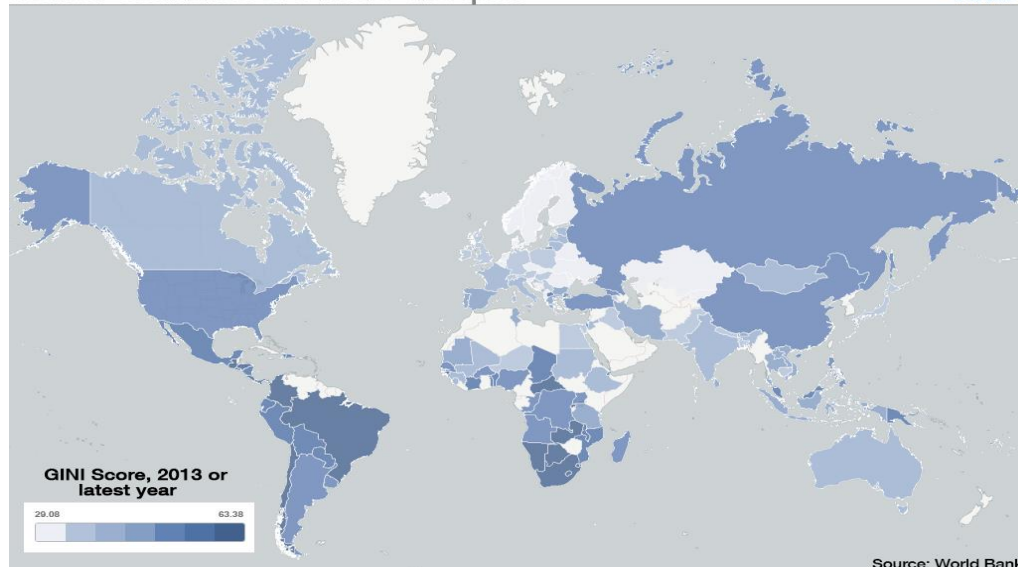




January 2019

What does inequality look like around the world?

Darker countries are more unequal



The way in which analysts or decision-makers define their subject areas has enormous importance for efforts to find the appropriate policy response. The ICSW-- a knowledge-based civil society organization with a global reach-- is keen to focus on intricate issues of international development in a comprehensive and coherent way, fully embracing its complexity.

The January edition of the Global Cooperation Newsletter--the first in the 2019 series of the ICSW Global Newsletters-- opens with an article focusing on the interaction of the economic and social dimensions of public policy. We have invited a distinguished scholar, Dr. Manohar Pawar, Professor of Social Work at Charles Sturt University, Australia, to share his perspective in this regard. We call upon our readership to express their views in the hope that Prof. Pawar's analysis in this article will stimulate further discussion on this most important policy issue.

Sergei Zelenev, ICSW Executive Director and Editor of the Newsletter

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Social development and economic development: A case for integration

By Manohar Pawar



Dr. Manohar Pawar is Professor of Social Work at Charles Sturt University, Australia, and President of the International Consortium for Social Development.

One of the challenges for social development thinkers is to explain convincingly what social development is. Unlike the relatively clear understanding of economic development, social development is generally understood differently by different scholars in different disciplines. (Pawar, 2014a; Pillai, 2017; Midgley, 1995).

We see an established culture both in the disciplines/literature and institutions, which often distinguish between social development and economic development. For example, many United Nations agencies emphasize both dimensions -- economic and social – in the names of its bodies. The World Bank has a social development division and some ministries are also named after social development (Pawar, 2014a). A similar distinction exists between public policy and social policy, as if social policy were not public and economic policy. This leads to a question, how and why is social development different from economic development?

Economic development is mostly about economic growth in a wider sense, not only an increase in aggregate output but rather the improvement in the quality of the structure of the economy, the introduction of new goods and services, and the process of improving the living standards of the population. It is closely linked to everything

that can be translated in terms of money, including the production, distribution and consumption of goods and services, taxation, gross domestic product, per capita income, infrastructure development, inflation, recession, employment creation, and so on. Economic development tends to dominate our lives both at the individual and institutional levels, and in the longer run it depends on the functioning and appropriate interaction of economic and social institutions. Social development is often seen in terms of redistribution and human welfare. In this paper, I argue that a false dichotomy has been created between social development and economic development, and that there is a need to integrate the two in a balanced way, without allowing either of them to dominate to the detriment or neglect of the other. At the national level the economic and social spheres are mostly separated in government, with clearly different domains for Ministers of Finance and Economic Development on the one hand and Ministers of Welfare and Social Development on the other hand.

