population divided by working age population	109	94	43	
Additional population from 1987-2000 (million)		246		
Index of total agricultural production 1964-66				
1983-85				
Index of per capita agricultural production				
1964-66	109			
1983-85	96			
Lighten public debt (SUS billions)				

SOURCES: World Bank, World Development Report 1987: World Resources Institute, World Resources 1987.

Without new technologies, African agriculture faces declining per capita production. As table 3 shows, agriculture productivity increased between 1964 and 1985, but per capita production fell below 1964 levels.

Since imported food did not fill the gap, rapid population growth meant lower-quality nourishment and its consequences. These costs typically fall most heavily on poor people. Africa shows how rapid population growth can interact with severe resource constraints to deplete limited development funds. In these circumstances, development planning without population planning is highly unrealistic.

Slower population growth is not a panacea for development problems, however. There are many causes of resource constraints, including wars and civil disturbances, climatic upheavals, and social and economic problems inherited from the colonial era. They include the industrialized countries' barriers to the exports of developing countries, problems of servicing massive debt (see table 3) and austerity measures in times of economic recession.

All or most of these "external" obstacles to development are beyond the power of developing countries to change. Other constraints on the quantity, quality and distribution of human resources are within their effective control; that is, selective interventions are available which can have an immediate impact on human resource development. This is true even though unprecedented numbers of today's children will soon be seeking jobs and raising families.

Priorities for Action

Examining some priorities for action will give additional substance to figure 1. As we develop the idea of a dynamic interaction between population and human capital investments, the content of a "forward-looking strategy" will become increasingly clear.

Priority 1: Lower Infant Mortality and Morbidity

Higher rates of mortality and morbidity are clearly income-related, but poverty need not prevent progress. Improved access to food subsidies, immunization, potable water, diarrhoea control and family planning can be provided independent of family income. This applies particularly to the rural areas, where infant mortality is usually several times higher than in the urban areas.

The World Fertility Survey has firmly established that birth spacing contributes to the health of mothers and children. Mothers achieve their desired family size more easily and are able to participate more fully in economic development. Children spaced two or more years apart tend to be better fed, are better developed physically and perform better in school. Time, energy, and scarce savings invested in children are rewarded. Relationships involved are schematized in figure 2, which shows how a population intervention can interact with improved nutrition to improve human capital.

Priority 2: Recognizing and Expanding the Role of Women

Human resource development implies that all human agents of economic growth and change are involved in the development process.

Cultural practices and information based on assumptions about women's role in developed and less developed countries alike have camouflaged women's contribution to economic development. As recent time/budget studies show, women often work more hours and days than their husbands. They are also the sole providers in a growing number of households. A correct assessment of their contribution would permit an accurate analysis of current human capital resources and allow more effective planning for the future.

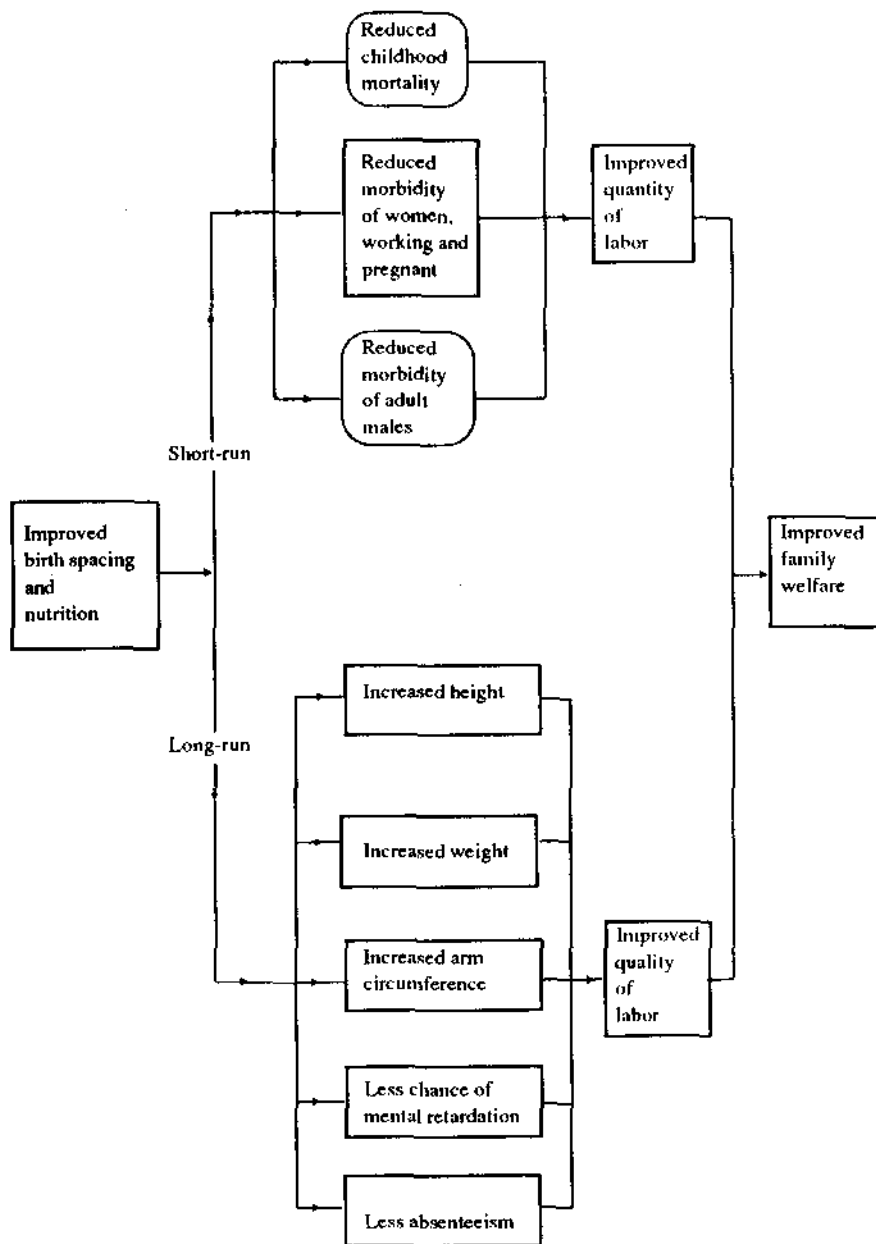
Cultural practices also prevent women from making their full contribution to development. For example, when the male head of a rural household migrates, his wife is often left with full responsibility for whatever land or livestock they own. Yet she seldom has full legal rights or access to cooperatives, credit and extension services. The same cultural barriers can prevent women from doing traditionally male jobs or from exploiting the potential of income-generating activities such as weaving, or raising produce or livestock.

In addition to their strictly economic contribution, women are largely responsible for the well-being of the family, particularly as regards food and health. In raising their children, they are developing the human resources of the future. Neglecting women's health,

education and employment not only compromises their direct contribution to economic growth and development, but also reduces the physical and mental capacity of tomorrow's work force and tomorrow's mothers.

FIGURE 2

Short-and Long-run Labor-augmenting Effects of Improved Birth Spacing and Nutrition



Priority

3: Correcting Uneven Distribution of Investments

A third priority of human resource development is to close the poverty gap within and between countries. A key investment is education. Poor quality education, low school enrollment and high dropout rates produce low-quality human resources. This can only impede the efficient use of physical capital—for example, land or technology. It excludes the uneducated from many modern forms of communication and information. It also denies them the credentials for upward social mobility.

This vicious circle of underdevelopment is strengthened by an "urban bias" in national development planning which neglects rural education and prevents balanced human and nonhuman resource development.

Skewed investments in education affect the prospects for reducing rapid population growth, especially among the poor. The most effective weapon against malnourishment and infant mortality in rural areas is an educated mother. Also, higher (secondary) education for rural women increases their employment opportunities and lends to raise the age at marriage. After marriage, employment raises the "opportunity cost" of having children; that is, education works to reduce desired family size.

Correcting the urban bias in education is difficult for nations with limited funds and massive foreign debts. Social and educational investments are the first to be cut back in

times of economic retrenchment and austerity. For this reason, a better balance, rather than an increase in educational investments overall, is a more feasible goal.

Priority 4: Stemming Migration and the Brain Drain

The loss of scarce human capital from rural to urban areas and from poor to rich countries has received uneven attention over the last two decades. There is excellent research on the number of highly qualified workers who leave poor countries, but little on possible solutions.

Emigrants take with them invaluable educational investments, including specialized training and accumulated expertise. An UNCTAD study estimated the average imputed capital value (lost) of a highly qualified emigrant at approximately \$ 300,000. Arab countries' university graduates in engineering, natural science and medicine who were overseas in 1975 were roughly 2.2 times that year's total number of graduates in engineering, 1.7 times the total number of science graduates and 5 times the total number of medical graduates. The brain drain is particularly traumatic for poorer areas, where the loss of even one or two skilled people can shut down an entire project.

Migration is stimulated by limited employment, income and investment opportunities. Within countries, an important underlying cause is, as with education, a long-standing urban bias in development expenditures.

Perhaps the most widely publicized success in luring back expatriates has been enjoyed by Iraq. The government offered migrants with a master's or higher degree free transportation for family and household belongings back to Iraq, free land to build a house, and a well-paid job. This arrangement was formalized as Law 154. It attracted some 700 highly qualified professionals, swelling their domestic ranks by one-third.

Priority 5: Integrating Population in National Development Planning

A fifth priority is to look ahead in order to plan for the integration of population and human resources. How are current and projected trends in population growth likely to alter the demand for health and schooling? Is the country's educational infrastructure adequate? Is anticipated demand or labor likely to accommodate the supply? At a more sophisticated level, planners must also project the human resource requirements and the change in demand for products, skills and knowledge, including new technologies. Such planning requires a solid union of demographic skills, manpower planning and national development or sectoral planning. The experience of the U.N. Fund for Population Activities shows the value of a population unit within national planning ministries. With the help of the unit, population projections and policy alternatives can be evaluated more fully in the context of sectoral human resource needs. The unit can also look at the effect of human resource development on other sectors: how are investments in, say, education likely to affect population growth or distribution? For example, the recent expansion of women's education in the Arab countries will affect their attitudes to modernization, employment and, eventually, family size. As a result, the demand for family planning services will grow. One estimate is that Arab couples will attempt to avert some 13 million births between 1975 and 1995. Available population assistance, population units and family planning services are not prepared for this expanding demand, risking loss of the population benefits of educational investments.

Priority 6: Improving Research and Training

The synthesis of theory and evidence on population in human resource development is only beginning to be undertaken, and there are many gaps in our understanding. More research and analysis are needed, particularly at the national and local levels. This will depend on good data on the size, growth, structure and distribution of the population, which in turn demands adequate census, survey and civil registration capability.

Also indispensable are researchers trained in the integration of population variables in development and human resource planning. They are a scarce human resource. Both economic and demographic training are required. Such a combination is hard to find even in the industrialized countries, and far more so in the developing countries. The UNFPA has begun a global training program to help fill this gap. Part of UNFPA assistance to establish a population unit (priority 5) is

usually training in economic-demographic relations and methods of planning.

Priority 7: Detecting Non complementary Policies

Investments to develop human resources may be accidentally negated by development policies in other sectors. For example, the benefit of investments to raise skills and increase employment on farms may be weakened or cancelled by fiscal policies which keep producer prices down so as to ensure low prices for urban consumers. The result is small profit margins and little room for capital investment by farmers. This translates into a low return on such investments as agricultural training, persistent rural/urban income inequalities, and migration of rural workers to the cities.

Development agencies are only beginning to appreciate the power and consequences of no complementary development policies. They operate at many levels, usually unnoticed and with unexpected effects.

A Forward-looking Strategy

These priorities are at the heart of a forward-looking human resource strategy. Human resource development is a complex process, requiring integrated planning. But it is not necessarily expensive; well-placed research and targeted funding can yield immediate benefits.

In 1987, approximately 18 percent of UNFPA's allocations, or \$24 million, went to projects in population dynamics and the formulation and implementation of policies dealing with human resource development. UNFPA's experience suggests three predominant characteristics of a forward-looking human resource strategy: (i) it should be integrated with other aspects of social and economic policy; (ii) it should use a variety of approaches; and (iii) its effects should be the result of a synergy of population and human capital policies.

CHAPTER 10

Some Reflections on Human and Social Indicators Dharam Ghai, Michael Hopkins and Donald McGranahan

The Charter of the United Nations enjoins it to "promote higher standards of living, full employment, and conditions of economic and social progress and development."¹ As part of its mandate to promote social progress, the United Nations system has attempted since the early 1950s to develop theoretical and empirical work on social indicators. Over the past thirty to forty years, a great deal of effort has been devoted by international organizations, national statistical offices and individual researchers to identifying components and indicators of social progress, gathering relevant data and information, and undertaking an analysis of the relationship between economic growth and social progress.

This effort has extended our knowledge base and deepened our understanding of the various aspects of social development. Yet in some respects, especially those relating to the measurement of social progress in developing countries, improvements have fallen short of expectations and needs. In the majority of developing countries, it remains difficult to measure with a satisfactory degree of accuracy changes over time in living standards and social conditions. Given that the fundamental objective of economic growth is human well-being, it is necessary to continue efforts to improve the analysis and measurement of social progress.

The purpose of this paper is to discuss indicators on some aspects of living standards and social concerns. A general discussion on the scope and use of social indicators is followed by a brief survey of some major strands of work in this area since the early 1950s. We then consider some widely used indicators on living conditions, assess their shortcomings and suggest some low-cost methods of data collection. Finally, there is a discussion of some social concerns on which it might be useful to develop indicators, collect information and prepare reports.

Scope and Use of Social Indicators

Social conditions and concerns cover a wide spectrum of human experience. By the same

token, social indicators elaborated to throw light on them display a corresponding diversity. It may be useful to classify these indicators into four categories? The first refers to living conditions (health, nutrition, shelter, access to water, sanitary facilities). The second comprises information and cultural aspects (literacy, education, libraries, newspapers, music, theatre, fine arts). The third relates to some social concerns (human rights, status of women, participation, equality, personal security, child labor, drug taking, corruption, state of the environment). The fourth refers to indicators on the state of the mind and the spirit (happiness, satisfaction, tranquility, etc.).

The literature on social indicators provides examples of work on all four categories of social domains. These indicators may be quantitative or qualitative, objective or subjective. Likewise, they may be collected through a wide variety of methods, the principal ones being censuses, household questionnaires, individual surveys, administrative records, registration systems, public opinion polls and referendums. While the state is usually the main agency of data collection in all countries, useful social information may also be gathered by such organizations as political parties, religious groups, cooperatives, business enterprises, unions, communications media, research institutes, universities, nongovernmental development bodies and international organizations, as well as by individuals.

Naturally, there is a great deal of variation in the quantity and quality of information available on social indicators in different countries. This is dependent on such factors as the stage of development, the financial, human and technical resources available, the strength of the research community and the priority attached to different types of information. Given the scarcity of resources and of skills and the high cost of data collection, each country would need to weigh carefully the costs and benefits of collecting different types of information and then to establish priorities.

We focus on two areas, namely, some major indicators on living conditions and information on selected issues of social concern. These areas correspond to some items in the first, second and third categories noted earlier. There has been a good deal of discussion on indicators of living conditions, and the next section recapitulates some highlights. On the other hand, there are some issues of widespread social concern on which there is relatively little systematic quantitative information, and regular assessment may be a useful way to promote discussion of such issues.

Social indicators can be useful in a number of ways. First, they provide information on matters of public concern, thereby stimulating discussion and analysis. The availability of suitable social profiles in countries at different levels of economic development and with different socioeconomic systems can facilitate fruitful investigations into the relationship between the level, rate and patterns of economic growth and social progress. Second, within a country, the availability of time series data on indicators permits monitoring of social progress and analysis of the destination of the benefits of development. Third, collection of appropriate indicators and data can provide guidance on the social impact of specific programs and policies. Fourth, such information can be useful in the formulation of development programs and policies. Finally, information on social indicators can point to areas of critical weakness in basic needs satisfaction, send warning signals and alert authorities to potential dangers.

Evolution of Work on Living Conditions

This preliminary and selective account of the evolution of work on easing of living conditions focuses on the contribution made by the United Nations system. In broad terms, this work has followed two main directions: elaboration and analysis of selected indicators, and attempts to develop macro measures and accounting systems on living standards.³

Components and Indicators of Living Conditions

An early concern with the social aspects of development came from the United Nations Charter. Then, in the early years of the United Nations, there was a spurt of interest in the measurement of levels of living. In 1949, recommendations concerned with improved measurement of levels of living were adopted by the Social Commission of the United Nations, the Economic and Social Council (ECOSOC), the Seventh International Labor Conference of the III) and the Rural Welfare Panel of the General Conference of the

FAO. The first major U.N. document on this subject was the 1954 report of a group of experts on International Definition and Measurement of Standards and Levels of Living. This report has formed the basis of much of the subsequent work in this area. The report divided the level of living into components and indicators. It defined twelve components that the expert group considered should be included in the level of living. These were: (i) health, including demographic conditions; (ii) food and nutrition; (iii) education, including literacy and skills; (iv) conditions of work; (v) employment situation; (vi) aggregate consumption and savings; (vii) transportation; (viii) housing, including household facilities; (ix) clothing; (x) recreation and entertainment; (xi) social security; and (xii) human freedoms.

Realizing that indicators considered to measure progress in each of these components were in principle rather numerous, but that data for many of them were not available for many countries, the report recommended a priority list of indicators. These were: (i) expectation of life at birth; (ii) infant mortality rate; (iii) national average food supplies in terms of calories at the "retail level" compared with estimated calorie requirements; (iv) proportion of children 5-14 years of age enrolled in schools; (v) percentage of population literate above some appropriate age, total and by sex; (vi) proportion of economically active population unemployed; (vii) percentage distribution of economically active population by principal industrial and occupational categories; and (viii) personal consumption as a proportion of national income and index of changes therein.

Subsequent reports by the U.N. refined and improved upon the components and indicators identified in the 1954 study.⁵ Collection of data also focused on these and similar indicators' The United Nations Research Institute for Social Development has devoted considerable efforts since its early years to theoretical and empirical work on living conditions and social indicators. This work has comprised clarification of the concepts and measures of levels of living, collection and evaluation of data on selected social indicators for a large number of countries on a comparable and consistent basis at successive ten-year interludes, initiation of methods of information gathering on social progress at the local level, and analysis of the relationship between social and economic indicators and between social advance and economic growth.⁷

The specialized agencies, meanwhile, continued their efforts to refine the definition and improve collection of information on indicators of specific interest to them. Mention may be made of the work by WHO on health, UNESCO on literacy and education, ILO on employment, WHOFAO-UNICEF on nutrition, with a focus on children and women, UNEP on the environment, etc.

The work on living standards received a new boost following the recommendation of the ILO's World Employment Conference in 1976 that the primary objective of development efforts should be the satisfaction of basic needs. ILO's work in this area covered identification and measurement of core basic needs, establishment of targets and elaboration of strategies and policies for their attainments. The coverage of basic needs was similar to that of the U.N. components of levels of living, except for the important place given to the right of people to participate in decisions that affect them as an objective of policy (and indicator measurement). Subsequently, the World Bank initiated work on basic needs, but narrowed the concept down to a few indicators in order to estimate the resources required to meet core basic needs over a specific period and to explore the role the World Bank could play in this.⁹

There has also been some interest in the idea of developing a single index to measure level of living or basic needs. Although such [measures](#), as the physical quality of life index (PQLI), which combines infant mortality, life expectancy and literacy, can be useful in some respects, these measures have been subject to criticism relating to choice of indicators, as well as the weight to be given to different indicators.¹⁰

Macro Measures and Accounting Systems

Parallel with the efforts to identify and collect information on selected indicators, attempts have been made to develop comprehensive measures and accounting frameworks to throw light on levels and changes in living conditions. One of the primary sources of information for these attempts is the household income and expenditure survey. These surveys have been used as sources for estimating food consumption and calculating poverty lines, as well as for estimating income distribution. If reliable and com

comparable household surveys are available overtime, it is possible to estimate the incidence of and trends in poverty, as well as changes in income distribution and consumption patterns. Unfortunately, there are practically no countries in sub-Saharan Africa where comparable surveys are available over time, and relatively few in Latin America and the Caribbean. The situation is somewhat better in South and East Asia.

Several efforts have been made to construct a social accounting framework comparable to the national income accounts for economic statistics. Reference may be made to two such attempts in the U.N. system. In 1975, the U.N. took up the question of social statistics in an ambitious piece of work culminating in a document entitled "Towards a System of Social and Demographic Statistics" (SSDS).¹¹ The idea of this work was to integrate social statistics into a system of accounts so that the individual elements were connected in some way. The system, however, proved too complex for practical application in most countries.

Subsequently, the lack of an international consensus on the definition of social indicators led the U.N. to produce a report¹² where it compared its own recommendations with those of other [organizations](http://www.un.org). The U.N. report also took account of earlier publications, including the SSDS, and attempted to formulate some preliminary guidelines in preparing social indicator statistics. Given that developed, developing and least developed countries had different possibilities for producing statistics, it suggested three sets of indicators appropriate to the level of development of the country.

The second effort in this area concerned the construction of social accounting matrices (SAM). Work originally initiated by the ¹³1974 was subsequently taken up by the World Bank.¹⁴ In addition to the usual sources of data used in national income accounts, a SAM draws upon data on household consumption and income distribution. Thus the economic inputs and outputs of households, as well as government and enterprises, are included. The novelty of the approach is the identification of different types of households and a consistent scheme of how they both earn and spend their money. Although SAMs are only snapshots at one moment in time of the circular flow of money, they can be used in modeling studies to examine the effect of changing levels and structures of production on income distribution and household consumption. Thus SAMs are a powerful tool of analysis, but are clearly restricted in being confined to the monetary and material side of social conditions. Furthermore, the effort in building a SAM is considerably dependent on data availability and on the level of disaggregation chosen. Nevertheless, a SAM marks a considerable improvement on GNP and other indicators derived from economic accounts as an approach to documenting some aspects of economic and social welfare.

Efforts to improve the Quality and Analysis of Social Data

Household surveys are a major source of social and economic data on indicators. In recent years, considerable efforts have been made to initiate and improve the quality of household surveys. The U.N.'s National Household Capability Programme represents an attempt to strengthen the capacity of developing countries to design, implement and analyze household surveys.¹⁵

In the same vein, the Living Standards Measurement Study (LSMS) of the World Bank has attempted to initiate household surveys in a number of countries with the aim of getting better data. The initial emphasis has been on methodological aspects. The LSMS work started in 1980 with the objective of identifying the data which can be most usefully collected and the best ways of collecting it in order to provide a description of living standards and a basis for policy formulation. Household surveys are a main instrument of data collection. Since its inception, the LSMS project has produced nearly fifty working papers concerned with methodological issues, analytical studies and survey results, with most of the pilot work having been done in Côte d'Ivoire.¹⁷ These surveys under LSMS cover both community and household aspects. The former includes information about the community as a whole on the demographic situation, infrastructure, transport, migration, education, health and agriculture. The latter survey has sections on household composition, housing conditions, education, health, employment, migration, agriculture, nonfarm rural activities, capital and inventory, household expenditure, food expenses and home production, fertility, remittance income, and credit and saving. The

World Bank plans to conduct such surveys on a regular basis.

The U.N. Research Institute for Social Development (UNRISD), working with the cross-national socioeconomic development data, has attempted to devise criteria for the selection and construction of indicators that can be used in analytic work on the basis of data already available.¹⁸ It has also sought to develop new analytic methods appropriate to the nature of the data. This has led to the development of a profile of indicators, a "relativistic" index which gives not the absolute level of a country in a field such as education or health, but its level in this field in relation to its general level of social and economic development. Thus it is possible to quantify the extent to which a given country is more advanced (or less advanced) in, say, education, than would be expected from its status in the other dimensions of development on the basis of available evidence.

This approach to indicators permits identification of socioeconomic development patterns of individual countries at a given time and analysis of their relation to subsequent economic growth. For example, those countries that grew fastest economically over 1970-80 were clearly seen to be countries with relatively high levels of education for their general level of development. This approach also makes it possible to compare rates of growth of economic and social indicators more meaningfully than by the conventional use of percentage gain rates.

Another change in social indicator work in recent years includes greater attention to problems of distribution, including breakdowns giving data on women and administrative regions. In general, however, distributional data on social indicators are rare for developing countries. Another recent trend has been toward the use of simpler and more direct social indicators, as distinguished from elaborate constructions involving large amounts of guesswork. An example is the increasing use of infant or child body weight or height in assessments of nutrition or health.

Practicable Approaches to Indicators on Living Conditions

Once it is decided what social conditions, concerns or characteristics are to be assessed through indicators, two basic questions must be faced. First, how are indicators of these conditions to be chosen or constructed? Second, how are the relevant data to be obtained?

These questions are interrelated: it is pointless to construct indicators for which data cannot be obtained or to compile data on ill-conceived indicators. Failure to address these two questions realistically accounts for a great deal of useless output in the field of social indicators. Indicators are proposed for which no practicable method of obtaining the necessary data is or can be defined in the circumstances of developing countries. Or published statistical series, because they are available, are taken up and treated as social indicators, when in fact they do not serve that purpose.

