

PART II

*Centre for Socio-Eco-Nomic
Development*



Presentation of
Panels and Abstracts

8th Annual Conference
of the Society for the Advancement of Socio-Economics,
University of Geneva, July 12-14, 1996

SASE Panel I:

New Public Management: A Socio-Economic Perspective

New Public Management (NPM) plays a dominant role in the reform of public administration. NPM's main tenets are based on the application of private-sector inspired concepts and instruments designed to enhance efficiency and responsiveness of public administrations. But economics and the societal context of administrative reform -- e.g. value systems, equity considerations, institutional structures, political interests and power relations -- may render their implementation more difficult. What are the constraints, and to what extent are NPM and Socio-Economics mutually exclusive? Alternatively, to what extent and under what modalities can NPM and Socio-Economics be complementary?

Moderator: **Beat Bürgenmeier**
Dean, Faculty of Economics and Social Sciences
University of Geneva

Contributions:

Certification : First Step to Quality Management

Pierre Aeby
State Counsellor
Director, Canton of Fribourg

The certification process can be a first step towards quality management. It took a public finance crisis, growing unemployment and other developments in the 1980s and 1990s, to inspire change in the approach to management. Awareness accompanied the marketplace reality that if a business does not adapt to market needs, the business will simply disappear. In government, some administrative structures were established years ago to meet particular needs, but often they failed to evolve as requirements changed. The Highway Department of the Canton of Fribourg is the first public agency in Switzerland to implement a new certification program aimed at improving the quality of the governmental department.

New Public Management - New Public Values

Thomas Giudici
Former Director
Finance Management, Basel

Societal values are important in guiding discretionary power and influencing public service decisions. The values which public servants bring to their jobs influence the organizational culture and the development and evaluation of public policy. What are the values of public servants? How do they help shape a public administration? Do bureaucrats have an

ethical obligation to respond to the values of the people in whose name they govern? The author discusses the expectations of society, and the evolving role of government values.

Fahrenheit's Waterfall and New Public Management

Peter Noordhoek

Director, Northedge Consultancy, The Hague, Netherlands

Joost Mönks

Doctoral candidate, University of Geneva

For two decades, government reformers seeking increased efficiency have embraced the «New Public Management», with its decentralized approach and increased emphasis on competition. But reformers are in danger of making costly mistakes, as they move toward deregulation and privatisation. Just as the renowned Fahrenheit erred when he assumed water at the base of a waterfall to be warmer than at the top, reformers may err if they fail to take important factors into account. The authors compare the missions of private and public organizations, and the impact of strategies such as deregulation. To become more responsive, governments need to encourage innovation, and shift their emphasis from policy formulation to improved results.

Public Services and The Market Economy

François Rachline

Professor

Economics Faculty, University of Paris-X, Nanterre

Institute of Political Studies, Paris

President, Association of Political Science Professors, France

Public services and a market economy are not as contradictory as is generally asserted. Consumer goods, such as a car, and public goods, such as a highway, are not just complementary. Public services are, in fact, a prerequisite to civil liberty. How can one be free without such essentials as drinkable water, electricity, or transportation? But the financial burden of these infrastructures is so heavy that many regional governments are turning to private financing and private management. Gradually, a majority of countries have sought help from private firms. The World Bank's 1994 report described a "model" for establishing a public-private relationship. In France, the system is «*gestion déléguée*», or «*delegating*». Though the process of delegating to private industry is still new, it seems to be working. The author explores the performance and regulation of privatised contracts.

Strategic Goals of the State

Luc Saner

Member of Parliament, Canton of Basel

Successful government requires levels of economic and environmental stability, to maintain the quality of life and equilibrium. One level of stability is achieved, for instance,

if the population is protected from starvation and disease. However, for the highest level of stability, the author suggests that the world population should be reduced to a tenth of its current level, and that the consumption of energy and other resources should be limited. The author also suggests introducing new checks and balances for government powers. A set of strategic goals should guide local, national and international governing bodies without violating human rights and democratic principles, according to the author.

