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Post-2015 Development Agenda and Sustainable Development Goals: Perspectives of the South Centre




Post-2015 Development Agenda and Sustainable Development

The United Nations' Post-2015 Development Agenda should not simply extend MDGs, or reformulate the goals, but focus instead on global systemic reforms to remove main impediments to development and secure an accommodating international environment for sustainable development. This is a big, ambitious agenda which cannot be acted on overnight. An action plan for systemic reforms could be supplemented, but not substituted, by specific goals in some areas of economic and social development. This paper was presented to a brainstorming workshop of the G77 and China held in the UN in New York in February.

By Yılmaz Akyüz

1. Moving away from MDGs to development proper

The Millennium Development Goals (MDGs) were not developed as a global agenda for development. They were pulled out of the Millennium Declaration by UN staff in an *ad hoc* fashion. It is not the outcome of intergovernmental negotiations on a global development agenda, properly integrating its international and national dimensions.

MDGs are based on a donor-centric view of development with a focus on poverty and aid. They do not embrace a large segment of the population in the developing world, notably in middle-income countries, which fall outside the thresholds set in MDGs but still have their development aspirations unfulfilled.

We should not repeat this process if we want a genuinely global development agenda, drawing on the lessons from the development experience in the past few decades of growing international interdependence. This is all the more so if we want change. MDGs were set according to what was seen feasible on the basis of global trends observed in the two decades preceding the Millennium Summit. But if we want change, we should not simply reset targets for similar objectives on the basis of current underlying trends. Rather, we should set a framework that should move the trend by altering the main parameters of the international economic system in support of development.

It would be agreed that development is much more than the sum total of MDGs or any such arbitrary collection of a limited number of specific targets. But it is not possible to reach an international agreement on all important dimensions of economic and social development and environmental protection. Any international agreement on such specific development targets would naturally be selective, leaving out many dimensions to which several countries may attach particular importance. Thus, instead of focusing on selective specific targets in the areas of economic and social development and environmental protection, we should aim at creating an enabling international environment to allow each and every country to pursue developmental objectives according to their own priorities with policies of their own choice.

2. Economic growth and development

We all know what development means – we do not need to reinvent the wheel. The primary objective of developing countries is economic development. Social dimension is and has always been a built-in component of economic development.

Sustained economic growth is absolutely necessary for progress on the social front. No country has ever achieved constant improvements in living standards and human development indicators without sustaining a rapid pace of economic growth.

Without this, progress in human and social development would naturally depend on external and domestic transfer mechanisms – that is, aid and redistribution of public spending, respectively. Since there are limits to such transfers, social progress cannot go very far without an adequate pace

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Slum houses in an unhealthy environment co-existing with modern high-rise buildings is a stark contrast that depicts poverty and inequality -- two issues that should have priority in the Development Agenda.

of income and job generation.

This was most clearly expressed by Raúl Prebisch, the first Secretary-General of UNCTAD, in the remarks he made in 1979 on the "meagre results achieved since the first United Nations Conference on Trade and Development":

Another idea has now appeared which fires the enthusiasm of some Northern economists, that of eradicating poverty – a phenomenon which, apparently, they have just discovered. Who could refuse to fight against poverty? ... But, is this possible outside the context of development and an enlightened international co-operation policy?

Industrialization is essential for reducing income, productivity, technology and skill gaps with more advanced economies since there are limits to growth and development in commodity-dependent and service economies. It takes different shapes at different levels of development. But, it is not beyond reach even for relatively small economies such as Taiwan (23 million), Switzerland (8 million) and Singapore (5 million). On the other hand, many resource-rich economies (e.g. United States and Sweden) closed income gaps with more advanced economies of their times only through industrial development.

3. Social development

We also know that there is no automatic trickle down from economic growth to human and social development. Policies and institutions are needed to translate economic growth to social development.

Job creation holds the key to improvements in living standards and to human development. But economic growth is not necessarily associated with creation of jobs at a pace needed to fully absorb the growing work force. Thus, active policies are needed to provide secure and productive job opportunities.

Equity is an important ingredient of social cohesion and development. Prevention of widened inequality in income distribution calls for intervention in market forces, targeted policies and correctives.

4. Environment

Finally, we all know that protection of the environment is essential for the sustainability of economic growth and development. In designing industrialization and development strategies and policies, attention needs to be paid to their environmental consequences. In fact, environmental sustainability is an integral part of industrial policy.

5. Key developmental objectives

These together give the key policy objectives for development:

i. *Rapid and sustained economic growth*

ii. *Industrialization*

iii. *Full employment*

iv. *Greater distributional equity*

v. *Environmental sustainability*.

These encompass all three areas of sustainable development – economic and social development and environmental protection.

6. National policies

Prime responsibility for economic development lies with the countries concerned. Success depends on effective design and implementation of industrial, macroeconomic and social policies as well as an appropriate pace and pattern of integration into the global economic system. This calls for a genuine departure from policies fashioned on the Washington Consensus over the past two decades.