Social indicators tend to differ in their structure and in the nature of their reference from economic indicators. The latter tend to involve figures on simple volumes or quantities of goods and/or services produced, sold, consumed, imported, exported, etc., while social indicators tend to be more distributional and to involve figures on the percent (or per thousand or ten thousand) of the population, and of various subpopulations, having a given quality or characteristic (e.g., literacy, schooling, malnutrition, employment, access to a doctor, hospital, or other service), or on the percent of the population meeting a certain standard of adequacy (adequate housing, water supply, income above a poverty level, etc.). Social indicators have no common quantitative medium (like money) and also are generally more indirect than economic indicators. Thus, it is not possible to define and measure health directly; various indirect measures have to be attempted, generally measures of causes or inputs (health services, health expenditures) or consequences or outputs (age-specific death rates). These measures naturally give rise to problems of interpretation.

Selection and Construction of Indicators

The first criterion in the choice of indicators, in accordance with the above remarks, is feasibility—the selection of indicators for which a practicable method or set of alternative practicable methods of data collection can be identified. For example, the state of child nutrition in a country might best be assessed through technical ratings by a team of medical and nutrition experts, supported by necessary laboratory facilities, who would

directly examine every child in the country, or a sufficiently large sample to get representative figures on each important subgroup of a country and identify problem groups and areas. However, no developing country would have the means to carry out such an enterprise. It is therefore necessary to have recourse to simpler and cheaper methods of measuring nutrition.

A second criterion in the selection of social indicators is the establishment of some order of priority and a minimum feasible list. While each indicator in a proposed series may be feasible, this may not be true of the group as a whole. There is a common tendency among those who devise social indicators to build up as full and comprehensive a list as possible so that no criticism can be made regarding the omission of this or that item of possible interest. The result is that the set of indicators so elaborated becomes impossibly bulky and unwieldy, demanding excessive resources. The results may be debated with interest, but they have no chance of practical application as a whole. A limited, lean and flexible set of indicators is required, covering important subjects, but not those of every conceivable interest.

Lack of priorities, together with an impossibly long list of indicators, is likely to mean that if there is any application, it will be mostly of those indicators for which data can be most easily collected. These may well be the least important indicators. Thus, while hardly any African countries have complete and reliable measurements of infant mortality and life expectancy, which are important health indicators, nearly all African countries have data on inhabitants per hospital bed, a decidedly inferior indicator. One possible approach, in the face of such problems, is to start off with a long list and narrow it down in successive steps by the application of various criteria such as feasibility, importance, validity and relevance.

Many social indicators that on the surface appear to be simple and straightforward measures of social conditions turn out to be seriously flawed. They do not measure what they are supposed to measure. Often they respond to conditions other than those they are intended to measure, and consequently, they give a false and misleading picture.

For example, crude mortality rate as a measure of health reflects age structure and fertility rate, as well as health conditions, so that a country or region with low fertility and a large contingent of elderly people will have its health level seriously underestimated by this indicator because of the high mortality of the elderly.

As another example, primary school enrollment rate as a measure of educational conditions reflects (i) the age range of primary schooling (e.g., 6-10, 5-12), with the percentage of enrollment dropping as the age range increases, and (ii) circumstances that lead to heavy enrollment in primary schools of individuals not of primary school age (older persons trying to get primary school certificates, seeking literacy, etc.). In some places the primary school enrollment rate reaches 200 percent of the estimated primary school age population.

Sometimes the indicator does not measure what it is supposed to measure because it covers only a limited aspect of the condition under study. Thus, the percentage of the population with access to a protected water supply as a public health indicator gives a misleading, overly positive picture of public health in arid and semiarid areas, because water in these areas, while protected, is limited in supply and used and reused, with negative consequences for health.

The fact that many social indicators are indirect, measuring assumed causes or consequences of the phenomenon under study, or that they cover only a partial aspect of it, makes it highly desirable to test out an indicator before making serious use of it. Unfortunately, this is usually not done; personal opinion and theoretical supposition tend to prevail. Validation is not attempted, partly because it is often difficult and partly because its importance is simply not recognized. An elementary method of validation that can be applied to some indicators involves the collection of preliminary data on populations that are known to differ with respect to the condition or factor under study and examination of this data to see if the proposed indicator adequately discriminates between such populations.

In other cases, validation of an indicator is a complex procedure. Weight of children in relation to age and height is, for example, frequently used today as a measure of malnutrition, but it is also responsive to sickness and to genetically determined somatotypes, so that its validation as a nutritional measure requires some means of factoring out these other influences.

A final criterion of social indicators is relevance. This is particularly important in the

case of certain indicators originating in the developed countries and applied to a developing country with different structural conditions and institutions. For example, the percent of population covered by "social security" is a developed-country social indicator that applies poorly to developing countries with largely agrarian economies, where social security functions are carried out on a family, neighborhood or tribal basis, by traditional obligations of landlords, by storage of food in granaries, etc. Much has been written on the question of the relevance of the unemployment ratio as a social indicator in developing countries. Unemployment can hardly be said to exist overtly in areas of largely self-provisioning subsistence agriculture. It may suddenly come into existence if a large-scale public works project is introduced nearby, or if in nearby towns an extensive new industry is established - job applicants will be found to exceed by far the job opportunities. Thus employment opportunities create unemployment.

It should be emphasized that while in a broad sense, social concerns are fairly universal, specific indicators for social concerns are not necessarily universal - they may differ not only with the level of development, but also with geographical, environmental and other circumstances (e.g., assessments of housing facilities and clothing adequacy obviously differ far in places with very different climates). In fact, what appears to be a basic human need (protection against cold) and a social concern in one area (in an arctic region or a region with severe winters) may be a low-priority need or social concern in another (a tropical island). It is also true that the same indicators may have different meanings at different levels of development or in different environments. Furthermore, different indicators become relevant at different stages of development: for example, with the achievement of universal primary schooling, interest may shift to the quality of education.

Problems and Methods of Data Collection

These countries major problem of social indicators in developing countries - the problem of how data for social indicators are to be collected - is of such seriousness today that it calls for an international reconsideration of current assumptions and practices. The unfortunate fact is that reliable, observation-based statistical data for a good number of the more important social indicators simply do not exist in a great many developing countries and have little prospect of becoming available in the near future by current methods of data collection. It is true that various international publications issue data on such important social indicators as infant mortality rate and life expectancy for nearly every country in the world, but as will be discussed below, the figures given in these publications for most developing countries are not observational counts, but estimates made in national or, more generally, international offices on the basis of various assumptions and models. The estimates serve either to correct reported, but obviously erroneous, observational data or to fill in gaps where no direct observational data exist. These estimated figures, it must be noted, may differ markedly from one estimator source to another for the same country.

Estimated figures can play an important role in giving the best available quantitative assessment of a country's social condition in a particular field and thereby call attention to the need for international aid. They cannot, however, be used for analytic purposes (e.g., to identify causes or effects), nor can they be used for the monitoring of progress over time in the context of development efforts, national or international. It makes little sense, for example, to relate an increase of five years in life expectancy over a ten-year period to a health program or any other factor in a developing country when the increment is not an observed figure, but is taken from a model which assumes that amount of improvement over a decade in countries of the level of the country in question. While estimates tend to be identified as such in the original publications, they are often overlooked by data users, or they tend to lose identification as estimates as they are picked up and republished by other organizations or individuals. Scholarly works have announced discoveries of important findings about the process of social development in developing countries when in fact they have discovered only the assumptions of the model makers producing the estimates.¹⁴

A serious lack of observational data is also found in the case of various other social indicators of importance, such as percentage of dwellings with pure water supply or with sanitary facilities, percentage of the population with reasonable access to primary health centers, percentage of children who are malnourished, morbidity rates, percentage of families with income above given poverty levels, etc.

The main current methods of observational data collection for social indicators are

discussed below PO

a) Censuses occur only every ten years or so, often take four or five years or more for the results to be analyzed and published, and are generally so overloaded that there is little room for more than a sprinkling of social indicators. They are generally carried out in most countries by interviewers with limited knowledge of the subject matter in different special fields (health, housing, education, etc.). They are expensive and difficult undertakings. Nevertheless, they are a very important source of information for social indicators and for background information generally. Figures from censuses taken fifteen or twenty or more years ago often provide critical input into models producing current estimates of social indicators in developing countries.

h) Household sample surveys are less costly and more flexible than censuses, but are nevertheless quite expensive. They face problems of statistically justified procedures for selecting the sample of households and of the sample size required for breakdowns by region and social group (especially for items that involve statistically rare events, such as infant mortality), since statistically significant and representative data for each subgroup require almost as large a sample as for the nation as a whole. They also appear questionable or unsuitable for certain objects of investigation because of problems of memory (in the absence of records) for various items under investigation (income, food consumption, sickness and death within a given period, such as a year). They suffer seriously from problems in the formulation of questions that fit the conceptual orientations of the respondents. Data from household sample surveys are often found to be inconsistent with data from other, more reliable sources, such as doctors' records, even in more advanced literate societies. Important nationwide household sample surveys have nevertheless been carried out in a few developing countries on a regular basis, but problems of organization, costs, personnel and processing appear to have kept regular surveys from spreading rapidly.

c) Registration systems for vital statistics (births, deaths, marriages, divorces) are common means of obtaining basic information in developed countries, where reporting generally involves various parties - doctors, hospital administrators, public officials who assist in or supervise the registration processes. In developing countries, where registration systems are less common, responsibility for reporting appears to rest more with members of the families involved, who are often illiterate and without means of travel and lack assistance or supervision. The results are generally incomplete and unreliable. 21

d) Administrative records include school records (enrollments and graduations), hospital records, licensing records (automobiles, radios, television sets), installation and service records (telephones, electricity), import and export records, public transportation records, income tax records, etc. While subject to distortions and not indicative of the quality of services provided, administrative records are useful sources of information on certain of the social indicators. They have not, however, always been put to good use, and further and better use could be made of them.

Some Problems with Information on Selected Indicators

It is of interest to examine, after thirty-four years of experience, the available information on priority indicators that was set forth in the 1954 United Nations report of an expert group on International Definition and Measurement of Standards and Levels of Living. 22 The group identified eight priority indicators, discussed below.

a) Expectation of life at birth. While data on this important indicator are regularly published and republished for practically every country in the world in a number of international yearbooks, bulletins and other compilations (mostly by the United Nations, WHO and the World Bank), the great majority of the figures for developing countries are still estimates, based on limited amounts of actual knowledge and substantial amounts of assumption. In the 1986 Demographic Yearbook published in 1988 by the United Nations, 23 figures on expectation of life at birth are given (male and female separately) for all 46 countries on the African mainland, but in only 6 cases are the figures issued by countries. The rest are estimations by the U.N. Population Division for the period 1980-85 as a whole. In South America, figures for 7 of the 12 countries are estimates. Such estimates, as noted, cannot serve major purposes of analysis and cannot monitor progress in health

over time, since the model used in estimation has a built-in assumption of rate of progress (generally 2 1/2 years of increase of life expectancy every 5 years until 62.5 years is reached).

The estimations are made on admittedly incomplete information.²⁴ In addition to assumptions about rates of gain in life expectancy at five-year intervals, assumptions are made about the validity and relevance for particular countries of the life tables used and about the constancy over time of the levels of age-specific mortality given in the tables.

b) Infant mortality rate. The picture today is much the same as that for life expectancy—disappointing. Only one country (Egypt) in mainland Africa is reported by the U.N. to have complete data on infant mortality for a recent year; an overall estimate for the years 1980-85 is given for the other 45 countries.²⁵ In South America, 4 countries are identified as having complete reporting out of 13 listed, and in Asia only one-sixth of the developing countries have complete, and presumably reliable, coverage. One reason fortifies disturbing picture of data availability on life expectancy and infant mortality indicators in developing countries after thirty-four years of efforts is the inadequacy of vital registration systems, as discussed earlier, and the difficulties of using censuses and household sample surveys to obtain reliable current data.

c) National average food supplies in terms of calories at the "retail level" compared with estimated calorie requirements. The experience of UNRISD in dealing with this item in analytic work suggests that it is not a very good indicator. All is too complex and involves too much guesswork. It requires estimations of total food production, imports and exports, stocks, losses in transport and storage, use of supplies for nonfood purposes; and then, for the requirements part, data on population size, age structure and activity level (in relation to theoretical calorie requirements). Even so, it does not, as formulated, cover food gathered or grown by the family for home consumption, and it omits losses of food and nutrients after the retail level. e.g., during home storage, preparation and cooking, from plate waste, etc. A final and major weakness of this indicator is the fact that it does not reveal the distribution of consumption—in particular, the percentage of the population that has insufficient food or nutrients, which is a more important social statistic than average or per capita consumption.

d) Proportion of children 5-14 years of age enrolled in schools. This is a reasonable indicator in principle, but data may not be readily available, since school system reports on enrollment tend to give the numbers of children enrolled in primary and secondary schools, together with the nominal age ranges for those schools, but not necessarily the actual ages of the children enrolling. In areas where there is no secondary school, primary schools are likely to have large numbers of children above primary age (and also above 14 years of age). UNRISD has found that combined primary and secondary education enrollment as a percent of the population aged 5-19 appears to be the best general education indicator. Such data are widely available in developing countries. Enrollment, of course, is not attendance, and enrollment ratios give no indication of the quality of education.

e) Percentage of population literate, above some appropriate age, total and by sex. This indicator, with use of 15-plus as the age range, is fairly widely available today, and UNESCO provides extensive data. The source of literacy figures is generally censuses. When the census covering literacy has been taken some years earlier, adjustments are made to update the literacy estimates by means of a model which assumes, among other things, that children who have completed a given number of years of education will be literate when reaching age 15. The process of adjustment loses reliability the farther back the census. Literacy estimates in Africa for the year 198-5 are made for 37 countries, 18 of which had a relevant census within fifteen years, 14 of which had a relevant census sixteen or more years ago, and 5 of which never had a relevant census and were estimated on some other basis.²⁶ While the use of estimates based on earlier censuses raises questions, in general, the literacy data seem reasonable and are fairly extensively available. International comparability suffers from the fact that different countries use different tests of literacy, include or exclude literacy in other than the national language, and report data for different age ranges.

f) Proportion of economically active population employed. Most developing countries, quite reasonably, collect unemployment data only for urban areas or selected urban areas. The R.O.'s 1986 Yearbook of Labor Statistics ventures to give national unemployment rates (as distinguished from numbers in defined urban areas) for only one African country

(Ghana). It may be noted that there are serious problems not only of identifying the unemployed, but also of estimating the size of the labor force, particularly in view of the labor of children and of women, who do a considerable amount of farm work, for example, but may or may not be counted as part of the labor force, depending on prevailing cultural attitudes.

g) Percentage distribution of economically active population by principal industrial and occupational categories. Adult male labor in agriculture as a percent of total male labor appears to be one of the more important socioeconomic indicators, and ONRISD has made extensive use of it. The exclusion of data on female agricultural labor has been due to gross inconsistencies in the counting of female farm labor. The category including professional, technical and related workers has been found to be a fairly useful indicator in IINRISD experience.

h) "Personal consumption" as a proportion of national income and an index of changes therein does not today seem to be an important priority social indicator, and not much use is made of it in social indicator work.

The most notable data deficiency today is in the health and nutrition indicators in the above list. A fresh approach to these subjects is called for by reviewing the possibilities of improving registration systems and by considering possible innovative, low-cost methods of obtaining relevant data. It should be noted that the 1954 list contains no reference to water supply, sanitation or housing, all of which would be considered to merit priority indicators today, although requiring an intensive search for means to get more and better data.

Available data in many developing countries cannot answer satisfactorily the questions: Are people benefiting from development? Which people are benefiting, in what respects and to what extent? Proposals for getting more and better information by the same data collection methods attempted in the past should be critically reviewed. The possibility of experimenting with and building up innovative, low-cost methods of data collection needs to be given serious attention, whether as a replacement for or as a supplement to prevailing methods.

Experiments have already been carried out with certain innovative methods, and proposals have been made for others. These should be taken into account in an overall review and schema for the future. The following may be listed as examples of innovative, low-cost methods. Some may be suitable for some indicators, others for other indicators. An overall strategy may involve the combined use of several different methods, including the conventional ones, to obtain maximum efficiency and accuracy.

a) Sample registration areas, where responsibility for reporting vital events-and perhaps additional items-is placed upon a local schoolteacher or other responsible person. This has been experimented with in India.

b) The establishment of sentinels." "observation areas or "observation posts" on social progress. These have had some limited experimentation, as in studies by UNRISD of the measurement of social progress at the local level.

c)' Rapid rural appraisals" to assess selected social concerns in rural areas, using short-cut methods in rural information gathering.

d) The use of "simple scaling methods, which involve a simplification of questionnaires. One such approach, called "simple gram measurement" in the context of development work, has been used where a common order of progress can be defined in a given population for a given social condition (e.g., housing), and the achievement of a particular stage will imply achievement of certain preceding items or stages which do not, therefore, have to be measured. Another approach is the use of simple adequacy scales (indicating whether water supply, sanitation, education, health services, etc., can be judged adequate by defined standards reasonable in the particular country or region under study). Such scaling can also simplify and speed up the assessment of progress if used in place of complex and costly measurements.

e) Facilities registers, in which the availability of various facilities, such as water supply, electricity, telephones, transportation, primary health centers, etc., is determined for a local area by the use of readily available data, which are grouped together.

f) The use of trained local informants and of traveling "social development assessors" in a network of observation. There have been various historical and contemporary experiences relevant to this proposal, but no widely known, systematic effort in this direction has been undertaken by an organized research or data collection body.

Indicators on Social Concerns

Past discussions on social indicators have been concerned, for the most part, with measures of living conditions. These measures give information on how individuals fare with respect to different components of living standards - for example, life expectancy, or proportion of children enrolled in primary schools. However, there are also areas of social concern which affect individuals as members of a society, class or group. Some of these issues are of deep concern to significant groups of the population and have a crucial impact on their well-being. Official neglect of these concerns may provoke strong reactions, often of a violent nature, and seriously disrupt social and economic advance in a country.

Development literature is curiously silent on these issues. The attempts that have been made to undertake an analysis of these problems often fail to relate them to development patterns and policies. Certainly there is an acute scarcity of data, and information on many issues of social concern. There is often a reluctance to collect, publish and analyze data on certain sensitive issues in the mistaken belief that official silence will lead to a disappearance of these problems. Experience, however, indicates that it would be far preferable to encourage an open and dispassionate discussion of these issues rather than to sweep them under the rug. The collection of relevant information, the elaboration of indicators (where appropriate) and the publication of social reports seem to offer a more promising approach to the eventual solution of these problems.

The critical areas of social concern vary from one country to another and over time within a country. Thus the choice of the themes for information collection, analysis and public debate has to be made at the country level. There are few standard indicators in many of these areas. In some, it does not even make sense to think in terms of the conventional type of indicators. Nevertheless, it may be useful to stimulate thinking on the kinds of information that may be collected which could contribute both to a better understanding of the extent and trends in the evolution of a particular problem as well as the underlying causes and approaches to a solution.

The list of major issues of social concern in different parts of the world is likely to be long and to include such diverse themes as human rights, the rule of law, the status of women, participation, equality, personal security, child labor, drugs, the state of the environment, etc. For illustrative purposes, we have chosen five themes which are of widespread concern in a large number of countries. For each, we indicate the nature of the problem and sketch out the kind of information and indicators that might contribute to improved social analysis and monitoring of the issue.

a) The prevalence of discrimination in any form is a denial of an aspect of human rights. Social discrimination owes its origin to differences of class, ideology, race, ethnicity, caste, religion, gender and region. Not only is discrimination socially unjust and economically inefficient, but in many situations, it is the underlying cause of enduring tensions and violent upheavals. The first step in the solution of these problems is the recognition of their existence and an improved understanding of the underlying causes through

social analysis and public debate. It is necessary, therefore, to generate information on the nature and forms of dominant patterns of discrimination. A wide variety of indicators might be relevant. Just to mention a few, these might include data on access by relevant social groups to productive resources and public services, as well as on their relative position with respect to incomes, occupational patterns and wage rates. Such information might be obtained through established surveys, specially designed enquiries, public opinion polls or directly from the organizations of the affected groups. In a few countries, such information has been extensively collected and analyzed, especially by sociologists.

b) The subordinate status of women is an area of related concern. In practically all countries, women suffer from one form or another of inequality. While in some societies these are of a relatively mild nature, in others they can assume quite oppressive and degrading forms. Data on inequalities in access to education, health, training, credit, employment, wages, senior policy-making posts in government, business, social and religious organizations, etc., can uncover some aspects of women's subordinate position. In recent years, as a result of increased consciousness on this question brought about in part through international conferences and discussions, some progress has been

made in identifying relevant indicator 2s_i but much less in collecting, assembling and analyzing this information. Furthermore, data of this sort relate only to what might be described as the public domain. The private or family domain, which is the scene of more subtle and pervasive forms of discrimination, remains largely shrouded in ignorance. In order to obtain this sort of information, it may be necessary to have recourse to attitudinal surveys, participant observation, and inquiries and reports by women themselves through their organizations, in addition to the more conventional methods of data collection.

c) Despite ringing declarations on the desirability of widespread participation as both a means and an objective of development, few serious efforts have been made to assess the nature, extent and forms of participation in particular countries. Some of the commonly used indicators, for the most part in developed countries, concern frequency of elections and electoral participation, the number and size of nongovernmental organizations, etc. Such indicators provide useful information, but may be a poor measure of meaningful participation by the people. Since it is the economically and socially disadvantaged groups who lack opportunities for effective participation in the affairs of the country, indicators in this field need to relate to their situation in the economy and in society. In addition, it would be useful to generate information on the practice of the right to form associations and to stage peaceful demonstrations, representation in national policy-making organs and self-management in production enterprises.

d) The last few decades have witnessed a rising tide of robberies, thefts, muggings, violence, murder, rape and other acts of terrorism in an increasing number of countries. The inability to walk around peacefully in some parts of a city at certain times, the constant fear of being attacked, robbed and molested, can generate anxiety and stress and deeply affect the state of people's well-being. Contrary to what is generally believed, personal security is not just a problem of the affluent; in many countries it is often the socially and economically disadvantaged groups who are the least protected and the most exposed. There is a scarcity of systematic data and information in this area in most developing countries. This, in turn, has resulted in a lack of knowledge of the incidence and forms of personal insecurity and an absence of meaningful discussion of measures that could be taken to counter the problem.

e) As in the case of women's status, international conferences and discussions have served to heighten interest in the deterioration of the environment and to draw attention to its serious social and economic repercussions. While the industrialized countries have made a great deal of progress in collecting relevant data on water and air pollution, waste disposal, noise, and the state of rivers, forests and oceans, much less information is available in most developing countries. Once again, it would be wrong to conclude that this is a problem of the affluent groups. The poor are the principal victims of such aspects of environmental deterioration as deforestation, soil erosion, the disappearance of common pastures, creeping dezincification and the squalor of urban slums. It would be extremely useful to develop a few basic indicators of the state of the environment which are especially relevant to the livelihood and conditions of life of the poorer classes.

It has not been our intention here to identify priority areas of social concern or to develop suitable indicators for them. Our purpose has been to argue the case for collecting more information and elaborating simple indicators in respect of issues of social concern which are necessarily country-specific. The examples given are of an illustrative nature. As is clear from the discussion, a wide variety of indicators may be relevant in different areas; likewise, a wide range of methods for the generation of relevant information and data may be necessary. While in some cases the state may be the most appropriate agency for the collection and analysis of such data, some of the social concerns are so sensitive that special commissions or nongovernmental bodies, such as private research institutes, social organizations and private development entities, might be best placed to undertake data collection and to prepare reports for dissemination and discussion.

Conclusion

We have attempted a broad, but necessarily selective, review of the work that has been done on social indicators in developing countries and the main problems encountered in their measurement. It may be useful to highlight some of the principal conclusions that have emerged from this review.

Considerable work has been done in the field of social indicators since the early 1950s. There have been advances in the discussion on components and indicators of living standards, although the 1954 report by a group of U.N. experts still constitutes the main conceptual basis for much of the current work on social indicators. There has been considerable work on attempts to integrate social and economic statistics into more comprehensive accounting frameworks, but with few practical results.

At the level of measurement, while there has been an important increase in the number of countries undertaking censuses, household surveys and similar enquiries, there are still important gaps in data and serious questions about the reliability of available data on some of the more commonly used social indicators in a large number of countries. The launching of better and more frequent censuses and household surveys would no doubt lead, overtime, to more useful and reliable data on social indicators. However, such methods of data collection are expensive and technically demanding and may not always generate reliable statistics.

There is therefore a need to supplement these efforts by simpler, lower-cost, no conventional methods of information collection and analysis. A comprehensive study should be made of such innovative methods based on several approaches that have already been tried out by different organizations in several countries. This study could be followed by pilot surveys to test the effectiveness of such methods in countries with particularly weak data on social indicators.

Finally, there is a lack of systematic information and serious analysis of some important areas of social concern in many developing countries. It would be highly desirable to encourage such work, perhaps initially by research organizations in receptive countries.

PART III

GLOBAL AND REGIONAL GOALS AND STRATEGIES

CHAPTER II

A Review of Past Strategies

Uner Kirdar

in order to foster international cooperation for development, the United Nations has to date proclaimed three international development decades and adopted two consecutive international development strategies. During the fall of 1988, in the course of its forty-third session, the General Assembly will consider whether the decade of the 1990s should be declared the Fourth United Nations Development Decade and whether an international development strategy should be prepared for that decade.

