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Doing justice by doing good: A perspective for Australian development assistance

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DOING JUSTICE BY DOING GOOD

A PERSPECTIVE FOR AUSTRALIAN DEVELOPMENT ASSISTANCE

by:

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EDITH COWAN UNIVERSITY

PERTH WESTERN AUSTRALIA

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Abbreviations

ACIAR:	Australian Centre for International Agricultural Research
ACOA:	Australian Council for Overseas Aid
ADA:	Australian Development Bank
ADIPA:	Association of Development Institutes of Pacific and Asia
AIDAB:	Australian International Development Assistance Bureau
ASEAN:	Association of South-East Asian Nations
AWHF:	Adjustment With a Human Face
DFAT:	Department of Foreign Affairs and Trade
DIFF:	Development Import Finance Facility
ECU:	Edith Cowan University
ESCAP:	Economic and Social Commission for Asia and the Pacific (UN)
GATT:	General Agreement on Trade and Tariffs
GDP:	Gross Domestic Product
GNP:	Gross National Product
ICDS/WA:	Inter-University Development Studies/Western Australia
ILO:	International Labour Organization
IMF:	International Monetary Fund
LDCs:	Less Developed Countries
NGOs :	Non-Governmental Agencies
NICs:	Newly Industrialized Countries
NIEs:	Newly Industrializing Economies
NIEO:	New International Economic Order
NRNG:	Neither Distribution Nor Growth
OECD:	Organization for Economic Cooperation and Development
PNG:	Papua New Guinea
RFG:	Redistribution From Growth
RWG:	Redistribution With Growth
SAARC:	South Asian Association for Regional Co-operation
TNCs:	Trans-National Corporations
UNDP:	United Nations Development Program
UNESCO:	United Nations Education and Scientific Organization
UNFPA:	United Nations Family Planning Association
WSSD:	World Summit for Social Development

1.   Introduction

The attempt made in the *Changing Aid for a Changing World*[1] Ministerial Policy Paper of November 1992 (hereinafter referred to as the "Policy Document") to charter a new course for the Australian aid program in the 1990s is a refreshing and laudable initiative. Australian development assistance (ADA) and development cooperation confront new challenges in the 1990s as a result of the dramatic social, economic and political changes, globally and regionally. These are further circumscribed by far-reaching social, economic and political changes within Australia itself, notably the structural changes in the Australian economy, geo-political influences on trade and foreign policy and the emergence of new social movements such as feminism, the greens, and multiculturalism.

The Ministerial Policy Paper reiterates the threefold objectives of foreign aid, viz., humanitarian concerns, development and national self-interest, eg., those relating to foreign policy, trade, and commercial interests. While the Policy Document appears to be sensitive to the challenges for ADA, its prime objective is in promoting "sustainable economic and social advancement in developing countries" (p6 of the Policy Document). Although it would seem to acknowledge, in a variety of ways, the need for "sustainable development", meaning "socially just and equitable as well ecologically sound", the Policy Document's emphasis appears to be on "economic growth", and "development which is ecologically sustainable" (p7).[2]

The social dimensions of development, such as issues of greater equity in levels of income, and promoting social infrastructure developments (eg., in education and health projects, human resources development, and improving services to communities, etc.) are recognised, but have remained marginal in development assistance programs. It is a moot question whether the Policy Document as a whole has been able to develop and outline a more integrated approach to `sustainable development', which is at the same time, a realistic and practical approach, reflecting the geo-political realities of Australia as a middle level power. Despite

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1.   John Kerin (1992) *Changing Aid for a Changing World: Key Issues for Australia's Aid Program in the 1990's*. AIDAB, Canberra: Australian Government Publishing Service (AGPS).

2.   For a critique of orthodox views of `development' and the conventional indicators for measurement of growth, see the Carcas Report (1989) on "Alternative Development Indicators" published as *Redefining Wealth and Progress,* New York: Bootstrap Press; also the UNDP's Human Development Index (HDI) which is a composite measure of development based on several indicators (UNDP Human Development Report, 1993, OUP. New York).

any limitations, the Policy Document nevertheless represents a major advance on earlier policy statements and practices which have grown out of the Jackson Report of 1984.[3]

This Paper, originally presented as a response to the *Ministerial Policy Paper* (the Policy Document), was made in the context of several initiatives in WA relating to development studies. These include the decision of Edith Cowan University (ECU) to introduce a Development Studies Program at Master's level from 1994, and the establishment of the *Inter-University Development Studies Consortium* (IDSC/WA),[4]. involving all four Universities in WA. These WA initiatives seek to enhance Australia's political and moral commitment to assist her closest neighbours in the region, especially South and South East Asia, to achieve worthwhile and mutually desirable social goal such as poverty alleviation, participation, equity and removing obstacles to human freedoms and dignity. (See Appendix A for a listing of countries in the region as belonging to ESCAP, as well as countries included under ASEAN and SAARC.)

Admittedly, this focus on the social dimensions of development, such as development issues relating to population, welfare, environment, rapid urbanisation, and health issues, has influenced the decision of the IDSC/WA to hold a Conference on the theme "The Social Dimensions of Development: Changing Australian perspective". In the light of this, the original Paper has been recast to serve as a Background Paper on the Conference theme.

The Paper has two main objectives, namely to develop a regional and thematic focus for ADA. The first examines the role and purposes of Australian foreign aid in relation to the Asia-Pacific region which has recently become the focal point of a range of government policies and initiatives covering issues of trade, national security, defence, and cultural relations. The second objective considers the growing importance attached to issues of gender, environment, human rights, and health, in development policy in Australia, and overseas aid policies. This trend, reflected in the Policy Document, is also evident in several recent Australian publications on aid (eg., (eg., ACFOA - *Aid For a Change*, the 1990 edition of *Co-operation: a Revision of the Australian Aid Program*, as well as the *Review of AIDAB and Australian Overseas Aid Program*). These publications list health, women and development, population, human rights, education and environment, as

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3.   R Jackson (1984) *Report of the Committee to Review the Australian Overseas Aid Program*. (Jackson Report). Canberra: AGPS.