Industrialization and development cannot be left to market forces alone and least of all to global markets. Successful development is associated neither with autarky nor with full integration into world markets dominated by advanced economies, but strategic integration in trade, investment and finance designed to use foreign markets, technology and finance in pursuit of national industrial development.

7. The international context

To succeed in development, developing countries need to have adequate policy space. However, their policy space is considerably narrower than that enjoyed by today's advanced economies in the course of their industrialization because of the tendency of those who reach the top to "kick away the ladder" and deny the followers the kind of policies they had pursued in the course of their development.

It is necessary to reform multilateral and bilateral arrangements to allow developing countries as much economic policy space as those enjoyed by today's advanced economies in the course of their industrialization and development.

Developing countries also enjoy much less environmental space than that enjoyed by today's advanced economies in the course of their industrialization, and hence face greater constraints in attaining growth and development without compromising future generations' well-being. Centuries of industrial development in advanced economies have left very little carbon space and much of it is still being used by advanced economies because of a very high per capita emission of carbon dioxide and other harmful gases. Developing countries thus face the dilemma of either sacrificing growth and development or incurring large costs of mitigation to cope with the limited carbon space.

In the same vain, global warming and increased instability of climatic conditions are already inflicting significant costs on several poor developing countries, including those dependent on agricultural commodities and small -island economies.

Thus, action is also needed at the international level in order to ease the environmental constraints over economic growth and development in developing countries and to compensate the costs inflicted on them by environmental deterioration resulting from years of industrialization in advanced economies.

Finally, there is a need for a development-friendly global economic environment. We need mechanisms to prevent adverse spillovers and shocks to developing countries from policies in advanced economies or destabilizing impulses from international financial markets.

8. Systemic reforms

Adequate policy space and a development-friendly global economic environment call for action at the international level on several fronts:

i. Review multilateral rules and agreements with a view to improving the policy space in developing countries in pursuit of economic growth and social development.

ii. Attention to the international intellectual property (IP) regime with a view to facilitating technological catch-up and improving health and education standards and food security in developing countries.

iii. Industrial, macroeconomic and financial policies of developing countries are severely constrained by bilateral investment treaties (BITs) and free trade agreements (FTAs) signed with advanced economies. These agreements are designed on the basis of a corporate perspective rather than a development perspective and they give considerable leverage to foreign investors and firms in developing countries. They need to be revised or dismantled.

iv. Remove terms unfavourable to commodity-dependent developing countries in contracts with transnational corporations (TNCs) to enable them to add more value to commodities and obtain more revenues from commodity-related activities.

v. Establish and effectively implement a legally binding multilateral code of conduct for TNCs to secure social responsibility and accountability and prevent restrictive business practices.

vi. Introduce multilateral mechanisms to bring discipline policies in advanced economies to prevent adverse consequences for and spillovers to developing countries, including agricultural subsidies, restrictions over labour movements and transfer of technology and beggar-my-neighbour monetary and exchange rates policies.

vii. Establish mechanisms to bring greater stability to exchange rates of reserve currencies and prevent competitive devaluations and currency wars, such as those seen during the current crisis.

viii. Reduce global trade imbalances through faster growth of domestic demand, income and imports in countries with slow growth and large current account surpluses in order to allow greater space for expansionary policies in deficit developing countries.

ix. Full employment should be declared as a global objective, to be pursued by all countries without resort to beggar-my-neighbour exchange rate, trade and labour-market policies.

x. Reversal of the universal trend of growing income inequality should also be a global goal. This calls for reversing the secular decline in the share of labour in income in most countries. This goal could be pursued through various means to establish a level playing field between labour and capital, including greater international mobility of labour, regulation of international financial markets and capital movements, more equitable taxation of wage income and incomes from capital and financial assets, prevention of tax competition and a code of conduct for TNCs. Pursuit of such a goal calls for breaking the dominance of finance and corporate interests in the formulation of policies and operation of the global markets. No single country alone can do this – it should be pursued collectively at the global level.

xi. Regulate systemically important financial institutions and markets, including international banks and rating agencies and markets for commodity derivatives with a view to reducing international financial instability and instability of commodity prices.

xii. Establish impartial and orderly workout procedures for international sovereign debt to prevent meltdown in developing countries facing balance-of-payments and debt crises.

xiii. Compensate costs inflicted on developing countries by global environmental deterioration and climate change.

xiv. Secure a fair and equitable allocation of usable carbon space between advanced economies and developing countries, taking into account cumulative contributions of advanced economies to atmospheric pollution. Even then, developing countries should not incur additional costs to accommodate the tightened carbon space constraints such as those involved in developing and using cleaner technology or energy sources. Transfer of technology for these purposes should be greatly facilitated and provisions in the international IP regime impeding such transfers should be revised.

xv. Introduce international taxes in areas such as financial transactions or energy to generate funds for development assistance as well as for financing the costs of climate change mitigation and adaptation in developing countries.

xvi. Reform international economic governance in ways commensurate with the increased participation and role of developing countries in the global economy. Re-examine the role, accountability and governance of specialised institutions such as the IMF, the World Bank and the WTO, and the role that the UN can play in global economic governance.