The usefulness of a new international development strategy is generally seen to depend on whether an appropriate form, significantly different from the last ones and meaningful in the context of the present situation of the world economy, can be found.

It is generally recognized that there is a genuine need for a more long-term view of national and international development undertakings. In the present troubled circumstances of the world economy, short-term adjustment problems overshadow longer-term perspectives. Yet in spite of the doubts which may be entertained with regard to the scope and content of a new strategy, a number of factors argue in its favor. First, the adoption of development-oriented economic policies by the industrialized countries now has a greater impact than ever before. Second, the formulation of a new strategy could provide an excellent opportunity for rethinking the role which the multilateral system should play in the 1990s. Third, preparing such a strategy would provide a good opportunity for restoring the long-term time horizon, which is an essential requirement for tackling the test of development. Governments have to take longer-term views. Their investments in infrastructure are not only for tomorrow but for a generation, and they have to prepare for growing populations, new technologies and new hazards to human survival.¹

The purpose of this paper is not to discuss the merits (or the futility) of having a new international development strategy. That is a much broader issue. Here, we will rather review past international development strategies. Our aim is to ask whether these global strategies have dealt adequately with human development needs in order to set a balanced, comprehensive and the views expressed in this paper are those of the author aM

do not necessarily reflect those of UNDP. integrated strategy for human development. What lessons can we learn from past experience in this area? Should the approaches of the 1970s toward fulfilling basic needs and alleviating poverty form the main framework for human development strategies for the year 2000, or should we formulate more forward-looking and comprehensive policies which recognize human development as the essential objective and main engine of economic development? Have the policies pursued at the national level, in their existing forms, realized true human development, or have they failed to create human-centered societies in which external achievements and internal growth, individual uniqueness and social participation, are integrated and kept in creative balance?

The 1960s: The First Development Decade

The First United Nations Development Decade was launched by the General Assembly in December 1961. In the present atmosphere of declining multilateralism and international economic cooperation, how many people remember or know that the idea of having a U.N. development decade was originated by the late President of the United States, John F. Kennedy? In his address to the plenary session of the General Assembly on September 24, 1961, President Kennedy proposed that the decade of the 1960s be called the U.N. Decade of Development, and that U.N. efforts in promoting economic growth be coordinated and expanded. He stated:

Political sovereignty is but a mockery, without the means of meeting poverty, illiteracy and disease. Self-determination is but a slogan if the future holds no hope. That is why my nation—which has freely shared its capital and its technology to help others help themselves—now proposes officially designating this decade of the 1960s as the United Nations Decade of Development. Under the framework of that resolution, the United Nations efforts in promoting economic growth can be expanded and co-ordinate. Regional surveys and training institutes can pool the talents of many. New research, technical assistance and pilot projects can unlock the wealth of less developed lands and untapped waters. And development can become a cooperative, and not a competitive, enterprise—to enable all nations, however diverse in their systems and beliefs, to become in fact, as well as in law, both free and equal nations.²

The formal American proposal was introduced in the Second Committee of the General Assembly on December 19, 1961. After a thorough consideration of the subject, the General Assembly adopted Resolution 1710 (XVI), in which it asked the member states to intensify their efforts to accelerate their progress toward self-sustaining economic growth. The main objective was to attain a minimum annual rate of growth of aggregate national income of 5 percent at the end of the decade in each developing country. To that end, the resolution also called on member states to pursue specific policies designed to help these countries.

At the same time, the sixteenth General Assembly unanimously adopted another resolution by which it renewed its appeal to the economically advanced countries to increase the flow of capital and technical assistance to developing countries to at least 1 percent of their combined national incomes.³

However, in order to reach the objective of the decade, the General Assembly neither adopted a comprehensive international development strategy, as was the case for the later decades, nor, among the measures for ensuring sustainable economic growth, did it make specific reference to well-defined human development needs.⁴

In view of the prevailing development theories of that time, the reason for this omission is understandable and simple to explain. During the 1950s, in the aftermath of World War II, the economic policies of most industrialized countries concentrated on reconstruction, the resumption of material production, increased output or gross national product, and the attainment of higher per capita income. The objective was an early return to sustained economic growth, sometimes at the expense of most other factors, including human development, which was regarded mainly as a social welfare issue. In most of these countries, the human capital and infrastructure needed for the reconstruction and resumption of growth existed in one form or another. What was primarily missing or required to put the engine of growth into operation again was physical capital. As for the developing countries, being influenced by the prevailing economic theories of the

industrialized countries and attracted by the U.S. Marshall Plan to restore Europe, their plight and conventional wisdom were that successful growth, development, modernization and industrialization could be ensured only through a massive transfer of capital resources from the developed to the developing countries. This, in turn, would lead to better social and economic benefits, including more employment opportunities and a fairer income distribution.

The 1970s: The Second Development Decade

In retrospect, it could be stated that revolutionary thinking and a new outlook on the economics of education and human development were the hallmark of the 1960s among western academicians and development planners. The unexpected launching of the Sputnik satellite by the USSR may have had something to do with this new awakening. Nobel laureates Simon Kuznets and Theodore W. Schultz were among the leading economists who argued in favor of the importance of investing in human development. In their view, improvements in people's capacities, skill, knowhow, management, etc., were the number-one multiplying factor in the process of development. Investment in education had to be viewed as a prerequisite of economic development rather than as a consumption good, to be afforded only after more essential needs had been met. On the other hand, Denison showed convincingly that economic growth could not be explained by the inputs of capital and labor alone. Better education, training, research, innovation and management were also important as "residual factors" of this process. It should also be remembered that during 1960s, in most parts of the industrialized world, youth was in ferment. There was a seething pool of discontent and revolt among energetic and talented young people who were reaching maturity without satisfactory work opportunities or a hope of earning a reasonable living. All this prompted both national governments and the international community to express a new social concern and a sense of responsibility for bringing about improvements in the well-being of people.

In this context, development planning became a precondition for multilateral and bilateral assistance. A unified approach to economic and social development acquired a new dimension.

During the 1960s, there was a much better political and economic environment, as well as a more liberal understanding of, and a stronger commitment to, multilateral cooperation for development. It is noteworthy, for instance, that in his inaugural speech, the late John F. Kennedy committed himself to this cause:

To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves for whatever period is required... If a free society cannot help the many who are poor, it cannot save the few who are rich. If one examines the text of the international development strategy for the Second United Nations Development Decade adopted by the U.N.

General Assembly in its Resolution 2626 (XXV) of October 24, 1970, one notes that the new concern for promoting human development was adequately reflected. In fact, the largest section of the part on the goals and objectives of the strategy was devoted to this subject: As the ultimate purpose of development is to provide increasing opportunities to all people for a better life, it is essential to bring about a more equitable distribution of income and wealth for promoting both social justice and efficiency of production, to raise substantially the level of employment, to achieve a greater degree of income security, to expand and improve facilities for education, health, nutrition, housing and social welfare, and to safeguard the environment. Thus, qualitative and structural changes in the society must go hand in hand with rapid economic growth, and existing disparities - regional, sectoral and social - should be substantially reduced. These objectives are both determining factors and end-results of development; they should therefore be viewed as integrated parts of the same dynamic process, and would require a unified approach:

- a) Each developing country should formulate its national employment objectives so as to absorb an increasing proportion of its working population in modern-type activities and to reduce significantly unemployment and underemployment;
- b) Particular attention should be paid to achieving enrolment of all children of primary school age, improvement in the quality of education at all levels, a substantial reduction in illiteracy, the reorientation of educational programmers to serve development needs and, as

- appropriate, the establishment and expansion of scientific and technological institutions; c) Each developing country should formulate a coherent health programmer for the prevention and treatment of diseases and for raising general levels of health and sanitation;
- d) Levels of nutrition should be improved in terms of the average calorie intake and the protein content, with special emphasis being placed on the needs of vulnerable groups of population;
- e) Housing facilities should be expanded and improved, especially for the low-income groups and with a view to remedying the ills of unplanned urban growth and lagging rural areas:
- f) The well-being of children should be fostered;
- g) The full participation of youth in the development process should be ensured;
- h) The full integration of women in the total development effort should be encouraged.'

... While a part of the world lives in great comfort and even affluence, much of the larger part suffers from abject poverty.... The current emulations and disappointments of youth everywhere must not be allowed to cloud the vision or stand in the way of the development objectives. The 70s must work a step forward in securing the well-being and happiness, not only of the present generation, but also of the generation to come.... The ultimate objective of development must be to bring about sustained improvement in the well-being of the individual and bestow benefits on all, in all spheres of economic and social life ... in employment and education, in health and housing⁸

The text of the development strategy for the Second Development Decade, therefore, could be regarded not only as a historical landmark, but also as an international manifesto for human development.

Among the policy measures to be implemented individually or jointly by governments to achieve the goals and objectives of the Second Development Decade, the strategy embodied a special section on "human development." These measures clearly stated what the developing countries should do in order to promote employment opportunities, to improve education, literacy, technical capacities and skills, and to provide better health facilities to their people. They also stipulated how the developed countries could assist in the attainment of these goals and objectives.⁹

Thus the 1960s were years which witnessed a revolution in the economics and concept of human development. People's education, training, skill formation, health and management capacities came to be regarded as 'residual factors' or "means" of ensuring sustainable growth and development. These are the years in which the advocacy for investment in human beings reached the peak of its enthusiasm, with the view that expenditures in improving human capacities and capabilities had the potential to yield a return to society no less than the return from physical capital formation.

The 1980s: The Third Development Decade

In the early 1970s, there was another turning point in the concept of human development when the question, "Should the people be only a residual means of growth, or its objective?" was advanced by a group of academics at the Sussex Institute in Britain. This was also a counter reaction to the theory that the developing countries must above all pursue an increase of their gross national product, because otherwise they could only redistribute poverty.

Considerable amounts of financial resources were transferred in the 1950s and 1960s to developing countries for physical investments, but that in itself did not create an adequate foundation for self-sustaining development. In many developing countries, income and wealth were concentrated among the elite, while the quality of life and job opportunities for the majority diminished. Also, in the face of the rapidly increasing population of the developing countries, growth in the modern sector alone could not create enough productive employment opportunities for all members of society. Therefore, heavy emphasis was placed on the informal and traditional sectors and on the redistribution of income and wealth among the population.

The governments of developing countries, above and beyond their objective of achieving higher growth, were now advised to pursue successful distributive equity policies and increase the productivity of their poor. The quality of economic growth was as important as its quantity. An increase in productivity was necessary, but a new question now being posed was, "Productivity of whom and for whom?" Growth policies were to be

combined with distribution policies. The equitable redistribution of the fruits or assets of growth and public services provided by the state demanded equal attention.¹⁰ Through the World Employment Conference, the International Labor Organization attempted to translate these new equity concepts of human development into operational terms under the label "basic needs."¹¹ The basic needs approach was also adopted by the World Bank, becoming a precondition for all its lending activities.

Thus during the 1970s, the concept of investing in the people in order to achieve maximum growth was more or less abandoned in favor of a fairer redistribution of income and wealth, social advancement, employment creation, basic needs provision and poverty alleviation.

The intellectuals and policy makers subscribing to the basic needs approach tried to influence the policies of all the other international institutions, including the U.N., and the thinking of the world at large. However, they were less than successful in shaping an international strategy for the Third Development Decade. The emphasis on equity and basic needs proved to be short-lived, as it was overtaken by the oil and international debt crises. At the U.N., the basic needs concept became one of the most controversial issues during the negotiations on the Third Development Strategy. The General Assembly established a Preparatory Committee, open to all member states, which took nearly two years to agree on what should be the goals, targets and content of the strategy for the 1980s.

During the arduous negotiations of this committee, the industrialized countries argued that in return for their commitment to assist developing countries in their development efforts, it was necessary for these countries to undertake specific commitments and take adequate measures to improve the living conditions of their poor, to ensure better income and land distribution among their populations, to reform their tax laws and to pursue basic needs policies. The developing countries counter argued that these were internal prerogatives, and progress toward fulfilling basic needs could not become a condition for international assistance. Each developing country was free to determine its own policies for social development, while the international community had only to provide assistance for sustainable growth.

During the first session of the Preparatory Committee, every member state was entitled to submit its written views on these issues. These were later published by the General Assembly.¹² To give a few examples of the contrasting views of developed and developing countries on the basic needs question, one can cite the following:

Each member state has a role and, indeed, an obligation to enhance the welfare of its people ... and this obligation imposes a special responsibility towards the poorest. [U.S. view] During the Second Development Decade, not enough efforts were deployed in the struggle against poverty and redistribution of resources within countries; inequalities persisted among different social groups. To correct these distortions, assistance was needed most particularly in the most disadvantaged social groups. [EEC view]¹⁴

International Development Strategy should not impose or propose fixed models for development. Structural reforms in economic and social fields must be carried out according to the characteristics of each country. The objective of attacking mass poverty must be done with due respect to the sovereignty of the countries concerned and within the framework of their own national plans, priorities and policies. [Group of 77 view] 15

The only country which specifically stressed human development as a growth factor was Japan:

The long-run positive actions in social fields favorably affect the rate of economic growth.... Development must be so designed to ensure the participation of every single individual.... in doing so, the development of

human resources should receive the highest priority.¹⁶

The final outcome of these lengthy negotiations was rather weak and noncommittal on the role of human development in the development process as compared to the previous strategy. Though the preamble of the Second Development Strategy stated that the development process must promote human dignity" and "the ultimate aim of development should be the constant improvement of the well-being of the entire population," the policy measures of the strategy did not include a section on human development.¹⁷ It was only among the measures on social development that reference was made to human development by stating that it was for each developing country to decide, within the framework of a unified approach to development, what should be the possible content of a national strategy for the development of human resources.¹⁸

Though no specific obligation was formulated for the developing countries to

promote human development for their own people (the choice was left to their discretion), by contrast, the text of the strategy stipulated that 'the developed countries should place increased emphasis on co-operation for development of human resources in the developing countries.'

Human Development and the Events of the 1980s

The 1980s have been years of economic difficulties and adjustments in both developing and developed countries. Because of the debt crisis in developing countries and the slowdown and budgetary constraints in developed countries, all attention and efforts have turned to the question of how to end these crises and restore economic growth. In this quest, physical investment has again gained pride of place, to the detriment of human capital formation.

Due to persistent economic difficulties, there has been a corresponding change in the philosophies and policies of the industrialized countries. During the 1980s, the growth of the world economy and world trade has decelerated considerably. After experiencing a high level of inflation, most industrialized countries went through a period of stagnation and recession which caused, in turn, serious problems of unemployment and trade, balance-of-payments and budgetary deficits.

These unforeseen difficulties and the reduced rate of economic growth forced most of these countries to reassess the magnitude of their public expenditures, to adopt more orthodox financial and economic policies, and to reduce the role of their governments as agents of social change. They also led to a search for greater efficiency and effectiveness in the management of public affairs. In most of these countries, conservative governments came into power, and new political philosophies and policies were developed to reduce the direct role of governments as providers of goods and services, to foster competition, to emphasize the role of market forces and to promote the private sector. This emerging enthusiasm for free enterprise has led to a diminishing role of governments both in economic activities and improvising the required social services for human development. Expenditures for education, health, nutrition and many other areas of human capital formation have been curtailed.¹⁹

These new philosophies also found their reflections in the conditionality packages of some international financial institutions dealing with the stabilization programs of developing countries. The implementation of these programs has generally inhibited the process of human capital formation in the countries concerned.²⁰ Yet while all these measures entailed major human sufferings, they have not brought about the expected recovery. On the contrary, they have created less obvious, longer-term problems by mortgaging the development of future human capacities and capabilities and causing a loss of human productivity. For example, at the request of its Governing Council, the UNDP administration carried out in 1988 a critical analysis of its experiences since 1970 in human resource development at the country level. The findings of this analysis are most revealing. According to the study, though in most of the developing countries at present there is some sort of human development strategy, it is often implicit and rarely articulated as a single, documented, comprehensive human development plan. Also, because such a plan is not in place, the overall strategy and its priorities are not normally translated into practical measures and operations. Furthermore, in most cases, appropriate disaggregated data for planning human development are lacking, e.g., on skill needs, labor force, wage rates, and educational and training inputs and outputs.

Outlook for the Next Decade

Experience has shown that the forecasts and projections for the 1970s and 1980s have been neither successful nor accurate, overturned by the turbulence of the world economy. Therefore, our purpose in this section is not to predict the future, but to attempt to identify some of the issues which may arise during the next decade in the area of human development, to the extent that they can now be foreseen.

The Future of World Economic Growth

In the 1980s, the growth of the world economy has been very uneven; the gaps between

rich and poor countries have widened. Prospects for the 1990s seem equally bleak. Present trends point to the worsening of absolute and relative disparities. According to a world economic scenario for the year 2000 projected by the U.N. Secretariat, which takes into account the currently prevailing constraints on the world economy, the developed market economies will grow at the rate of 2.5-3 percent per year in the 1990s at best; the centrally planned ones will grow at the rate of 4 percent. In South and Southeast Asia, overall GDP growth will be on the order of 5 percent-substantially higher than the rate of population growth - and in China it will be even faster. However, in Latin America and Africa, per capita growth will be negligible. The per capita income of the developing countries in current U.S. dollars is expected to increase from \$961 in 1985 to \$1,252 in the year 2000 in this scenario. However, as table 1 shows, differences among country groups will be large and will continue to increase. The average per capita income of the developing countries in the western hemisphere is projected to be \$2,476 in the year 2000, whereas the average for 49 countries in Africa is expected to be only \$732. Within Africa, per capita income is projected to range from under \$100 to over \$4,000 in the year 2000; in many countries, it will be lower than it was the mid-1980s. The least developed countries in Africa are projected to experience a decline in average per capita income from only \$217 in 1985 to \$205 by the year 2000.

Even these averages do not fully reflect what will be the incidence of poverty. Using estimates of the size distribution of income in countries accounting for 83 percent of the population of the developing market

economies, over a billion people will have a per capita income of less than \$300 per year by the year 2000. In 1985, this income group represented about one-fourth of the world's population. In the year 2000, it will still be about one-fifth. Furthermore, all the improvement will come from the Asian countries, where GDP growth rates are quite high. For Africa and the western hemisphere, the number of people earning less than \$300 per year will increase?

TABLE I

Projections of Growth Rates and Income Per Capita for the Year 2000

Growth Rates 1990-2010 (Percentage)		Income Per Capita (1985 \$ in 1990)		
		1985	1990	2000
Developed market economies	2.7	10,236	11,250	13,666
North America	2.6	12,427	17,461	15,920
Europe	2.4	8,983	9,857	11,939
Pacific	3.6	9,103	10,296	13,159
Developed planned economies	3.9	2,715	13,383	4,639
Developing market economies	7.9	961	1,039	1,252
Western hemisphere	3.2	211	2,224	2,476
Africa	3.4	732	740	1,087
Asia	4.7	716	805	1,187
Developing planned economies	6.6	654	919	1,564

SOURCE: Department of International Economic and Social Affairs, United Nations Secretariat.

Demographic and Labor Force Trends

Demographic forces have a critical influence on human development and economic growth, and the trends for the year 2000 are fairly predictable. The future population growth of the world will take place mainly in the developing countries. At present, the world population has reached 5 billion, with 3.8 billion in the developing countries and 1.2 billion in the industrialized countries. It is expected that between now and the year 2025, there will be an increase in the world population of 3.5 billion, of whom 95 percent will be in the developing

countries. Asia will experience the largest absolute population expansion, but its rate of population growth will be below that of Africa and Latin America. Africa's population will triple from 550 million to 1.6 billion, and that of Latin America will nearly double from 374 million to 779 million. In contrast, in the industrialized countries, population growth will come to a standstill, and in some of them it will be negative.

Another striking contrast between the populations of the developed and developing countries concerns the age structure. From 1985 until 2000, all the net growth in the world population of the 20 to 40 age group will take place in the developing world. In the industrialized countries, there will be nearly 15 million fewer people in that age group as compared with the present. The work force will continue to age, producing a much larger proportion of older workers.

Normally, the process of aging has a considerable impact on the size and structure of the labor force, affecting the capacity and willingness to innovate and to respond to technological change. It may, therefore, have major implications for future economic growth. Youth can acquire new skills more quickly and can adapt intellectually and socially to the required changes faster than older people. These trends will raise important policy questions concerning the future of global human development in the year 2000. Will the increase in the young population bring substantial advantages to developing countries and ensure sustainable economic and social growth? Will the developing countries be able to generate new jobs for their younger generation?

By the year 2000, at least 600 million new jobs - more than the current total number of jobs in all the industrialized countries will have to be created just to accommodate the new entrants into the labor forces of developing countries. Similarly, what will be the impact of the aging work force on the economies of the industrialized countries and on their expenditure patterns? How will the increase of pensioners affect the maintenance of acceptable levels of income, which is correlated with labor productivity growth? How will this trend affect health care, given the higher cost of health care for the elderly? In a world economy in which competitiveness, productivity, quality, skilled labor and management capacity will become key factors of growth, will human development not acquire new importance and magnitude for both developing and industrialized countries?

Education, Health, Food and Shelter

Though illiteracy rates have fallen considerably since 1970, the number of illiterate adults (persons age 15 years and over) in the world increased from 760 million in 1970 to 890 million in 1985, of whom 870 million were in the developing countries. Females have higher rates of illiteracy than males in all the developing regions. High illiteracy rates are largely a result of inadequate enrollment in primary schools and the absence of large-scale adult literacy programs in most countries. In 1985, over 100 million children age 6-11 were not enrolled in schools in the developing countries (excluding China and the Democratic People's Republic of Korea). Although that is less than the 122 million not enrolled in 1970, it is projected that the number of children age 6-11 not enrolled will remain over 100 million in the year 2000.²⁴

Regarding health, the simplest indicator in this area is life expectancy at birth. In the developed countries, life expectancy has increased from 66 years in the early 1950s to 73 years in the early 1980s, while in the developing countries as a whole, it has increased from 41 to 57. Crude death rates have declined in many developing countries since 1960, but there are substantial differences among them. In the past decade, there have been decreases in infant mortality rates in nearly 150 countries, but more than a quarter of them, representing 29 percent of the world population, still have rates above 100 per 1,000 live births, while the average for the developed countries is about 15.²⁵

In most parts of the world, nutrition has improved over the past twenty-five years. But the improvements in child nutritional status of the 1970s, on the average, ceased during the 1980s. Some 430 million people are at present malnourished. Some 100 million children under age 5 show protein-energy malnutrition: more than 10 million suffer from the severe form, which is fatal if not treated. It is the children of sub-Saharan Africa who have suffered most from long-term declining food availability and increased malnutrition.²⁶

By the year 2000, the number of cities with over 5 million inhabitants is expected to reach 48, of which 37 will be in the developing countries. Because of resource constraints, most

of these megacities may become unmanageable and unlivable. Population growth trends suggest that the goal of full coverage for water and sanitation in both urban and rural areas is unlikely to be met by the year 2000, especially in the least developed countries²⁷

In light of the above, by the year 2000, the increasing number of people living in poverty and in need of adequate food, better education, health and shelter may generate, as compared to the past, even stronger pressures for policy changes to achieve rapid social progress.

Policy Trends

During the 1980s, new political philosophies and policies have been developed to reduce the direct role of governments in economic activities and social services. Similarly, there has been a noticeable weakening of multilateralism, especially in the area of development cooperation.

Will these trends persist during the 1990s, or will the deficiencies of the policies emanating from these trends be recognized?

These trends will definitely have an important impact on human development strategies for the year 2000. The diminishing role of the state, for instance, may diminish government interest in long-term forecasting and in economic and social strategy formulation and planning. At the global level, this in turn may weaken the possibility of negotiating a meaningful, viable and effective human development strategy for the year 2000.

In addition, the daily exigencies of human life and worries about future well-being may produce a pool of malcontents among large sections of the population of the industrialized countries—as was the case during the youth movements of the early 1960s—who may force a reversal of these trends.

It is also important to take into account the economic and social policy changes which are now taking place in several of the centrally planned economies, for example, the USSR and China. Reforms in these countries have been prompted to a greater or lesser extent by social concerns and the need for improving income distribution and managerial autonomy. The overriding common element in these reform efforts is the desire of policy makers to mobilize the resourcefulness, knowledge and initiative of people through decentralized decision making.²⁸ These reforms will have far-reaching consequences, both domestically and internationally, by the year 2000.

Social Trends

Another noticeable and worrisome trend in many countries is the disintegration of the family. The family is the basic social unit where human development begins. During the 1980s, the family structure has undergone profound changes in the world, but with no uniform patterns. In many industrialized countries, the proportion of two-parent families is rapidly diminishing in relative terms, while the number of one-parent families headed by women is increasing. Since 1970, in the United States, the num-

ber of single-parent families has increased by 124 percent, as compared to 12 percent for two-parent families. It is estimated that by 1990, one-fourth of all American children will be living with only one parent, and 60 percent of children born in 1984 can expect by the year 2000 to live in single-parent families before they reach the age of 18. Births outside marriage are also becoming much more frequent, now representing between 10 and 17 percent of all births.

In developing countries, the disintegration of families is taking place mainly as a result of rapid urbanization, migration, increasing economic difficulties and poverty. The numbers of abandoned and street children are reaching the hundreds of millions. The weakening of family links in many societies is reflected by increases in the school dropout rate, juvenile delinquency, drug addiction, venereal disease and homicide.²⁹ In the preparation of human development strategies for the year 2000, it is important to consider the impact of these trends on the future of societies and on human development.

