
Statement

95/14

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY,
MINISTER OF HUMAN RESOURCES DEVELOPMENT,
TO THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT

COPENHAGEN, Denmark



Government
of Canada

Gouvernement
du Canada

Canada

Community has been defined as the place where people prevail. We have come together this week as an international community to find ways in which people can prevail at a time of profound transformation in the way they work and live. The impact of the new economy on people's lives is profound and far-reaching.

It is an economy in which capital moves around the world in microseconds, often at the behest of pre-programmed computers. It is one in which technology is replacing people and information is replacing goods and services as the engine of wealth. It is one in which nations and their governments struggle to keep up with the demands of international capital markets and bond dealers. This level of technological sophistication must be contrasted with the fact that over one half of the world's population have never even used a telephone.

In every country, and among all people, this new economy has created insecurities never before experienced. The nature of this insecurity was eloquently captured in a recent article that stated:

The most basic concerns are about working and making a living, about the security of person and property, about the stability in public and private life that allows one to plan for the day after tomorrow and not just from day to day.

Since the end of the Cold War, the international community has recognized that security is no longer defined in terms of arms and military power. Global security has evolved to include the security of people, their right to live in a clean and safe environment, and the opportunity to build a sustainable livelihood for themselves, their families and their communities.

We are gathered here this week as partners: governments, the private, public and voluntary sectors, to consider the impact of the new economy on real human lives. Our task is to explore how we may together reform, restructure and rebuild the communities in which we live. It is clear that with a new global economy, the only way we will address the human factor is through multilateral, multicultural, multidimensional solutions.

The Human Deficit: Unemployment and Poverty

The changing economy has exacerbated three of the greatest social ills of our time: unemployment, poverty and social exclusion. It is no coincidence that these are the three major challenges that this summit seeks to address. Together they constitute the human deficit we must tackle with the same verve and determination that many of us have applied to the fiscal deficit.

In truth, they are two sides of the same coin. Fiscal deficits and debt problems must be addressed if we are to provide for the long-term stability of our respective economies. But any advances on the economic side will be in vain, if we do not simultaneously address the human deficit. In short, social and economic development must go hand-in-hand. Addressing either in isolation is doomed to failure.

In Canada, last week, we began to confront the problem of our fiscal deficit through the introduction of tough targets in our new budget. At the same time, we have begun a fundamental and far-reaching restructuring of our social programs, to ensure that they better meet the needs of Canadians. The point, in other words, is not simply how much money we spend on our programs, but how that money is spent. As the United Nations Development Programme's 1994 *Human Development Report* states: "It is not the level of income alone that matters — it is also the use that is made of this income."

Addressing the Human Deficit: Some Possible Solutions

I would like to focus, for a few minutes, on how Canada is trying to tackle its own human deficit. At the heart of our efforts to meet human needs within the new economy is a belief in the fundamental dignity of work. Thus, the reform of our social programs has one paramount objective: to get people back into the labour market. Five key themes emerge:

Moving from Income Support Alone to Active Employment Measures

While we must continue to provide a level of income support for the unemployed, increasingly we need to move our programs away from simple income support to active measures that get people back to work.

In some cases, this means removing obstacles. For example, the provision of affordable childcare, so single parents — mainly women — may take up a job outside the home. In other cases, it is the provision of a bridge, such as a working income supplement, to get people back into the labour force. In other instances, young people in our Youth Service Corps are working on projects to better the environment, teach literacy and contribute to their community in a multitude of ways.

The Role of Civil Society in Solving the Human Deficit

As technology displaces vast numbers of workers in the government, service and manufacturing sectors, the question we repeatedly face is: Where are the new jobs?

One possible answer lies in civil society, or what might be

called the third sector. There is, in all of our communities, no shortage of work that could be done. At the same time, there are large numbers of unemployed people who are searching for meaningful employment.

The third sector is one key to bringing them together. We must redefine what we mean by work, and then find innovative ways of rewarding workers in this new field of employment by paying them a social wage. We must look at new forms of work distribution, work sharing and community entrepreneurship.