It is not possible to classify these systemic reforms under the three components of sustainable development as economic, social or environmental goals because in most cases they affect more than one component of sustainable development. The sum total of such measures should constitute an action plan to create an enabling environment for sustainable development.

9. The way forward

Post-2015 agenda for development should not simply extend MDGs, reformulating the goals, dropping one or two and adding a few in areas such as environment and human rights. It should focus, instead, on global systemic reforms to remove main impediments to development and secure an accommodating international environment for sustainable development.

This is a big, ambitious agenda which cannot be acted on and achieved overnight. It should be prioritized and taken up in an appropriate sequence.

If found necessary, an action plan for systemic reforms could be supplemented, but not substituted, by specific goals in some areas of economic and social development. Such goals should better be set for the principal drivers of development, notably growth, employment and distribution, rather than for specific areas of human development as in MDGs.

International action for systemic reforms should be formulated as explicit commitments with appropriate time frames, going well beyond the generalities of Goal 8 of the MDGs. Without this, global partnership for sustainable development would remain an empty rhetoric.

Yılmaz Akyüz is Chief Economist of the South Centre.

SDGs: Overall Conceptual Framework

This paper of the South Centre on the overall concept of the SDGs was presented by its Executive Director Martin Khor during the expert panel at the opening day of the first session of the UN's open working group on SDGs held in the General Assembly hall on 14 March 2013. It had also been presented to a meeting of the G77 and China in New York as part of its preparation for the meetings of the UN working group on SDGs.

The Sustainable Development Goals (SDGs) process should be coherent with the Development Agenda process in that the design, structure and choice of SDGs should be in line with what developing countries want to achieve in the Development Agenda.

The SDGs should not be a set of goals for only developing countries to undertake as a kind of conditionality or new obligations applying only to them and only at national level. The Rio plus 20 outcome decided that the goals are "universally applicable to all countries", including the developed countries.

Since this is being formulated in the UN in the context of international cooperation, the **international cooperation aspects are crucial.** While the developing countries also take on national goals, they should be supported by:

(a) corresponding actions of developed countries that support (and not be a barrier to) developing countries' efforts;

(b) actions at the level of the international economic, financial, trade, technology and social systems, to support and enable developing countries' actions/efforts;

(c) provision of finance and technology and other means of implementation.

It is proposed that the **structure of the SDG framework** should comprise:

(1) Principles and modalities.

(2) A section or sections on goals, targets and actions at the level of the international system that will be supportive of the developing countries' achievement of SDGs. This will be a more elaborate and systematic version of Goal 8 (Global Partnership for Development) in the Millennium Development Goals (MDGs). This will be a general section not necessarily categorized as economic, social or environmental.

(3) Sections on Economic, Social and Environmental Goals.

a. In each section, there should be a number of goals. In order to have balance between the three pillars/dimensions of sustainable development, there can be an equal number of goals in each pillar. Each goal will be accompanied by a number of targets.

b. For each goal, there can be differentiation between developed and developing country goals and targets. There can be a preambular part in each goal that explains the issue and perhaps the actions required.

c. For the goal pertaining to developing countries, there can be the following structure: (a) The goal; (b) The international factors or targets that have to be established or reformed or removed in order to enable the developing countries' goals and targets to be met, including providing sufficient policy space for national development; (c) National Sub-goals or Targets; (d) The means of implementation (finance, technology) required by developing countries.

(4) A general section on means of implementation (especially financial resources and technology transfer and development).

Categories of Issues that Can Be Basis for Formulating the Goals: In the Rio+20 process, much attention was centered on environmental goals. In order to implement a balanced approach, it is imperative for developing countries to put forward goals under economic and social pillars in order to provide an overall balance. Also, developing countries can put forward their own views on what the environmental goals and targets will be.

On the economic pillar, the following are categories of economic issues for developing countries from which goals could be drawn:

1) Adequate rate of economic growth, which is inclusive, sustainable

The UN open working group on SDGs had its initial meeting at the General Assembly room in New York. South Centre's Executive Director Martin Khor was invited to speak in the expert panel on conceptual aspects of the SDGs in the afternoon of the opening day of this first session.

and sustained.

2) Financial stability, with adequate regulation and a reformed global financial architecture.

3) International financing for development.

4) Effectively addressing debt problems of developing countries, including through an international debt restructuring mechanism.

5) Trade and development.

6) Technology transfer and development, and orienting the intellectual property rights (IPR) regime towards sustainable development.

7) Promoting industrialization in developing countries.

8) Promoting sustainable agriculture in developing countries.

9) Commodities: prices and revenues; adding value through processing and industry; speculation in commodity markets.

10) Importance of developing countries having adequate policy space and instruments to put into effect policies in the above mentioned areas.

In relation to social issues, the following categories of issues were raised:

1) Poverty eradication.

2) Redistribution policies and measures.

3) Policies and measures to reduce inequalities at national and international levels.

4) Objective of full employment and adequate livelihoods.

5) Access of the poor to affordable health, food, water and sanitation, energy, education.

6) The global food crisis and food security.