New and Advanced Technologies

With the discovery of new products and processes in microelectronics, which are

transforming global communications and the patterns of industrial production, organization and management, the world is on the threshold of a new technological revolution. Similarly, advances in biochemistry and bioengineering hold great potential for increasing industrial productivity and for the betterment of human well-being. These developments have the potential to alter dramatically the relationship between developed and developing countries.

A decade ago, several industries that had been firmly established in the developed world increasingly shifted the production and assembly of components to low-wage areas in developing countries. However, with the advent of the microelectronics revolution, the advantage of cheap, available, unskilled labor in most developing countries has become less relevant. Consequently, the share of these countries in international trading and production is now marginalized. As a result of the savings in labor, capital and time afforded by the new forms of industrial organization, production and management, most new investments are being made in the developed countries. Labor markets are thus becoming much tighter, as many jobs now require higher levels of education and skill than previously.

The current high rates of unemployment and underemployment are already very serious problems in developing countries. Microelectronics technology may well aggravate the employment problems of the majority of these countries. Their only hope is to develop the technological capacity and skills of their human infrastructure. The technological breakthroughs of the past two decades have stimulated the emergence of a new world economy. Automation of telecommunications, linkage of data transmission to computers for analysis, word processing and computerization of management systems have transformed the character and the role of traditional service economies in, for example, the areas of finance, banking, business management and public administration. More importantly, they have opened the way to the formation of an economically powerful new services sector. Thus today the services sector—primarily the output of human beings—has become the dominant part of the world economy, its share now constituting around 65 percent of the world's total GDP and employment.

Between 1970 and 1980, trade in services increased by an average of 18.8 percent annually, reaching \$436 billion in 1980. It is estimated that trade in services, by the end of the decade, will total \$1 trillion annually. At present, in the industrialized countries, the new and enhanced services sector of the economy plays a dynamic role, since it provides strategic support to the development of the manufacturing industries and to the absorption and diffusion of new technologies that bolster the competitiveness of the whole economy. However, this is not the case in most developing countries. Most of these countries are net importers of services; in the 1980s, their deficit in this sector grew from \$3.8 billion to \$58 billion. Today, the contribution of the services sector to GDP has exceeded the contributions of agriculture, mining and manufacturing in most countries. It is estimated that in developing countries, services average 48 percent of GDP and 18 percent of employment, while in industrialized countries, the corresponding figures are 66 and 67 percent. More important, services account for a growing number of jobs and increasing economic output in almost all developed countries. In the United States, for example, the rise in services employment has dwarfed gains in the manufacturing sector. From 1948 to mid-1983, the number of U.S. workers producing manufactured goods rose by just over 50 percent, from 15.6 million to 22.7 million, including 3.1 million employed in knowledge-intensive manufacturing. During the same period, employment in services more than tripled,

expanding from 20.9 million to 74.1 million workers. It is expected that by the year 2000, over 90 percent of U.S. employment growth will be in the services sector, especially in the enhanced and new services, and services will account for 75 percent of the American work force. These enhanced and new services, both labor- and skill-intensive, have important implications for the occupational distribution of the future labor force. In the U.S., between 1960 and 1980, for example, clerical workers and professional and technical workers increased their share of occupational categories by more than 33 percent. In the 1990s, there may be little change in the combined share of those two groups, but there will be a significant shift between them, with the share of professional and technical workers increasing by 25 percent while that of clerical workers falls by 40 percent. By the year 2000, one source projects that 20 percent of the labor force will be in the category of professional and technical workers, compared with

U percent in 1960 and 16 percent in 1980. a1

These figures and projections emphasize the crucial importance of upgrading human capacities and skills. By the year 2000, a highly qualified and knowledge-based technical labor force will become the most important determinant of economic growth, national strength and international competitiveness. People, aired with specialized education, skills and training and supported by modern communication facilities and tnfonnatic structures, will be the key factor in development.

In formulating their economic and human development strategies for the year 2000, the developing countries must seriously consider how best to use these new technologies for upgrading the potential of their people and improving human well-being. They need to evaluate carefully not only the structural changes that the new technologies will force on their economies, but also the impact on their human resources, as these changes will primarily relate to education, job opportunities and the general style of life. Such changes will call for the development of human resources in response to both the supply and the demand sides of these new technologies. On the supply side, education and training of human resources will be needed to advance national scientific and technological capabilities for development. On the demand side, the recent technological innovations will require the adaptation, upgrading and the "retooling" of human resources to take full advantage of their potential.

Conclusion

The role of human beings in the development process has passed through different stages. In the [1950s](#), it was regarded as a social welfare concern, in the 1960s as a residual factor, in the 1970s as an issue of poverty alleviation and basic needs provision. Now, in the 1980s, it has become a neglected dimension. In most countries of the world, physical investments are once again gaining a prime spot in the quest for a return to sustained economic development. Dy the same token, after many decades of struggle for development, we are today rediscovering the obvious truth-as Mahbub-ul Haq puts it-"that people are both the means and the end of economic development." 32

In their recent studies, eminent academicians such as Amartya Sen. and Keith Griffin argue that the process of economic development must now be seen as an expansion of people's "capabilities " They advocate a much broader view of the development process. Theirs is a view which differs fundamentally from characterizing development as the expansion of goods and services or meeting basic needs. For them, development is a process of economic expansion and structural change through which the capabilities of people can expand. They hold that the enhancement of human capabilities is both an end in itself and a means to higher production and income.

History proves that there is no blind destiny. The past can shed light on the shaping of the future. One lesson to be learned from the past is the necessity to translate ^{tonal} goals, objectives and strategies into practical action at the national, regional ³⁴ and sub regional levels. Otherwise, these solemn international undertakings will become dusty documents buried in the archives of international organizations.

The primary and vital responsibility for the development of human capabilities in the developing countries rests with these countries themselves-However, concerted international effort is also needed in the area of human development to assist individuals to develop their capacities and capabilities to the fullest in order to become productive in their own societies and thus to contribute to the well-being of the global community.

CHAPTER 12

Goals and Strategies for the U.N. Fourth Development Decade

Rolph van der Hoeven and Richard Jolly

Two issues have characterized the 1980s. First was the almost total halt of all that was related to the Third Development Decade. Second was the heavy emphasis on short-term

economic management, carried out either under the aegis of adjustment policies or through more haphazard policy intervention. In the absence of proper goal setting, short-term concerns have determined the development path rather than constituting the elements of a properly designed overall development strategy.

The experiences of the 1980s are illustrative of what happens in the absence of goal setting. The various external shocks developing countries have been facing since the end of the 1970s (deteriorating terms of trade, high real interest rates, slow-growing export markets and net capital outflows) resulted in severe difficulties in servicing their outstanding debts. Policies to manage the debt problem, rather than policies to foster development, have topped the agenda ever since. Removal of the balance-of-payments deficit and lowering of debt/export or debt/GDP ratios became all embracing policy objectives rather than being regarded as some of the constraining factors in the development process.

Although short-term policies were extended over a longer time frame by combining concretionary measures with measures enhancing the supply of production factors, the main emphasis of these policies remained the speedy removal of external imbalances. Countries were made to believe that once the problem of external balances had been solved, normality would return, and business as usual would be the order of the day again

However, most adjustment policies were unable to achieve a quick turnaround, partly because the external situation for developing countries remained bad (in itself a consequence of the absence of goal-oriented policies and of policy coordination in the industrialized countries) and partly because these policies were inappropriate for the economic and social situation most developing countries faced. Moreover, the short-term policies applied had serious distributional consequences, as they did not take into account social objectives and did not include any form of protection for the poor, with serious consequences for human welfare.¹ The absence of clear development strategy with explicit, targeted goals was never more strongly felt.

Causes of Past Failure

What has caused this relative neglect of proper development goals and issues in 1980s? Various reasons can be advanced, but they can all be traced back to two major explanations.

One important reason is the apparent unwillingness to apply integrated policies at the international level. This unwillingness is manifested by several events: first, by a lack of common policy among the major industrialized surplus and deficit countries amongst themselves; second, by the rise of protectionism; and third, by the refusal to deal with the debt crisis and external imbalances of the developing countries in a coherent manner, instead seeking refuge in case-by-case approaches. Such an international hands-off approach is conducive neither to international goal setting nor to national development.

A second, and perhaps more important, reason has been the growing influence of a particular school in development thinking which questions the usefulness of explicit development policies. These critics advocate a liberal, free-market style of development on the presumption that past development policies have failed because they were too deregister.² In the eyes of these critics, the process of goal setting and of stating development objectives is part of a deregister approach, and is therefore judged as detrimental to fostering spontaneous activities, which are seen as contributing more to growth.

Did development planning really fail to deliver the much-needed increase in national welfare because of deregister tendencies?

Many of the examples quoted to support this view are based on experiences with too much and too rigid bureaucratic planning. But it is often the lack of rational development planning and goal setting which has made roots for mushrooming bureaucracies. Countries with large public sectors have historically not done much worse than other countries, although there is wide variation among them.³ More recently, better goal setting and more rational development planning have allowed some countries to weather the global recession and subsequent stabilization policies better than other countries. Postponing the construction of a hospital in the capital allowed Pakistan to undertake a nationwide immunization campaign in a time of severe economic pressure. Countries like Zimbabwe, Botswana and Korea were also able to undertake well-targeted interventions

to protect the vulnerable in society in order to prevent them from becoming the main victims of the economic crisis.⁴ Thus, the argument that goal setting leads to "deregister" development patterns which hamper proper development cannot justify the declining attention given to target and goal setting in the 1980s. Targeting has slipped away mainly because policy makers and international organizations have been too busy reacting to crises to further evolve the development thinking of the 1970s, which began to focus on goal setting and the provision of basic needs. Many years of muddling through have made the 1980s a lost decade for development.

The failure of the Third Development Decade to achieve its goals was due to the lack of full acceptance of the Third Development Strategy, leading to frustrated demands from the developing countries and neglect by most of the industrial market economy countries. Another cause of failure of the Third Development strategy was the mechanistic and econometric approach to its preparation in the absence of a political process to arrive at universally accepted minimum economic and social goals. Much emphasis was put on the calculation of (not always realistic) per capita growth rates and of the capital resources required to allow for such growth. Little attention was given to integrating social goals. A final reason for the failure of the strategy was the absence of support for a process of national goal setting in individual countries. For example, proposals to include target setting for basic needs in individual countries were not retained in the strategy. The absence of national goal setting has surely aggravated the ambivalent attitude of those who were already unconvinced of the possibility of arriving at an international consensus.

Strategies for the 1990s

Most countries are entering the 1990s with a double debt burden -a financial debt burden, which, despite absorbing all policy attention, has increased in the 1980s, and a social debt burden, reflecting a deterioration or a standstill in social development. The financial debt is payable to foreign banks and governments; the social debt is payable to present and future generations, especially the poorer strata.⁵ These debt burdens pose a double challenge for national and international policy makers. These challenges should be seen against some of the expected realities of the 1990s, such as:

- a) A decline in global internationalism. The new focus is on domestic solutions to domestic problems rather than on international solutions. For example, the larger industrialized countries still pursue their own macroeconomic management, although it is known that concerted policies would result in higher world growth. Debtor countries are expected to find domestic solutions to their debt problems, although this results in decreased international trade and has negative consequences for development in the industrialized countries. The decline in internationalism is also apparent from an increase in protectionism -a consequence of stagnating trade flows-and from a declining commitment to aid, expressed as a percentage of the industrialized countries' GDF.
- b) An increase in military expenditure, which is not only a threat to political stability, but which also puts a serious strain on public funds available for social services.
- c) An increase of global information flows, resulting in a massive expansion of financial markets and in transactions by multinational enterprises.
- d) An increase in technological capabilities and a decrease in capital costs, influencing decision making on the location of activities outside low wage cost areas and weakening the position of low labor cost exporters.

These tendencies have resulted in a further stratification among the developing countries between poor (often commodity export-based) countries and less poor countries with more diversified export patterns. But the same tendencies have also led to a stratification within countries and societies. In industrialized countries, people with high levels of education who are linked into the service and high-technology network have done well even within a stagnating economy. In developing countries, the process of stratification has been more complex. In general, those involved in producing exportable were relatively better off than others, although their absolute gains were offset by deteriorating export possibilities.

Through the process of diversification, the specific trade and capital flow links between the developing countries and the industrialized countries have been accentuated. The link has become tighter for those developing countries which have industrialized and are, as a consequence, in the international financial market system. The link has weakened for

countries exporting primary products with a low-income elasticity of demand and threatened with substitution by other products stemming from technological advances. These countries are also often absent from the international financial market system. The consequences of these realities for ordinary people are immense. The adverse effects on the standard of living of the majority of the populous in the developing world are serious. The number of poor people will increase, especially in Africa and Latin America. The decrease of expected poverty levels in Asia, mainly the result of gradual improvements in India and other populous countries, but also in some of the smaller, rapidly industrializing countries, is not sufficient to arrest this basic trend of increasing poverty (see table 1).

Projected Population with Below Basic Needs income, 1995
(Million,)

Africa	1980	1995
Asia (excluding)	210	405
Latin America	562	450
	47	58
TOTAL	819	913

SOURCE, men, High-level Mining on Employment and
Background Do Sarm-n.ral Adjustment
(Geneva, to, 1987).

Should these grim realities be the only guideposts for setting goals for the 1990s? There are at least two other developments which need to be considered. First, some basic human indicators have deteriorated less in the 1980s than one would expect from the drop in GDP figures. Infant mortality on a global level is still declining, and life expectancy is increasing. Part of this is no doubt due to a lag effect of economic decline on human indicators, but declining infant mortality and increasing life expectancy trends are also the result of targeted interventions concentrating on a limited number of specific actions and on specific population groups.

From Strategies to Goals

How should a strategy for fulfilling basic needs and increasing human capabilities be translated into goals for the last decade of the century? The strategy proposed already contains an important element of goal setting at the national level. We could distinguish between three different types of goals for the Fourth Development Decade:

- a) Strictly international goals, such as fixing the levels of aid, capital and trade, as well as goals relating to the functioning of international, financial, trade, capital and labor markets.
- b) Universal national goals which relate to a minimum acceptable standard of living, such as those pertaining to infant mortality, basic needs levels, and human rights and democracy. Although each country must choose its own development pattern, there are a number of minimum standards which should be universally accepted and should evolve from a one-world concept.^o
- c) Strictly national goals relating to the style of development and to consequent sectoral and societal priorities. These goals result from the clear mandate of sovereign states to direct the course of their own development.

In the process of goal setting for the Third Development Strategy, most preparatory and political efforts went into international goal setting. That is not to say that the second set of goals (international minimum standards) was overlooked, but these standards did not receive sufficient attention. First of all, cost implications were not analyzed. Second, little attention was paid to implementation mechanisms or to allocating the responsibility for implementation. When the international goals proved to be unattainable even at the beginning of the decade, they were subsequently disregarded. The third set of goals, the national goals, never formed a substantive part of the Third Development Strategy.

In order to implement a basic needs strategy, resources are needed in order to allow for

domestic growth and increased basic needs satisfaction. Increased resources can come from different sources: increased domestic savings, increased efficient delivery of basic needs, increased world growth through trade links, reduced debt service payments, increased aid or increased capital inflows. All these different sources are important, their relative magnitude depending on the specific situation in which each country finds itself. Domestic savings has dropped in African countries (and some Latin American countries) to a level which does not allow for independently focused development. Increased savings can be used for human development-oriented activities which normally have good, but sometimes long, recuperation rates. In many instances, policy changes can be made to increase the efficient delivery of basic goods and services. Such policy changes are often the result of radical changes in educational and health delivery systems.¹¹ Increased efficient delivery of basic goods and services will increase productivity in the future, allowing for higher savings and greater public spending.

Developing countries can profit from increased world growth. The middle-income countries usually profit more than the poorer due to their higher degree of interdependence. Nevertheless, the strategy should explicitly aim for achieving higher growth rates in the industrialized countries, based upon the recognition that more coordination between these countries is needed, anymore demand-stimulating measures ought to be taken.¹² Such a growth-oriented focus can be strengthened if developing countries are relieved of their debt obligations (or at least of paying their debts in foreign currency), allowing them to grow faster. Needless to say, developing countries will also be able to grow faster with increased aid and capital flows.

Policies stimulating growth are necessary, but not sufficient. For the Fourth Development Decade to be successful, programs to achieve a universal floor level in the provision of basic human needs in developing countries need to be implemented. Innovative and cost-saving programs require a continuous resource flow to support them. This flow would come from an increased domestic resource mobilization made possible by growth. Industrialized countries will also benefit from increased growth in developing countries.

Relief of the debt burden could be a fast target for the Fourth Development Strategy. The IMF's 1988 World Economic Outlook cites the debt burden as the largest impediment to development, as does the World Bank's World Development Report. Reduction of the debt burden is a political decision which can gain the maximum support if accompanied by policies to achieve the satisfaction of basic needs. An international body should monitor progress toward using the resources thus freed for stimulating growth and human development. The idea of a "quid pro quo" would make this political solution more acceptable to the industrialized countries.

What does this imply for goals and targets during the Fourth Development Decade? Minimum targets for the decade should include:

- a) A target for debt reduction.
- b) A target for growth in the industrialized countries.
- c) A target for resource mobilization in the developing countries.
- d) A target for development aid, with special emphasis on the least developed countries.
- e) A target for the provision of a minimum standard of basic needs, for which developing countries carry the responsibility for implementation.
- f) The establishment of an international body or working party to monitor progress on debt reduction and on the provision of basic needs.
- g) A target to stimulate national policy decisions on human development, including increased delivery to target groups.

The Role of the International Agencies

The problem of ensuring that goals lead to action has always caused concern. The basic document of the First Development Decade referred to the need for intensified efforts to increase the pace of economic growth in developing countries.¹³ Then, in 1965, a Committee for Development Planning under Professor Tinbergen was set up as an independent body of distinguished experts. Since 1971, this committee has been mandated to help monitor implementation of decade goals. By the beginning of the Second Development Decade, the committee had reached the conclusion that implementation would be helped if individual countries would adapt and apply the global goals to their individual situation, and also if the individual U.N. agencies would use

these goals as a guide for setting their own priorities. Yet this has seldom been done. In the Third Development Decade, despite its apparent failure, some basic global goals have been used for setting country and agency priorities. The United Nations, for example, has set up a Steering Committee, headed by the UNDP, with eleven U.N. bodies participating, including WHO, the World Bank and UNICEF. This is soon to be supplemented by a Consultative Council including all major external support agencies as members. This coordinating structure is focused on the goal of universal water supply and sanitation, as set out for the International Drinking Water Supply and Sanitation Decade (IDWSSD). This has certainly helped to promote attention, support and action at the country level, while strengthening government coordination and intercountry and interagency sharing of technical expertise. It has helped to spread universal acceptance of goals and the introduction of improved, proven and low-cost technologies. In turn, this has led to a reduction by some three-quarters of the estimated total cost investment for achieving the decade goals. Most countries, such as India and Bangladesh, have created national structures for implementation and monitoring, and it seems likely that the decade goal of national coverage by 1990 will be achieved, at least for water, in several of the largest countries. As for environmental sanitation, progress is less striking, although impressive in several countries. But the Steering Committee is not monitoring the changing coverage of water and sanitation or issuing publications on the subject. Even if decade goals are not reached universally by 1990, there is now at least an international consensus to seek to reach these goals more realistically in order to coincide with the aims of Health for All by the Year 2000.

In 1982, UNICEF adopted goals and strategies closely related to the goals of the Third Development Decade related to child health and survival. The Third Development Decade goal of reducing infant mortality rates (IMR) in all countries to a maximum of 50 by the year 2000 was made a UNICEF policy focus. Directives and administrative pressures were applied to each UNICEF country office to work with the government and provide support for its achievement of the IMR goals in that country. Over time, the IMR goal was elaborated in two ways. For countries with IMR rates in 1980 of less than 100, the goal was modified to make the target the halving of the 1980 rate, not merely its reduction to 50 as a maximum. Second, as data became available on under-5 mortality rates, UNICEF shifted the emphasis from the reduction of infant mortality to the reduction of under-5 mortality - a more ambitious goal, because it focused on the child's first five vulnerable years, rather than merely the child's first year. The original target of IMR below 50 was then modified to include the reduction of under-5 mortality to 70 at a maximum, or a halving of the 1980 rate, if this was less than 140.

Following the targets for the Expanded Programme of Immunization set by the World Health Assembly in 1977, UNICEF has focused operationally on the achievement of the goal of universal coverage of child immunization by 1990 for all six antigens. In addition, the goals for awareness, access and use of oral dehydration therapy (ORT) were adopted, following the World Health Assembly's goals. Both these sets of goals have been used as major points of advocacy within countries. UNICEF field representatives have been required to report regularly on their country progress, and a headquarters system has been established to monitor country-by-country achievements. In addition, and equally important, coordinating structures have been established with the World Health Organization and with other key agencies and bilateral donors. A Bellagio Task Force has been established which meets periodically to bring together WHO, the World Bank, UNDP and UNICEF, together with key developing donors and technical experts.

This focus and these coordinating mechanisms have played a major role in achieving an acceleration of both immunization and ORT therapy over the 1980s - actions directly focused on combating the causes of one third to one-half of under-5 deaths. In spite of severe setbacks to health services and health budgets in many countries, especially in Africa and Latin America, immunization coverage in developing countries had risen from under 15 percent in 1980 to roughly 50 percent by 1987.

Effective ORT use is more difficult to measure and establish, but the supply of ORT packets in developing countries over the period 1980-87 increased by about four times. As regards the impact on infant and child mortality, data in many countries is too weak to make a clear estimate before

the 1988 to 1990 round of vaccinations; but an indication gained from statistics on immunization and ORT expansion is that by 1987, some 2 million fewer children than

previously were dying of the six preventable diseases and from dehydration resulting from diarrhoea.

These examples show that decade goals can be used successfully to provide a focus for program action by the U.N. agencies themselves. Moreover, if the main U.N. agencies with field operations were to combine forces and use these goals in their country-level programming process, both the goals and the progress they were designed to promote could be substantively carried forward.

The Joint Consultative Group on Policy, which brings together UNDP, WFP, UNFPA, IFAD and UNICEF, provides an immediate forum for planting collaborative support by these field staff agencies, which together provide some US\$ 3 billion in program support each year. The Consultative Committee on Substantive Questions (Operations) can provide a larger forum for bringing in other [U.N. agencies](#). At the country level, the Resident Coordinator should play the role of bringing the relevant agencies together to discuss how they can collaboratively support government efforts in that country in line with these goals. The U.N. agencies, both separately and collaboratively, have a key advocacy role in stressing the logic, the rationale and the importance of these goals and in providing suggestions on how they could best be achieved in each country context.

The Role of UNICEF

UNICEF can play a constructive role in the preparation of national strategy by

- a) Pointing out the strong link between the social and economic dimensions of development and stressing the need to combine both dimensions in policy making, as has been successfully done in the past.
- b) Specifying minimum basic needs levels related to its mandate. These minimum basic needs levels may already have been surpassed in some countries; however, a process of establishing minimum accepted needs is important for international policy making.
- c) Providing national, regional and global cost estimates to reach the minimum accepted goals.
- d) Assisting countries to develop their own strategies and national goals for the well-being of children and other members of society and assisting these countries in targeting.

International Goals

Health and nutrition goals for the 1990s are largely based upon the Declaration of Talloires. It is widely acknowledged that good possibilities exist for achieving most of the Talloires targets in many countries. The achievement of these targets would result in a substantial reduction of child deaths. In addition, these targets would provide a good opportunity for generating political support and mobilizing national and international resources for children.

Regional and country-specific goals are needed. Different regions and countries could achieve specific goals within different time frames. The basic goals for health and nutrition include:

- a) Reduction of infant mortality (IMR) and under-5 child mortality (USMR) rates in all countries by at least half (1980-2000) or to 50 IMR and 70 USMR per 1,000 live births, whichever is lower.
- h) Reduction by 50 percent of current maternal mortality rates.
- c) Global eradication of polio.
- d) Virtual elimination (less than 1 percent) of neonatal tetanus deaths.
- e) 90 percent reduction of measles cases and 95 percent reduction of measles deaths.
- t) 70 percent reduction of diarrhoea mortality in children under 5 and 25 percent reduction of the diarrhoea incidence rate.
- g) Virtual elimination (less than 1 percent) of severe malnutrition and significant reduction (by half) of moderate and mild malnutrition in each country.
- ii) Exclusive breast-feeding of every child up to 4 to 6 months and continued breast-feeding with supplementary foods well into the second year.
- i) Eradication of blindness due to vitamin A deficiency. j) Eradication of cretinism.

The Declaration of Talloires recognizes the importance of the mobilization of educational

efforts to achieve Health for All by the Year 2000. It calls worldwide attention to the potential of low-cost initiatives to

improve the quality and coverage of educational services to obtain universal primary education and 80 percent female literacy. The declaration thus accepts the strong evidence that has emerged linking the literacy of women to the survival of children.

The new priority for the promotion of Basic Education for All by the Year 2000 is welcome. The new approach will continue to put emphasis on universal primary education and literacy. It also encompasses practical sex education and the special learning needs of the handicapped. The overall goal of achieving Basic Education for All by the Year 2000 includes (i) universal provision of basic education through formal, nonformal and informal channels, and (ii) attainment of at least 80 percent female literacy in all countries.