Quality Standards for Public Management in Switzerland

Raymond Saner

Director

Center for Socio-Eco-Nomic Development (CSEND), Geneva

Switzerland faces unique pressures which have led to a demand for more efficient and streamlined public administration. Government spending now accounts for 40 percent of GDP; more than one of 10 Swiss workers is a government employee. Layoffs in the private sector and persistent unemployment in many cantons have led to conflicts over budget priorities. Meanwhile, external pressures such as the GATT agreement and developments in the European Union have made reform more urgent. But efforts to implement « New Management » techniques, beginning at the cantonal level, have proven both costly and controversial.

New Public Management in Direct Democratic Systems: The Case of Switzerland

Markus Spinatsch

Director, Parliamentary Administration Control

Parliament of Switzerland

The paper offers an early assessment of the Swiss experience with New Public Management. It concludes that NPM's potential in a political system like Switzerland's is rather limited. Switzerland has a long tradition of decentralized policy-making, and a weaker central State which delegates much power to the cantons. NPM lends itself to public policies such as waste disposal or administrative reorganization when decision making and policy implementation take place at the same political level-- federal, cantonal, or communal. More ambitious intentions for NPM will be constrained by the political system itself. And changing the system is hardly feasible or desirable. Although the Swiss system may be unique, its example of a culturally disparate nation held together by common will offers valuable insights for other governments as they proceed through a similar process of building by consensus.

SASE Panel II:

Human Rights: A New Form of Colonialism ?

West European and North American governments have repeatedly accused Asian, Arab, African and South American countries of violating the tenets of the Universal Declaration of Human Rights. Critics from developing countries have often labeled this accusation as a « neo-colonial strategy » designed to discredit governments of the Southern Hemisphere in order to slow their economic growth and reduce competition from emerging economies. Are Human Rights universally valid concepts?

Moderator: **Lichia Yiu**

President

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

Contributions:

What is Universal in Human Rights ?

William Doise

Professor

Faculty of Psychology and Education Science

University of Geneva

This contribution describes newer research in social psychology about human rights beliefs and attitudes. Despite the Universal Declaration of Human Rights by the UN in 1948, human rights are not universally enforced. Are human rights perceived differently in different countries? Students in several nations were questioned about their attitudes toward such classically-defined issues as racial discrimination and imprisonment without trial or legal assistance. Their positions on less well-defined issues such as the rights of children were also studied. The results are presented in the frame of social representation theory. To an extent, the students share a common understanding of definitions of human rights. But there are systematic variations in their positions which are linked to differences in values, perception of societal relationships and social contexts.

Global Response to Child Rights

Dulce Estrella-Gust

Consultant on Health and Social Issues in Development

Manila, Philippines and Geneva

Over the last 20 years, mounting evidence shows that children all over the world have been the victims of neglect, violence, deprivation and exploitation. They have been caught in armed conflict, sometimes as soldiers. Many have been imprisoned without due process of law. In some countries, girls are still circumcised or discriminated against in health, education, or other services. Their experiences have left countless children

psychologically, if not physically maimed. Never before have the rights of children been so vigorously debated by the international community. In the years since the Convention on the Rights of the Child was adopted in 1989 by 193 countries, the debate has intensified. The author updates the child-rights issue, and the impact of the Convention.

Human Rights: The Obligation to Interfere

Michael Schaefer

First Counsellor

Permanent Mission of Germany to United Nations, Geneva

After the peaceful revolution in Eastern Europe and the end of the cold war in 1989, there were high hopes for a new era of peace and security. But the systematic practice of rape, murder and ethnic cleansing in former Yugoslavia, and the death of more than half a million people in Rwanda, with the displacement of millions more, show that massive human rights violations continue around the globe. New, complex challenges face the world community. The author explores dilemmas presented by Rwanda and Bosnia, and the response by the United Nations. In an interdependent world, human rights protection has assumed high priority. At the dawn of the millennium, protecting human rights means requiring nations to cooperate. The State is the main guarantor of human rights. But if it fails to fulfill its obligations, the international community is obliged to interfere.