4.   The IDSC/WA convened by Prof. Michael Taylor of Geography of the University of WA, is co-ordinated by the author who is currently a Senior Fellow, Development Studies, at Edith Cowan University.

important areas of concern for ADA. More importantly, these issues have gained salience in the work of UN Agencies concerned with development policy planning. The concept of `social development' has been increasingly employed to incorporate the human and social dimensions of development in policy and planning. The notion of social development has been systematically and explicitly developed by the Economic and Social Commission for Asia and the Pacific (ESCAP) in its agenda for development planning in the region over the next decade. Concurrently, UNESCO has also embarked on clarifying the concept of social development in relation to its proposals for the World Summit on Social Development (WSSD). In brief then, the main purpose of this Paper is to examine more closely the rationale underlying the adoption of a more distinctly geographical focus, and a thematic focus on social development in Australian development policy planning and programmes of research and training dealing with development studies.

2. The Regional Focus

A significant limitation of the Policy Document is its failure to relate the proposed new thrust of ADA to the emerging social and political realities of the Asian region, in particular, South, South-East, and East Asia; and also co-ordinate these initiatives with national policies directed towards integration with the region. One is left with the inescapable feeling that the traditional and well orchestrated orientation of ADA to Papua New Guinea (PNG) and the South Pacific still continues to influence the new directions outlined in the Policy Document of ADA. According to one analysis[5,] Australian aid flows by regions: PNG and the South Pacific receive approximately a third of the Aid budget (roughly between 38% and 34% over the last 3 years); the Asian regions (ie., South, South East, and East Asia) receive another third, and other regions a tenth; and about one quarter is not allocated by region. Not surprisingly, Forbes[6] rightly observes that "aid remains spread far and wide", and advocates more selective targeting of aid on countries of the Australian region. As against this, it should also be noted that the Australian Council For Overseas Aid (ACFOA) has made a case for greater ADA to African countries.

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5. Ron Maxwell (1992) "Reshaping Australia's Development Assistance". *Development Bulletin* 25.

6. Dean Forbes (1992) "Overseas Aid: Some Pre-emptive Thoughts. *Development Bulletin*. 25.

Alongside the area dominance of the PNG and the South Pacific, in terms of the functional allocation of ADA, as Rumney[7] correctly observes, notwithstanding cosmetic changes and concessions to issues of equity, human rights, gender, etc., "AIDAB has continued to espouse the growth-first model of development including support for structural adjustment policies of multilateral funding bodies of World Bank and IMF" (p14). In addition, recently there has been increasing importance attached to trade and commercial interests in promoting of development cooperation between Australia and Less Developed Countries (LDCs) (eg., Development Important Finance Facility [DIFF] Programs[8]). ADA has also of recent times made sporadic, ad hoc and sometimes poorly planned responses to humanitarian needs such as emergency food relief, or medical assistance in Africa and other parts of the world.

In 1988-89, according to John Browett,[9] "only a third of the aid budget was spent on poverty alleviation strategies", and he adds that over 50% of ADA was directed towards economic growth, including structural constraints that impede growth. He concludes that ADA is "largely commercial and strategic, not humanitarian"; and one might add that this pattern is likely to continue with the strengthening of the Ministerial portfolio link between foreign policy and trade in the Department of Foreign Affairs and Trade (DFAT).

Clearly, let alone as a matter of national self-interest, from a sheer humanitarian and altruistic point of view, Australia needs to accept, as a neighbourly gesture, a greater degree of responsibility for promoting development strategies to assist **all** the countries of the region (see Appendix A for several classifications of countries in the region), this includes the NICs which are going through rapid industrialisation creating massive social changes and requiring special forms of development assistance.

The region itself, as indicated, is heterogeneous and highly complex - politically, economically and socially. It boasts the four dragons (Singapore, Taiwan, Hong Kong and Korea) of the NICs, and enjoys, as a region, the fastest rate of economic growth in the world. Ironically, the region also has half the world's estimated one billion of poor people. In short, we are dealing with LDCs,

7.   Ariane Rumney (1993) "Australian Aid to Papua New Guinea". *Current Affairs Bulletin* 69 (12).

8.   For a detailed exposition of the Development Import Finance Facility (DIFF), and the role it plays in Australian Aid, see AIDAB (1990) *International Development Issues*, Paper No 10,. Canberra; AGPS, 1990.

9.   John Browett (1992) "Between a Rock and a Hard Place: Australian ADA for Sustainable Human Development". *Development Bulletin* 25.

which are `dual societies', partly agrarian and peasant, but increasingly urbanised and dominated by an influential middle class. Thus, despite the high growth of GDP per capita incomes in the Newly Industrialised Economies (NIEs) of the region, it has been noted that:

> The market oriented policies which are aimed at developing outward looking internationally competitive economies have been faulted for their neglect of the adverse social consequences they can have on the poorer segments of the population. These policies have shown an inbuilt bias towards reducing the role of the state and restricting the domain of public responsibility. Consequently, the state's responsibility for health, education, social security and poverty alleviation often gets diminished. The social concern and care for the weaker sections of society which was the bedrock of the welfare state of the industrialized economies and which humanize the process of development, finds little or no expression in the new market-oriented ideologies. In the market-oriented development, the appropriate balance between state and market, between social responsibility and private enterprise has yet to be clearly articulated.

> Pursuing market-oriented strategies, the NIEs and many of the South-East Asian economies, no doubt, have succeeded in overcoming the problems of absolute poverty and high unemployment, many of them, especially most of the NIEs, have been able to maintain structures of income distribution which are relatively more equitable than most other developing countries. [10]

Hence, in order to be relevant and appropriate to the region, ADA cannot be confined to conventional poverty alleviation strategies, agricultural and rural development in matters of development assistance and cooperation; nor can they be conveniently subsumed under the slogan of "ecologically sustainable development".[11]

It is instructive and revealing in this context, to discover how a former senior Australian Aid official, Peter McCawley, formerly Deputy Director-General of AIDAB, and currently Australian representative on the Board of Governors of the Asian Development Bank, views development co-operation in relation to the Asian region in the 1990s. McCawley[12] argues that, from Australia's point of view, the development co-operation program "is a form of self-interested insurance against future problems", such as preventing political instability in the region, war,

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10.   Personal Communication. Extract from *Overview of Themes and Issues for 20th Annual Conference of Association of Development Institute of the Pacific and Asia* (ADIPA).1993

11.   See eg., the plea for more agricultural research in Derek Tribe (1992) *Doing Well by Doing Good - Agricultural Research Feeding and Greening the World.* Pluto Press; also AIDAB (1990) Policy Paper entitled: *Ecologically Sustainable Development.* Canberra: AGPS.