The goals of the Declaration of Talloires on the control of diarrhoeal diseases provides a good framework for linking water and sanitation goals with Health for All by the Year 2000. This opportunity should be used to strengthen environmental and preventive intervention in water supply and sanitation to complement the biomedical FORT aspect of the declaration. The integration of water and sanitation with hygiene education within the context of primary health care provides an important linkage.

Based on the gains made so far, it seems possible to achieve Water for All by the Year 2000 (and in some countries even earlier, e.g., India and Bangladesh). The International Drinking Water Supply and Sanitation Decade goals should therefore be extended beyond 1990 to the year 2000.

However, emphasis should be placed not on setting overly ambitious global goals (which have proved difficult to achieve in the case of water and sanitation), but on helping countries to formulate realistic national goals with national criteria for the measurement of "accessibility," including;

- a) Universal access to drinking water.
- b) Access to sanitary means of excreta disposal for 80 percent of the population.
- c) Eradication of guinea worm disease.

CHAPTER 13

Policies to Attain Social Objectives

Margaret Joan Anstee and Andrzej Krassowski

The current phase of intensified interest in human or social development marks a positive evolution in thinking rather than a sharp break with the past. Social objectives have received a great deal of attention, but this has been too narrowly focused. Not enough attention has been given to the question of who benefits from what action, to the processes by which objectives are reached and to the institutional framework in which different interests are reconciled.

In practice, social policy has concerned itself chiefly with the allocation of more resources to the "social sectors." Objectives have been framed and actions organized in the context of sectoral issues. Distributional and other, wider implications of sectoral policies have received too little attention. Perhaps we have done too many of the things which were easiest to do at the expense of doing what was most needed.

Indicators for setting concrete goals and assessing progress are still inadequate. Too much reliance is placed on aggregates, and on indicators of effort rather than of results.

At the international level, we have not succeeded in concerning the various sectoral approaches. The sum of global sectoral objectives remains just that. We have not succeeded, despite much effort, in developing a set of social indicators which could be used alongside the economist's national accounts statistics, although [admittedly, it](#) is a more complex task.

There is an emerging consensus that social issues need special emphasis in a new international development strategy for the 1990s. The preparation of such a strategy provides a new opportunity for a better concerted effort. Also, important recent global objectives have transcended sectoral concerns: for example, the advancement of women,

equality of opportunity for the disabled and the aging. These objectives are a response to the need to deal with problems that do not obviously fall within any sectoral jurisdiction. There is more coordination at the subsectoral and project levels as the interdependence of different sectoral goals is better understood, and there has been some progress in devising indicators of the type we need. There is thus an expanding basis for effective action.

Social Issues at the National Level

A reading of postwar history shows the prominence given to social objectives, especially the issue of social justice—that is, who benefits from what actions. In the industrialized, mixed economy countries, social justice and improved conditions for the underprivileged were seen as important elements in maintaining social cohesion, stability and economic prosperity. They were made central goals in the socialist countries. Similar goals were part of the mobilizing ethos of many independence movements in what we now call the developing countries.

A number of systematic reviews by the United Nations Secretariat of national development plans, covering virtually all plans adopted in developing countries in the 1960s and 1970s, show that social objectives were very much in evidence everywhere; indeed, they were often prominent. At the same time, the reviews show a largely descriptive approach, with general formulations predominating. While there was growing sophistication in depicting the economic framework, there was much less progress on the social side. Social goals remained descriptive, compartmentalized within sectors and unrelated. Few indicators for monitoring achievement were in evidence.

Success or failure in the social area was typically evaluated by the use of sectoral "input" indicators—that is, those that essentially measure effort rather than results. This situation is changing only slowly. Moreover, most indicators were, and remain, highly aggregated— that is, they do not give information about how different parts of society are faring. Thus, they do not adequately depict social reality. Inadequate monitoring of how effort was reflected in results, and of who was gaining from development, severely curtailed the possibility of correcting misallocation of resources (whether on efficiency or social grounds), adjusting sectoral priorities and changing methods.

Until recently, most developing countries succeeded in increasing spending on the social sectors at rates faster than the growth of their overall resources. Sufficient evidence has now accumulated, however, that spending was often ineffective or misdirected; but it has taken hindsight to establish this. We also now have a fairly solid basis from which to conclude that public spending, including social spending, has tended to be regressive in developing countries. This does not necessarily mean that the poorer groups did not benefit—in many cases, they did—but rather, that those who were better off benefited disproportionately. Nor is this phenomenon confined to developing countries.

The implication for the immediate future, which is likely to be dominated by resource constraints and further pressure to cut public spending, is that while cuts will hurt the poor and disadvantaged, the better placed will be very vocal in protecting their interests, with all that this implies for the possibility of redirecting scarce resources to programs in favor of the poor.

It may be worth recalling that economic expansion, as a national objective, was seen as providing a way of uniting the "haves" and the "have-nots" in a mutually advantageous enterprise, thereby reducing a major source of social conflict. On the basis of a consensus that saw the "haves" as an important source of capital, innovation and enterprise on which the welfare of everyone ultimately depended, with "having" as their reward, accommodation within the established social framework was possible. From a different perspective, "having" was seen as the result of exploitation of privileged positions and essentially an obstacle to social progress. These two ideologies have competed throughout the postwar period, not least in United Nations fora, with particular consequences for that international body.

Social Issues at the International Level

In the ideological climate of the early years of the U.N., the absence of a common framework emerging at the intergovernmental level led the U.N. Secretariat to deal with

issues cautiously. This caution in social development was unmatched in development economics, in which the U.N. played an early and vibrant role.

It is instructive to read the first Report on the World Social Situation, published in 1952, which defined the issues which would be appropriate for analysis at the international level. The report specifically mentions that it does not deal with "factors reflecting differences in beliefs and values," but only with "universally recognized needs and problems." The report took an approach emphasizing living conditions and was organized on strictly sectoral lines, an approach that has persisted until very recently., however, emphasize that true development and social progress required improvements in the living conditions of all, particularly the disadvantaged.

Discussion of values and beliefs, including such central questions as social justice, has nevertheless surfaced from time to time, and with increasing regularity. Twenty years ago, the U.N. adopted the Declaration on Social Progress and Development. There has been progress in codifying rights within the context of the further elaboration of the provisions of the Universal Declaration on Human Rights. The 1980s saw a series of major global events focusing on specific social issues which transcended sectoral concerns and found a response across political divisions-East and West, North and South. Those of most immediate concern to the U.N. Office at Vienna (UNOV) relate to crime prevention and the treatment of offenders; drug abuse and illicit trafficking; youth and aging; and disabled persons. The Nairobi Forward-looking Strategies marked an important step forward in regard to the advancement of women. Most recently, international Guiding Principles for Developmental Social Welfare Policies and Programmers in the Near Future were adopted, providing a solid basis for a global social agenda.

Two contrasting approaches to social policy have competed for preeminence. None, social policy is essentially normative, its task being to establish social objectives built around a notion of the "good society." The role of the economy, as well as of public interventions of a social character, is to attain these objectives. In the other, social policy is essentially adaptive. Its task is to facilitate acceptance of economic and technological change and to deal with unwanted consequences. The economy is seen as driven by essentially impersonal and autonomous forces.

In any society, actual policy combines both approaches, reflecting the fact that no society is without goals, and no society is full master over the varied influences that shape it-especially not the developing countries. The emphasis shifts from one approach to the other, and a tenuous integration is achieved with one dominant, then the other.

We seem to be at present in the middle of a shift of major proportions, with the predominant current running toward the adaptive view of social policy. There may be two specific consequences of this shift. There is likely to be greater resistance to the formulation of new global objectives, but at the same time, greater willingness to deal with social issues at the international level, as countries have to adapt to similar trends and problems..

Many of these stem from the common need to maintain international competitiveness and ensure economic survival in a harsh global environment.

Attaining Social Objectives: Some Practical Proposals

The process of preparing a new international development strategy for the 1990s should be so organized as to encourage a more concerted effort embracing all the different social sectors and giving greater attention to priorities.

In this connection, we have three specific proposals to make, based on our experience in UNOV:

- a) More emphasis on the development of appropriate indicators.
- b) More research, and its more effective dissemination, on ways to advance social objectives through multicultural approaches.
- c) The strengthening, inter alia, through technical cooperation, of national policy coordination and planning capacity in the social area, and its appropriate integration with economic policy.

Development and Use of Social Indicators

An extended review conducted by UNOV of the use of indicators, especially for

monitoring progress toward objectives which were originally not quantified, draws largely from efforts to develop indicators relating to the advancement of women. Here, a few key points are highlighted.

Most social objectives are stated in general terms and are not quantified. They need to be broken down into sub objectives in order to serve as policy guides. For progress to be monitored, such sub objectives need to be expressed precisely. In defining subobjectives, it is useful to think at the same time about how progress is to be monitored, and by what indicators. This imposes discipline. If sub objectives have already been specified, the search for appropriate indicators can lead to a redefinition of sub objectives, adding to their operational usefulness.

Indicators of effort, which are the most commonly used, have their rationale. But more emphasis needs to be placed on indicators of results or, ideally, indicators of performance, which relate results to efforts.

Indicators able to capture distributional changes—who benefits from particular efforts—are especially important. Much of this measurement has to be indirect, or inferred. Comparative data by locality or administrative districts, the basis for much data collection, are especially valuable, but underused, for constructing proxy indicators of distribution. Profiles by class or income can be drawn up by comparing differences by locality in a particular observation against obvious socioeconomic characteristics.

Certain summary indicators (e.g., life expectancy or infant mortality) are valuable for measuring the direction of change, but they reveal little about possible causes. A very important recent development is an improved capacity to isolate the effects of different policies and to estimate the relative contribution of each to observed changes in such summary indicators. Work along these lines has revealed various linkages, often across sectors, and contributed to a better understanding of how different measures reinforce each other.

Although the pursuit of some objectives simultaneously facilitates progress toward others, in a world of finite resources, one cannot escape choices. Priorities are in effect selected through the political process, but there is a need to ensure that these decisions are at least informed by a clearer understanding of what the real choices are. At the international level, too much is presumed about preferences. The use of attitudinal surveys and opinion sampling may in the near future provide a firmer basis for ordering priorities, and also for choosing means.

A Multisectoral Approach to Social Objectives

The sectoral focus and the compartmentalization of concerns have a long tradition. Until recently, most global objectives were sectoral - elaborated and adopted in relation to specific sectoral concerns.

Several past initiatives attempted to transcend the sectoral approach, prompted by the recognition that sectoral goals were dependent on developments in other sectors. The bold quest to meet basic needs is one outstanding example. Insofar as these initiatives came from within a particular sector, they did not get the needed response. This is perhaps not surprising, since each sector has its own body of expertise, built up through years of work with particular issues, and many traps await those who unwarily stray into someone else's area. In some cases, the idea of a more concerted and multidisciplinary approach may have been too far ahead of its time.

Multisectoral approaches are, nevertheless, needed to deal effectively with many social issues. The lesson of the past is that such efforts succeed only insofar as they draw on and combine the expertise available in different sectoral agencies. Furthermore, it helps to galvanize action when the initiative for multicultural ventures comes from a neutral entity - one not immediately associated with any single sectoral concern.

Examples of such initiatives include the multicultural approaches to the advancement of women, to aging and youth issues. More attention needs to be given to defining objectives in nonsedimentary terms. Poverty might be a highly suitable candidate.

Most coordination, in practice, takes place at what might be called the sub objective and project levels. There is a general recognition that the success of almost any venture in any sector requires action, related or complementary, in several sectors.

A great deal of work has been done on how to combine various activities from different sectors so that they are mutually reinforcing, on the combinations that work best, and on

the costs in money and manpower of different combinations. Such efforts need to be carried forward and applied more systematically at the national level if governments are to do more with fewer resources and to obtain more effective results. The main thrust of such work should be to identify (i) the extent to which measures to promote sub objectives in different sectors reinforce each other and (ii) the extent to which they compete for resources and political attention. More information, based on empirical findings, would help countries to obtain better results from given financial, administrative and technical resources and would provide a more realistic measurement of costs expressed in terms of alternatives foregone.

Building National Capacity for Coordination and Planning

Ultimately, international action must reach down to the national level. The corollary of this assertion is that all our theories and policies on social development will come to nought unless they are translated into effective action. This is a gap which, in the past, despite many tenacious efforts, we have never managed to bridge. The long-standing ambition is a unified approach to development policy making and planning in which policy coordination and planning in the social area is appropriately integrated with economic and physical policy, which could then be translated into effective programs and projects. Technical cooperation along these lines has languished for some years. It is time to resuscitate it and give it new impetus.

A number of specific lines of assistance can be foreseen. Assisting the governments of developing countries to improve coordination of policies in the different social sectors, to set priorities on the basis of better information, and to relate sectoral policies to overall social objectives would be an extension of known approaches to social policy and planning. Adding a dimension of social diagnosis, disaggregated geographically and by subsets of the population, would add realism by providing the missing aspect of distribution, which is essential to any concept of social justice. By improving our methods of projection, we can help governments realize the extent to which decisions made today will have an impact in the medium and long terms.

UNOV 'sin the process of elaborating a project proposal to develop this approach to technical cooperation based on its experience with multicultural social concerns built around segments of the population, as well as its past experience with local-level development.

We have to bring the legitimately overriding concern with social development down from the stratosphere of intellectual discussion to the severely practical-and exceedingly difficult-level of national development strategies, World Bank Consultative Groups, UNDP country programmes and donor roundtables.

Conclusion

In 1987, the Secretary-General of the United Nations, as part of his reform of the organization, decided to concentrate social policy and development work in the U.N. Office at Vienna. The new arrangements should help to create stronger links on social issues between the U.N. Secretariat and the entire U.N. system, and among those within the system who are concerned with the broader social aspects of their specific sectoral concerns. Already, we have seen the value of bringing together various specialists from different parts of the system to contribute to the formulation of multicultural approaches to specific priority social issues. We must extend these contacts.

We are also pushing forward with the development of a U.N. social perspective which can eventually stand alongside the economic perspective and lead to the truly unified approach that has for so long eluded us. The quadrennial reports on the world social situation, beginning with the issue scheduled for 1993, could provide a vehicle for the further development of such an approach.

CHAPTER 14

Human Goals for the SAARC Region Khadija Haq

SAARC, the South Asian Association for Regional Cooperation, was established in December of 1985, when the seven heads of state or government of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka met in Dhaka, Bangladesh. Like other similar regional groupings, the primary objective of SAARC is to promote cooperation in the socioeconomic and cultural fields for the mutual benefit of all member countries.

SAARC, comprising some of the most populous countries of the world, places special emphasis on the development of the human resources of the region as a vital element in these countries' socioeconomic development. The Dhaka Declaration "reaffirmed that the heads of state or government in fundamental goal was to accelerate the process of economic and social development in their respective countries through the optimum utilization of their human and material resources, so as to promote the welfare and prosperity of their peoples and to improve their quality of life." ¹ At the next summit in India, the Bangalore Declaration was more specific in that it "subscribed to the goals of universal immunization by 1990, universal primary education, maternal and child nutrition, provision of safe drinking water and adequate shelter before 2000 AD." ²

SAARC vs. ASEAN

SAARC, with a combined population of 980 million and a median GNP per capita of US\$ 270, is one of the poorest regions of the world. If one were to compare SAARC with its next-door neighbor ASEAN (the Association of South East Asian Nations) with respect to their economic and social indicators, one cannot fail to see the consistency with which the SAARC countries fall behind the ASEAN countries in each and every indicator of human resource development. Compared to ASEAN, SAARC has more people who are poorer, more rural, have a lower life expectancy, are less literate and have a gender bias in their poverty (see table I).

TABLE I

Comparison of SAARC and ASEAN in selected Economic and Social Indicators (1985)

			SAARC	ASEAN
1.	Population (thousands)	(Total)	979,967	288,527
2.	Rural population (as percentage of total)	(Median)	79	63
3.	GNP per capita (US\$)	(C)	270	1,341
4.	Female life expectancy (year)	(")	50	68
5.	Male life expectancy (years)	(" 1)	8	61
6.	Infant mortality rate (per 1,000 live births)	(C)	64	30
7.	Literacy rate, female (percent)			74
8.	Literacy rate, male (common)			85
9.	Enrollment in primary school (percentage of age group)			107

NOTE: SAARC includes Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka; ASEAN includes Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand.
* Excluding Bhutan and Maldives, UNICEF
† Excluding Bhutan.

SOURCE:

1983 Asian Regional Pact for the Promotion of Economic and Social Development (Bangkok).

SAARC Socioeconomic Profile

The number of people in absolute poverty (which means having an income level too low to secure a minimum nutritionally adequate diet plus essential non-food requirements) is staggering in some of these countries. In Bangladesh, for example, 86 percent of the population lives in absolute poverty. In India, 40 percent of the urban population and in Pakistan, 32 percent of the urban population lives below the poverty line³ The region's sustained GDP growth rates in the last decade have not been translated into a better life for the majority of the population. Human development indicators have shown some improvement, but the overall picture is so grim, except for Sri Lanka, that only a radical shift in favor of the social sectors in both policy priorities and resource allocations, combined with the political will and administrative capability to implement these policies, are capable of making SAARC a viable region by the year 2000.

Moving from the overall picture to individual countries, the region presents a great diversity of both economic and human development indicators. Table 2, showing a few economic indicators, contrasts too few people in Bhutan (1.3 million) with too many in India (781 million). GNP per capita ranges from US\$ 150 in Bhutan and Nepal to US\$ 400 in Sri Lanka. India shows respectable savings and investment rates at 21 and 23

TABLE 2

SAARC Countries Selected Economic Indicators
(1986)

Country	Population (Millions)	Area (1000 Sq. Km)	GNP Per Capita (US\$)	Gross Domestic Savings as Percent of GNP	Investment as Percent of GNP	Gross Distribution of GDP (Percent)		
				(4)	(5)	Agriculture	Industry	Services
						(6)	(7)	(8)
Bangladesh	103.2	144	160		2	47	14	39
Bhutan	1.3	47	150		-	-	-	-
India	781.4	3,288	291	33	21	39		
Nepal	17.0	141	150	19		-	-	-
Pakistan	99.2	801	350			24		47
Sri Lanka	16.1	66	400	24	13	26		

NOTE: Figures for Maldives were not available.

SOURCE: World Bank World Development Report 1988 (New York: Oxford University Press, 1988).

Country	Population Growth (Per cent 1986)	Life Expectancy at Birth (Year, 1986)	Infant Mortality (Per 1000 live births, 1986)	Per Capita Daily Caloric Supply (1985)	Percentage of Population under 15 (1985)	Secretary
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bangladesh	2.6	50	121	1,804	60	IS
Bhutan	2.0	45	139	2,477	25	4
India	2.1	57	86	2,126	92	33
Nepal	2.6	47	130	1,997	79	25
Pakistan	3.1	52	111	2,180	47	17
Sri Lanka	1.3	70	29	2,485	103	63

percent of GNP, followed by Sri Lanka at 13 and 24 percent of GNP respectively. But Pakistan, despite an even higher (DP growth rate than Sri Lanka (6 percent), has very low savings and investment rates (7 percent and 17 percent respectively) due to a high consumption level and the inability of the government to collect adequate taxes. Pakistan's low savings and investment rates underline the unsustainability of its long-term economic prospects.

Looking at the production structure of the SAARC economies (columns 6.7 and 8 of table 2), Bangladesh is the most agricultural and the least industrial, with 47 percent of GDP coming from agriculture and only 14 percent from industry. Pakistan is the least agricultural, with agriculture accounting for only 24 percent of GDP, as compared 10 32 percent for India. All the SAARC countries show a large services-sector contribution to GDP.

Human development profiles of individual SAARC countries are presented in table 3. Except for Sri Lanka, which has an outstanding record in human development indicators, all other countries in the region present a dismal picture, with high rates of population growth (2.0 to 3.1 percent) and high infant mortality rates (from 86 to 139 per 1,000 live births). Population per physician ranges from 2,910 in Pakistan to 28,780 in Nepal. Primary school enrollment, though an imperfect tool for measuring literacy without information on dropouts and attendance, ranges from 25 percent of age group in Bhutan to 47 percent in Pakistan to 92 percent in India.

An attempt has been made in table 4 to compare the performance of the five individual SAARC countries for which information was available in their social development As has been mentioned before, Sri Lanka comes out on top in every social indicator except for the provision of drinking water, where it ranks fourth. India ranks second in most indicators, while Nepal ranks last in three out of five indicators. Pakistan wavers between second and fourth. Considering Pakistan's comparatively high per capita GNP (\$350, second only to Sri Lanka in the region), its rates of illiteracy (84 percent for females and 63 percent for males, according to the 1981 census) and infant mortality (111 per 1,000 live births) are absolutely shocking. No other factor is more responsible for this than the utter lack of concern of policy makers for the social sectors during the first two decades after the birth of the nation. Only in the Sixth and Seventh Five-year Plans (1983 to date) has there been some official recognition of this neglect, and deliberate attempts have since been made to correct the situation. But much is yet to be done.

TABLES
 SAARCCouno-im: Social
 vs.MifwyExpetdiauea

Conks Military asPetcenof(IMP (1984)	Expcndiwre on Education, Health and Military as Percent ofCenaalGovenurcntExpeStre((986)	Education	Health Military	Pdueaeoe	Health	Military
	(1)	(2)	(3)	(4)	(3)	(6)
Bangladesh	1.8	OA	1.7	9.9	3.3	113
India	3.1	0.8	3.2	2.1	'_1	IBA
Nepal	2.7	0.8	1.3	121	5.0	6.2
Pakistan	1.8	0.4	6.0	32	IA	73.9
Sri Lanka	28	W	L7	8.4	4.0	8.0

NOTE: Figures for Maldives and Bhutan were not available.

SOURCE Ruth Leger Sicvd,World Milirmy and Social Expensive 1987-88 (W ashingwnDC: World Prikitiea. 19STt.

SAARC Social vs. Military Expenditures

To reverse past trends of distorted priorities and resource allocations, country needs political will, social cohesion and broad-based support from all quarters. Without such support, in most developing countries it is the social sectors which are squeezed out of resource allocation priorities by other more vocal, and seemingly more urgent, sectors.

Table 5 illustrates this point by presenting the social versus military expenditures of five SAARC countries as percentages of their GNP and central government expenditures. All SAARC countries spend too little on education and health as compared to their needs, especially when one contrasts this with their military expenditures. The largest SAARC country, India, allocates 4.2 percent of its central government expenditure to education and health combined, whereas its military expenditure accounts for 18.4 percent. Pakistan also spends 4.2 percent of its central government expenditure on the education and health sectors combined but ranks highest among the SAARC countries in military expenditure as a percentage of central government expenditure (33.9 percent).

Perhaps the contrast is exaggerated, because education and health are the responsibility of the provincial or state governments, not of the central government. But even when these expenditures are included, these countries are still spending too little on their social needs as compared to their military expenditures. These are the priorities and irrationalities of some of the poorest countries of the world.

SAARC Population and Labor Force Profile

SAARC countries are characterized by the predominance of young people. If one looks at the percentage distribution of population by age group in 1988, the below-15 age group accounts for 46 percent in Bangladesh, 44 percent in Pakistan and 37 percent in India (see table 6). This means a very high dependency ratio, which in reality is even higher, because a large number of people in the age group 15-64 are either unemployed or underemployed.

Table 6 also gives an interesting projection of how the distribution of the population by age might change over time. It seems that by the year 2000, the SAARC countries' age structure will change in favor of the older groups. Each country will have more people in the age group 15-64, meaning there will be more pressure for jobs. From now until the year 2000, the overwhelming task of these governments will be to provide jobs for the steadily growing stream of new entrants in the job market. Thus employment creation, through appropriate policies for rural and industrial development, has become a top priority in the SAARC countries' development plans.

The economic structure and the size and composition of the labor force determine the employment policies of governments. Where agriculture employs most of the available labor, as in all the SAARC countries (ranging from 53 percent in Sri Lanka to 93 percent in Nepal-see table 7), the government focuses on creating job opportunities in agriculture through productivity-enhancing and incentive schemes. Targeting on small-scale, wall factories in order to promote rural construction and transportation, rural cottage industries and infrastructure, most SAARC countries are trying to stem the tide of unemployed labor moving from rural to urban areas.

The limited capacity of the agricultural and industrial sectors to create employment have led planners to turn to the services sector, which employs one-third of the labor force in Pakistan and Sri Lanka (see table 7). Through liberal credit facilities another incentives, governments are trying to create income-earning opportunities in the services sector. The promotion of self-employment has become a policy objective of some governments. In Pakistan, for example, a National Employment Fund has been created for labor-intensive projects in rural health, education, roads, electrification and housing. A Youth Investment Promotion Society has been established to provide technical assistance and concessional finances for establishing income-generating ventures run by youth on a self-employment basis.

Urban SAARC

SAARC is basically a rural region. Only three out of seven SAARC countries had about a

quarter of their population living in urban areas in 1985 (see table 8), but by the year 2000, this figure will change, as the urban population is growing rapidly. During the period 1980-85, the urban population rose at an annual rate of 8.4 percent in Sri Lanka and 7.9 percent in Bangladesh.

