Post-2015: Outsourcing development

A civil society critical view of the new development agenda

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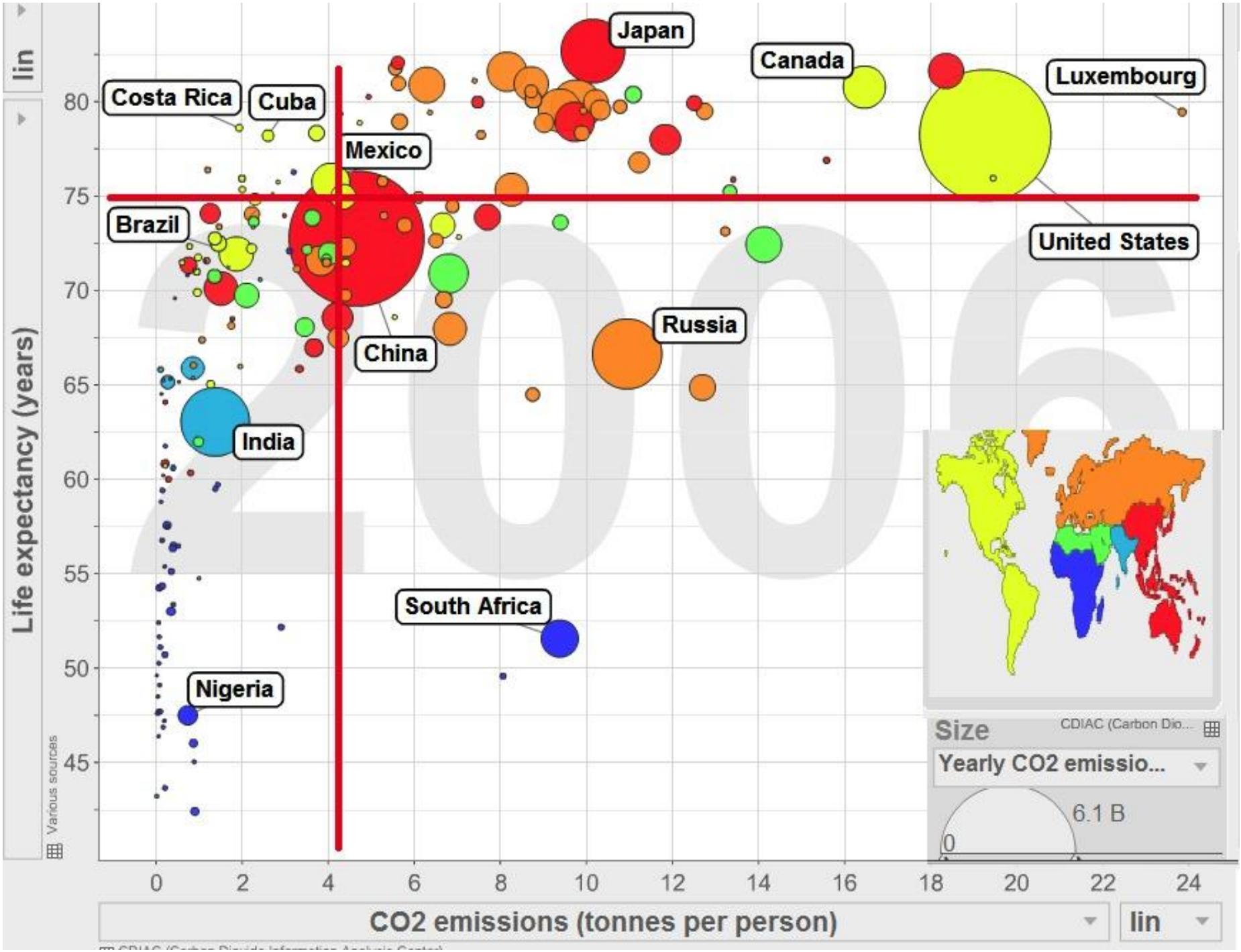
The world, then and now

In 2000 the problems were in the South (poverty, hunger) and the solutions would come from the North: Aid, technology transfer, debt alleviation, trade, investment...

In 2013 the problems originate in the North (climate change, financial instability) and the victims are the vulnerable people in the South that had no part in creating them.