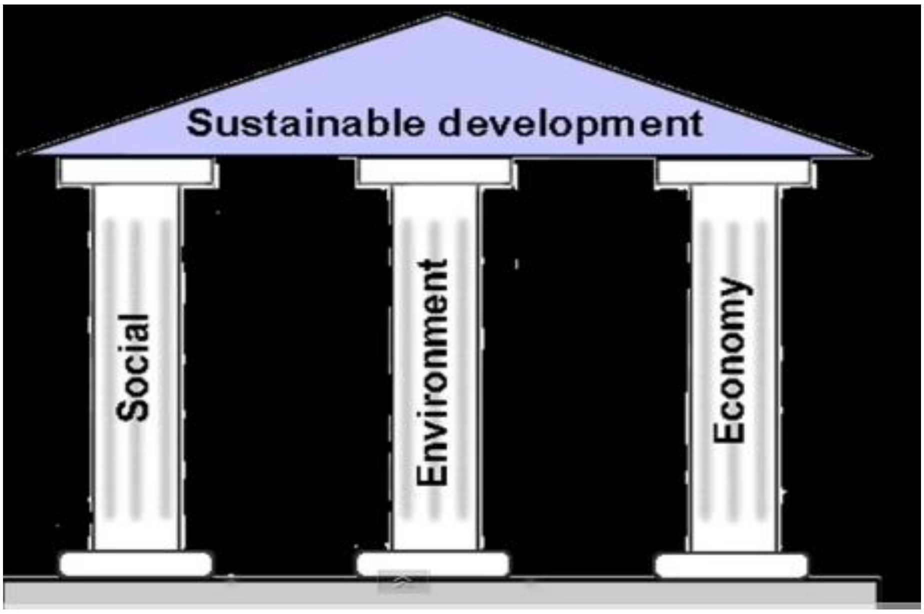
7) Social protection measures.

8) Importance of international environment and partnership and support to enable developing countries to achieve the above, through finance, technology transfer, trade policies.

On environmental issues, the following categories can be used:

1) Atmosphere and climate.

2) Oceans and seas.



3) Water

4) Forests

5) Biodiversity

6) Toxic chemicals and waste.

7) Sustainable Agriculture

8) Sustainable consumption and production patterns.

9) Importance of international environment, partnership and support (international system and policies of developed countries that can support and achieve the above).

In formulating each goal, the three dimensions of sustainable development will be given consideration. Thus though an issue may be primarily economic (e.g. promoting agriculture sector), the social aspects (e.g. access to land and credit for small farmers) and environmental aspects (ecologically sound techniques) will also be considered.

Developed countries will also be obliged to undertake goals and targets. In establishing these, the interests of developing countries will be fully taken into account, e.g. that there not be negative effects on developing countries; and that the targets are adequate in order that developing countries have more environmental and development space. A key broad goal that is important for developed countries is sustainable patterns of consumption and production.

Especially since the goals will be applied to all countries, the principle of common but differentiated responsibility (CBDR) must be applied in a central way when formulating the goals and targets.

Principles of SDGs: The principles will guide the entire SDG process. These principles should be drawn from the Rio plus 20 outcome (especially paragraphs 246, 247). This can be supplemented by the March 2012 G77 position. In accordance with the Rio+20 outcome (para 246), the principles should include:

(a) The SDGs should be based on Agenda 21 and Johannesburg Plan of Implementation (and also Rio+20 outcome and other UN conferences on economic, social and environmental issues).

(b) The formulation and implementation of SDGs shall fully respect all Rio Principles, taking into account different national circumstances, capacities and priorities.

(c) The SDGs are to be consistent with international law.

(d) The SDGs should build upon commitments already made, and contribute to the full implementation of the outcomes of all major Summits in the economic, social and environmental fields, including Rio+20.

(e) These goals should address and incorporate in a balanced way all three dimensions of sustainable development and their inter-linkages.

(f) They should be coherent with and integrated in the United Nations Development Agenda beyond 2015.

(g) They should contribute to the achievement of sustainable develop-

Sustainable development, a rich and complex concept, should be operationalized to give a safe and sound future for our children.

ment and serve as a driver for implementation and mainstreaming of sustainable development in the United Nations system as a whole.

(h) The development of these goals should not divert focus or effort from the achievement of the Millennium Development Goals.

Other agreed features of the SDGs (as taken from para 247) are that the SDGs should be action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities. The goals should address and be focused on priority areas for the achievement of sustainable development. Governments should drive implementation with the active involvement of all relevant stakeholders, as appropriate.

On the **interface between the SDGs and the development agenda,** there are at least two schools of thought. One is that there should be a convergence of the MDGs, SDGs and the post-2015 development agenda up front (i.e. now or as soon as possible). Another view is that it is too early to decide on the issue of convergence as there are various processes taking place at the same time, and it is not possible at the moment to ascertain whether it would be positive or possible to combine the processes. Moreover, the history, background and principles and understandings underpinning the SDG process may differ from those of the Development Agenda and the MDG processes, thus creating difficulties in a marriage of the two. It is clear that developments in one stream of work should inform and influence the other stream, and modalities should be established for such interaction. The two different processes can also converge in two future places: the outcomes of both can be launched at the envisaged Development Summit in 2015, as two separate outcome documents. Convergence can also take place if the follow up activities for the outcomes of the SDGs and the Development Agenda are both located in a common home, such as the High Level Political Forum on Sustainable Development.