Human Rights and the Rule of Law in the Process of "Globalization"

Paul Trappe

Professor

Head of Department of Sociology

University of Basel

It is striking that in totalitarian regimes, human rights violations, even massive ones, were committed secretly. The disclosure of violations brought enormous pressure for vindication. Current forms of forced labor and slavery are most often based on apparently legal foundations: employment contracts, for instance, and child adoptions. Over the years, the development of legal standards and social programs have helped protect human rights. The social programs, such as projects to improve women's place in society, now account for 17% of World Bank expenditures. Historically, shared rules, summarily known as "Lex Mercatoria", granted concrete rights to individuals and groups living far from their home countries. While it has taken until the twentieth century for human rights to be formally recognized by United Nations members, such rights are, however, universal, and deeply rooted in cultural values.

The Views of the Swiss Federal Department of Foreign Affairs after the Vienna World Conference

Urs Ziswiler

**Ambassador, Chief, Political Division for Human Rights and Humanitarian Policy
Federal Department of Foreign Affairs, Bern**

People who see human rights as a new form of colonialism, as a way to interfere with the policies of other countries, often argue that human rights are a « western » concept. The author refutes this criticism and defends the concept of universal human rights. The principle of equal dignity of all men and women is underpinned by the sciences, and has solid foundations in philosophy, ethics, international law, and religious tradition. But human rights must be rooted in legislation, the author says. Extra-judicial executions, forced « disappearances », torture, prolonged detention without trial, and genocide are all violations of sacred, fundamental rights. Switzerland's own primary foreign policy objectives focus on safeguarding and promoting security and peace, and promoting human rights, democracy and law.

SASE Panel III:

What Kind of Governing Contract ?

Important institutions such as the World Bank, the IMF and the OECD have recently emphasized the importance of « Good Governance » as an aspect of sustained economic and social growth. What does « Good Governance » really entail? How is it being « engineered »? Should it be based on French « elitist-dirigism », anglo-saxon « power-sharing » or German & Swiss « Corporatism »? What should be the « right » relationship between those who govern, and the citizens they govern?

Moderator: **Blaise Knapp**

Vice-Rector

Faculty of Law, University of Geneva, Geneva

Contributions:

Will the North American Free trade Agreement Protect Mexican Citizens?

Lawrence Bridwell

Professor

Faculty of Business Administration

Pace University, White Plains, New York

Throughout this century, the Mexican government has been dominated by the well-connected who have benefited from favorable government rulings and lucrative contracts. Mexico has had a tragic pattern of boom/bust cycles culminating in severe financial collapses which have caused suffering for the masses while the elite have preserved their privileges. But now, NAFTA may be a critical factor in helping Mexican reformers create a fundamentally different society. The paper shows how government spending in Chiapas benefited the rich at the expense of the poor. Mexican citizens are trying to effect change, and the paper demonstrates that NAFTA and the shift to new technology could help them. It also analyzes how Graham Allison's government decision-making models can help international agencies evaluate decisions made in developing countries.

Good Governance and its Implementation in Swiss Development Policy

Serge Chappatte

Member, Board of Directors, Swiss Agency for Development and Cooperation

Ministry of Foreign Affairs, Bern

Switzerland's foreign policy is based on five strategic objectives, including relations with European neighbors and developing countries. One objective focuses on « good governance », which implies support of human rights, elections, education, and the strengthening of legal and administrative structures. The governance concept developed over the last two decades to help countries strengthen economic policies in the face of global debt crises, and to encourage movement away from repressive policies and toward

public accountability. In Switzerland, applying good governance to foreign policy means having an ongoing dialogue with partner countries to enhance cooperation or, in certain cases, to establish conditions making assistance dependent on the fulfillment of political or economic conditions. Specific programs, such as supporting independent lawyers in Nepal, promoting democratic institutions in Benin, or supporting non-government organizations opposed to Apartheid in South Africa, are further examples of how Switzerland promotes good governance through its foreign policy.