Japan
Canada
Luxembourg
Costa Rica
Cuba
Mexico
Brazil
United States
Russia
China
India
South Africa
Nigeria
2006
Life expectancy (years)
80
75
70
65
60
55
50
45
0
2
4
6
8
10
12
14
16
18
20
22
24
CO2 emissions (tonnes per person)
lin
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Various sources
Size
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Yearly CO2 emissio...
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The graph shows the ranking of countries by CO_2 emissions from fossil fuels, in the horizontal axis, and by their Basic Capabilities Index in the vertical axis.

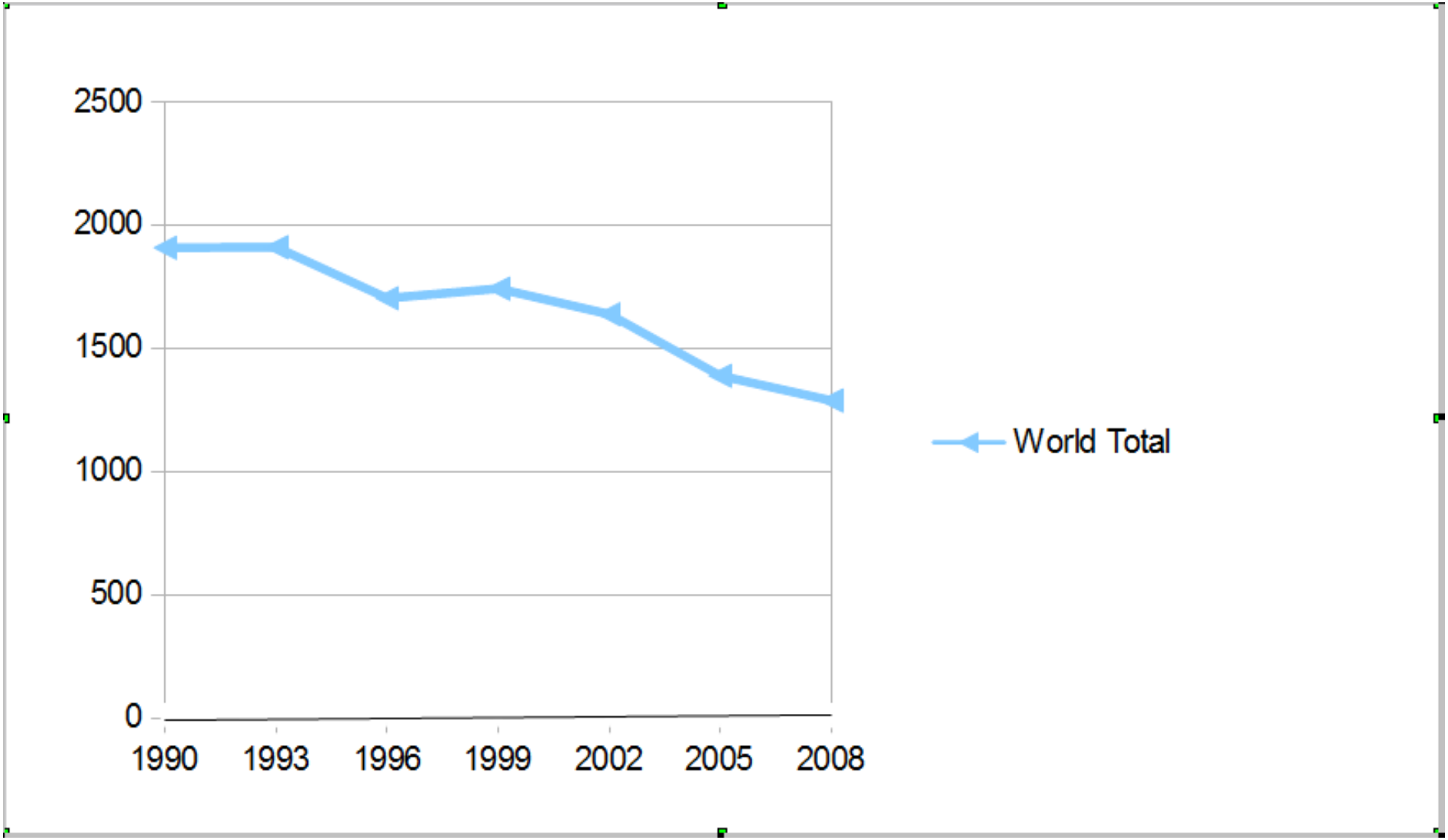
This graph shows that while 50% of carbon emissions are generated by 13% of the population, 45 countries with a total population of 1.2 billion people have managed to achieve social indicators that are better than the world average with per capita emissions of CO_2 from fossil fuels below the world average. And none of them are labelled as “high income.” Yet, the members of that group of the “clean and virtuous” have no recognition or compensation for their achievement. Quite to the contrary, similar to other middle-income countries and those considered as “least developed,” they often find their space for making domestic policy choices to achieve sustainable development squeezed by external demands, conditionalities and impositions that press them to take steps such as slashing tax rates and spending on social services.