On the **Open Working Group (OWG),** the presence and participation of the G77 and China and its Chair is vital not only to advocate the views of the Group but as an essential contribution to reaching an agreement. The common positions of the Group would also be an important guideline for the members of the working group. The OWG's deliberations should be opened for the presence and participation of all Member States, as far as possible, and as a rule rather than an exception.

Example of SDG using proposed structure: Food and Agriculture

Goal: Promote sustainable agriculture and small farmers' livelihoods/incomes in developing countries.

Explanation: Agriculture is a vital sector in developing countries, as it employs a large section of their populations, and there is a high concentration also of poverty, while the countries' food security relies on the growth of this sector. However, there are many problems including international issues such as imbalances in the global agricultural trade (including high subsidies in developed countries), inability of small farmers to compete with often subsidized imports due to lowered tariffs, and inadequate international funding for agriculture. National level problems facing small farmers include lack of access to land, lack of credit, and high costs of inputs leading to indebtedness. Due to the spread of chemical/industrial agriculture, which is environmentally harmful (including as a major source of greenhouse emissions) there is also a need for a transition to ecologically sound farming, in many areas.

Examples of Subsidiary Goals and Targets to be developed for:

1. Changes in rules of global trade and commodity markets required for achieving sustainable agriculture and food security
2. Reduction of agricultural subsidies in developed countries: (Targets with dates/figures)
3. Trade policy in developing countries that promote small farmers' livelihoods, food security and rural development (three principles accepted in WTO Doha negotiations)
4. Increase in international funding including aid to agriculture in developing countries
5. National goal for increase in production of food, and assistance to farmers for production
6. Access by small farmers to land and security of land tenure
7. Access by small farmers to credit and marketing facilities
8. Target for development of and transition to ecological farming and for rehabilitation of soils, irrigation, etc.
9. Means of implementation (international finance and technology transfer) to support national policies in developing countries

SDGs: Poverty Eradication


Anjum Naveed/AP

For some families in the developing world, home is a shack and kitchen is in the open compound. Poverty eradication must be a central concern of the SDGs, and the global factors must also be addressed to make the national policy measures possible.

This is a brief paper on conceptual aspects of poverty eradication as an issue for the SDGs.

In line with our overall approach to the SDGs, the issue of poverty eradication should have goals and targets for countries but also for the international dimension, which includes the Global Partnership for Development (that involves policies relating to global macro-economics, debt, trade, finance, and access to technology) and the means of implementation (i.e. finance and technology for developing countries).

Poverty eradication has economic, social and environmental dimensions. We should have an overall goal of eradicating poverty as soon as possible. One priority is to eliminate extreme poverty altogether by a certain date to be determined. Another is to very significantly reduce poverty (measured for example by income of two dollars a day) by a target date. To do this, we need to tackle the economic roots of poverty. There should also be social and environmental related measures.

On the economic pillar, poverty eradication requires generation of employment, which includes jobs in the urban areas and livelihoods in the rural areas. This requires job-intensive economic growth. Economic growth in turn requires: (1) macro-economic policies that are oriented towards growth and job creation, including fiscal and monetary policies that place highest priority on growth, employment and development; (2) longer-term development policies that involve the development of productive capacity of developing countries in industry, agriculture and services; (3) the development, transfer and access to affordable technology in developing countries.

However developing countries can implement such economic policies only if they are supported by a positive and enabling international environment.

The international environment or international institutions and factors had previously placed conditions or rules that had adverse impacts on developing countries. This had been done through loan conditionalities (that included structural adjustment policies), aid conditionalities, and some of the rules in WTO and bilateral trade and investment agreements. Some examples of international factors that have impacted on poverty in developing countries are as follows:

- In the past many developing countries had been affected by structural adjustment policies that included growth-contracting macro-economic policies, better known today as austerity measures including severe budget cuts that depressed effective demand and prevented spending for social development; these austerity measures are still advocated by the IMF to many developing countries.

- The structural adjustment policies also included sudden and extreme trade liberalisation policies that reduced tariffs in developing countries, which led to the closure or reduction of small farms and local industries in many developing countries. The loss of jobs and livelihoods was a major cause of poverty. This extreme import liberalisation is still on the agenda of free trade agreements, that asks the developing countries to cut 80 to 100 per cent of all their tariffs to zero, over a ten-year implementation period, with a significant number upfront.

- The TRIPS agreement in the WTO also mandated that developing countries introduce strict IPR regimes, that affected prices of essentials especially medicines, making some of them beyond the reach of the low and middle income groups.

- The global financial crisis in 2007-2010 that originated in the Western countries had a significant adverse effect on developing countries through reduction in exports, fall in commodity prices, reduced tourism, and reduced commercial credit. The growth rates of most developing countries were significantly reduced.