New Ways of Governing — Empowering Communities and Individuals

This puts a premium on re-defining the role of government and its relationship to its citizens. In the new economy in which technology has put increasing power into the hands of the individual, it is clear that old top-down central bureaucratic modes of government will no longer work.

In the broadest possible sense we must ensure that public money is used to "feed people and not bureaucracies." At all levels of government, we must target assistance to those in need as directly as possible, and let them choose their own path to employment.

At the heart of our reforms to Canada's social programs will be a fundamental rethinking and restructuring of our system, to ensure that greater power is given to local communities and individuals. This will be done by shifting both resources and decision-making authority to those closest to the people being served by social programs. Already this has started. As a case in point, my own community of Winnipeg boasts a single-parents' resource centre run by and for single parents.

The Information-Based Economy: Ensuring All Share in the New Wealth

We also must look seriously at the issue of who benefits from the wealth generated by the new economy. There is a sea-change occurring in the underlying basis of Canada's economy and culture. Technology, in the form of fibre optic cables, networks of computer terminals and increasingly interactive television screens, has created an ever-smaller world. An army of people are on-line, engaged in every facet of political, social and economic life.

In Canada and around the globe, technology affords enormous advantages to those who ride its wave. Currently, the top 30 per cent of workers in industrialized countries represent "the new technological aristocracy." The remaining 70 per cent, as Abe Rosenthal described them recently in a *New York Times* column, are "the foundering, searching, angry, anxious people."

Somehow we must ensure that the opportunities offered and wealth created by the new information technologies are shared by all. Tax systems must be brought up-to-date with the new economy. An examination of innovative measures such as the Tobin Tax is required.

Tackling the Human Deficit: The International Dimension

Beyond these national considerations is the global dimension. Increasingly, all countries are dependent on each other for the well-being of their people. Too often the best efforts of a nation state one day are wiped out by movements of capital in the international market the next.

Development co-operation is a crucial element in international social development. Our Overseas Development Assistance (ODA) programs need to meet two key objectives: focussing our resources on reducing poverty and ensuring that available ODA dollars reach people directly.

Canada is a strong supporter of the 20/20 proposal. In fact, as a result of our recent review of foreign policy, we have committed to reaching the target of 25 per cent of ODA for basic human needs.

In addition, we must look again at a fundamental reform of the international financial regime. I am pleased to say today that the Prime Minister of Canada, who will be hosting the Group of Seven meeting in Halifax in June, has put at the top of his agenda a review of the international financial institutions and currency markets to ensure that we have some stability in the system and can protect countries from the types of sudden economic shocks that we have recently witnessed.

It is clear that the solution to these problems can only occur at an international level. We hope that ideas discussed in Halifax will provide a way forward for all countries to meet their economic and social agendas.

This conference, in combination with the UN [United Nations] conferences on children, the environment and development, human rights, population and development, and the upcoming conference on women, are shaping a very important dialogue on the role of the UN.

As it celebrates its 50th anniversary this year, it is timely that we should explore the role of the UN. It is perhaps time, now that the Cold War is behind us, that we focus this multilateral forum on the security of the individual, as much as the nation state.

Conclusion

In conclusion, the new economy has created the human deficit of unemployment and poverty. We are here to address that deficit. If we can ensure the long-term stability of our economies through sound financial planning, and couple that with a government agenda that puts human concerns at the forefront of public policies, we will have moved a long way toward meeting the needs of the new economy and providing a new sense of security for our citizens.

Ultimately, many of these problems will only be solved through multilateral co-operation. I have heard those who say it is impossible for such co-operation to occur. The sceptics doubt the level of political will.

Let me tell them of a young woman I met recently who went back to school and was taking a basic literacy course. After weeks of discouragement, she found herself one day — for the first time — able to help her seven-year-old daughter with her homework. She said it made her believe that you should never be frightened to reach for the moon. Even if you miss you will be among the stars.

Thank you Mr. Chairman.