Governance : What Kind of Social Contract Between Government and Citizens ?

Günther Schulz

Former Vice-President

Asian Development Bank, Manila, Philippines

East Asian countries with flourishing economies are sometimes referred to as models of good governance, because leaders succeeded in setting up a framework which promoted fast economic and social development. The paper discusses different approaches to governance, and the practice by some developed countries of attaching political conditions to assistance. Many developing countries object strongly to the term « governance » and tend to view it as an infringement on their sovereignty. The author sketches a recent governance concept used by the Asian Development Bank, and describes elements which characterize it. There is no single model for a social contract between government and citizens which can be applied to developing countries. Models which exist in the developed and developing world are quite different from each other. But even if the promotion of good governance in developing countries requires country-specific approaches, there are elements of governance which can be found wherever sustainable economic and social growth take place.

Ethics and Moral Challenges of Contemporary Public Administration

Andrej Ster

Minister of the Slovenian Government

Republic of Slovenia

In the context of democratic changes in Middle and East European countries, and with special emphasis on the Republic of Slovenia, the author characterizes the problem of unethical behavior of public servants. He calls it one of the basic moral challenges confronting modern managers in this part of Europe. In Slovenia, the demand for quality services and reshaped public administration poses special challenges. The author discusses the role of the constitution and legislation in establishing ethical standards, and the role of ombudsman in discouraging unethical behaviour among officials. Good ethics can lay the foundation for good government. Police ethics, for example, are basic. The author proposes ways to restrict unethical behaviour and discusses specific moral challenges of contemporary public administration.

Governance and Social Engineering in Taiwan and Singapore as Instrumental Aspects of Country Development

Lichia Yiu

President

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

Taiwan and Singapore have achieved high economic growth rates over a sustained period of time despite sometimes-difficult internal and external conditions. These include the Japanese occupation, World War II devastation, civil war in Taiwan, Singapore's secession from Malaysia, and cold war. How did they succeed in creating social cohesion and economic prosperity? What role might social engineering play? This paper describes the development of governance and social policies in Taiwan and Singapore, especially with regard to one-party rule as it evolved over the last 40 years of economic and political development.

SASE Panel IV:

Cross-Border Cooperation: How to Bridge Boundaries?

Transborder Cooperation means learning to work out solutions to the problems and issues of life alongside a frontier. Many borders in Europe and other regions separate people who speak the same language, have a common history and tradition and are related to each other. But the border, by its very existence, creates “otherness” which manifests itself in different laws and bureaucratic procedures, and sometimes in different economic and social realities. How do countries, and communities, span the boundaries that both separate and join them?

Moderator: Nicolas Levrat

Maître d’Enseignement et de Recherche
European Institute of the University of Geneva

Contributions:

Cross-Border Cooperation and the Management of Water

Catherine Ferrier

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

Different attitudes toward preserving water supply and quality complicate the issue of ensuring adequate water supplies for frontier communities. Internationally, this problem has been dealt with through conventions and legislation. The United Nations and the European Union have taken positions to protect these waters. But the potential role of local authorities in the protection of waters along frontiers is often overlooked. At the French-Swiss border near Geneva, cross-border cooperation on water issues has been going on for more than thirty years. The author evaluates measures taken by France and Switzerland to protect and share Lake Geneva, and describes the framework for cooperation.

Living at the Border: Opportunity or Obstacle for Economic Development ?

Rainer Füeg

Chairman

Chamber of Commerce, Basel

Basel's unique position at the crossroads of Switzerland, France and Germany has prompted its leaders to develop cooperative relationships with Southern Germany, Alsace and the rest of France. From the fifth century, Basel's university has attracted scholars and scientists from Germany and France. Pharmaceutical and other industries are strongly tied to border countries. The author explores Basel's attitude toward the European market and the phenomenon of transborder workers, as well as cooperation between chambers of commerce, companies and other institutions. Negative impacts

such as costs associated with crossing the border and the problem of unequal business standards are also described. Are borders obstacles to growth? The author raises the issue, along with the question of lost opportunities with Switzerland's failure to join the European market.