Therefore there should also be goals at the level of the international system that include: (1) loan and aid conditions including during bailouts that provide policy space to be provided to developing countries to have macro-economic policies and fiscal policies that give priority to growth and social development, and not one-dimensional in inflation-targeting or "austerity policies" and steep cuts in budgets; (2) a favourable trading system including multilateral trade rules and bilateral/regional trade arrangements, that are oriented towards the needs of the poor (such as small farmers and the urban poor) in developing countries; thus goals such as promoting small farmers' livelihoods, food security and rural development and permitting subsidies for poor farmers in developing countries in trade rules are important; (3) sufficient financing for development, including during periods of external shocks or unfavourable conditions such as commodity price declines and natural disasters; (4) establishing an effective system for resolution of external debt problems in developing countries; (5) international mechanism to assist developing countries address significant falls in commodity prices; (6) international mechanisms to assist developing countries affected by the global recessionary conditions.

On the social pillar, poverty eradication can be addressed by high priority to be given to social development. This includes public-sector spending on health, education, food security, water and a policy to employment generation and rural livelihoods. There should be adequate supply of social services. An aspiration is the universal access of the public to basic services such as health care and education, and to food. A method is for the government to provide income transfers or the provision of food and health care which are targeted at the poor families, as introduced in some countries. However we must recognise that such an aspiration to universal access to services or to such transfers is dependent on the governments of developing countries having (1) adequate policy space that is not hindered by inappropriate loan and aid conditionalities, including austerity measures; and (2) the required funds. If such funds are not available, then the international dimension becomes critical. Thus there should also be goals for the international system to support and enable developing countries to address the social dimensions of poverty eradication. The setting up of an international social fund to finance social programmes in developing countries, such as that proposal by the Special Rapporteur on the right to food, is worth considering. Another proposal is to develop or expand international initiatives to enable access to affordable medicines, and access to knowledge and information.

On the environmental pillar, we should recognise that the poor are often most vulnerable to the effects of pollution and resource depletion or scarcity. We could therefore consider the issue of sheltering the poor and vulnerable groups from the effects of environmental damage. However many developing countries do not have the adequate resources to adequately address environmental issues as they do not want to divert scarce funds away from social development or economic goals. Therefore the means of implementation are also crucial for them to address the environmental dimension of poverty eradication.

Besides these issues above, which combine goals for countries to aspire to, and global-level goals to support the efforts of developing countries, we believe there should also be a separate section in the issue of poverty eradication devoted to means of implementation, i.e. the provision of international financial resources and technology access and transfer. This section could include the issues raised above such as sufficient financing for development, debt issues, meeting the financing shortfall of countries affected by the global economic recession, as well as the provision of technology to support the growth of productive capacity and thus the generation of jobs.

What Rio+20 said about poverty eradication

105. We recognize that, three years from the 2015 target date of the Millennium Development Goals, while there has been progress in reducing poverty in some regions, this progress has been uneven and the number of people living in poverty in some countries continues to increase, with women and children constituting the majority of the most affected groups, especially in the least developed countries and particularly in Africa.

106. We recognize that sustained, inclusive and equitable economic growth in developing countries is a key requirement for eradicating poverty and hunger and achieving the Millennium Development Goals. In this regard, we emphasize that national efforts of developing countries should be complemented by an enabling environment aimed at expanding the development opportunities of developing countries. We also emphasize the need to accord the highest priority to poverty eradication within the United Nations development agenda, addressing the root causes and challenges of poverty through integrated, coordinated and coherent strategies at all levels.

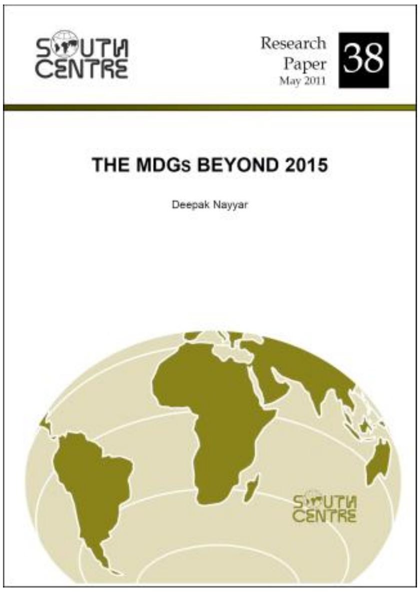
107. We recognize that promoting universal access to social services can make an important contribution to consolidating and achieving development gains. Social protection systems that address and reduce inequality and social exclusion are essential for eradicating poverty and advancing the achievement of the Millennium Development Goals. In this regard, we strongly encourage initiatives aimed at enhancing social protection for all people.

The MDGs Beyond 2015

The South Centre has published a Research Paper on "The MDGs Beyond 2015" written by Prof. Deepak Nayyar, a renowned Indian economist, former chief economic advisor to the Indian government and presently Vice Chair of the South Centre Board.

The paper provides a comprehensive critique of the MDGs approach and proposes the way forward in designing a new Development Agenda.