The graph also shows that there is no direct relation between better progress on social indicators and CO_2 emissions. With carbon dioxide emissions of three tonnes of per capita a year, Costa Rica and Uruguay have managed to lower their infant mortality rates to the same level as a country that emits 20 tonnes a year: the United States. At the same time, with the same level of emissions as Norway, South Africa has a set of social indicators similar to that of Indonesia, which consumes five times less fossil fuels.

Between 1990 and 2000 the world’s index of basic capabilities improved five points (from 79 to 84) while the world per capita emissions of CO_2 from fossil fuels actually decreased from 4.3 tonnes of coal equivalent to 4.1. In the first decade of the 21stcentury, the social indicators moved uponly 3 points in the global average, but world CO_2 emissions moved up to 4.6 tonnes per capita.

Countries with CO_2 emissions way below the world averages and low rankings on social indicators argue that they need a certain “space” for more emissions in order to ensure an improvement in well being of their populations. This argument is sound, particularly since OECD countries countries have already used up more then their fair share of “atmospheric space” for emissions. However, empirical evidence shows that some countries have managed to reach social indicators at levels comparable to the average of the OECD countries with less than half the world emissions average. OECD members, in turn, not only consume much more than the world average, but have historically contributed to the accumulation of greenhouse gases in the atmosphere and thus used up their share of the atmospheric space.

World poverty under $1.25 a day, according to latest World Bank estimates



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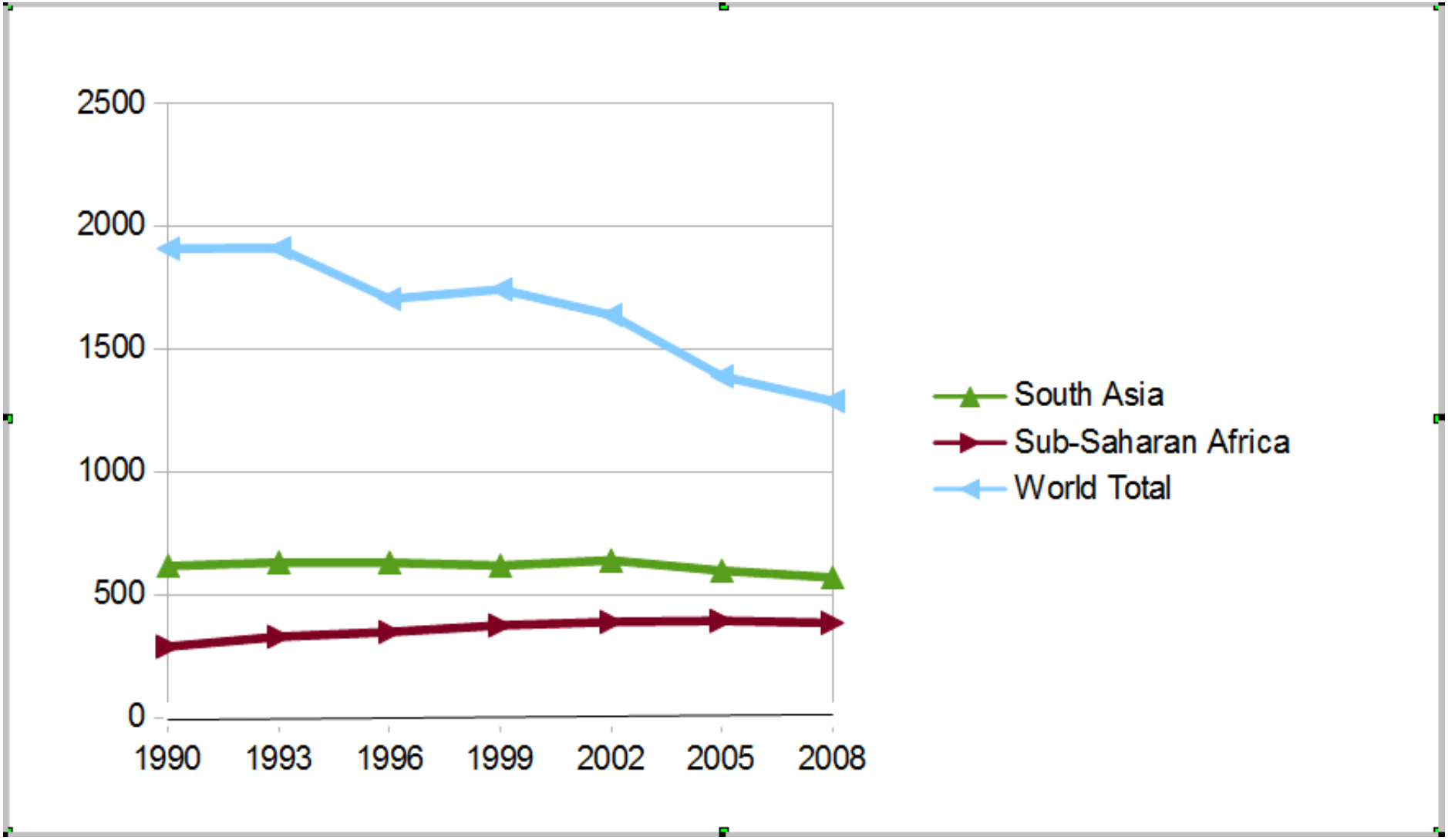