In 1995, the World Summit on Social Development (WSSD) in Copenhagen identified the three core issues of social development, namely, poverty eradication, the promotion of full productive employment and social integration. Social policy received a major boost at the Summit when 10 commitments were agreed and adopted by the member states, spelling out key features of social development¹. The Summit differentiated between economic and social development and suggested that social development is necessary to complement economic development. In this vein the United Nations Development Programme in its Human Development Reports takes a similar approach. However, by 2000 the WSSD goals had been diluted and revamped to achieve a global consensus on the Millennium Development Goals (MDGs). Two key commitments of the WSSD—full employment and social integration were excluded from the MDGs list, and the eight

¹ <http://www.un.org/documents/ga/conf166/aconf166-9.htm>

Goals did not establish any explicit connection to economic development, merely focusing on developing countries (Pawar, 2017a). Such messages by leading international organizations reinforce the stereotype that social development is about poverty and the poor, the vulnerable, poor institutions and countries, and integrating them into the main stream.

The separation of the two aspects of development is also used in international financial institutions, perhaps for operational purposes. For example, the World Bank website in 2018 (<http://www.worldbank.org/en/topic/social-development>) describes social development as follows:

The World Bank supports social development by listening to poor people and promoting their voices in the development process; understanding and addressing their needs, priorities and aspirations; and building formal and informal institutions.

Further it states:

Social Development focuses on the need to "put people first" in development processes. Poverty is more than low income – it is also about vulnerability, exclusion, unaccountable institutions, powerlessness, and exposure to violence. Social Development promotes social inclusion of the poor and vulnerable by empowering people, building cohesive and resilient societies, and making institutions accessible and accountable to citizens.

The notion of social development carries with it this kind of scholarly and organizational culture. Although it is a novel concept in terms of ideas, ideals and practice, some people seem to understand social development in a somewhat pejorative sense, as it is often associated with the poor, poverty, exclusion, developing countries, and it is not economic development, which is portrayed and practised as more important than social development. The above-mentioned dichotomy between economic and social

ministries existing at the national level reinforces this divide. As a result, many people in developed countries appear to think that they have nothing to do with social development, as it is intended to deal with poor developing countries, though such contexts exist in most of the developed countries.

Given this kind of historical and scholarly culture, contemporary social development thinkers face the challenge of explaining what social development is and how it is applicable to all people and all countries. The first step towards addressing this challenge is to change our outlook on economic development in terms of our thinking, our policies and practice. As has been done by some scholars and practitioners, it is crucial to question the pre-eminence of economic development. Although economic development is necessary and important, squarely focusing on it has caused problems and disadvantages.

Growth-focused economic development has led to increases in production without any regard to their impact on people, communities and their environment. In the absence of appropriate social policies conceived as part of the macroeconomic package, a high-growth economy does not necessarily lead to high growth in other areas of human life, such as health, education and happiness. That is why alternative ways of measuring human progress, such as the happiness index, gender equality and similar approaches, have been attempted, though they are yet to become part of the main stream. Further, the emphasis on economic growth alone has led to high levels of inequality and the greater concentration of wealth in a few hands, rather than redistributing it. It has thus been creating more unequal societies. The more serious issue is that growth has sometimes occurred without generating any employment opportunities. Growth-focused economies have failed to recognise women's contribution to production through domestic work and related activities. In the pursuit of growth, significant environmental damage has occurred. In many countries, economic

development has by and large bypassed rural and remote areas, which mainly remain neglected and under-developed. In terms of social and environmental justice and human rights, economic development has not been clear about its value-base, if it has one. The linear-directed dominance of production and growth has led to an overall distorted development (Midgley, 1995) that is neither desirable nor sustainable.

Due to these and similar problems associated with tunnel-visioned economic development, it is important to give equal, if not more, importance to other dimensions of development. This is where a proper understanding of a social development approach helps. As stated earlier, irrespective of how social development is defined, from the very beginning, at least in some quarters (for example, United Nations, World Bank and many national governments), the concept of social development has been misconstrued and misunderstood as part of a binary concept that opposes social development and economic development. This kind of understanding and approach has resulted in the perception of social development as different from economic development, and that perception has led to a greater emphasis on economic change, so that only if and when the economy permitted and prospered would any thought be given to social development. This residual approach to policy formulation lacks a comprehensive vision and has proved detrimental in many cases. Moreover, if any economic vulnerabilities or pressures arose, the priority would then be to cut social development expenditure so as to uphold the economic development targets and outcomes. Many myopically minded people, particularly those who have been brainwashed with the neoliberal ideologies of market and liberal conservatism, have tended to prioritize economic development at all costs, often to the neglect of the social side of development. However, based on decades of development experience, the realization seems now to be emerging that, although economic development is important, it remains but one integral part of

social development, instead of social development versus economic development, as with much previous thinking. Social development, in terms of investment in comprehensive human and community development, and economic development go hand-in-hand and are basically two sides of one coin. Social development inherently includes economic development. This crucial change in the mindset is emerging and should lead the way into the future.

The significance of social development for economic development is part of the new thinking that needs to be effectively translated by many individuals, organizations and nation states. Towards that end, the second step in my argument is to promote the following concept of and approach to social development and practise it, so that social and economic development are integrated in such a way that the latter becomes the part of the former, rather than treating them unequally as divergent.