12.   Peter McCawley (1990: Oct). *Asian Growth in the 1990's: Can Development Cooperation Help?.* 21st Annual Asian Studies Lecture, Adelaide: The Flinders University.

refugees, damages to the environment, and the alleviation of starvation and poverty. But, from a practical point of view, McCawley also sees ADA largely as enabling and assisting in "the pre-conditions of development", foremost being macro-economic stability, technology transfer, and capital transfer. As regards capital transfer, he acknowledges "the significance of human capital (p24), but appears to regard it largely in terms of educational assistance.

Against this background, the Policy Document is significant because it appears to herald changes in the philosophy and practice of ADA. This new policy paradigm, if translated into programs and services would reflect accurately, changes in development thinking espoused by theorists such as Rajni Kothari,[13] the Carcas Report on "Alternative Development Indicators".[14] It would also appear to acknowledge the need for global reforms and the prescriptive nature of particular strategies of development, all of which throw into sharper focus hitherto neglected social dimensions of development, including political, environmental, and cultural facets of development and growth.

The overall impression one is left with is the need for caution and moderation in advocating a pro-market ideology for international development co-operation, so as to avoid "throwing the baby out with the bath water" [12](p26). In other words, this may be achieved by a limited acknowledgment of non-market objectives of an altruistic nature. The policy paradigm, originating from the Jackson Report of 1984, which has been characteristic of official Australian Government thinking for the past few decades remains substantially unaltered except for peripheral changes. This, indeed, neatly sums up the current orthodoxy about Australian aid and its approach to defining the nature and purposes of ADA in relation to the Asia-Pacific region. It is this mode of thinking about ADA in relation to the Asia-Pacific region, which is in need of urgent review and critical scrutiny. In this context, there is no doubt that the Policy Document represents a notable, though somewhat hesitant, move in the right direction.

3.   Social Development and the Region

The attempt made in the Policy Document to portray the aid program as an extension of the Government's *social justice* strategy, highlighting issues of equity, equality, access and participation in government programs and services is

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13.   Rajni Kothari (1988) *Rethinking Development: In Search of Humane Alternatives.* New Delhi: Ajanta.

14.   See footnote 3.

particularly noteworthy. This policy orientation warrants clearer delineation as a framework for reshaping ADA policies and programs in the 1990s. If the Policy Document's new directions, especially those relating to equity and justice issues in ADA, are to go beyond the level of political rhetoric, the continuing dominance of the philosophy of the Jackson Report (1984) which uses economic indicators such as per capita GNP or GDP as the yardstick for evaluating ADA objectives, needs a radical overhaul. Thus, as previously argued, the new policy directions need to be aligned to the new challenges facing Australia, and also the need to be alert to changes in development theorising and practices overseas. These changes in development thinking, briefly outlined in Appendix B, highlight the trend away from the narrowly economic orientation to development planning characteristic of the 1970s and 1980s, and increasing attention being given to the non-economic aspects of growth, eg., issues of `social development'. By adopting a thematic focus on `social development', Australia has a distinctive contribution to make to thinking about development cooperation and development studies.

Following David Marsden,[15] "social development" may be regarded as addressing:

> problems of access to resources, the provision of basic needs, the distribution of resources, the room to manoeuvre in straitened circumstances and the effectiveness of the use of scarce resources. It examines the different value premises on which policy decisions are made and the contexts in which they are elaborated. It takes, as its starting point, the willingness of governments to intervene to direct development efforts and to contribute resources to the satisfaction of basic needs and the redistribution of assets on a more egalitarian basis. But it also recognises the inability of many governments to intervene effectively and the rising importance of what are termed non-government organisations in the provision of resources to supplement those of governments (p3).

The notion of `social development' is not just about welfare and social sectoral activities, ie., the social services; but it is also one which requires a careful, sustained and systematic consideration of the socio-political cultural context in which the social sectors are located. As Apthorpe[16] has rightly observed, "social development thinking pays greater attention to core ideas of **differentiation** and **distribution** which are central to the meaning of social, public and other discourses about `culture attributes'" (p14). Hence the idea of `distribution', and the moral

15.   David Marsden (1990) *The Meaning of Social Development*, Paper No 1, Centre for Development Studies. University of Swansea, UK.

16.   R Apthorpe (1990) "Major Issues relating to a Regional Social development Strategy". A Conceptual Framework". *UNDP/ESCAP Project RAS/87/013*. New York: UN.

issues of distributive justice and equity, Apthorpe argues, lie at the very core of the notion of `social development'.

In brief, the values underpinning `social development' are essentially about justice and participation and coincides with moral principles attributed to the Policy Document, ie., as an extension of the Australian Government's social justice strategy. Furthermore, as in the Policy Document, WA initiatives in development studies also highlights the "human and social dimensions of development", identified in the Policy Document as pertaining to education, health and social well-being in an "ecologically sustainable manner".

Unlike conventional development studies, research and training programs which have tended to focus primarily on questions of economic growth, agriculture, and natural resource development (cf. for example, the orientation to ADA, advocated recently by Tribe),[17] those which highlight `social development' advocate a more inclusive view of development and growth which does not equate it with `welfare'. The underlying objective is a plan of `balanced and integrated development' which is not divorced from other forms of development, eg., economic, political, cultural and personnel.

Social development, viewed sectorally and holistically is a form of *development practice*, directed towards clearly defined social goals such as those concerned with policy reform, planning and project management in the areas of health care, human resources development, educational planning, social service delivery, social impact assessment, labour relations, social security, urbanisation, and community development.

In short, the systematic assumptions underlying the Policy Document as well as the social development perspective in development studies is that Australian Aid programs can no longer be framed within the orthodoxy of development theorising locked into the thinking of neo-liberal ideologies dominated by notions of `structural adjustment'. These policies, as Apthorpe correctly points out, "aim at generating `sustainable high growth' through the management of supply ... by using fiscal policy and related macro instruments to change the productive capacity of the economy" (p14). As Singer[18] points out, the current phase of development thinking is best described as `redistribution with growth and equity'; or, put differently, as evidence of a greater concern for the `human face' of economic development (see Appendix B). This is indicative of a growing resistance to the neo-liberal ideologies

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17. Tribe 1991. op cit.