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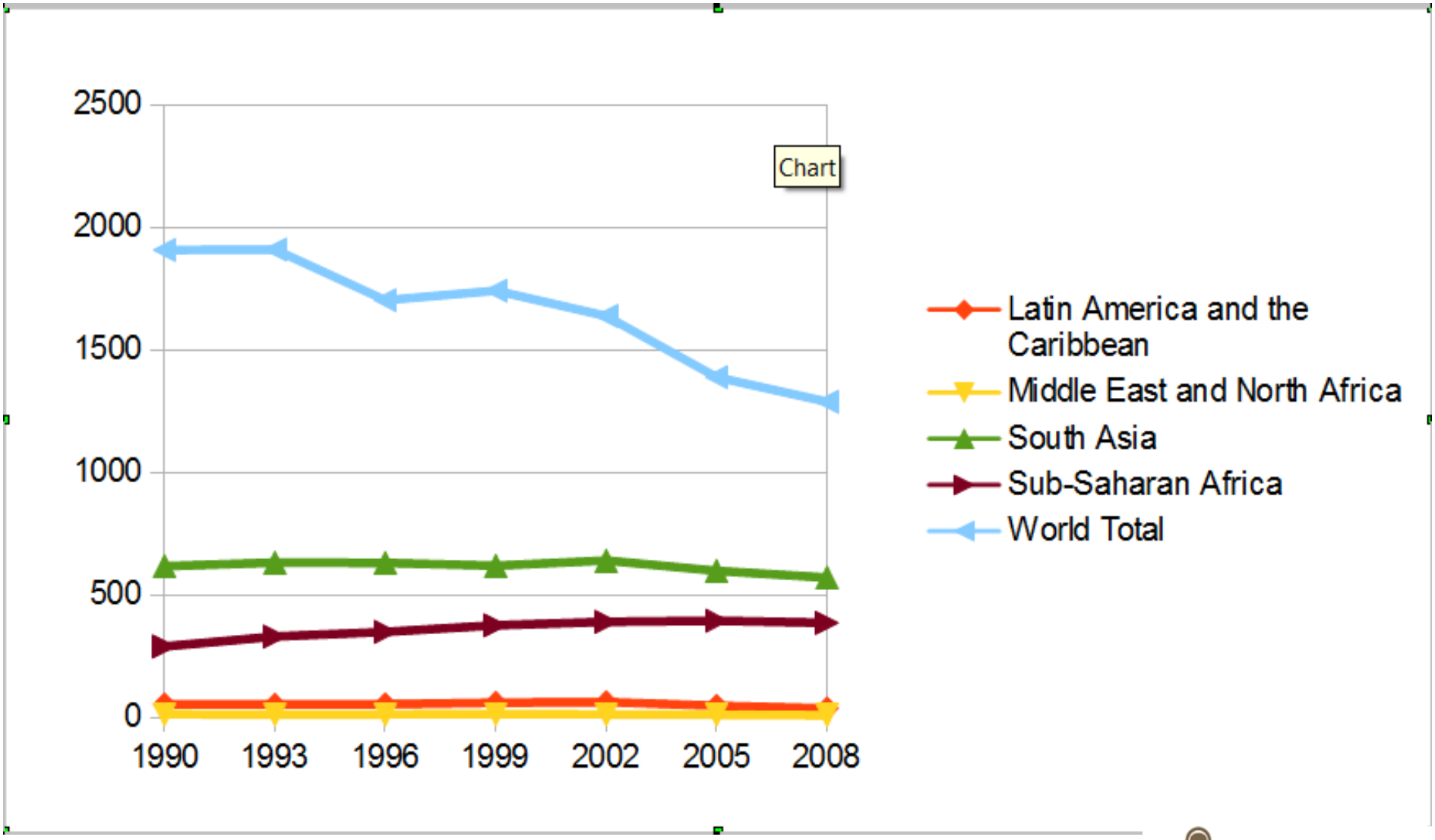