TABLE 6

SAARC Countries Percentage Distribution of
Population by Age Group
(1985 and 2000)

Countries	Population (millions)	1985			2000 (Prasad)			
		Below 15 (Percent)	15-64 (Percent)	65 and above (Percent)	Below 15 (Percent)	15-64 (Percent)	65 and above (Percent)	65 and above (Percent)
Bangladesh	100.0	45.8	51.3	3.0	145.6	40.5	56.7	2.8
Bhutan	0.3	40.3	56.3	3.2	1.9	37.9	58.5	3.6
India	762.0	37.3	58.7	4.0	964.0	30.5	64.5	5.0
Nepal	16.4	43.4	57.7	2.9	23.0	40.3	56.3	3.4
Pakistan	100.0	43.6	53.6	2.8	141.0	39.2	57.8	3.9
Sri Lanka	16.0	34.3	61.1	4.0	19.6	28.1	65.8	6.1

NOTE: C,gu ca for Mddi ea were pa avaBabb.

SOURCE: ESCAP, P, Palaion Dua Sheel 1985 (Baogkt : ESCAP, 1985).

.idpopulatimpn jectimn.

SAARC cities are becoming crowded. By 1980, 51 percent of the urban population of Bangladesh and Pakistan was living in cities of over half a million people. India is by far the most urbanized of all SAARC countries, with 36 cities of over half a million people and 2 of the largest metropolitan cities of the world, Bombay and Calcutta. Karachi, in Pakistan, is the next most crowded SAARC city. These cities, with their enormous problems in providing for adequate housing, sanitation, health, education, transport and other amenities, are posing serious challenges to the SAARC governments to evolve an urbanization plan which is in harmony with human development goals.

MARC Women

A profile of SAARC women is presented in table 9. As mentioned before, SAARC poverty has a gender bias. Except in Sri Lanka, women have a shorter life expectancy, are less literate, and have a shockingly low level of participation in both formal-sector and informal-sector employment; and in this age of modern medical science, maternal mortality rates are staggeringly high (850 per 1,000 live births in Bhutan, as compared with 90 for Sri Lanka).

The economic status of women is, among other things, a function of women's labor force participation and of earnings acquired through economic activity. Efforts to improve the general status of women are thus focused largely on issues related to economic status and, therefore, on women's access to employment and income. In the major SAARC countries, Bangladesh, India and Pakistan, economic and sociocultural factors determine the level of female employment. These being largely agrarian economies, poverty and landlessness are the main economic determinants for female labor: women belonging to the lowest-income class seek wage employment, while those with marginal and small holdings work on family farms. Female labor force participation tends to be

underestimated, due to the fact that women's work tends to be confined to the no monetized sector, mostly on a part-time basis, and to invisible household labor.

Illiteracy, ignorance, isolation and conservatism are powerful obstacles to women's participation in development programs. In societies with strong traditions protecting the privacy of the family unit, women's household-based activities are screened from public view, and hence ignored. The factors that make women invisible to planners and policy makers

TABLES
SAARC Countries

Countries of Total Population	As Percent of Total	Urban Population		Annual Growth Rate (Percent)	Percentage of Urban Population		Number of Cities of Over 500,000 Persons	
		Average Annual Growth Rate (Percent)	Average Growth Rate (Percent)		in 1960	in 1980	in 1960	in 1980
1985		(2)	(3)		(4)	(5)	(6)	(7)
Bangladesh	18	8.0	7.9		20	51	1	3
Shoran	4	3.7	5.2		0	0	0	0
India	25	3.6	3.9		26	39	36	
Nepal	7	5.1	5.6		0	0	0	0
Pakistan	29	4.3	4.8		33	51	2	7
Sri Lanka	21	2.3	8.4		0	16	0	1

NOTE: Figures for Maldives were not available.

SOURCE: World Bank, World Development Report 1988 (New York: Oxford University Press, 1988).

TABLE
9

Censuses	Life expectancy in years (1985)	SAARC Countries: Women's Development		Male Literacy Rate (1985)	Secondary Education (1985)	Women's Share of Total Employment (1980)	Indices of Women's Status (informal & Wymem Pease)		Share of Women's
		Mortality Rate (per 100,000 live births)	Female Literacy Rate (1980)				(6)	(7)	
Bangladesh	50	51	600	67	38	2.7 (1974)	4.8	(1974)	
Bhutan	45	46	-	52	32	-	-		
India	56	57	SW	67	52	10.8 (1974)	122	(1971)	
Nepal	47	48	850	41	30	14.7 (1981)	36.8	(1981)	
Pakistan	51	52	660	47	34	4.9 (1980)	3.0	(1981)	
Sri Lanka	72	68	90	93	108	24.9 (1981)	124	(1981)	

also bar women from benefiting from the opportunities created by gender-neutral development programs.

By the year 2000, female labor force participation rates are likely to be much higher than at present. Increasing numbers of better-educated young women will be entering the job market, especially for jobs in the formal sector. At the same time, women, especially those from poorer families with lower levels of education, will be looking for jobs for economic reasons.

SAARC 2000

While a thorough analysis of the past performance of each SAARC country must take into account a broad spectrum of national conditions and policies, it is possible to generalize about some factors that are common to most.

The first, as we have already noticed, is the relative neglect of human resource development as compared with other government sectors, particularly defense, in respect of budgetary allocations. The crowding out of social expenditure by military expenditure is a common phenomenon. Second, the financial profiles of these countries show the enormous constraints they face in mobilizing resources for human development (see table 10). They all carry large deficits in their current accounts, and they all have huge long-term external debts. In fact, all the development work in these countries and some of their recurrent expenditures are funded by external borrowings. Long-term debt as a percentage of GNP is 55 percent in Sri Lanka, followed by Bangladesh at 48 percent. A more important statistic, however, is that of long-term debt servicing as a percentage of exports. This figure is 27.2 percent for Pakistan, 25.1 percent for Bangladesh and 24.6 percent for India, which means that about a quarter of the export earnings of the SAARC countries is mortgaged for debt repayment. The stark reality in these countries is that no matter how urgent human development issues are, the resources available to achieve the desired goals are going to be abysmally inadequate in the near future.

Third, where and when resources have been made available to the social sectors, insufficient attention has been paid by SAARC governments to considerations of efficiency, equity and productivity; thus, a large proportion of already inadequate resources are being wasted. Modern hospitals in urban areas claim three-quarters of government expenditure on health. With 50 percent of the population still illiterate, higher education preempts more than half the education budgets. Where money should go toward primary education, primary health care, public water supply and skill training of the unemployed, social-sector spending subsidizes the not-so-poor in the urban areas.

The above analysis suggests that all the South Asian countries suffer in varying degrees from certain inadequacies in their human resource development: high infant mortality, high population growth rates, inadequate primary health care, limited life expectancy, low literacy rates, high unemployment rates among educated youth, severe malnutrition among certain vulnerable groups, inadequate shelter, and a high incidence of absolute poverty. This condition of life affects about one billion people, to whose numbers will be added another 300 million people by the year 2000.

It is essential that each country in the SAARC region develop a Long-Range plan to overcome its human resource inadequacies and to prepare itself for the challenges of the twenty-first century. A concrete proposal for this purpose was presented by Mahbubul Hay at the Tidewater Group meeting in November 1986, and then again in his Paul Hoffman lecture in April 1988. These ideas were elaborated further for the consideration of the Islamabad Summit of December 1988.

It was proposed that each country in the SAARC region prepare concrete targets for the year 2000 in terms of literacy, primary health care, nutrition, shelter and population planning.

Each country can define its targets in light of its present stage of development and its own socioeconomic requirements and compulsions. However, it will be desirable to aim at universal primary education, complete immunization coverage, and minimum nutrition and shelter levels to be attained for the entire population, as well as a significant reduction in present population growth rates. These targets should be incorporated into the national development plans of these countries and the necessary financial allocations made for their achievement.

The SAARC Secretariat can play a major role in providing technical assistance for these national development plans and in preparing a coordinated framework for human resource development in the SAARC region by the year 2000. Much of the relevant experience exists within the SAARC region; indeed, SAARC countries can benefit from each other's experience. Bangladesh has done well in family planning. Pakistan in child immunization, India in non formal education and Sri Lanka in improving its overall quality-of-life index. The socioeconomic environments of these countries share many similarities, so it is easy to transfer experience from one country to another, a role that the SAARC Secretariat could perform. It has also been proposed that a SAARC Institute for Human Resource Development be set up, in which intellectuals and scholars from the region can undertake research studies and policy analysis in this vital area.

The preparation of a human resource development plan for SAARC 2000 will be a serious invitation to external donors to provide generous assistance on soft terms to one of the poorest regions in the world, where more people live in absolute poverty than anywhere else. It can elicit coordinated efforts from the UN. specialized agencies (UNICEF, WHO, UNESCO, UNFPA, UNDP) to assist in both the formulation and implementation of the SAARC 2000 perspective plan. What is more pertinent, this will put pressure on the political leadership of these countries to compete in a constructive spirit in the development of their human resources.

CHAPTER 15

Human Goals for the African Region Adebayu Adedeji

The economic crisis which has been ravaging Africa in the 1980s has had deleterious consequences for the well-being of the majority of Africans. The gains made during the 1960s and 1970s in the quality of life and in human resource development have slowed down, halted and finally reversed.

Against a high population growth rate of about 3 percent during 1980-88 and an extremely poor performance of the African economy during that period, per capita incomes declined by an annual average of 3 percent between 1980 and 1988, thus worsening considerably the living standards of the African people. Real wages declined by an average of 19 percent between 1980 and 1986, while at the same time, prices increased on the average by 18.9 percent from 1982 to 1983 and further by 24 percent and 17.7 percent in 1984 and 1985 respectively. With over 40 percent of Africa's population being below the age of 15 years, the dependency burden, given the steep decline in average real incomes, has become crushing for many heads of household, particularly in the extended family system, which is the prevalent social unit in Africa.

Levels of unemployment and underemployment have risen sharply in the last eight years. An estimated 30 million Africans, mostly youths, are openly unemployed. About 5 million of these unemployed have had at least six years of formal education. Underemployment, especially in the rural areas, is currently affecting over 95 million Africans.

Levels of poverty have increased dramatically, and poverty now affects 60 to 70 percent of the African people. The poor and the most vulnerable include small-scale farmers and pastoralists, workers in the informal sector, inhabitants of urban shantytowns, landless and unskilled rural workers—in short, the majority of the African people. In gender and age terms, women, youth and the aged have borne more than their proportionate share of the human degradation. It has been the plight of many Africans during this decade.

The economic crisis, the ensuing recession and the structural adjustment measures

adopted by a large number of African countries, which necessitated cuts in public expenditure on health, have reversed the trends toward improvement in health and nutrition. Levels of morbidity and maternal and child malnutrition and mortality have increased. Malnutrition has increased to affect more than 30 percent of Africans, the vast majority of whom are pregnant women, children and lactating mothers, while 45 percent of children under the age of 5 suffer from severe to moderate malnutrition. About 15 percent of the children born in Africa are below normal weight at birth. Out of every 1,000 children born, about 168 die before their fifth birthday; 104 of these deaths occur before age 1. Infant mortality is on the increase once again: some 4.4 million infants die in Africa every year. Sanitation and general environmental health conditions have deteriorated severely. Diseases such as trypanosomiasis, schistosomiasis and malaria are again on the rampage.

The development of human resources has also been adversely affected by the deteriorating socioeconomic conditions. Public expenditure on education in sub-Saharan Africa was severely curtailed from a per capita level of \$32 in 1980 to \$20 in 1985. At a time when per capita public expenditure on education increased in the developed countries and Asia and decreased by 7 percent in the developing countries between 1980 and 1985, the decline in Africa was by nearly 38 percent during the same period. This has affected the expansion of education at all levels, particularly at the higher level, and has reversed the gains attained in the 1960s and 1970s. Shortages of textbooks, equipment and laboratory facilities, unfavorable class sizes and teacher/pupil ratios, and inadequate physical structures have adversely affected the quality of education.

The efforts of African governments to strengthen their skilled manpower base have been constrained by the socioeconomic downturn, which has constricted the growth of higher education and led to a depletion of the middle- and high-level manpower stock in many African countries. The brain drain has intensified considerably with the deterioration of socioeconomic conditions. It is estimated that over 70,000 middle- and high-level skilled Africans have emigrated outside Africa, some 30,000 having done so between 1985 and 1987.

Cross-border conflicts, wars and civil strife have created over 5 million refugees and nearly as many displaced persons. Furthermore, the political context for healthy human development has been marred by overcentralization of power, limitations on popular participation in decision making and lack of tolerance for democratization and human rights. This has severely constrained the motivation in many Africans to contribute to productivity, growth and development.

It is evident from the foregoing that Africa faces a serious human crisis. While it is true that the economic crisis itself has played a major role in precipitating the human crisis, it is the policies adopted to deal with the economic situation that have deepened the human crisis.

In an effort to avert the impending economic disasters and to grapple with the challenge posed by the need for economic recovery, one African country after another adopted structural adjustment measures which were mainly concerned with the restoration of financial viability and of fiscal, trade and price balances. The human dimension and the human factor have remained peripheral. Indeed, the policy packages that have been adopted have even had a negative impact on the people, thereby undermining Africa's most valuable resource—human beings.

If present trends and policies continue, the region will be unable to cope with present economic and social pressures, and human conditions will deteriorate further. By the turn of the century, Africa's population will increase by about 300 million to a total of about 885 million people. The region will be unable to cope with the escalating demand for education, training, health facilities, transport, etc. African governments will have to create some 300 million jobs for Africa's young new labor force entrants during the next twelve years, almost 140 million primary school places, 70 million secondary school places and 12 million places in higher educational institutions.

Given the present rate of urbanization, urban services such as water, electricity, sewerage, transport and housing will have to be provided for some 380 million people between now and the year 2000. Shelter requirements alone will call for the building of over 100 million housing units for Africa's city dwellers. Given the present state of the African economies, their capacity to meet this challenge is nonexistent unless the process of economic recovery is accelerated.

In rural Africa, living conditions will grow significantly worse than they are now. Real

incomes will continue to decline while disparities in income distribution widen. Colossal food shortages will further worsen conditions of malnutrition, morbidity and mortality.

For African countries to meet the challenges of human development which they will face by the turn of the century, the requirements in terms of employment creation, human resource development and the provision of the necessary institutional and social infrastructure are formidable. Yet these are the things that African governments must do if the African continent is not to plunge into an abyss of despair, anarchy and chaos, and if Africa's greatest resource - its people - are to play an important role in changing the region's economic fortunes.

Long-term Development Strategy

Africa's current economic and human crises are but a manifestation of the continent's more pervasive structural problems. Unless these fundamental factors are dealt with through systematic, long-term structural transformation, the continent will be forever susceptible to recurrent crises.

Most African economies are heavily dependent on the export of a narrow range of primary commodities whose prices have been falling and whose future prospects are not encouraging. Productivity in agriculture, particularly food production, and in other sectors is abysmally low, and per capita food production trends have shown a tendency toward long-term decline. Domestic production is heavily dependent on imported factor inputs, the prices of which have been continually rising. The linkages between the economic and social sectors are weak, depriving the African economies of the mutually supportive sectoral interactions that are indispensable for the emergence of dynamic, self-reliant and self-sustaining economies. Furthermore, the African economies are particularly exposed to changes in external factors. Thus, not only can they not generate from within the necessary momentum for sustained development, but they also lack the capacity to absorb and withstand external shocks. The African economies further suffer from serious deficiencies in their basic economic and social infrastructure, particularly in physical capital, research capabilities, technological know-how and effective human resource development and utilization. These elements are indispensable for an integrated and dynamic economy. Pervading these defective structures are excruciating poverty and large income distribution disparities, leading to a vicious interaction of the forces of underdevelopment.

The severity of the recurrent economic crises, the fragility of the African economies, the absence of a cushioning capability, the paucity of financial resources and the sheer need for survival have prompted the majority of African countries to adopt a crisis management approach to economic survival and recovery.

Stabilization and adjustment measures adopted by a large number of African countries have focused on external equilibrium and fiscal balances, failing to incorporate or build in long-term developmental objectives and neglecting the human dimension of development. An implicit assumption has been that human resource development and the strengthening of the institutional, scientific, technical and productive capacity required for sustained long-term growth and development can be postponed, and that long-term development requirements should be deferred with somehow at a subsequent stage.

Experience has now proved that Africa cannot hope to develop through successive generations of stabilization and adjustment measures which are limited in their objectives. Such measures fail to attack the root causes of underdevelopment, which is necessary to transform the structure of the economy. Dynamic, self-reliant and self-sustaining growth must depend primarily on internal stimuli. Africa's development challenge will be met only by "adopting an integrated approach to development, increasing the substitution of factor inputs from within the system for those derived from outside, altering the nature and types of goods and services needed to meet the basic needs of the majority of the population and by strengthening sub-regional and regional co-operation and encouraging the co-ordinated exploitation and utilization of Africa's vast resources for the benefit of the African people."¹ This integrated approach to development must put the human factor at the center of the development effort. People are necessarily and immutably both the ultimate beneficiaries and the inevitable mentors of the processes of change. The African people should not be alienated from the processes of adjustment and transformation. They should benefit from these processes, while at the same time

contributing fully to increased productivity, growth and development. Such an approach would dictate that the human dimension be incorporated as part and parcel of development objectives and of the planning process through which these objectives are to be realized.

Basic Human Targets for the Year 2000

In terms of human targets, this would call for giving priority to improving the quality of life for the people on one hand, and the effective development and utilization of human resources on the other. Improving the Quality of Life. Improvement of living standards should be the basic objective of development plans, and this should be translated into identifiable and quantifiable plan targets in terms of reduction of poverty, increase of productivity and real incomes (particularly of the poor), reduction of unemployment and underemployment levels, reduction of malnutrition, morbidity and mortality, and provision of access to social services.

Human Resource Development

Inadequate human resources constitute one of the most serious constraints on development. Africa's human resources will have to play a major role in the effort to change the region's structure of production and to manage the economy with greater efficiency. This calls for the effective planning and development of the scientific, technical and intermediate skills that are required by the process of structural change toward self-sustaining growth and development. Radical changes in the educational system, priorities and mix in favor of an increased technical and scientific orientation to fill the skills gap are a basic condition for success. There is also a need to significantly strengthen research and development capabilities so that the necessary linkages can be established between the productive sectors and the natural resource base for the effective exploitation of the latter. Human resource development programs will also have to evolve development-oriented leadership, administrators and practitioners. A development-conscious society will need to emerge.

Promoting Employment and Productivity

Imaginative and comprehensive strategies will need to be put in place to promote employment and productivity and to reverse the prevailing negative trends. Development plans should have the generation of employment and incomes and the reduction of absolute poverty as major objectives.

Investment priorities should favor the rural areas to increase rural employment, productivity and income. The creation of a sufficiently large class of entrepreneurs who are capable of increasing the production of goods and services and of providing greater employment opportunities requires special attention.

The largest group of food producers in African agriculture are women. A major goal should be to render them more productive through appropriate policies. The informal sector has also been playing a significant and growing role in the African economies. Appropriate policies should be introduced to encourage the creation of productive employment and incomes in this sector.

An Enabling Human Environment

The democratization of the development process, so that people will participate willingly and effectively in decision making and the creation of wealth and will share equitably the fruits of development, is an essential human goal and a prerequisite for higher levels of creativity and productivity. A liberal, open society which is tolerant of dissent and in which individuals are able to express new ideas and new thinking is an essential element of an enabling environment. Social justice, equality of opportunity, respect for human rights, elimination of discrimination against minorities and vulnerable groups, and the equitable distribution of income must become the norm. Only in such an environment can human resources realize their full potential and make their fullest contribution to development; and only in such an environment can a nation hope to retain its high-level manpower and talent.

Peace and Stability

Peace and stability are essential prerequisites of sustained development. Intrastate and interstate conflicts have sapped the energies of African countries and drained scarce financial resources which could have been better invested in growth and development. Adding the cost of economic opportunities foregone as a result of such conflicts, the immensity of the drain in resources becomes self-evident. Every effort must therefore be made to curtail costly military expenditures by creating the necessary conditions for peace, stability and brotherly relations among neighbors and for the peaceful resolution of regional conflicts. Supportive Framework for the Attainment of Human Goals The successful implementation of a balanced approach to development in which the human factor assumes a central role necessitates that a new approach to development planning be adopted by African countries. Such an approach calls for balancing and integrating human targets on the one hand and the requirements of human resource development and utilization on the other into national development plans. Means to achieve the objectives of the integrated national plan will also have to be clearly specified. Such an approach would also call for the refinement of human indicators so that quantifiable targets can be set, monitored and assessed.

National efforts to adopt a human-focused development strategy need to be supported by regional and sub regional efforts in the same direction. For example, African countries will need to cooperate to reduce the unemployment and brain drain problems they face by creating opportunities for the free movement of people and by opening up sub regional employment markets. Regional and subregional cooperation should be intensified to create and strengthen institutions providing training and research in critical areas for the common use of member states.

A human-focused development approach requires that not only internal resources, but also external financial resources, be made available in support of long-term human development objectives. Africa's bilateral and multilateral development partners, as well as the U.N. system, must support this approach if it is to succeed.

Conclusion

The foundations of long-term, self-sustaining, self-reliant and balanced development must be laid without delay. It is therefore important that short-term recovery programs be made compatible with long-term development objectives. Much as the human factor should be the center of long-term development strategies, it should also be the focus of short-term programs. Nowhere has this been expressed more forcefully than in the Khartoum Declaration, which stated:

This DECLARATION, then, affirms and asserts that the human dimension is the sine qua non of economic recovery. We, the delegates here assembled, will not abide economic rationale, will not tolerate economic formulas, will not apply economic indices, will not legitimize economic policies which fail to use the primacy of the human condition. That means, quite simply, that no adjustment programmed or economic recovery programme should be formulated or can be implemented without having, at its heart, detailed social and human priorities. There can be no real structural adjustment or economic recovery in the absence of the human imperative.?

CHAPTER 16 **Human Goals for the Arab Region** **Ismail- Sabri Abdalla**

In the aftermath of World War II, reconstruction economic policies put emphasis upon capital accumulation and capital allocation as the main driving forces that accelerate economic growth. At that time, economic growth theories overlooked the social

dimension of the process of development. Their reasoning was based on the "trickle-down" theory, which argues that accelerated economic growth leads automatically to better income distribution, greater employment opportunities, higher levels of nutrition and health, etc.

However, by the end of the 1950s, some economists, most noted among them Theodore Schultz, advocated that investment in human beings (education, health, etc.) was an integral part of the process of investment and a productive outlay. Accordingly, economists turned their attention during the 1960s to the economics of human resource development and to the issue of economic growth with redistribution. However, with the intensification of economic difficulties in both developed and developing countries in the 1970s, the social dimension of development began once more to be relegated to a secondary place. Unfortunately, the IMP, through its adjustment policies and recommendations, has aggravated the deteriorating quality of life of the vast majority of the people in the developing countries.

The North South Roundtable was among the few fora which took the initiative to revive international interest in this neglected dimension of the development process. The first three sessions of the Roundtable on the Human Dimension of Development asserted the importance of the human dimension of development from various angles, stressing the human element as the ultimate end of the development process. As the purpose of its fourth session is to formulate goals and strategies for human development for the year 2000, this paper is concerned with the Arab region's human goals for the year 2000.

Human Development in the Arab Region

The main sources of data will be the World Bank's World Development Reports, because they cover over a relatively long time span the most relevant data, and the IBRD/IFC publication *Soda/Indicators of* To illustrate the slate of human development in the Arab region, we examine ^{some} of the available social indicators in the following areas: income distribution, education, nutrition, housing and health.

Income distribution

One of the most significant indicators of social development is the pattern of income distribution, since it shows the degree of inequity and registers progress toward (or regression from) equity. Unfortunately, the *World Development Report 1987* provides relevant data on income distribution only for Egypt in the whole Arab region. Moreover, the income distribution figures it contains are those of 1974, as calculated by an Egyptian economist, Dr. Karima Korayem, in the framework of a study sponsored by the ILO. Arab statistics have never covered income distribution except indirectly, through household budget sample surveys and analysis; the topic is considered a political taboo. In any case, following are the figures on income distribution for Egypt in 1974.

TABLE

Income Distribution in Egypt (1974)					
Percentage Share of household Income					
Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	Highest Ten Percent
5.8	10.7	14.7	20.8	48.0	77.7

SotlkCE World Bank. *World Development Report 1987* (New York: Oxford University Press, 1987).

The upper-income fifth received almost half the national income, and the upper ten percent received a share about six times that of the lower-income fifth. Such a squeezed pattern is not infrequent in the Third World; matters are certainly worse in Brazil or Chile. But we should note that 1974

was the first year in which former President Anwar Sadat launched the "Infitah," or open door policy. It also witnessed the inception of the oil boom. Egyptian economists agree in this respect on one point: these estimates are far from the realities of the mid-1980s. They disagree on whether income distribution has improved or deteriorated, and to what extent. Dr. K. Korayem¹ has recently tried to settle this debate. According to her calculations, based mainly on a household budget survey conducted in 1981-82, the pattern of income distribution improved in 1981-82 and then worsened again in 1984. This trend is in accordance with that of the inflow of workers' remittances.