18. H W Singer (1989) "Lesson of Post-War Development Experiences - 1945-99". *Discussion Paper* 210. Institute of Development Studies, University Sussex, UK

espoused by the World Bank, IMF and Aid Agencies, (eg structural adjustment programs) and a recognition of the need to pay greater attention to `social development', ie., and the non-economic aspects of growth.

Indeed, as the distinguished economist, Dr Mabul Ul Haq, currently Adviser to the Administrator of the United Nations Development Program (UNDP), has argued persuasively, governments should get out of productive sectors and devote themselves more to social sectors such as health, education and social welfare. Ul Haq[19] states that::

> the end of development is to expand human capabilities and to provide opportunities for the full use of human potential to enlarge the range of choices at the disposal of the people. Besides income and employment these choices include better health, more education, cleaner physical environment, greater community participation and a democratic framework of personal and political freedoms.

This new thinking is nowhere better reflected than in the decision of the Asian Development Bank (ADB) recently to establish a Special Division dealing with **Social Dimensions** with a view "to more systematically integrate cross-cutting issues of social significance into [the] operations of the Bank" (p52).[19] From the point of view of the ADB, the `social dimensions' are identified:

> to include poverty reduction, women in development, human resource development and the avoidance of mitigation of any adverse effects of development interventions on vulnerable groups who do not have the ability to absorb such shocks. As mentioned earlier, a participatory approach to development, gender and social analysis, benefit monitoring and valuation and cooperation with NGOs are essential elements in the bank's efforts to operationalize these issues (p52).

The social service sector, by all reports, is gaining in importance in many of the neighbouring countries of the Asia Pacific region, especially those classified as *Newly Industrializing Economies* (NIEs) or *Newly Industrialised Countries* (NICs), but still falling within the broad area of "developing countries" or LDCs. This is a direct consequence of the social and economic transformations taking place in these countries, such as the emergence of a new middle class, and a youthful intelligentsia desirous of emulating the material achievements and standards of living in advanced Western industrial societies. It is important that those responsible for development assistance to donor countries recognise that social welfare (eg., increased public expenditure on welfare objectives) does contribute in the long term to achieve

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19. Reproduced in *ADB Quarterly Review* (1992: May) from Dr Mabul Ul Haq's *Distinguished Speakers' Address*, entitled: "Human Development: The Asian Dilemma". 1991.

overall developmental objectives such as poverty reduction, through investment in human capital and assisting in specific sectoral policies.

The simple fact is that there is no hard and fast distinction between development and welfare, except for the fact that welfare objectives may attract low priority in a given country because they provide only a `safety net'. What we need to recognise urgently in relation to ADA is that social welfare, and in particular, social infrastructure developments" (eg., water treatment, sewerage disposal, education and health projects etc) are increasingly becoming important issues of development planning for many countries of the Asia Pacific region.

Thus, we find that a recent issue of the *Development Bulletin* (May 1993) was devoted to the topic of *Urbanisation*. This volume examines the rapid urbanisation in the LDCs and the need for increased investment of government resources for infrastructure and services. Schubert (1993)[20] in particular, examines future urbanisation trends and considers policy implications for Asia. In the same issue, Andrews (1993)[20] considers the part played by ADA in urban development and notes that development cooperation "has been largely focussed on rural development, and continues to be"; but Andrews does acknowledge that "Australian aid involvement in urban development is increasing" (p51).[20]

This growing concern with human and social development is vividly reflected in several UN documents such as the UNDP's *Human Development Report of 1992*, the UN statement on the *World Summit for Social Development* on ESCAP's *Manila Declaration on Social Development - 2000 or Before*. The UNDP Report rejects orthodox measures of development stressing economic factors and points to a people-centred notion of development. According to this view, human development is "development of the people, for the people, and by the people". These are described as follows:

1. Development of the people - means investing in human capabilities in education, health and skills so that they can work productively and creatively;

2. Development for the people is ensuring that the economic growth they generate is distributed widely and fairly; and

3. Development by the people means giving everyone a chance to participate.

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20. See *Development Bulletin* (1993) May, Vol 27. In particular, C Andrews: "Urban Development and Australia's Official Development Assistance Programs"; C Schubert: "Urbanisation in Asia".

The 1992 Report also makes reference to the notion of 'sustainable development' and in its analysis of the conditions necessary for achieving 'sustainable development,' it is significant that it goes beyond a notion of 'ecological sustainability.' The Report contains the following six conditions for achieving 'sustainable development':-

    i)   the elimination of poverty;

    ii)   a reduction in population growth;

    iii)   a more equitable distribution of resources;

    iv)   healthier, more educated and better trained people;

    v)   decentralized, more participatory government; and

    vi)   more equitable, liberal trading systems within and among countries.

One of the main conclusions of the UNDP Report is that economic growth does not automatively improve people's lives, either within nations or internationally. It is this theme which is also markedly evident in the WSSD document.

The UN statement on the World Summit for Social development (WSSD),[21] characterizes `social development' as referring to "programs towards higher living standards, greater equality of opportunity, and securing certain basic human rights (Sec. 18, WSSD Document). The WSSD statement goes on to identify three **core** issues:

    a)   The enhancement of social integration particularly of the more disadvantaged and marginalised groups

    b)   Alleviation and reduction of poverty

    c)   Expansion of productive employment

According to the WSSD statement, the notion of social development is not equated with welfare, and is not divorced from other kinds of development, eg., economic, political, cultural, and personal development. The overall purposes of `social development' are those of "integrated development" wherein the three core issues, identified for the WSSD - social integration, poverty alleviation, and employment, have an overriding concern with issues of *"deprivation and exclusion"*. *Deprivation* includes material poverty as well as cultural and social deprivation; and *exclusion* importantly refers to "individual and social reallocation

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21.   Report of the UN Secretary-General to the Economic and Social Council on the World Summit for Social Development". E/1993/77. New York: UN.

of their financial and technical assistance for social development goals" (Sec. 25, WSSD Document).