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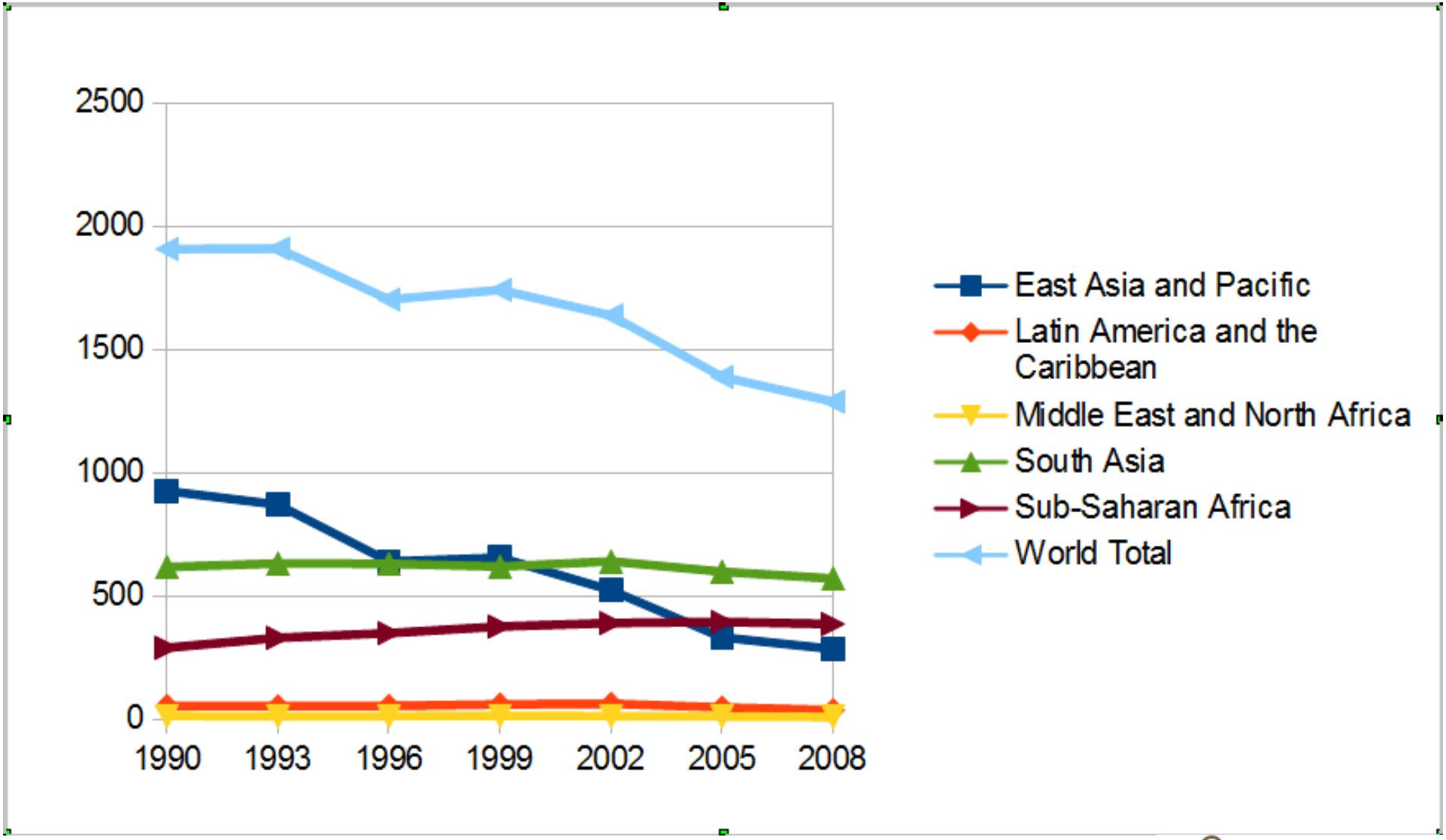


Thanks, China!