CERN's Presence Near Geneva: A Catalyst for Cross Border Collaboration

Guy Hentsch

Diplomatic Adviser

CERN (European Organisation for Nuclear Research), Geneva

CERN is distinguished from other intergovernmental organizations in Geneva by its particle physics laboratory, its enormous site, and its location at the Franco-Swiss border. CERN, whose laboratory is used by scientific teams from throughout the world, has been granted the special status of territorial immunity of jurisdiction. The site is placed under authority of CERN's Director-General, while « Host States » retain ownership of the land. The laboratory operates, maintains, and builds accelerators. It has 3,000 staff members from 19 European countries, with international status and immunities, and it has some 7,000 scientific users worldwide. This creates a unique situation requiring ongoing arrangements among CERN and its two host states.

Public Actors and the Mechanisms of Frontier Cooperation

Nicolas Levrat

Maître d'Enseignement et de Recherche

European Institute of the University of Geneva

Issues arising along frontiers, where different economic markets, cultures, and legal systems meet are compelling public officials to find innovative legal ways to permit direct cooperation across borders. One striking example is the new cooperation between Vienna and Bratislava, cities only 60 kilometers apart. For years, no cooperation existed. But since the fall of the Iron Curtain, the frontier has opened. By 1994, 60,000 workers commuted daily from Slovakia to Austria. Throughout Europe, policy incentives encourage direct cooperation. But cross-border activities sometimes face strong legal limits. This is why the new legal instruments are being developed by European institutions. The paper analyzes these instruments and their impact on cooperation, and on national and European law. Public and private roles, and the distribution of powers are also considered.

Socio-Economic Factors Negatively Affecting Integration of Tangiers Into Morocco

Raymond Saner

Director

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

For 100 years Tangiers was an international city governed by a very autonomous local administration and supervised by several foreign powers. After World War II Tangiers lost

its international status and was integrated into Morocco. This paper analyses the socio-economic factors which have made integration into Morocco difficult. In 1960, the pressures of this integration resulted in the mass exodus of an important part of its population. The exodus meant a loss of capital, know-how and entrepreneurship, to the detriment of Tangiers' socio-economic development. Though attempts have been made to restore Tangiers to the vibrant, thriving city it once was, today it remains a city in neglect, rife with drugs, its charms and colorful villas relegated to the splendors of the past.

The Japanese Model of Management and its Hybridisation in Quebec

Diane-Gabrielle Tremblay

Professor

Télé-Université, University of Quebec, Montreal

As globalization intensifies competition in world markets, companies and business schools increasingly seek "winning models" of organization, and innovations that could help them outstrip competitors. Researchers, especially in social science, are trying to understand the creation of competitive advantages which influence the distribution of wealth. For instance, is it possible to imitate Japan's path to success? Can certain organizational characteristics of firms, both social and industrial, be "transplanted" between cultures? Studies have examined foreign subsidiaries of Japanese firms and the phenomenon of "hybridization.». The author's research seeks to deepen the understanding of this hybridization process. Particular interest in company and human resource management models led to development of a procedure to test these models against the structure and behaviour of Canadian firms.

SASE PANEL V:

Free Trade: Is It Universal?

The so-called « Asian Tiger » countries have often been accused of not playing by the rules of free trade, of being protectionist, mercantilist or expansionist. Asian Tiger governments often label such accusations « pressure tactics » used by advanced countries to gain trade concessions which are not based on reciprocity. Is « free trade » a concept which mainly fits the needs of the developed OECD countries who can afford it, is « Free Trade » a universally valid strategy to achieve sustained economic and social growth?