The UN Secretary-General, Dr Boutros Boutros-Ghali, commenting on the role of the UN system in promoting social development, points out that "social development was the basis of all development'.(see ESCAP Population Headlines, No. 222 of Sept 1993). At the recent meeting of the UN Economic & Social Council (July 1993) he also stated that :

> "The main goal of social development must be to redress *deprivation*, a multidimensional concept which in economics manifested itself as *poverty*; in politics, as marginalization; in social relations, as *discrimination*; in culture, as *rootlessness*; and in ecology, as *vulnerability*. Deprivation must be attacked in all its forms, although none of the other dimensions could be tackled unless the problems of poverty and unemployment were adressed."

Referring to the proposed WSSD to be held in 1995, the UN Economic and Social Council agreed that:

> All countries - developing countries, those in transition and developed countries - needed new directions in social policies. Policies that acknowledged the interrelationship between the different problems in a global perspective and fostered equilibrated solutions of interest for all societies were needed. There was general consensus that development and international cooperation should "put people first.

> The role of women was seen as critical in economic and social development and, in particular, for social integration of societies, Investment in women would reverse the trends of feminization, of poverty and unemployment, address gender discrimination and enable them to play their full part in socio-economic development."

The central issues of social development for the ESCAP region identified by the *ESCAP Manilla Declaration on Social Development* are:

1. ***Absolute Poverty Eradication***

    Refers primarily to absolute poverty, defined in terms of low caloric intake, low life expectancy and illiteracy; and also to a lesser extent, to relative poverty.

2. ***Pursuit of Distributive Justice.***

    Empirical indicators of distributive justice are, for example, plight of specific disadvantaged and vulnerable groups (women, youth, disabled , elderly, ethnic minorities etc.)

3. ***Popular Participation***

    The issue of participation relates primarily to the exclusion from decision making processes of citizens, and in particular, designated groups.

In opting for a development plan geared to these key critical policy issues, which in many ways incorporates the thinking of the UNDP Report and WSSD, the *Manila Declaration* observes that:

> Poverty, inequality, oppression, inadequate social infrastructure and related circumstances making for social distress continue to exist throughout much of the ESCAP region despite economic development (p72).

While making a plea for "effective regional solutions", the *Manila Declaration* characterises the regional social situation as warranting consideration in terms of eight key dimensions:

1. *The Individual, Society, and the State*

    - political leadership
    - social conflict
    - access and justice
    - new social values and changing role of state

2. *Population*

    - population growth
    - regional distribution
    - age-based dependency patterns
    - rural urban population dynamic
    - population and the environment

3. *Family*

    - the family influx, eg., family structure, women and the family and family violence
    - migration and the family, eg. international migration, rural to urban
    - "independent" households

4. *Health*

    - regional trends
    - case of subcontinental countries, ie., China and India
    - "new" health crises, eg., drug abuse, AIDS

5. *Education*

    - basic education
    - adult literacy
    - secondary level education
    - technical and vocational training

6. *Technology*

    - social impact of technology, eg., telecommunications
    - employment and working conditions, eg., labour displacements, labour flows
    - technological change and self-sufficiency

7. *Employment*

    - new changing work values about force entrants, eg., labour displacement, labour flows
    - service sector employment eg, informal service sectors, high tech service industries etc.
    - surplus labour absorption

8. *Social Security*

    - consumer protection
    - crime protection
    - environmental protection
    - disaster prevention and relief
    - "formal" social security eg., insurance, and social assistance schemes.

Perhaps, it is important to recognise that Australia is well equipped and highly competent to respond to the key issues identified in the *Manila Declaration* as contributing to improving standards of living in the region. By any standards, Australia, as a `welfare state' in an advanced industrial society, has an array of social services and a wealth of experience in social policy, planning, and service development (eg., aged care services, juvenile justice, disability, health promotion, and social security). These programs and services may have relevance and potential for adoption elsewhere subject to modifications consistent with different social and cultural practices.

Indeed, as Sandy Cuthbertson[22] correctly observes, Australia should be in a position "to encourage people in developing countries to take a free ride on our policy lessons and experience" because we can proudly boast of social welfare "institutions and procedures [that] are stable and robust" (p14). But for this to be a successful exercise of ADA, it must be based on an interchange of ideas, expertise, and experience between donors and recipients of this kind of aid. This of course, requires careful planning and partnership building over a period of time.

We need to remind ourselves that Australia is well placed to make a substantial contribution in the area of social development via ADA. As in the case of rural and agricultural development in the LDCs, it is important to acknowledge that national research on matters relating to social development can give high returns to *all* objectives of Australia's aid program (eg., economic, social and environmental). To cite one example, we have done little to market health care facilities in much the same way as we have recently embarked on educational marketing. Furthermore, international health research of the sort pioneered by the late Prof Fred Hollows can also make a substantial contribution to improving health care in the LDCs, thereby improving contributing to the social as well as humanitarian aspects of the Aid program.

In this connection, the government initiatives outlined in the Policy Document "to undertake a study of appropriate mechanisms for initial health research" (p57), and the suggestion to establish a similar institution to Australian Centre for International Agricultural Research (ACIAR)[23] in the area of health research is highly commendable. However, a word of caution needs to be expressed in this regard. It is of critical importance that such an institution should not be narrowly focussed on a bio-medical model of health care. Rather, international health research, as an applied field of study and research should be viewed in a broader socio-cultural perspective (cf. transcultural psychiatric research or socio-medical aspects of ageing) and regarded as an essential and component feature of social development and social policy planning. This would also be consistent with the current trends, evident in the advanced industrial countries, of linking health and

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22. Sandy Cuthbertson (1992) "Reshaping Australian Aid to New Directions for Aid". *Development Bulletin* 25.