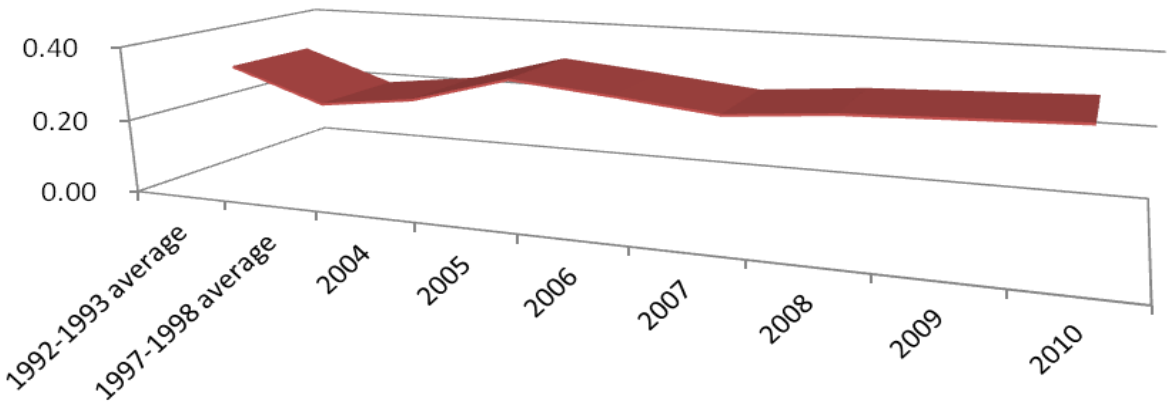
	1990	2002	2005	2008
China				
Population	1,140,000,000	1,260,000,000	1,300,000,000	1,460,000,000
% under $1.25	60.2	28.4	16.3	13.1
Pop. Under $1.25	686,280,000	357,840,000	211,900,000	191,260,000

20 years of ODA

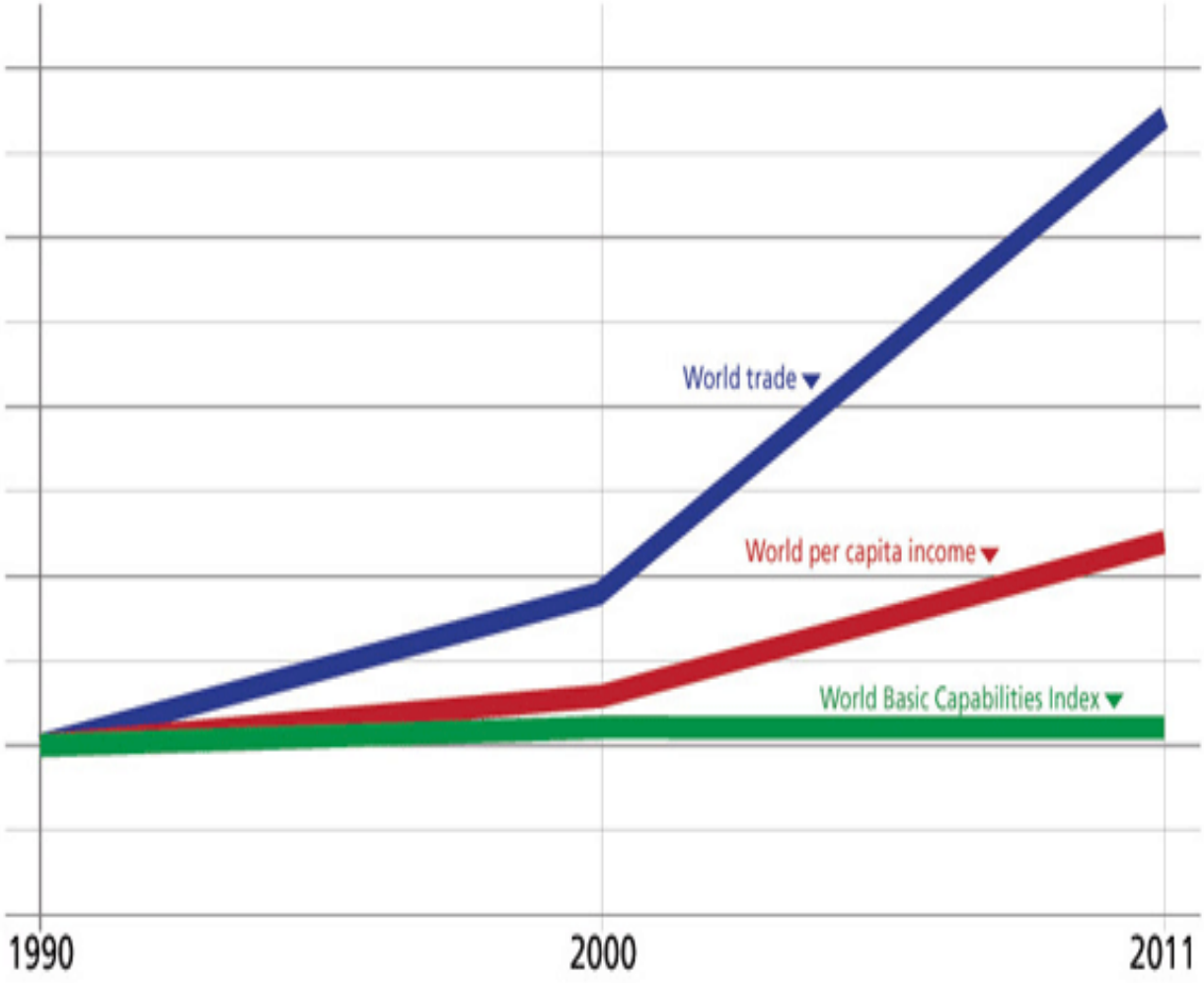
Table 4. Net Official Development Assistance of DAC Countries