A palliative to this lack of information, allowing an assessment through the Lorenz curve and the Gini coefficient, is to estimate the percentage of those living under the poverty line. But here again, there are sparse figures, mostly related to the 1970s. Thanks to Komyem, there are fresh data concerning the share of households living below the poverty line

TABLE 2

Share of Egyptian Households Living in Poverty
(Percentage)

1974-75		1981-82		1984		
Rural	Urban	Rural	Urban	Rural	Urban	National
50.9	41.0	44.4	43.7	51.1	47.1	49.1

SOURCE: K. Korayem, The Impact of the IMP Package and Suggested Alternatives on the Vulnerable Families in Egypt (Cairo, UNICEF/IWF, 1987).

Deprived of any direct measurement, we can only approach the poverty issue indirectly, using a set of indicators related to various aspects of the living conditions of the majority.

Education

We start with education because of its relevance to health, to earned income and to labor productivity. Table 3 demonstrates the dimension of the problem and the limitations of public efforts in this area.

Two points must be clarified. First, figures of more than 100 percent enrollment appear in this table because for the purpose of the World Development Report, primary education is confined to the age group 6 to 11 years, whereas in some countries, primary education is extended for one or two years more. Also countries receiving Arab guest workers usually allow their children to attend their schools. Second, the figures provided by the IBRD concern 1983, while those quoted from the Overseas Development Council relate to two to three years earlier.

The most disturbing statistic in this table is that of illiteracy. Except for Jordan, Syria, Lebanon, Tunisia, Kuwait and the United Arab Emirates, all Arab countries count more than 50 percent of their population age 15 and above as illiterate.

TABLE 3
Share of Education in the Arab Region (1983)

Country	Literacy Age 15+ (Percent)	Expenditure as a Percent of Total Public & Private	National Expenditure Per Capita (8)	Enrollment (As Percent of 8-Group)			
				Primary	Secondary	Higher	
Algeria	35	-	131	94	82	42	5
Bahrain	40	-	186	-	-	-	-

Egypt	44	10.7	19	88	76	58	16
Iraq	24	-	84	106	99	53	10
Jordan	70	11.5	53	Ire	98	78	33
Kuwait	60	10.1	541	95	94	83	14
Libya-		-	151	-	-	-	11
Lebanon	68	-	-	106	101	86	
Owrkuria	17	-	17	37	29	12	
forocco	28	18.6	49	79	61	29	6
)man	20	7.4	97	83	72	28	
iwdiAnbia	34	-	521	69	56	36	
andu.	5	-	7	21	15	14	
had...		6.1	IS	50	42	is	2
'yria	58	-	69	105	96	56	16
a	62	-	67	113	102	33	5
JAB	56	9.8	226	95	95	54	6
mcnAR	8	16.6	18	65	2'	9	I
emcnPDR	40	-	21	67	36	19	-

SOURCES: world Bfl World DeuebnpnenlRepon1986(NewYwC OxfordUnivenilyP ene.1986). Lheracy rues nod per twit. eduencmrY expenditure use readied from Agendo for Acri,w (Washington DC: Overseas DevelopnsMCouncil, 1983).

Egypt, with a modern schooling system established more than a hundred years ago, still has 49.5 percent illiterates, and primary school enrollment has not yet reached 100 percent. A very wealthy country, Saudi Arabia, has a literacy rate of 34 percent and a primary school enrollment rate of 69 percent, with only 54 percent for females. Such a had record cannot be explained by a lack of resources. Perhaps education is not viewed as a means of social mobility, since the welfare state satisfies basic needs. If this is true, wealth would be a disincentive for education, at least at the primary level. As for female education, the bias against women is not particular to our region.

Yet enrollment rates can be misleading because they tell nothing about dropouts. In fact, the primary school dropout rate in the Arab region is quite high. According to the IBRD/IPC's Social indicators of Development, 1986, with the exception of Kuwait, Qatar and Jordan, the ratio of those who reach grade 6 to total primary school enrollment is 60.1 percent for Oman, 64 percent for Egypt, 81.2 percent for Syria and 86.7 percent for Tunisia. As an illustration, let us take the case of Saudi Arabia. Enrollment in primary schools amounts to 69 percent of the age bracket, but only 78.7 percent of these reach grade 6. As dropouts usually return to illiteracy, the ratio of those who escape it is only 54.3 percent of all primary school age children.

As for the quality of education, hard data is unavailable, but the very low total public expenditure and per capita expenditure on education implies that teachers are underpaid, and that schools lack adequate educational facilities. These are indicators of low quality. Another indicator of quality is the pupil/teacher ratio as calculated in Social indicators of Development. This ratio for "high-income market economies" is 19 primary school pupils per teacher. Bahrain, Kuwait, Libya, Qatar and Saudi Arabia have comparable ratios. On the other end, Algeria, Djibouti, Egypt, Iraq, Morocco, Sudan, Jordan, Tunisia and Yemen A.R. have a ratio exceeding 30 pupils per teacher. The remaining countries are in between.

Low-quality education means low labor productivity. The poor share of education in public expenditure leads to the conclusion that free access to schools and universities does not fully accomplish its role in reducing social inequities.

As it is fashionable in the Arab region to admire Taiwan's and South Korea's development performance, it might be useful to present here the main relevant data on South Korea to indicate one major factor influencing not only development, but also simple economic growth.

South Korea has practically done away with illiteracy; females attend primary school in the same numbers as males. The secondary school enrollment

rate is higher than that of many Arab countries; in higher education, it is 150 percent more than the highest rate in the Arab countries (e.g., only 16 percent in Egypt and Syria) and 266 percent above that of Saudi Arabia. The share of education in government expenditure is almost double that of Kuwait or Egypt.

TABLE 4
State of Education in South Korea (1983)

Literacy	Educational Expenditure	Enrollment
Age 15+		(As Percent of Age Group)

(Percent)	(As Percent of Total Public Expenditure)	Primary	Secondary	Higher
		Total Female		
93	20.5	103	89	20
			10	
		2		

SOURCES: tURD, WorldDnelopment Reprp98o(New dahrrArtion (Washington DC: Overseas Development Council, 1983). York: OafnrdUniveraityPress, 1985);Agen

Nutrition

Fixing norms for good nutrition across various age brackeLS, occupations and different health conditions is a vast and complicated task. Almost all authors must resort to statistics fixed some ten years ago by the FAO. declaring 2,285 calories as the daily requirement for sustaining a person at a normal level of activity and health. Accordingly, it became a common practice in assessing the food situation in a given country to divide the calorie equivalent of the food supplies by the number of the population to obtain an average calorie intake per capita and per day. This figure is used by the FAO as a percentage of the minimum requirement per capita or per day. As protein is essential for body building, the FAO has fixed the average daily intake at a total of 75 grams, 23 grams of which should be animal protein. Whatever the analytical value of those figures, there is no other set of indicators on nutrition available. Like all averages, they conceal the pattern of income distribution and its effects on the nutritional condition of different social groups.

From another point of view, it is appropriate to check the growth of food production against population increase. The ultimate guarantee of meeting food requirements is the national food output. A marked lag in the growth of output means a food deficit. Unless foreign currency earnings allow for the importation of large quantities of food, malnutrition will appear in the population.

We can put side by side data on food consumption and food production in most Arab countries (see table 5).

TABLES
Food Production and Consumption Per Capita in Arab Countries

Countries Index flood Production (1974-76= IIXp)	Caloric Supply ax Percent or Requirement	Protein Intake (Grams Daily)
Algeria	81.3	114.7
Egypt	90.7	126.0
Iraq	70.9	117.8
Jordan	115.8	117.2
Kuwait	-	97.5
Libya	88.3	154.7
Maurimnia	94.0	97.5
Morocco	87.4	105.1
Saudi Arabia	118.7	134.1
Somalia	65.1	89.7
Sudan	86.4	90.3
Syria	1117	1179
Tunisia	82.5	1209
YemenA.R.	794	9io
YenicnPDR	81.3	93.5

SOURCE: S cial/ndimmrs ofDeeelopmrm.1986 (Washington DC: IBRD/IPC. 1986).

This table inspires some important remarks. In the first place, there are five countries where calorie supply does not meet the minimum requirements: Mauritania, Somalia.

Sudan, North Yemen and South Yemen. In the other countries, with the exception of Libya and Saudi Arabia, the average supply is just above the minimum. When the income distribution is taken into consideration, one can easily deduce that large segments of the population eat less than they require. This is the more so because poor people are usually engaged in manual work and need more energy than average.

As for protein intake, six countries consume on average more than the FAO minimum. Considering nutritional habits, the discrepancy between protein consumption of the rich and that of the poor must be greater than in the case of calorie supply. According to a study caned out by the Nutrition Institute in Cairo on a large sample of households. 71.7 percent of people

consumed less than 3,(Hk) calories per day, and 69.4 percent had a daily protein intake of less than 35 grams.

Obviously, the case of Egypt is far from unique. The self-evident conclusion is that malnutrition is widespread in the region, with countries like Somalia and Sudan in a state of partial famine. The disastrous effects of malnutrition on health-in particular, That of children and women-and on labor productivity are well documented While the IAI and western creditors press countries like Egypt, Tunisia or even Sudan to do away with food subsidies, the poor must adjust to poverty by starvation.

Housing

The lack of adequate housing is a problem inherited from the past and aggravated by rapid population growth. In the Arab region, only the oil-rich city-states have so far more or less overcome it. The authors of the LBRD/IFC's Social Indirntors listed three measurements of housing adequacy: the number of persons in an average household (a good indicator or overcrowding), the percentage of dwellings with electricity, and access to safe water. Had they been able to find a measure for sanitation, the package would have been satisfactory as far as environmental health is concerned. Unfortunately, it seems that authorities in the Arab region do not bother to collect these data. Not a single country has the complete set, and the existing figures are more than ten years old.

The recent Egyptian census (1986) provides some useful indicators in this respect. According to its preliminary results, the average household numbers 4.6 persons in urban areas. 53 in rural areas and 4.9 at the national level. There is an additional indicator of overcrowding an average of 1.5 persons live in a single room. On the other hand, 73 percent of the population have access to safe water, and 88 percent of dwellings are connected to the national electricity grid.

Health

Data concerning nutrition, housing, fresh water supply and sewerage are simply nonexistent in any series covering the whole region. Inadequacies in such areas are visible but not quantified, hul because They affect the health of the population, they are indirectly reflected in health statistics. Unfortunately, the data in the annex to the World Derek print Report do not include morbidity rates. As for nutrition, the only measure is the per-

cent age of the minimum required calorie intake as defined by FAD; but nutrition cannot be reduced to calories alone. The most relevant data available are given in table 6.

TABLE 6
Health-related Indicators for the And
Region

Country	Life Expectancy		Want Mortality Rate(1985)	Child Mortality Rate(1985)	Population		
	Male (1985)	Female (1985)			Physician	Nurse	Bed
Algeria	59	63	81	8	-	-	-
Bahrain	-	-	-	-	1,110	6(n	6(10
Egypt	59	63	93	-	900	900	500
Iraq	59	63	73	-	200	2,500	600
Jordan	63	66	49	-	1,200	1,300	700

Kuwait	69	74	22		71n	1,6(0	300
Lebanon	-	-	-		-	-	-
Libya	59	62	90	10	700	400	200
Mauritania	45	48	132	25	-	-	-
Morocco	57	61	90	10	18,6(10	1,000	900
Oman	52	55	109	17	1,900	510	600
Saudi Arabia	60	64	61	4	2,000	800	800
Somalia	44	48	152	33	17,500	2,900	-
Sudan	47	50	112	15	9,800	1,6(10	1,200
Syria	62	65	54	4	2,400	1,500	1,000
Tunisia	61	61	78	8	3,900	1,000	500
UAE	68	73	35	1	700	400	400
Yemen	44	46	1-54	34	7,100	3,400	1,5m
Yemen A.R.	45	47	145	30	7,900	900	700
Yemen PDR							

NOTE

Most recent data refer to a year between 1982 and 1985.

SOURCE Social indicators of Development, 1986 (Washington DC IBRD/IFC, 1986).

One has to be cautious when dealing with this kind of data; their accuracy is not beyond doubt. For example, the figures for infant mortality are probably a gross underestimation. Registration of births does not take place immediately, especially in poor districts and remote areas. The death of a few-months-old child is a non-event. Not infrequently, children may be born and die without even figuring in the national vital statistics. As another example, we discovered that in Egypt, physicians are counted via their names registered by the Medical Syndicate, although they may be retired or emigrant.

This being clarified, it is possible to draw some conclusions from the table. First and foremost, there is a clear correlation between the infant mortality rate per thousand live births and the birth rate per thousand population. Countries with the highest infant mortality rates, such as Somalia (152), Sudan (112), Yemen A.R. (154) and Yemen PDR (145), also show the highest birth rates (46.5, 45.9, 48.6 and 47.6 respectively).⁸ These happen to be the poorest Arab countries. But Oman, with a per capita GNP of \$6,490, has an infant mortality rate of 109 and a birth rate of 47.3. In contrast, in the United Arab Emirates, the infant mortality rate is 35, while the birth rate is 27. Relevant figures for Kuwait are 22 and 36.8 respectively. The case of Egypt is interesting. Despite its mediocre record on infant mortality (93), the birth rate went down to 38.4, because there was a significant drop in infant mortality from 123 in the 1960s to 93, according to the latest available data.

We can conclude from these indicators that a drastic drop in infant mortality is a powerful incentive for reducing, or at least spacing, births. It is also worth noting a related phenomenon, visible in Egypt, for instance. A reduction in the infant and child mortality rates has been achieved through vaccination campaigns and selected medical interventions, but malnutrition, while not fatal, still leaves a sizable proportion of young people deficient both physically (average height is a good indicator here) and mentally (as revealed by the failure of many candidates to meet the minimum standards for military service). From another viewpoint, oil money allowed the building of sophisticated hospitals, the acquisition of up-to-date equipment and the use of expensive drugs, yet preventive medicine has lagged behind in such crucial areas as housing, sanitation, nutrition and health, and environmental education. One example is the extensive use of chemical fertilizers and pesticides without monitoring their effects on the population. Similarly, the mushrooming oil and petrochemical plants usually lack antipollution devices. Rivers, a main water resource in this dry or semidry region, are regularly polluted by sewage and industrial waste. As a result of the questionable quality of fresh water supplies for human use, instead of proceeding with an inquiry, the well-to-do classes drink bottled water, often imported and not always as safe as they believe.

An international comparison permits us to conclude that health standards even in wealthy Arab countries (Kuwait is an exception) are clearly below those prevailing in industrial countries with lower per capita GNP. The infant mortality rate is below 12 per thousand in

western countries and below 20 in East Europe. In the Arab region, only Kuwait is in a comparable position with respect to this and other health indicators. While life expectancy in industrial countries is, on the average, over 70 years for males and over 75 years for females, in the Arab region only Kuwait and the United Arab Emirates are in the vicinity of these figures. The great majority of Arab countries show a life expectancy of less than 60 years, and in several cases, less than 50 years. As for physicians, in industrial countries there is one physician for every 400 or less inhabitants, which is 65 percent higher than the best figures recorded in Arab countries (Kuwait, Lebanon and Libya). Interestingly, there are proportionately fewer paramedics in Arab countries than in industrial countries, where there are two paramedics for every physician. This must certainly impair the health delivery system in the Arab region.

A Growing Awareness

Beginning in the mid-1970s, several Arab countries have organized symposia and conferences dealing with various aspects of human development, and there are several organizations carrying out coordinated regional efforts in this field. For example, the Arab League Educational, Scientific and Cultural Organization (ALESCO) carries out regional projects in education, science and technology, while the Arab Labor Organization concerns itself with employment problems in the Arab countries. In the health field, Arab health ministers hold periodic meetings to coordinate their efforts. However, human development problems have yet to be studied in depth. The political will to translate the findings and recommendations of existing studies into a plan of action is also missing.

While the industrialized nations can assist with Third World development, the major responsibility rests with the developing countries themselves. Since the fast resource of a nation is the energy of its people, self-reliance means reliance on the people. In this respect, the question of motivation arises naturally. How can people be motivated to work and become actively involved in development? If and when people are assured that the fruits of their endeavors belong to them and their children, they will work with a spirit of commitment.

The human being should be the final objective of development. Satisfying both material and nonmaterial human needs ensures that man is the main beneficiary of development. These needs fall into several categories: (i) physical needs (for nutrition, clothing, health, shelter, etc.); (ii) social and cultural needs (education, skills promotion, enjoyment of leisure time, etc.); (iii) psychological needs (security, peace of mind, a sense of belonging, etc.); (iv) the need to participate in public life (political participation, a hand in the process of decision making, trade union activity, cultural and social pursuits, etc.); and (v) moral needs (the right to express one's own views, the ability to struggle against repression, the capacity to innovate, etc.).

The satisfaction of material needs implies the use of human or natural resources (factors of production), with directly or indirectly measurable effects on the consumer. Nonmaterial needs are those which can be met mainly through political and social reorganization, without drawing significantly on the available material resources.

While the needs of the vast majority of the population consist mainly of wage goods and basic services, the satisfaction of these needs is not sufficient for human satisfaction.

In this connection, it is useful to differentiate between needs and desires. Needs are objective necessities for sustaining man's life and securing his well-being. Hence, they are not intersubstitutable. Desires are subjective preferences for a particular means of satisfaction of a given need. Desires are induced and influenced by fashion and the demonstration effect. While desires are intersubstitutable, any substitution among needs is detrimental to the well-being of man, because all needs are basic requirements, not mere choices among alternatives.

Human Goals for the Year 2000

To translate the concept of the wholeness of needs into concrete actions and programs means reordering the patterns and priorities of development. This is in essence a political struggle to develop sociopolitical structures reflecting the interests of the vast majority of the population, with a view to satisfying all the human needs mentioned earlier.

Human goals for the year 2000 in the Arab region must take into consideration the current state of human development in the region.

Education

The current illiteracy rate in most Arab countries averages about 50 percent. A major goal for the Arab region is thus to eradicate illiteracy by the year 2000.

In order to realize this goal, primary school enrollment should be made compulsory for all children age 6-12, taking all necessary measures to completely prevent dropping out. Accordingly, children up to age 12 should be forbidden to work, and laws establishing punitive sanctions against those who employ underage children should be enacted in all Arab countries. At the primary stage of education, some computer training should be given, besides the basics of reading, writing and arithmetic.

The vast majority of Arab primary education classes are overcrowded. The Arab region should aim at pupil/teacher ratio of 20:1 by the year 2000.

Arab countries should work toward increasing the number of pupils opting for technical education. Technical secondary education should be developed to include adequate instruction in the social sciences. Students who obtain the technical secondary education certificate should be given later opportunities to qualify as engineers.

Universities and other higher educational institutions should be modernized so that science and technology take their legitimate place in all departments.

Arab countries can catch up with the ongoing informatics revolution by giving computer sciences due weight, whether at the secondary, general and technical, or higher educational levels.

Up to the year 2000, the share of education in the government budget should increase at a faster rate than that of economic growth in order to remedy the present situation of illiteracy and low effective school enrollment.

Health

Health indicators, though deficient and inadequate, point to the poor health conditions in most Arab countries, accounting for low productivity and low growth rates.

During the mid-1980s, infant mortality rates in many Arab countries exceeded 70 per thousand. A major goal is to work toward reducing these rates to 20-25 per thousand. This could be achieved through periodic medical checkups for pregnant women and by providing them with the required nutrition and dietary supplements. Compulsory immunization for all infants and young children should be introduced.

The physician/population ratios in many Arab countries, such as Morocco, Somalia, Sudan, Yemen A.R. and Yemen PDR, are abysmally low, contributing to deteriorating health conditions. The Arab region should envisage, on average, one physician for every 800 inhabitants. The number of paramedics should be increased so as to reach two paramedics for every physician. This necessitates the development of intermediate medical education. Special attention should be paid to organizing effective health delivery systems.

Another major health goal is the eradication of endemic diseases (such as bilharziasis and ascariasis in Egypt). This necessitates, for example, in the case of bilharziasis, the eradication of snails in canal waters. Also, regular stool analysis for those who live in endemic areas should be undertaken.

Environmental health should be promoted, with a view to putting an end to pollution-related diseases.

Specialized centers for treating diseases such as diabetes, hepatic disease, uremia and immunodeficiency diseases should be established all over the Arab region.

An overhaul of the health services is badly needed in order to provide basic health services free of charge to the entire population, giving due priority to environmental health and preventive medicine.

Nutrition

Nutrition goals supplement health goals, without which health promotion cannot reach the

desired level.

A balanced diet is essential, particularly in the early years of growth and development of infants and children, providing them with the diverse foodstuffs they need to help build up body stores and carry out all biological activities, including building up body cells, tissue proteins, blood elements and immunological defenses.

A balanced diet is also important to provide the optimum amount of calories which are specific to each particular, age, sex and activity level. In modern literature, the right to food is recognized as a human right for every citizen. However, this right is meaningless unless it also includes the right to a balanced diet.

Food, with all its various caloric elements, has to be available in quantities sufficient to meet the total caloric and protein needs of all the Arab countries. Therefore, a major goal in the Arab region is to increase food production by rates higher than the rate of increase of the population. To achieve this goal, the following measures should be taken:

- a) Food crops and livestock production should be given priority over industrial crops.
- b) Food production plans in the Arab countries should be coordinated, with a view to establishing a regional division of labor among Arab countries in food production, taking into consideration the comparative advantages, both natural and acquired, of every Arab country.
- c) The mechanization of agriculture in Arab countries with extensive and large areas of arable land, such as Sudan and Iraq, should be undertaken.
- d) Biotechnology in agriculture should be promoted.
- e) Industries serving agricultural development, such as the agricultural machinery and tools, insecticides and fertilizer industries, should be given high priority.
- f) Due weight should be accorded to irrigation and drainage projects, stores and transportation projects among Arab countries.

Finally, it is important to stress that ensuring the minimum caloric requirements for every person is not simply a matter of increasing production; it also requires a fair and just income distribution. It is possible for a food-deficient country that has a fair income distribution and a democratic regime to ensure sufficient food consumption for every person, while a richer food-producing country might fail to do so because of income inequalities or an unpopular regime.

Housing

Providing adequate housing in most Arab countries is a serious structural problem which is getting worse because of rapid population growth and inadequate investment in this area, particularly government expenditure.

A major goal in the Arab region for the year 2000 is to make available a suitable habitat for every family, both urban and rural. This means building large numbers of new houses, with a view to (i) meeting the population increase and housing newly formed families, (ii) replacing many old and unsafe houses, and (iii) housing the homeless, who live in city outskirts and slums in inadequate shelters. The number of homeless increases every year due to emigration from the countryside to the urban areas.

A second goal is to provide all houses, whether in urban or rural areas, with safe water, electricity and a sewage disposal system. More than 50 percent of the Arab population still have no access to safe water, and average per capita consumption of electricity in the Arab region is less than half the average per capita consumption in the developed countries. This means that the implementation of this goal requires considerable investment in public utilities.

A third goal is to establish new housing areas (or preferably, new towns) in many Arab countries to avoid aggravating the problem of overcrowding in large cities and capitals. A fourth goal is to develop the building materials industries, such as cement, reinforcing steel bars and sanitary apparatus. To keep costs down, traditional building techniques and local building materials should be used wherever possible. Research institutes in the Arab countries should develop new locally available building materials and methods suitable to the diverse climatic conditions in these countries.

A fifth goal is to establish building firms whose main activity and responsibility is to provide houses with regular maintenance in order to keep them in good condition for a longer period.

A Full-fledged Democratic Society

Most Arab countries lack real democratic practices. Almost everywhere, basic freedoms are denied to some degree, such as the right to establish free trade unions and professional syndicates and the right to strike. The establishment of political parties is subject to constraints. The press is often censored. Political opponents are harassed, arrested, jailed and tortured. Human rights are frequently violated.

To put an end to all these abuses and undemocratic practices is the only way to guarantee the people their right to participate in the process of decision making at all levels. The participation of the people in the process of decision making is the essence of real democracy.

CHAPTER 17 Human Resource Development in the Asia-Pacific Region Ryokichi Hirono

Education in any country has two purposes. The first is the pursuit of humanity and the cultivation of character in every person. The second is the development of human resources. Both generally lead to an enrichment of both personal life and society at large. In ^{This} sense, education forms the basis for the prosperity of a society.

This paper will focus on the development and mobilization of human resources in the Asia-Pacific region, review its current status and problems, and suggest some policies to improve them in the future.

Human Resource Development

In the Asia-Pacific region, the potential human resources available for development numbered 2,429 million as of 1982, and those available for mobilization exceed 1,392.2 million (see table I).

The former is the total population. The latter is the population age 15 to 64—in other words, the working-age population. The second number underestimates the number of workers available, as it excludes those under age 15 and over age 65 who are actually working. It also overestimates, as it includes those who are attending school.

Formal Education

The development of human resources normally depends on the formal education system, on-the-job training by business firms, and the informal education offered by society. Each system has its own purposes and characteristics.

Formal education provides technical knowledge and a sense of values, as well as fostering intellectual competence and enrollment discipline. Under present circumstances, developing countries cannot meet the need for even basic primary and secondary education. As for higher education, not more than 10 percent of those eligible are attending school except in Thailand, the Philippines, Korea and Hong Kong (see table 2).

