Bring the powerful to account

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This Arab civil society report has many important messages. Among them, a very powerful conclusion is implicit but can be read between the lines: Arab civil societies and their organizations are not an episode that fades away but a vital force that needs to be acknowledged, respected on its own right and recognized in its governance role.

For too long, the democratic aspirations of Arab citizens were ignored, not just by their governments but also by the major development institutions. In 2010, the two major development-related country rankings, the Doing Business Index by the World Bank and the Human Development Index of the UN Development Program, both placed Egypt and Tunisia as the highest achievers in the region. That same year the "Arab Spring" dramatically showed that the policies and well-being indicators measured by those indexes were not what mattered the most for the very citizens that should benefit from development. Their rights and hopes were not measured and not taken into account. By raising their voices and going out to the streets Arab civil society made sure they will not be ignored again.

There are thirteen national contributions in this report, each of them a result of research, monitoring and coalition-building. Convened by the Arab NGO Network for Development (ANND) these national contributions express a variety of concerns and, complemented by regional overviews they are bringing a unique view to the current global debate about a new development agenda.

During the second half of the twentieth century, "development" was frequently used as a synonym for "economic growth". If Third World countries grew fast enough they would catch up with the industrialized world and everything else (from education to gender equality) would come as result. In 1990 the concept of Human Development was introduced to place people and not an abstract "economy" at the center, emphasizing health and education policies aimed at building "human capital". Soon after, "sustainable development" was the new international consensus, based on "three pillars": the economy, society and the environment.

The Agenda 21 emerging out of the 1992 Earth Summit in Rio, as well as the Cairo Summit on Population and Development (1994), the Social Summit of 1995, the Beijing Conference on Women (also in 1995), the 2002 Monterrey Summit of Financing for Development, and other highest level global meetings drafted an ambitious agenda that required all countries, from the highly industrialized to the least developed, to do their part, according to the principle of "common but differentiated responsibilities".

This ambitious agenda was narrowed down by the Millennium Development Goals to the most urgent concern about "the poorest of the poor." While ethically justifiable, that priority largely displaced from the concern of development thinking and institutions the so-called "middle income countries" that had already met most of the MDGs. And high-income countries were only challenged about their responsibilities as donors or enablers, not in terms of social injustices or environmental disruption within their borders.

As a result, the dramatic increase in inequalities happening around the world in poor and rich countries alike in the last three decades went largely unnoticed. Again, it was the people in the streets that put the issue of inequalities back in the agenda, occupying peacefully public spaces and the front page of the news in a movement reclaiming voice for "the 99%", the overwhelming majority of world population that has less of a share of global wealth and income while the top one percent gets richer every year.

As we near 2015, the target date of most of the MDGs, the experts debate whether the very low ambition of reducing the proportion of extreme poverty by half in 25 years has been met or not. At the same time average global income has more than doubled and trade has multiplied by five. The growing number of global billionaires, many of them in developing countries, blatantly exposes moral hazard, with a tiny minority reaping the benefits and the losses being paid for by the majority.

Extreme inequalities are the result of a series of political decisions at global and national levels that lowered taxes on capital, reduced social standards and liberalized regulations on trade, investment, employment and capital movements. Over two thousand bilateral and regional trade and investment agreements signed in the last few decades have created new rights for transnational corporations, including rights that humans don't have: corporations have acquired the right to settle anywhere they want and bring with them any personnel they decide they need, they are allowed to repatriate profits without restrictions and even to litigate against governments in demand of profits lost because of democratically decided policies, not through local courts but via international arbitration panels shaped to defend business interests and where human rights do not necessarily prevail. ICSID, the International Center for the Settlement of Investment Disputes, hosted by the World Bank, is an untransparent tribunal that displaces national judiciary and in a way creates its own law by way of ignoring human rights standards and environmental norms, even when they have been ratified as international treaties.

No single duty was created for corporations to compensate for this expansion of their rights and that may well be one of the reasons for the current disproportionate share of capital in the capture of the benefits of growth and the symmetric reduction in the share of labor in those benefits that is happening in most countries, rich and poor.