Moderator: **Raymond Saner**

Director

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

Contributions:

Globalization : A Driving Force of Trade Liberalization

Silvio Arioli

Former Ambassador

Office of Foreign Economic Relations

Ministry of Economic Affairs, Bern, Switzerland

Despite decades of multilateral efforts, free trade is far from universal. In the past, trade liberalization was promoted by economically advanced countries seeking to improve market access on a reciprocal basis. Today, thanks to technology and deregulation, mobility of investment and products has become so important, that nations must offer liberal import policies for industrial goods as well as access to foreign markets. Barriers to trade hamper and prevent mobility of products. And products have become so complex that they often contain parts from many different countries. More than ever, protectionist intervention does more harm than good to the country engaging in it. But how far should trade liberalization go? Some precautionary measures may be necessary. The paper explores these and related topics, including labor standards.

Is the “Information Society” Socio-Economically Neutral ?

Robert Jenefsky

Associate Director

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

The burgeoning “Information Society”, with its rapid Internet growth and the perceived rise in commercial value of information, raises intriguing issues. Is this “Information Society” “socio-economically neutral”, or is it inherently biased toward specific values ? Will it

contribute to worldwide “leveling of the playing field” and ultimately accelerate broad scale economic development, as in the “Bill Gates model”, or will it, instead, increase the disparity between “winners” and “losers” in the post-industrial age? The impact of the “Information Society” over the past 5 years is examined and compared in countries in various stages of development, with examples from North America, Europe and Asia.

Equity and Economics in Switzerland

Bettina Mindt

Research project manager

Centre for Socio-Eco-Nomic Development (CSEND), Geneva

Because of growing international competition, the Swiss economy is encountering increasing difficulty in staying competitive in the international market. How does this development influence relationships between employers and employees, and how does it affect political institutions? Does equity exist? Equity is concerned with the proper distribution of resources, rights, duties and opportunities in society. A case study, « White Book versus Black Book », demonstrates a response to the effects of competition and equity issues by politicians, trade organizations and affected groups. The author explores further social impacts of global competition on Swiss society.

Is Free Trade Sustainable in a “Global Age” ?

Jagdish Saigal

Interregional Adviser

United Nations Conference for Trade & Development, Geneva

Along with the promise of opportunity for wide economic progress with globalization, comes the fear in advanced industrial countries that economic integration with developing countries will trigger a downhill slide as capital and jobs move to countries with lower social and environmental standards. The differing priorities of social-environmental and trade policies present major challenges for free trade. The foundation for economic fear is weak. Studies suggest that technological change is a main factor in the decline and stagnation of real wages. Similarly, the argument that the diversity of environmental standards in different countries constitutes “unfair trade” which results in the loss of jobs and industries, is hard to justify.

Free Trade and Conflict : Is Economic Interdependence a Pacifying Force ?

Gerald Schneider

Professor

Political Science Institute

University of Bern

The notion that free trade pacifies interstate relations is enjoying an unexpected renaissance. This paper investigates whether free trade has had a positive impact on

global affairs. Evidence shows that the different dimensions of integration and cooperation lower the likelihood of conflict. A study focusing on the period of 1948 to 1988 shows that increased levels of economic, political and socio-cultural integration decrease the likelihood of conflict. According to another view, the lack of war among OECD members and among European Union members, is a consequence of the affluence of member states. Relative peace in the form of « security communities » can be established if several preconditions are met.

Globalization and the Social Fabric

Werner Vontobel

Director

Cash Magazine, Zurich

The goal of the economy is to improve the quality of life for the greatest number of people. This means not only the quality and quantity of goods and services, but also the role and responsibility of the individual. Given a certain level of goods and services, the economy influences the quality of life less by its products, than by the way it changes the nature of social interactions. For relatively rich countries, the key issue is not whether globalization improves access to goods and services, but whether it enhances the social quality of relationships and decisions. People must be held accountable for their acts and decisions, and they must confront, face-to-face, those affected by their decisions. The Holocaust arguably could hardly have been possible without the existence of large and anonymous chains of command with many irresponsible middlemen. Globalization may change the social fabric in a way that far outweighs its still-unproved marketplace potential.