23. According to Tribe (1991), the ACIAR, established in 1982, attracts approximately $1.7 million of the Aid Budget in 1990-91, and an additional sum equivalent to 0.5% of AIDAB goes to fund internationally approved research centres. This expenditure is based on the controversial view that "agriculture is the formulation of growth in developing countries". This proposition has been challenged by some notable exceptions in the Asian region.

social care. As Peter Sedgwick[24] cautions, recalling the classic work of Rene Dubos:[25]

> ... the greatest advances in the control of disease have often come about through non-medical measures, and in particular through social and political change. The insertion of windows into working-class houses (with the consequent beneficial influx of sunlight), or the provision of a pure water supply and an efficient sewage disposal, did more to clear up the plagues of modern epidemic infection than did the identification of particular microbes or the synthesis of `medical discoveries' like the various antibiotics and antitoxins (1982: 39).

For these reasons, the proposed Australian International Health Research and Institute should be developed as a truly *National Institute for Health and Social Care in the LDCs,* with provision for several sub-Centres on specific aspects of welfare and social care. As a national body, this Institute should be linked with other similar mechanisms and structures elsewhere in Australia and ensure that they are actively involved in the planning and development work of the National Institute.

4.   Conclusion

The critical question we face, therefore, is whether we are prepared as a nation to commit a substantial amount of the Aid Budget on developing knowledge and skills drawn from diverse areas of social policy (eg., ageing, disability, health promotion, primary care, etc.) necessary for the effective channelling of the aid programs to issues of social development in the LDCs, in particular, the Asia-Pacific region. We need to be able to creatively and imaginatively use development assistance to influence sectoral policies in recipient countries, and thereby reinforcing their capacity to benefit the poor and specific target groups (eg., aged, disabled, young people etc.).

But, in the long run, development programs directed towards social development issues (eg., ageing, correctional aspects, youth etc.) are not likely to succeed unless they are founded upon well researched understanding of specific social problems and connected policies in the LDCs. This is singularly lacking at the moment. If Australian expertise is to make any worthwhile contribution and impact on social program development, including matters of social development training in the LDCs, and in particular, the Asia-Pacific region, we must be prepared to

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24.   Peter Sedgwick (1982) *Psycho-Politics.* London: Harper.

25.   Rene Dubos, 19 . *The Mirage of Health.* New York.

commit substantial resources in defined areas of social policy (eg., ageing, children and services, disability, income maintenance, health promotion etc.).

Clearly, knowledge of the region in terms of its social profile in such things as social indicators' data, relevant information on social legislation, policies and practices, is minimal. A notable exception in this regard is John McCallum's recent Report for UNFPA on ageing in Asia.[26] This in itself is a small beginning, and even in this area much more work needs to be carried out before we can respond meaningfully to aged care policy developments in the Asia-Pacific region.

In the light of the rationale detailed in the Policy Document, Australian development assistance through its Aid program, should, without losing the overall need for economic development, become more directly involved on issues of *social development* in the LDCs, especially those identified in the Policy Document as relating to the "Human Dimensions of Development". Concern with social development will have a bearing on *two* main strategies: *poverty alleviation* and *enhancing equity and social justice* in recipient countries. This dual focus necessitates a stronger emphasis on social programs requiring greater investments on human capital, the need to alleviate the conditions of the poor, and concurrently achieve a greater measure of equity and justice in the allocation of resources for achieving social goals such as improving health status, better education, improved housing and welfare in the LDCs.

In order to further the social development objectives of the Policy Document, it is important that Australia should pledge greater emphasis on catering to the social development training needs in the LDCs, especially in the Asia-Pacific region. Except for the AIDAB *Centre for Pacific Development Training*, and some ad hoc short training courses, there are no systematic training programs comparable to those available in the area of economic development (eg., at the ANU, and in agricultural training). This gap in the area of social development training and education needs to be rectified by the allocation of resources from the Aid budget to supplement tertiary level funding for institutions which are prepared to embark on programs of study and research on social development in the LDCs.

The special needs of the countries of the region, especially the NICs, and the ongoing changes in the international economy should receive greater attention in fashioning Australian aid policies; and these in turn, will need to be co-ordinated and integrated with the overall policy strategies of Australia in relation to the Asia-Pacific region in matters relating to foreign relations, defence. and trade. Future aid policies and strategies, such as those directed toward social development, should

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26.   J McCallum. *Awareness of Ageing in Asia.*UNFPA.

increasingly be directed towards the Asia-Pacific region as whole, and not just PNG and the South Pacific. As far as the Asian region is concerned this is likely to be based on a partnership with our Asian neighbours through economic co-operation and cultural exchange than on a donor-recipient relationship basis.

To this end, steps should be taken immediately to establish a *Social Development Unit* within AIDAB to assist government in planning for needed initiatives such as the construction of more effective development indicators and the targeting of aid on social programs. This will establish the bona fides of the policy principles and directions indicated in the Policy Document, and signify a firm commitment on the part of the Australian Government to link social development , more pointedly with development assistance and development co-operation; in other words, *"doing justice by doing good"*.

APPENDIX A

THE CONCEPT OF DEVELOPMENT AND DEVELOPMENT THEORISING:
A BRIEF OVERVIEW

1.   The Evolution of Development Policies 1950s-199(2)

The term `underdeveloped' first came into prominence when in 1949 President
Truman in his inauguration speech defined the largest part of the world as
`underdeveloped areas'. According to Sachs,[27] this usage ushered a new world
view built around the concept of development and the conventional picture of three
(or four) `worlds'. There is no doubt that `development' became a pivotal concept
of international relations in the post-World War I period of 1950s and 1960s; and it
strongly influenced the national and international policies of many countries in the
advanced industrialised societies of the North (in the North/South divide), extending
from the United States through Europe to the Soviet Union.

Recently, several commentators such as Hans Singer (UK), Bognar (Hungary)
and Louis Emmerji (Netherlands) have analysed the growth of development policies
over the last 40 years and also examined how development has been characterised
and understood at different periods.[28] The work of these development theorists
testifies to the changes in' thinking at the level of theory, ideology, policy
formulation, strategies, and practices, and in turn these reflect, the structural
changes that have occurred in the world economy over the last 40 years.

The early phase of development theorising, roughly from 1948-1973, beginning
with Truman's reference to `underdevelopment', was heavily influenced by Bretton
Woods and the new internationalism built around the UN and its agencies and
cognate institutions, in particular, the World Bank and the IMF. As Singer[29] puts it,
the climate of development thinking in the first 25 golden years of `development',
characterised by the Bretton Woods system and the neo-Keynesian thinking, was
dominated by an emphasis on physical capital accumulation and adherence to the
philosophy of `economic growth' as an end itself.