Contrary to this world trend, in Latin America, the most unequal region of the world, most countries are reducing inequalities through active social policies: cash transfers to the poor, support for public education, expansion of health insurance, social security for the most vulnerable such as/ who are the rural workers and domestic workers. Contrary to the forecasts of economic orthodoxy, instead of scaring investors away, those policies have coexisted and perhaps even stimulated foreign direct investment and economic growth. Social services and universal social protection are the best economic stimulus.
Further, they are human rights, duly recognized as such by Article 22 of the Universal Declaration: "Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."

The phrase "in accordance with the organization and resources of each State" has been abused as providing an excuse for States not to meet their obligations towards social, economic and cultural rights because they don't have enough resources available. In practice this means that other priorities, from military expenditures to the protection of the privileges of a few, take precedence.

The proportion of public spending devoted to different government responsibilities and the percentage of their income that citizens should contribute to the public good are political decisions and cannot be determined by experts or mathematical formulas. When the public has access to decision-making and information about how decisions are implemented, the quality of the policies improves.

This is why, addressing the General Assembly on May 1, 2014, Ban Ki-moon, the secretary general of the United Nations stated that "accountability is essential to assess progress and achieve results".

In that same debate, Social Watch added that "accountability is only meaningful if the powerful can be brought into account".

The powerful are the landowner, the major and the chief of police for a distant rural community. In the world as a whole the powerful are the big countries, the intergovernmental institutions (particularly those dealing with trade and finances), transnational corporations and even some huge foundations and INGOs with budgets of billions of dollars.

For citizens around the world, their national governments are the primary institution to address when trying to improve their situation or correct injustices.

Very often, the Social Watch national coalitions have also found in practice that the smaller, poorer or more vulnerable a country is the more it is being held accountable to foreign actors. All countries are subject to report to their peers on compliance with their human rights legal obligations under the Universal Periodic Review of the Human Right Council. This is a major step forward. But developing countries also have to report about their compliance with WTO accession commitments; they are supervised by the IMF, even if they are not debtors, and they report to each of their bilateral donors individually and also collectively.

When the recipient country government sits on a table with its 12 to 25 donors, who are frequently also its creditors, plus the World Bank, the IMF and the regional development banks this is called "mutual accountability!" Social Watch has argued that this is not the best setting for a developing country to interrogate its donors about not meeting their 0.7% commitment or to ask the IMF about the unfulfilled promised increase in the voting power of African countries.

In fact, our members frequently observe that accountability to the citizens is often postponed or undermined by this accountability to the powerful in ways that weaken the role of parliaments and undermine democratic institutions.

In 2012 the Rio+20 Summit on Sustainable Development created a High Level Political Forum (HLPF) in the United Nations to be the place for the international review of the commitments agreed by governments. For that to happen the Forum needs to be properly assisted by a strong secretariat informed by adequate reporting and carefully prepared by an active chair or troika that provides continuity and leadership.

Following the Rio+20 mandate on universality, all governments and multilateral organizations have to be accountable. The Global Partnership for Development, described in Goal 8 of the MDGs not only has no timeline, but also no proper accountability mechanism. No wonder it lacked implementation. A new agenda for development has to be specific about Means of Implementation and also about the forum for review and the monitoring and accountability mechanism, which could well be a strengthened HLPF as described above, to which multilateral agencies, the Bretton Woods Institutions and any corporation or "partnership" wanting to use the UN name, logo or flag should be required to report.

Accountability doesn't happen without transparency and access to information: Corporations should report their accounts on a country-by-country basis; countries need to keep public registers of company owners, among other basic information provisions. In general citizens should have access not only to corporate information but also to all government documents, as well as to those of multilateral organizations. In particular, the secrecy involving the work of arbitration panels in investor-states disputes needs to be declared as contrary to basic accountability and human rights principles. Banking secrecy undermining the ability of countries to tax their citizens or corporations operating in their territories needs to be identified as a major obstacle to the achievement of human rights and development goals.

Seven centuries ago, Arab philosopher Ibn Khaldun, the father of modern sociology, concluded in his *Muqaddimah* that "the lesson is that injustice ruins civilization. The ruin of civilization has as its consequence the complete destruction of the dynasty (state)". This is an old message that now Arab civil society renews in this extraordinary report: without effective monitoring and accountability of the powerful there will be no development agenda and the multilateral system will lose its legitimacy.