Download the paper from the following URL: http://www.southcentre.int/wp-content/uploads/2013/05/RP38_MDGs-beyond2015_EN.pdf .



South Centre Paper on Sustainable Development Goals

SDGs: Food Security and Sustainable Agriculture

The attainment of food security and the move towards sustainable agriculture, including increased food production in developing countries, are among the most important issues in the SDGs.

In line with the conceptual approach taken by the G77 and China, as in the statement at the second session of the Open Working Group on SDGs on 17 April, it is important that in considering this issue, the international factors linked to enhanced global partnership are taken into account, as well as the means of implementation, together with the national actions to be taken by countries.

This approach is essential because the formulation of laudable goals at the national level would not be attainable unless the structural factors, including international factors, are addressed. Similarly, developing countries require international cooperation in finance, technology transfer and capacity building (the means of implementation) if they are to achieve the goals in these issues.

The Future We Want, ie the outcome of Rio + 20, deals with food and agriculture issues in its paras 108-118. Many of the points we need can be drawn from there.

International factors

On the international factors, the following points are important. First, the world trading system remains in need of reform in respect of agriculture, the sector where significant distortions are still very significant and where the rules are skewed against the developing countries. Para 118 recognises the need for an open and equitable multilateral trading system that promotes rural development and food security. Therefore there should be goals and targets in the trade area.

There are still massive amounts of subsidies and supports provided by the developed countries. According to OECD estimates, the subsidies given to farm producers in all OECD countries totalled US$252 billion in 2009, which is 22% of the value of gross farm receipts in that year, a level similar to 2007 and 2008. (In some commodities the support is very high; in the case of rice, commodity specific support amounted to 60% of total producer rice receipts.) If other supports are also counted, such as infrastructure, marketing and consumer support, the total support estimate rises to $384 billion in 2009 for the OECD countries.

Issouf Sanogo/AFP/Getty Images

Farmers in Ivory Coast hand pick cotton. These poor cotton farmers would have a better income if cotton subsidies in rich countries are reduced or eliminated.

Developing countries can never match that kind of subsidies, which are unfair to them, because cheaper imports coming from some OECD countries compete with and overwhelm their local products, and furthermore the developing countries are also unable to compete in third markets. The case of cotton is well known. Many farmers in developing countries have lost their market share and even their livelihoods due to the unfair system. Many countries, including LDCs that were self sufficient in food or exporters of food have become dependent on imports.

Therefore one of the targets in a SDG for food and agriculture is that the export subsidies in developed countries should be eliminated as soon as possible (in fact the 2005 WTO Ministerial agreed on an elimination target year of 2013) and that trade distorting subsidies in developed countries should be very drastically reduced as soon as possible too.

Meanwhile, the WTO has agreed on the principle that developing countries should be allowed to take measures to promote their food security, farmers' livelihoods, and rural development. However, there has not been agreement yet on how to translate these principles into concrete rules and measures. Therefore another goal or target should be **that concrete measures and rules should be established as soon as possible to put into effect the principle that developing countries be enabled to promote food security, farmers' livelihoods and rural development in the multilateral trade rules, as well as in other trade agreements.**

Another international factor is the need for increased international priority and financing to be provided to supporting food security and agriculture production in developing countries. In previous decades, this priority and funding had declined very significantly. Therefore another goal or target should be that **international funding for developing countries to develop their agriculture production and to improve their food security situation should be significantly increased.**

Another major issue recognised in paras 116 and 117 is the need to curb excessive food price volatility and to address its root causes including structural causes. There is growing evi-

(Continued on page 11)

South Centre Paper on Sustainable Development Goals

SDGs: Full Employment As A Top Priority Goal

The following South Centre paper on SDGs and Employment argues that Full Employment should be a top priority development goal, on a similar level to poverty eradication and economic growth. Thus it should be a major objective of developing countries to get Full Employment accepted as a major SDG. The Rio+20 outcome document mentions Full Employment in several paragraphs (see details of this at the end of the General Section).

This paper first stresses the global dimension (what developed countries and international organisations can do for developing countries) in each goal, then addresses national level efforts, and concludes with means of implementation (finance and technology).

Full employment should be a top-priority goal of the set of SDGs and for the Post–2015 Development Agenda.

A. General

Employment is a very important issue, for many obvious reasons. It is the great connection between the most important economic and social goals. Economic policies should lead to creation and expansion of jobs and livelihoods. Socially, if people have gainful employment or livelihoods, they can earn the income that enables them to escape poverty and to fulfill their basic needs such as food, healthcare and shelter.

We therefore propose that "the attainment of full employment" be accepted as a major SDG. It should be understood that by employment we mean jobs in the formal sector as well as livelihoods in the agriculture sector and in the informal sector.