Net disbursements at current prices and exchange rates

Per cent of GNI										
1992-1993 average	**1997-1998 average**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	
0.31	**0.23**	**0.26**	**0.33**	**0.31**	**0.28**	**0.30**	**0.31**	**0.32**	**0.31**	**TOTAL DAC**
										of which:
0.44	0.33	0.35	0.44	0.43	0.39	0.43	0.44	0.46	0.45	DAC-EU countries



The boom and the busted



WORLD TRADE
TOTAL WORLD EXPORTS MULTIPLIED ALMOST FIVE TIMES IN TWENTY YEARS, GROWING FROM A TOTAL VALUE OF 781 BILLION US DOLLARS IN 1990 TO 3.7 TRILLION IN 2010.

PER CAPITA INCOME
THE WORLD AVERAGE INHABITANT MORE THAN DOUBLED HER INCOME FROM 4.079 US DOLLARS IN 1990 TO 9.116 DOLLARS A YEAR IN 2010.

BASIC CAPABILITIES INDEX
THE WORLD AVERAGE IN THE INDEX OF ESSENTIAL SOCIAL INDICATORS COMPUTED BY SOCIAL WATCH ONLY GREW 10% IN TWENTY YEARS, FROM 79.3 TO 87.1

To monitor trends in global deprivation, Social Watch has developed a Basic Capabilities Index, which combines infant mortality rates, the number of births attended by trained personnel and enrollment rates in primary school. Together these indicators of basic well-being provide elements of what should be considered a « minimum social floor. » They should add up to 100%, meaning that no children should be out of school, no women should deliver their babies without assistance and no kids born alive, or at least less than 1% of them, should die before their fifth birthday, since the major cause of those avoidable deaths is malnutrition and poverty.

The indicators computed in the BCI are part of internationally agreed goals that reflect what a minimum social floor should achieve. Below that, there is a dignity deficit. Dignity for all is what the UN Charter and the Universal Declaration on Human Rights set out to achieve and what world leaders committed themselves to achieve in the Millennium Declaration.

But the world is far from achieving these basic targets. The BCI moved up only 7 points between 1990 and 2010, which is very little progress. And over this period, progress was faster in the first decade than the second – increasing over four percentage points between 1990 and 2000 and of barely three percentage points between 2000 and 2010. This trend is the opposite for trade and income, both of which grew faster after the year 2000 than in the decade before (see figure). It is surprising that progress on social indicators slowed down after the turn of the century, despite steady growth in the global economy and despite international commitment to accelerate social progress and achieve the MDGs. This slowing trend of social indicators can only get worse as the impact of the global financial crisis that started on Wall Street in 2008 is not yet registered in internationally comparable statistics. The processing of social aggregated data always lags two to three years behind the publishing of the economic indicators.