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27.   W Sachs (1992) "Development: a Guide to the Ruins". *New Internationalist*,
      No 232.

28.   See I Dobozi (ed.) (1989) *End-Century Changes in Development Paradigm
      and Strategies*. Institute for World Economics, Budapest; also Blomstrom &
      Hettne (1984) *Development theory in Transition*, London: Zed..

29.   Hans W Singer (1989) "Lessons of Post-War Development Experience: 1945-
      1988". *IDS Discussion Paper*, 260. Sussex, UK.

This clearly signifies that development theory, in its normative sense, as the pursuit of desirable ends or goals is a contested notion, capable of conflicting interpretations. Equally, from an instrumental point of view, that is, in terms of development strategies (means), there were alternative ways of achieving development goals (ends). Thus, in this early phase of development thinking there was a strong belief in the potential of macro-economic planning and international income transfers (eg., target of 1% GDP as aid from donor countries of the North) to bring about desired changes in new countries which came to be identified as the `Third World' or `Less Developed Countries' (LDCs).

For whatever reason, as Singer and others point out, the Bretton Woods system gave the world 25 `Golden Years' and recorded a great measure of success in enhancing economic growth, the main goal of development. The objective of development policy, as Sachs[30] points out, was judged `successful sorely according to the criteria determined by the western advanced industrial nations (p5). Admittedly, these criteria also included some measurable changes in indicators of development in the LDCs, as aspects of `social development' such as human capital formation, literacy, mortality rates and health status in the LDCs, but these were, at best, incidental and peripheral.

However, the decade of the 1970s, beginning with the oil crisis of 1973, saw the breakdown of the Bretton Woods system. This crisis, among other things, helped to create a greater awareness of the limitations of equating development with economic growth per se. Thereafter, development strategies paid greater attention to non-economic factors such as generation of employment objectives and better income distribution in the LDCs. This shift in development policy thinking was expressed as indicative of a change from a philosophy of `Redistribution FROM Growth' (RFG) `to Redistribution WITH Growth' (RWG). Consequently, `economic growth' was increasingly viewed as an intermediary step to reach a set of broader human and social goals, and not just economic objectives.

This newer approach to development policy and planning was evident in the ILO inspired *Basic Needs Strategy* promoted during the 1970s, as the well as the New International Economic Order (NIEO). The `growth with equity' policies, characteristic of NIEO and the Brandt Report (1980) *North-South: A Program of Survival*, also witnessed the greater recognition of the role of non-governmental

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30. Ibid. See also Chris Manning (1988) "Economic Development and Poverty in Capitalist Asia", in John Browett et al. (eds), *Rethinking Development Issues*. Flinders University Adelaide. Manning points out, that though economic growth was rapid during this period, "the extent of poverty removal was extremely variable" (p96).

organisations (NGOs) in planning effective development strategies. It should be also noted that this re-orientation in development policy and strategies for reform arose in the context of a greater awareness of the "vulnerability of Western industrialism, limitations of natural resources, growth and power of transnational companies (TNCs) and the failure of nation states to cope with changes in the world economy" (Hettne 1990)·[31]

By contrast, the 1980s was a decade of crisis and depression for many developing countries. Per capita income and employment fell in many countries other than in the Asian NICs, due to deep-seated structural adjustment problems, policy deficiencies and debt burdens. With the onset of the world economic recession of the 1980s, development thinking received a serious setback culminating in the stock market collapse of 1987. As result, the development rationale and policies of the 1980s were heavily influenced by measures directed towards debt settlement, stabilisation, liberalisation of trade, regulation, and adjustment associated with structural changes. In general, these policies reflected the prevailing neo-liberal economic policies of Reagan in the USA and Thatcher in the UK. Thus, in the late 1980s, we find the World Bank and the IMF actively promoting development strategies endorsed by neo-liberal ideology under the guise of `structural adjustment', eg., economic policy reforms.

In short, the new gloomy economic climate contributed to the virtual demise of the development policies of the 1970s, and in the 1980s the orientation to development in the LDCs, especially the `adjustment programs', cut heavily into public investments. This brought economic growth in nearly all developing countries, barring the Asian NICs, to a near grinding halt. There is no doubt that in this context, the NICs remain problematic for development theory as they represent a notable exemption to the downturn experienced by most LDCs. This has generated much reflective thinking about the validity of existing models and theories of development.

Towards the end of the 1980s there was a re-examination of the rigid adherence to adjustment policies, and structural adjustment policies began to be modified in such a way as to stimulate economic growth rather than hinder it. Thus, the current phase of development thinking is described as `adjustment with growth and equity'; or, put differently, as evidence of greater concern for the `human face' of economic development. This is indicative of a growing resistance to the neo-liberal ideologies

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31. B Hettne (1990) *The Globalization of Development Theory*. Institute of World Economics, Budapest.

which emerged in the 1980s and the need to pay greater attention to `social development',[32] and the non-economic aspects of growth.

According to Hans Singer,[33]

> the road of the 1990s ... is away from NRNG (ie., neither redistribution nor growth) through AWHF (adjustment with a human face) to resume (RWG (redistribution with growth), and on to a real Bretton Woods.

This new thinking about development in the 1990s has been eloquently expressed by no less a person than Dr Mabul Ul Haq,[34] the internationally well-known economist and Special Adviser to the Administrator of the UN Development Program (UNDP). Dr Haq, in his recent address to the Asian Development Bank (ADB) observes that the development dialogue was being increasingly focussed on human beings as its central concern. He argues strongly that governments should get out of productive sectors and devote themselves more to social sectors such as health, education and social welfare. Accordingly, Ul Haq states that:

> the end of development is to expand human capabilities and to provide opportunities for the full use of human potential, to enlarge the range of choices at the disposal of the people, Besides income and employment, these choices include better health, more education cleaner physical environment, greater community participation and a democratic framework of personal and political freedoms.

2.   Changes in Development Theorising

During different periods the structural changes in the world economy, which influenced national and international development policy and practice, particularly over the last two decades, were also reflected in theorising about development. During the early phase, systematic thinking in this area was dominated by modernisation theory and the linear stages of growth model. According to modernisation theory, development was seen as a process whereby the traditional social systems of the LDCs became transformed into `modern' type associated with Western nations.