TABLE
I
Population and Labor Force in Asia-Pacific Countries

Population (Millions)	Percentage of Working Age (15-64 Years)	Average Annual Growth Rate (Percent)	1965-1980	1980-1985	1985-2000
2491.0	54.1	1.1	1.5	2.3	1.9

income economies						
Bhutan	1.3		55	8	1.9	1.9
Nepal	17.1)	56	94	1.6	1.9	2.2
Bangladesh	01.2	51	53	1.9	2.8	
Burma	381)	57	54	2.2	1.9	
India	781.4	54	56	1.7		
China	1054.0	55	65	2.4	2.5	
Pakistan	99.2	50	53	2.6	3.2	
Sri Lanka		54	62	2.2	1.6	
Afghanistan				1.7		
Dem.Kampuchea				1.2	-	
LaoPDR	3.7		53	1.6	1.8	
Vietnam	63.3		55	1.8		
Lower income economies	riddle-6912,	52w	55w	2.4w	2.6w	
cc onon, IC S						
Indonesia	166.4					2.2
Philippines	573			.5		2.4
Papua New Guinea	3.4					2.0
Thailand	52.6			2.8		1.7
Upper middle-income Economies	5772'	56w	59w	2.6w	2.3w	2.3w
Malaysia	16.1	50	59		2.9	2.6
Korea, Rep. of	41.5	53	64	2.8	2.7	1.9
Hong Kong	54	56	68	3.9	2.5	1.4
Singapore	2.6	53	67	4.2	1.9	0.8
Iran, Islamic Rep.	45.6	50	53	3.2	7.3	7.2
Developing economies	3761415414'		58w	2.3w	2.4n'	2.1w
High-income economies	19.1t	53w	54w	5.6w	4.4w	3.4w
Industrial market economies	741.6'	qv	67w	1.1w	1.0w	0.5w
New Zealand	73	59	65			1.2
Australia	16	62	6,	2.4		U
Japan	1215	67	68	1	0	0.5
Korea Dent. Rep.	20.9	52				2.8
Mongolia		54				1.8

NOTE: Si' means weighted average. ii cans

SOURCE World Bank.

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TABLE 2

Percent of Age Group Enrolled in Education in Asia-Pacific Countries, 1965 and 1985

Country,	Primary		Secondary		Tertiary	
	1965	1985	1965	1985	1965	1985
			5		5	

Low-income economies	74i	99,1	22	74w	2u'	—
Shown	71	25	w	4	I	—
Nepal	74	79	-	25	—	—
Bangladesh	89	60	5	18	—	—
Burma	40	102	27	24	—	—
India	93	92	24	35	—	—
China	15	124	12	39	—	—
Pakistan	77	47	35	17	—	—
Sri Lanka	40	105	9	63	—	—
Afghanistan		I	—	—	—	—
Dew, Kampuchea			—	43	—	—
Lao PDR						
Vietnam						
Lower middle-income _e	75w	104w	16u	42w	4w	11w
Indonesia	72	118	12	39	—	7
Philippines	113	106	41	65	—	38
Papua New Guinea	44	64	4	14	—	20
Thailand	78	97	14	30	—	—
Upper middle-income	97w	105w	9	57w	7w	16w
Developing economies						
Malaysia	90	99	29	53	6	—
Korea, Rep. of	101	96	45	94	5	—
Hong Kong	107	105	18	69	10	—
Singapore	105	115	—	71	—	—
Iran, Islamic Rep.	63	112	—	46	—	—
Developing economies	78w	101w	2i	3%	5w	ftw
High-income oil capon	43w	86w	10	Sfiu'	1w	11w
Industrial market economies	107w	102w	63	93w	21w	39w
New Zealand	0 ₆	106	75	85	15	35
Australia	99	106	62	95	16	28
Japan	1	102	82	96	15	30
Komw Dem. Rep.	98	105	—	—	—	—
Mongolia						

NOTE: w means weighted average. / means lmal.

SOURCE: World Bank, World Development Report 1988. pp. 280-28'

It is nevertheless time that the percentages of school enrollment at the elementary, secondary and higher levels have greatly risen over past twenty years, thanks to the enormous efforts made by individual countries. Although the rise in school enrollment does not necessarily mean a better quality education, there is likely to have been some improvement.

There has also been a considerable improvement in the direction and substance of human resource development. In the Asia-Pacific developing countries, higher education has traditionally been limited to the elite, a heritage of colonial days which persisted even after political independence. The curriculum consisted mainly of language, literature, philosophy, history, the arts, law and politics. However, since the 1960s, when development policies began to focus on industrialization, there has been a rapid rise in the number of students majoring in such disciplines as social science, economics and business management, as well as mechanical engineering, chemistry and architecture. Polytechnic institutes have also been set up to complement university education. With formal education at its core, national systems of manpower supply have gradually developed to meet the changing demands of the labor market.

However, in many countries, graduates of higher education are fewer than required, and as a result, their earning power is much greater than that of general workers. Yet in such countries as the Philippines, Thailand, Hong Kong, Korea and Singapore, the general

demand for labor was so low in 1987 due to slower economic growth that unemployment was rife even among university graduates. This means that in the short run, labor supply does not necessarily coincide with changing patterns on the demand side. Since higher education requires more financial investment per student than secondary, unemployment among university graduates is a great financial loss not only to the unemployed themselves, but also to society as a whole.

More precise forecasting is necessary in order to assess the quantity and quality of the demand for college and university graduates both on a medium-to long-term basis and in respect of job categories. It is also indispensable to maintain adequate flexibility in the national manpower supply system.

In view of the rising budget deficits in developing countries, it is important to make an efficient allocation of public resources invested in higher education. It may also be a good idea to promote privatization. In the Philippines and Korea, private universities complement national universities as an essential part of the higher education system.

The establishment of

private universities is under consideration in Singapore, Malaysia, Indonesia, Hong Kong and Thailand, where the burden of funding higher education is approaching these countries' fiscal limits.

It is important that private universities maintain high standards for (their) teaching facilities and teachers. Free competition among universities can contribute enormously to better quality in higher education. Like business firms, universities must orient their educational services to meet changing market requirements and increase their investments in research and development, as well as intensify their efforts toward internal rationalization.

There are obvious structural differences between public and private universities. They arise from inherent imbalances between the two in the amount of financial resources made available by the state, and also from restrictions on free competition imposed by government agencies. Complete privatization of the higher education system is advisable in those developing countries which are attempting to maintain good-quality higher education in response to the changing requirements of the economy and society. It means the abolition of the conventional national or public universities, the expansion of budgetary allocations to maintain the best possible basic infrastructure for the private universities, and the withdrawal of government intervention in free competition among those universities. The introduction of taxation and financial measures can enhance the level of higher education under competition.

In-house Training

While the major purpose of formal education is to develop human resources equipped with the basic knowledge and the analytical capability to cope with day-to-day problems in an increasingly complex society, in-house training at business firms aims to provide employees with applied (and often advanced) knowledge and know-how and specialized functional techniques required on the job. Formal education lays the intellectual foundation for a higher degree of specialization and efficiency in in-house training.

In the Asia-Pacific region, rapid progress in industrialization in the 1960s and 1970s highlighted the importance of transforming rural and urban unskilled labor into the semiskilled and the semiskilled into the skilled, and of developing technicians, engineers, professionals, supervisors and managers in all industries. Recently, the need for the latter has grown enormously, reflecting the increasing diversification and technological complexity of industries.

In most developing countries, it was foreign corporations, or their joint-venture subsidiaries, which first introduced in-house educational and training activities. These activities were given much emphasis, particularly in those businesses aiming at export markets, for they risked losing out to competitors on the international market unless they could improve the efficiency and quality of production. In those developing countries where domestic workers were at an extremely low level of technical and professional competence, in-house training was essential not only in foreign affiliated firms, but also in modern indigenous enterprises. Governments promoting a strategy of export-led industrialization and rapid modernization, such as Korea and Singapore, have recognized the necessity of training programs and in-house education and

given fiscal incentives to private enterprises to install them.

While in most of the Asia-Pacific countries, the social customs and values prevailing among the population are indigenous, their political, economic and legal systems resemble those of their old colonial masters in Europe, particularly those values shared by the upper and upper-middle strata of the population. In-house education and training programs are therefore often based on values and assumptions applicable in western European countries. The arrival of multinational corporations from Europe and North America has intensified this trend.

There are some distinct characteristics of Euro-American in-house education and training programs. The first is that each one is a program for chosen staff, especially in managerial and supervisory positions, with technicians and engineers joining them in response to the latest technological developments and job enlargement and diversification. General workers in factories and offices do not participate in these programs.

Second, each program is focused on the enhancement of specific technical, professional and managerial competencies of the selected staff. The training provided is intended neither to cultivate the whole personality of each individual nor to harmonize his values with those required by his employer.

Third, many programs are actually conducted by professional training institutes and/or universities outside the business firm. The staff is thus expected to improve their technical, professional or managerial competencies through association with their colleagues in other firms. The senior staff of the company do not engage themselves as instructors in their own in-house training activities, other than conducting induction programs for new staff.

The acquisition of some socially recognized qualifications is an important consequence of these in-house training activities. People do not place much value on company-specific on-the-job training, since it is of little use outside the [company](#). In Euro-American-affiliated companies, where employees are mobile among companies and competition for promotion among them is intense, on-the-job training which shares all the information and experiences among working colleagues is tantamount to an act of personal s reface for the instructors.

These western-style in-house education and training programs are widely in use in many Asia-Pacific countries. However, since the 1970s, when a number of Japanese subsidiaries became firmly established in the region, some changes have appeared, especially in Malaysia and Singapore, where governments have adopted a "Look East" policy to encourage indigenous and foreign firms to learn from Japan. Taiwan and Korea. They have embarked upon a national exercise of reassessing the hitherto prevailing Euro-American style and exploring the Japanese, with the objective of gradual installation and adaptation even in non-Japanese subsidiaries. Japanese in-house education and training programs are now achieving good results, though on a limited scale.

Countries in which the upper and middle strata of the population have been imbued with a Euro-American sense of values have found it difficult to transform their in-house training programs swiftly from the Euro American to the Japanese style. Even there, however, national enterprises have started to introduce Japanese-style training programs, encouraged by the government. The merits of the Japanese style are becoming more familiar to general workers, local managers, supervisors, technicians and specialists. A rapid expansion of training opportunities in Japan for local employees working at Japanese subsidiaries has accelerated this trend.

Japanese in-house education and training programs differ markedly from western-style programs. First, Japanese programs are designed for all employees. The idea that "Employees make up a firm" is universally accepted in Japan. Despite differences in educational and training curricula, which vary with jobs and positions, training is still extended to all the staff in order to enhance the sense of unity among the employees by underscoring the importance of the company to them all and boosting their collective morale.

Second, Japanese-style programs do not limit themselves simply o increasing technical, professional and managerial competence. They aim al the cultivation of a "company man" by enriching the whole personality of each individual, creating a common sense of values to he shared by the enlire staff, and preparing them for easy adjustment to a particular husines culture.

Third, on-the-job training is the main focus of Japanese in-house programs. Such particularized training will be of little or no use to (those who leave the company. In order to carry out technical, professional and managerial training, the company either invites guest instructors or experts from outside to conduct its in-house training programs or nominates members of its own staff to join training courses organized by professional consulting organizations.

While the central focus of Japanese-style training programs is on staff development and on-the-job training that of the Euro-American style is on the development of the skills and technical competencies of selected individual workers. In a developing country where subsidiaries operate, the decision on which system to adopt depends on the particular situation. In those countries where the sense of values and social mores are predominantly Euro-American, particularly among the business and political elite, it is natural for both indigenous enterprises and government agencies, as well as Euro-American subsidiaries, to adopt the Euro-American style. However, as people are beginning to doubt the relevance of the Euro American sense of values and social mores in the Asia-Pacific countries, the effectiveness of the Euro-American system of in-house training is now being questioned, and an increasing number of non-Japanese business firms, as well as Japanese subsidiaries, have started to introduce the Japanese system on a limited scale. Perhaps due to appreciation for the Japanese system is emerging now because of its contribution to high productivity, a strong sense of unity among employees, and loyalty to company and national interests.

Traditional Euro-American in-house training lays much emphasis on skills and technical training. Despite its partial contribution to improving the job performance of those workers who have received the training, its effectiveness to improve the overall productivity of each company has been reduced by the large turnover of workers leaving industrial firms. Offering large incentives to such workers to stay with the company, in the form of wages, allowances or promotions, has often resulted in higher labor costs in both gross and per-unit-output terms. Nonetheless, in order to recover training costs, companies must put their trained employees to the maximum productive use, as well as offering incentives for reducing the incidence of worker mobility to other firms.

In countries where the Euro-American sense of values and social mores are prevalent, it is not unusual for highly trained engineers, professionals and managers to abandon the companies which have invested so much in their education and training and move to other companies, or even other countries, in order to exploit their own talents. When mobile workers remain in their own country, the value of their training is at least not wasted, because they still contribute to higher productivity of the national economy, although those firms which recruited the mobile workers gain, while those which provided their training suffer the loss. Under these circumstances, other developing countries should consider the introduction of something like the Skill Development Fund in Singapore. The government levies a payroll tax on all firms employing five workers or more and pays all or part of the cost of their in-house education and training. This system of public subsidies to individual firms not only corrects the prevailing imbalances in the distribution of the cost incurred between the companies investing in the training and (those recruiting the trained workers, but also induces firms to invest more in in-house training programs. However, such a system cannot prevent workers from moving either from one firm to another or from going abroad. The question of correcting the international

- imbalances in the distribution of training costs incurred between the departing and the receiving countries remains unresolved.

Countries of the Asia-Pacific region are still in search of an in-house education and training system which will simultaneously enhance the sense of unity and company loyalty among employees, reduce labor turnover (and in particular the brain drain), and strengthen workers' commitment to national interests.

informal Education

In developing human resources, adult or continuing education programs conducted by municipalities and nonprofit organizations are as important as formal and in-house education and training programs. They are usually provided for the people living in a community for the purpose of broadening and

deepening their cultural values and perceptions. In the Asia-Pacific countries, such programs are aimed at nourishing those among the people's values which can contribute to the development of the national economy. For instance, they encourage increasing household savings, enhancing the spirit of mutual assistance, and stimulating the desire for study and the dedication to work. They also disseminate knowledge and technologies which are of immediate use in the production process, such as traditional arts and modern technology and science. Finally, it is worth mentioning that most of the Asia-Pacific countries have a compulsory military service system which tries to instill in the minds of servicemen a sense of values essential for development, and which educates them in modern science and technology. Its contribution to human resource development is well recognized in these countries.

Mobilizing Human Resources

Most of the Asia-Pacific countries are facing difficulties in both human resource development and in the effective utilization of human resources. There are at least four major factors responsible for the inefficient mobilization of human resources.

First, labor supply is independent of the demand for labor. Both the size and growth of the labor force have tended to exceed the demand for labor. Second, while the quality and size of the trained labor force change in response to changing levels and patterns of demand and to production technologies, the supply of trained labor inevitably lags behind demand. Thus there is an excess supply of labor on the one hand and a labor shortage on the other. Third, legal restrictions on labor supply and artificial interventions by labor unions tend to result in higher wages and allowances than would otherwise prevail under equilibrium labor market conditions. As a result, the demand for labor is kept at an artificially low level.

Fourth, foreign exchange and other government economic policies keep the price of capital abnormally low relative to that of labor. The demand for labor tends to be limited, as business firms are likely to adopt production technologies and methods requiring high capital intensity, or to opt for production in sectors based upon capital-intensive technologies and methods.

South Asian countries suffer a chronic oversupply of labor. Most of these countries belong to the low-income group, whose GNP per capita is less than \$450 and whose population growth has been rapid due to high birth rates, a rapid decline in infant mortality rates and increasing average longevity (see table 1).

On the other hand, the annual average economic growth rate has been low for various reasons, resulting in a slow growth in the demand for labor. As a consequence, there is chronic open unemployment and underemployment. Because agriculture and the tertiary sector absorb a large proportion of the labor force in these economies, unemployment tends to be disguised or hidden.

Imbalances between labor supply and demand are widely observed not only in low-income countries, but also in many middle-income countries, defined as ranging from \$450 to \$4,000 in GNP per capita. During the initial stage of development in these countries, unskilled labor is generally oversupplied, while demand exceeds the supply of skilled, supervisory, technical and managerial manpower. New structural and technological transformations are accelerating the demand for various types of skilled labor in the modern sector, resulting in a labor shortage in the short to medium term.

Among the unskilled, a high mobility of labor from rural to urban areas has been a major cause of labor supply excess in the short run (for example, in the Philippines and Thailand). When these middle-income countries achieve a more advanced status and the agricultural labor surplus dries up, a shortage of unskilled labor will surface. At this stage, firms will have to introduce production technologies and methods requiring high capital intensity and upgrade human skills. Several economies, such as those of Singapore, Hong Kong, Malaysia, Taiwan and the Republic of Korea, have already entered this stage. Thailand has a national minimum wage law. In Singapore the National Wage Council announces guidelines for wage hikes every year so that most of the negotiations between labor and management are settled accordingly. In South Korea, wage increases agreed in collective bargaining contracts in large businesses become a nationwide standard for wage increases in the rest of the country.

It has sometimes happened in the past that agreements on wage hikes, far from achieving an equilibrium in labor supply and demand, have reduced the demand for labor to a level below its supply. Fixing the rate of wage increases at a certain national level, whether

under a legal minimum wage system, through a decision by the national wage board, or through a national agreement between labor and management, ignores differences in productivity or profitability among individual business enterprises and industries. In those industries exposed to fierce market competition, relatively weak enterprises, which normally tend to be small in size, may be thrown into bankruptcy under the rising wage pressure, raising the number of unemployed in the country. In monopolistic industries, an administered pricing system tends to raise the price of the final products, contributing to inflation.

If a firm is highly dependent on the export market, the pressures of international competition will work to reduce production costs through mechanization and rationalization to compensate for wage hikes. However, this means that unemployment in the country may rise beyond existing levels. If a firm relies on the domestic market, it may either transfer wage increases to price increases, adding to inflationary pressures, or it may have to absorb part or of the wage increases by improving productivity in order to keep prices constant. Inflation results in the declining export competitiveness of industries which depend upon monopolistic industries for their productive inputs and services.

Finally, in many Asia-Pacific countries, governments are subject to pressures from various special interest groups. The currency exchange rate vis-a-vis the U.S. dollar may be overvalued beyond an equilibrium level. Governments may also provide tax and financial incentives to accelerate investment by foreign and domestic enterprises. These countries are in effect opting for production technologies and methods requiring higher capital intensity and facilitating the import of a large volume of capital goods by lowering the price of capital relative to labor.

In a large number of developing countries, economic activity is deteriorating or stagnating, resulting in high levels of open and disguised unemployment. This is partially due to fiscal and financial retrenchment policies undertaken to cope with increased foreign debts resulting from overvalued currency and more imports of foreign products and services.

Thus the mobilization of human resources is not making satisfactory progress in many Asia-Pacific developing countries. This means a waste of considerable investment in formal education. The financial resources going to adult or continuing education are also meager in most of these countries. This results in a great loss to the national economy, as well as large financial losses to the unemployed and their families. There is therefore an immediate need for the development, mobilization and effective utilization of human resources and for the improvement of domestic policies for this purpose. At the same time, Japan and other industrially more developed countries could expand their technical cooperation in this field.

Japanese assistance for human resource development in developing countries was promoted in the 1970s and 1980s on the assumption that their appropriate development would lead to their direct and effective utilization. A critical reexamination of this assumption is now necessary. Experience over the past twenty years has shown that an appropriate combination of human resource development policies with financial assistance programs leads to more self-reliant development of the national economy through the simultaneous, organic development of physical infrastructure and production technologies, as this leads to a more effective utilization of human resources.

Suggested Policies

Issues concerning the development and mobilization of human resources are not identical among the Asia-Pacific countries. On the contrary, their basic characteristics and possible solutions differ a great deal, depending on the level of economic development, industrial structure and technological development. Other influential factors include the educational system, the emphasis placed on continuing education, training opportunities at business firms, the relationship between labor and management, and the economic, labor and social policies of the government.

It is also true, however, that there are common requirements and problems shared by these countries. Some suggestions for the better development, mobilization and utilization of human resources are commonly applicable to all the developing Asia-Pacific countries.

Formal Education

The consolidation and universalization of basic education is the most significant potential contributor to better human resource development and mobilization, given the dual goals of education - self-actualization and human resource development. Countries which have not achieved 100 per cent school attendance must give top priority to this goal in formulating their policies. Even those which have reached the highest possible percentage of school attendance need to upgrade the basic education curriculum to include science, technology, and English as an international medium of communication. Education on civic life, based on a spirit of mutual support and enlightenment, also deserves much emphasis.

The first task is to set priorities right by increasing government expenditure on basic education.

Higher education must fully meet the requirements of a developing society whose sense of values is diversified, whose science and technology are developing rapidly on every front, and whose national economy and business enterprises are becoming increasingly internationalized. This will require both incentives to encourage innovation through free competition and modernization and the upgrading of curricula and facilities.

It is advisable to withdraw political interference in educational affairs and to privatize higher education in order to make it more cost-effective. At the same time, it is vital that the government increase its budget to improve the infrastructure for higher education, which contributes to the development of the national economy, the advancement of science and technology, the enrichment of international cooperation, and worldwide peacemaking efforts.

In-house Education and Training

Since it is acknowledged that in-house education by business firms will ultimately contribute to human resource development at the national level, tax measures applicable to all business firms engaged in such activities should be introduced or expanded immediately. It is also desirable to provide financial support to small and medium-size businesses to enable them to expand their in-house education and training programs. Further taxation measures could be introduced to provide incentives to all business firms to expand and upgrade their in-house training programs and practices throughout the country while ensuring a fair distribution of costs and benefits among the business firms engaged in such activities.

An earmarked taxation in the form of payroll taxes, perhaps called the in-house training fund, could supply the funds for supervising in-house education. The amount of taxes paid for this purpose should be deductible from corporate income taxes.

In order to upgrade in-house education and training programs and to promote participation by all employees, it is advisable to provide a certificate of completion which would be socially recognized, in the manner of a school certificate. Such certificates could be considered one element in setting an employee's wages.

Social Education

Secondary and higher education should be opened to adult and continuing educational activities as soon as is practicable. Since the majority of the recipients of continuing education are housewives and senior citizens, it will be necessary to place a greater emphasis on the preparatory nature of such educational activities in order to enable the recipients to obtain jobs which supplement their household incomes. Of course, this does not justify diluting the type of continuing education which is intended to enrich the cultural and intellectual life of the community.

Economic Policies for Higher Employment Levels

What most concerns the developing Asia-Pacific countries in their employment policies is how to reduce open and disguised unemployment, expand employment opportunities, upgrade jobs, improve working conditions, and heighten the level of wage and salary

incomes. These goals cannot be realized at a steady pace and in a balanced manner unless productivity is improved at the national and individual enterprise levels. All economic policies must be formulated and carried out with priority given to stimulating productivity growth.

Other policies must also be formulated in the same vein, whether in finance, taxation, budget expenditures, commerce, industry, regional development, social welfare, education or transport. All of these should contribute positively to higher productivity. What is urgently required in a developing country is the introduction of social structures in which the fruits of improved productivity shall be evenly shared by each and every participant contributing to it.

APPENDICES

APPENDIX A PARTICIPANTS

All participants attended in their personal capacities. Participants' affiliations given here are those at the time of the meeting and not necessarily their present affiliations./

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APPENDIX B NORTH SOUTH ROUNDTABLE

The North South Roundtable, established in 1978 under the auspices of the Society for International Development, is an independent intellectual forum in which academics, researchers and policy makers from around the world come together to discuss global development issues. The Roundtable brings together experts from every continent in many fields, all sharing a commitment to orderly progress in human affairs, for the advancement of a constructive dialogue between North and South, developed and developing, rich and poor nations, in search of a more just and stable world order. In its various sessions the North South Roundtable seeks to identify and analyze the most significant issues and to develop policy proposals in the mutual interest of North and South. The ideas evolved in the Roundtable process are disseminated to concerned individuals,

national decision makers and international organizations through Roundtable publications and through direct briefings.

Funds for North South Roundtable activities are provided by the Canadian International Development Agency, the Inter-American Development Bank, the International Development Research Centre of Canada, the Netherlands Government, the OPEC Fund, the Swedish International Development Authority and the World Bank. The funding organizations are, however, not responsible for views presented in North South Roundtable documents.

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UNDP DEVELOPMENT STUDY PROGRAMME

The Development Study Programme of the United Nations Development Programme (UNDP) was established by the Governing Council of the UNDP in 1981 in order to promote a greater understanding of the issues concerning development and technical cooperation; strengthen public and governmental support for development and technical cooperation; and generate new ideas and innovative solutions to the problems of development and technical cooperation. The activities of the UNDP Development Study Programme take different forms, such as seminars, lectures and informal discussion groups. Participants at the various events held under the auspices of the Programme are drawn from among high-level national policy makers, government representatives, senior officials of the United Nations Development System, leaders of public and private enterprises, representatives of the media and academics.

The UNDP Development Study Programme is financed by voluntary contributions from governments, international public and private institutions and foundations. Contributions include the provision of hosting facilities and collaboration in organizing joint seminars and meetings.

Administrator: William H. Draper, III

Director: Uner Kirdar

APPENDIX C NORTH SOUTH ROUNDTABLE PUBLICATIONS

Books (Paperbound)

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