In order to integrate economic development with social development, my conceptualization of social development consists of seven composite variables (Pawar, 2014a). First, social development practice requires comprehensive understanding of the current conditions in a place, location or community (including the ecological environment), at whatever micro to macro levels, from the local people's perspectives. Three main questions to be addressed if one wishes to understand the current conditions are: According to the people living in the community, what are the current conditions in the community? Why do they think such conditions exist? (What are the causes of such conditions?) What do people think about changing those conditions. How can those conditions be changed for the better?

Second, by engaging local people, it is important to set goals related to social development. Generally, that is based on the assumption that the current conditions are unsatisfactory and goals needs to be set to change those conditions for the better. It is important to ensure that goals do not focus

only on economic development in an imbalanced way. Goals should focus on creating opportunities to realize human potential.

Third, closely connected to goals are values and processes. The values of human dignity and worth, diversity, distribution, sustaining ecology, rights and obligations, and holism need to be followed. Every nation and culture has such values, perhaps some are more pronounced than others. Agreeing on those core values is a foundational step, as it will have implications for people's choices relating to production and consumption. The challenge is that the values should emanate from people rather than be imposed on them.

Fourth, flowing from those values and goals are the processes. The integration of social and economic development ensures that the process of participation and empowerment are followed, as they are the bases of social development (Pawar, 2017). People must participate in their development, and that should empower them. Collective and individual economic development empowers people, but participatory economic development empowers more and has an added value. In many respects, participation and empowerment are not only processes, but they are also values, goals and strategies.

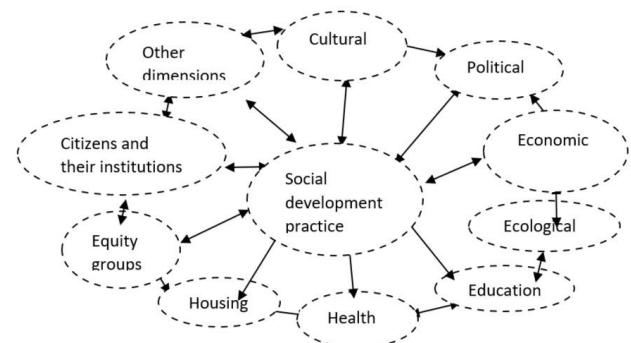
Fifth, integrated social and economic development can employ carefully chosen strategies that are in line with the values, goals and processes. Some of those strategies should focus on the capacity-building of individuals, groups and communities, on building local institutions and people's organizations and self-reliance, on creating an enabling environment, on developing social institutions and on facilitating participation in them, with accessible services for all, participatory planning and implementation, on strengthening informal community systems and civil society, and on coordination at all levels.

Sixth, such an integrated development needs to be implemented at multiple levels.

They include grassroots-level communities and villages, the lowest administrative unit of governments, districts, states/provinces, within the nation and regions, at the national and international levels. Economic-oriented development alone has so far focused in an unbalanced way on certain regions/areas, for example, the unmanageable growth in urban centres, to the neglect of others. Integrating a social development perspective helps to ensure that social development occurs at all levels, benefiting all people and all areas.

Finally, and most importantly, this integrated perspective focuses on all dimensions of development at all levels, where economic development becomes one of the important dimensions of development along with others, rather than singularly dominating all development. These dimensions of development are presented in the following Figure 1, which shows how social development looks when economic development is integrated into it. From this perspective, social development practice

Figure 1: Dimensions of social development practice



Adapted from Pawar (2014a; 2014b)

involves understanding the current conditions, adhering to values, processes and chosen goals, and working by employing specific strategies to change those conditions across all levels and dimensions in a comprehensive way so as to achieve wellbeing and a better quality of life.

In place of dimensions, Midgley (2014) (see also Pawar, 2014b) referred to seven facets of social development: human and social capital development, creating employment,

microenterprise and microfinance, asset-building, social protection and social planning. Most of these facets dovetail well with the dimensions of social development presented in Figure 1. Three of Midgley's facets of development are related to economic development. Both of us appear to converge in our thinking that economic development is one of the dimensions/facets of social development. The World Bank statement cited below – "Empirical evidence and operational experience show that Social Development promotes economic growth and leads to better interventions and a higher quality of life" - in some respects confirms and reinforces a social development perspective conceptualized here, one that integrates economic development. Unlike the three 1995 WSSD goals and eight MDGs, the 17 Sustainable Development Goals (<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>) clearly show how they converge with the dimensions of social development practice, as they capture social, economic and environmental dimensions/goals.

These and similar emerging development trends seem to suggest that economic development is integrating with social development by becoming part of it, though its dominance needs to be further diluted so as to give space for the development of other dimensions. As argued in my introduction, we can overcome the false dichotomy between social and economic development by changing our outlook about economic development and by practising a social development approach that captures and focuses on all dimensions of development in a balanced way at all levels, so as to enhance the wellbeing of the whole population.

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Newsletter Editor:
Sergei Zelenev, Executive Director
E-mail: szelenev@icsw.org,

Address:
ICSW, 5700 Arlington Ave.,
Bronx, New York, 10471 (US Office)

icsw@icsw.org
Website www.icsw.org

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