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32.   See David Marsden (1990) *The Meaning of Social Development*. Paper No 1, Centre for Development Studies, University of Wales, Swansea.

33.   Ibid, p46.

34.   "Human Development: The Asian Dilemma". Distinguished Speakers Address, 1991. Asian Development Bank (ADB). Reproduced in *ADB Quarterly Review* May 1992.

The shortcomings[35] of this theorising (eg., the failure of strategies of development based on these theories), characteristic of western liberal ideology, gave way to the more radical theorising, identified as `dependency theory'. Theorists of this later persuasion reformulated `underdevelopment' as an essential feature of the global system and world economy, a consequence of the emergence of the international system of economic and political domination (the core and periphery notions); the `dependence' of underdevelopment was closely linked with the contradictions of advanced capitalism and the need to regulate international capital markets as well as the distribution of goods. From an instrumental policy perspective, dependency theorising tended, by and large, to nurture self-reliant development strategies and gave increased attention to national development at the local level.

Paradoxically, this perspective also served to reinforce and sustain concurrent moves among other theorists (eg., World System theorists) towards a global conceptualisation of development which conceives of the world as a single system. These theorists, by drawing attention to the relative importance and weightage to be attached to endogenous (national) and exogenous (international) factors in development, threw into sharper focus, the complexities of national and international development. As a rule, they stressed the globalisation of development and highlighted the importance of the internationalisation of capital and labour, most vividly evident in the growth of the Trans-National Corporations (TNCs).

This new genre of development thinking has begun to emphasise the interdependence of the world economy and the need for global reformism. (cf. international trade initiatives such as GATT etc.) In short, these changes in theorising have led to a greater and sharper awareness of the political and ideological nature of the processes of development. As a result, there is now a more explicit awareness of the value commitments implicit in the adoption of alternative models of development and strategies. It is not just the economic and technological aspects of development which loom large in theorising; but rather the human, social, and cultural dimensions. In brief, normative and ethical issues have become an important area of study and reflection among development theorists.

By virtue of Australia's location in the Asia-Pacific region - incidentally a region consisting mainly of LDCs. - changes in thinking about development policy and theory occurring in the 1990s have considerable relevance and significance for Australia as a developed country, an OECD member. Furthermore, in view of the

35.   See R Higgott (1983) *Political Development Theory*. Croom Helm, London, for an exposition and critique of these theoretical approaches.

firm economic and trade policy commitment towards achieving closer integration with this region, it is imperative that Australia should have a sound understanding and appreciation of patterns of global development, particularly as these relate to the complexities of the Asia-Pacific region. It is, therefore a matter of primary interest and national importance for Australia to become more development oriented in its policies towards the region, especially, in matters of trade, aid and foreign policy.

The region itself is heterogeneous and highly complex politically, economically and socially. (See Appendix B for the various listings of countries which belong to the region.). The Region boasts the four dragons (Singapore, Taiwan, Hong Kong and Korea) of the NICs, and enjoys, as a region, the fastest rate of economic growth in the world; and, ironically, it also has half of the world's estimated one billion of poor people.

It is in this context, that the promotion of development studies in the 1990s, and not just `Asian Studies', acquires added significance as a vital element of the package of Australian policies directed to the Asia-Pacific region. Development studies though poorly developed in Australia, enjoys a much higher standing in other Commonwealth countries, notably the UK, a leader in this field, Canada and India, and also in Europe and the USA.

For this reason alone, development studies warrant inclusion and funding as an autonomous sub-category of education and training within the broad ambit of `Asian Studies'.

APPENDIX B

COUNTRY CLASSIFICATION OF THE ASIA PACIFIC REGION

A: ESCAP Classification

As of March 1991, the Economic and Social Commission for Asia and the pacific (ESCAP) consisted of 48 members and associate members.[36] Of that membership, 43 countries and areas were located geographically in the region.

For the purposes of the present study, the Commission's **43** `regional' member and associate member countries and areas have been classified to the following six groupings:

DCs: *3 Developed Countries*

   Australia

   Japan

   New Zealand

NIES: *3 Newly Industrializing Economies*[37]

   Hong Kong

   Republic of Korea

   Singapore

SCs: *2 Subcontinental countries*

   China

   India

SEACs: *9 East and South-East Countries*[38]

   Brunei Darussalam

   Cambodia

   Indonesia

   Laos People's Democratic Republic

   Malaysia

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36.   An additional associate member, Macau joined the Commission in April 1991, raising the total membership to 49 countries and areas.

37.   Taiwan Province of China may also be considered, although it is nt a member or an associate member of the Commission.

38.   Excluding East and South-East Asian DCs (Japan), NIEs (Hong Kong, Republic of Korea, and Singapore) and SCs (China), and also Macau which joined the Commission in 1991.

Mongolia

ThePhillipines

Thailand

Viet Nam

SACs: *8 South and South-West Asian Countries*[39]

Afghanistan

Bangladesh

Bhutan

Islamic Republic of Iran

Myanmar

Nepal

Pakistan

Sri Lanka

IDCs: *Small Island Developing Countries and Areas*

Commonwealth of the Northern Mariana Islands

Cook Islands

Federated states of Micronesia

Fiji

Guam

Kiribati

Maldives

Nauru

Niue

Papua New Guinea

Republic of Palau

Republic of the Marshall Islands

Samoa

Solomon Islands

Territory of American Samoa

Tonga

Tuvalu

Vanuvatu

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39.   Excluding SCs (India) and IDCs (Maldives).

B: ASEAN Classification

The Association of South East Countries (ASEAN) was established in **1967**.

Countries belonging ASEAN:

>Indonesia
>
>Malaysia
>
>The Phillipines
>
>Singapore
>
>Thailand
>
>Brunei (joined later)

C: SAARC Classification

The South Asian Regional Cooperation (SARC) formed in 1983 changed its name to South Asian Association for Regional Cooperation (SAARC) in 1985.

Countries belonging to SAARC

>Bangladesh
>
>Bhutan
>
>India
>
>The Maldives
>
>Nepal
>
>Pakistan
>
>Sri Lanka