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The glaringly obvious reason for the divergence between the trends on economic and social indicators is the growing inequality within and between countries. According to the September 2011 issue of “Finance and Development”, a publication of the International Monetary Fund, “in 2010, real per capita income in the United States was 65 percent above its 1980s level and in the United Kingdom, 77 percent higher. Over the same period, inequality in the United States increased from about 35 to 40 or more Gini points, and in the United Kingdom, from 30 to about 37 Gini points. These increases reflect significant adverse movements in income distributions. Overall, between the mid-1980s and the mid-2000s, inequality rose in 16 out of 20 rich OECD countries ». The Gini coefficient is the most used measure of inequality and ranges from 0, when everybody has the same income, to 1 when a single individual receives all the wealth of a society. Brazil is one of the few countries where inequalities have diminished in the last decade from over 60 to nearly 55. The world as a whole is more unequal than any country, with a Gini value of around 70.

Thus, the hard numbers prove that prosperity does not « trickle down.» It used to be common sense that a growing economy benefits the poor, that a rising tide will lift all boats, big or small, or that the pie has to grow first before we can share it, but the trends in terms of the indicators of social progress seem to show the opposite.

It's the rules!

How can hunger be reduced in India?

- Ensure prices for poor farmers (public stocks)

- Ensure food supply for the poor (”food stamps” in US)

Both measures, widely practiced by advanced economies are “illegal” under WTO. An example of “kicking the ladder”.

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Rules that undermine development

IPRs against right to life / health

Agricultural agreement (WTO) against right to food

Bilateral investment treaties against right to health (tobacco vs. Uruguay and others)

Bilateral investment treaties against affirmative action in South Africa

Financial liberalization and secrecy jurisdictions against stability everywhere

Global rules can only be changed by global agreements

Follow the money

Extra-budgetary funds were 20% of the total of the development system of the UN in 1992, they are 80% of the total now.

Private foundations, mainly US-based, are now a major donor to the UN, but their contribution is not transparent. Gates Foundation and UN Foundation play a major role in the post-2015 discussion.

What multilateral finances want

In a joint letter to Ban Ki-moon, the heads of six multilateral development banks and the IMF proposed last July “maximizing the impact of ODA” supporting “new development partnerships” to “leverage the private sector”.

Ban's report ambiguously states that “official development assistance will remain crucial, including for leveraging other finance”.

“Partnerships” is the big new idea

The HLP report and the “Dignity for All” report of the SG both emphasize partnerships with the private sector as key.

While officially the discussion only starts in September 2014, the proposal to create a “Partnership Facility” has already been submitted to the General Assembly.

A constellation of “partnerships”

Every woman every child – CocaCola and many others

Sustainable Energy for All – Bank of America, Korean and Brazilian construction firms

Education First – MasterCard, Western Union

Nutrition, Sanitation, Oceans, Internet...

UN Women's
“Leadership Advisory Council”

1. Mr. Jean-Paul Agon: Chairman & Chief Executive Officer, **L’Oréal**
2. Mr. Dominic Barton: Chief Executive Officer, **McKinsey & Company**
3. Mr. Lloyd C. Blankfein: Chairman & Chief Executive Officer,

   Goldman Sachs Group, Inc.
4. Ms. Maureen Chiquet: Global Chief Executive Officer, **Chanel**
5. Mr. Mark Cutifani: Chief Executive Officer, **Anglo American** plc
6. Mr. Rick Goings: Chairman & Chief Executive Officer, **Tupperware**

   Brands Corporation
7. Mr. Christopher Graves: Global Chief Executive Officer, **Ogilvy** Public Relations
8. Ms. Sally Kennedy: Chief Executive Officer, **Publicis** Dallas
9. Mr. Muhtar Kent: Chairman & Chief Executive Officer, The **Coca-Cola** Company
10. Mr. Paul Polman: Chief Executive Officer, **Unilever**

Back to the Millennium Declaration?

I. Values and principles

II. Peace, security and disarmament

III. Development and poverty eradication

IV. Protecting our common environment

V. Human rights, democracy and good governance

VI. Protecting the vulnerable

VII. Meeting the special needs of Africa

VIII. Strengthening the United Nations