Full employment was widely recognised as the major goal of economic policy in the post-Second World War period. This was because a long period of relatively high unemployment, suffered during the pre-war Great Depression, was seen as a major problem that even contributed to the conditions for war. After the war, international

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SDGs on food and agriculture

(Continued from page 10)

dence that speculation in the commodity markets is a significant cause of such food price volatility. Therefore there should be a **target or goal to address food price volatility and its structural and root causes, including speculative practices in the commodity markets.**

Moreover, another target is that **developing countries should be given adequate policy space, including in conditions for loans and aid, to support their agriculture sector and their farmers through various measures such as credit, marketing, storage, processing, provision of agricultural inputs, land reform and land improvement measures, and measures to make agriculture more sustainable through improved sustainable agriculture methods.** This reminder of the need for policy space is because in the past decades, many developing countries faced conditionalities and rules that prevented them from providing such supports to their agriculture sector.

Means of implementation

Developing countries should also be assisted through finance and technology as well as institution building and capacity building, in implementing national level SDGs on food and agriculture. The modalities for this should be worked in concrete ways and included as an integral part of the SDGs.

National level measures

At the national level, there can be goals and possible targets that are derived firstly from the Rio plus 20 outcome.

These include:

- The right to adequate food and freedom from hunger, with targets for improving the food and nutrition status of the population (to be drawn from para 108).
- Promoting food production and addressing needs of rural producers through enhancing access, credit, markets, secure land tenure, health care, social services, affordable technologies (para 109).
- Boosting productive capacity of small farmers in developing countries through proper functioning of markets, storage, rural infrastructure, research, post harvest practices, etc. (Para 110).
- Promote and enhance sustainable agriculture practices in crops, livestock and the marine sector including through ecological processes that support food production systems and research and extension work among farmers for environmentally sound production systems (Paras 111-114).

Rural livelihoods that provide enough income is a major component of "Full Employment".

organisations like the UN, the IMF, the ILO, the GATT and later UNCTAD were set up, and employment was one of their top priorities. One of the first UN conferences was held in Havana in 1947 and it was titled United Nations Conference on Trade and Employment, and which led to the creation of the multilateral trading system.

Organisations like IMF and WTO had employment generation or full employment as their main objective, or among their top objectives. In the agreement to establish the WTO, the preamble states that Parties recognise they should conduct their relations with a view to "raising standards of living, **ensuring full employment** and a large and steadily growing volume of real income and effective demand". The IMF in Article I of its purposes includes the "promotion and maintenance of high levels of employment and real income" as primary objectives of economic policy. In standard macro-economics taught in school and universities, and in government policy circles, the attainment of full employment was accepted as the main priority in economic policy. It was also understood that full employment could be attained only if there was sufficient economic growth and economic development. Thus growth and employment went together as top priorities.

Many decades later, the prioritisation of full employment as a goal became significantly diluted as other goals were given equal or even greater prominence. These other goals included controlling inflation, reducing the budget deficit, reducing tariffs, cutting the size of the government bureaucracy and the number of government agencies. These other goals became components of the typical "structural adjustment policies" that accompanied loans provided by international financial institutions to developing countries, and they sometimes also became conditionalities for aid. As a result, many developing countries took on these policies, and one of the negative side effects was that employment generation and economic growth became sidelined.

There is however in recent years a recognition that job creation and viable livelihoods are the most important development goals, and that achieving these goals is the key to achieving many other goals such as poverty eradication and social development including access to food, health care and education.

Therefore it is vital to recognise that the attainment of full employment must be adopted as one of the most important of the SDGs.

This is recognised in The Future We Want (Rio plus 20 outcome document). In the general part, Para 24 expressed "deep concern about the continuing high levels of unemployment and underemployment, particularly among young people." Para 23 reaffirmed the importance of supporting developing countries in their efforts to eradicate poverty including by "promoting full and productive employment." The outcome document also has a whole section on "promoting full and productive employment, decent work for all and social protections." The section recognised full and productive employment as a major need to be promoted and created at all levels.

There is thus a need to adopt "the attainment of full employment as a top-priority goal of economic and social policies".

B. International Cooperation

Developing countries need an enabling international policy environment to enable them to move towards full employment as an operational development goal. This is because the policies of developed countries, and of international agencies, have great influence over the policies of developing countries, which affect employment levels.

The following are proposals for sub-goals or targets at international level that are crucial for developing countries:

1. Developed countries in formulating national economic policies shall take fully into account the effects of these policies on the employment level and future employment prospects of developing countries. They should not adopt policies that adversely affect the employment and employment prospects of developing countries.

2. International financial institutions and aid agencies should comprehensively consider the impact on employment and livelihoods in developing counties of their policy advice and conditions linked to their loans or aid. Such policy advice or conditions should aim at generating employment and contribute to full employment in the developing countries.

3. In the consideration of priorities of objectives of macro-economic policy, the attainment of full employment should be adopted as a top priority objective, in the policies of international agencies, especially as they pertain to developing countries.

4. Criteria for debt sustainability for developing countries should fully take account of the requirements for generating sufficient employment as a major SDG.

(Continued on page 21)

SDGs: Means of Implementation and Global Partnership for Development

The following is a statement by Executive Director of the South Centre, Martin Khor, to the Open Working Group on Sustainable Development Goals held at the United Nations in New York on 9 December 2013.

1. Means of Implementation and Global Partnership for Development

The Means of Implementation (MoI) and Global Partnership for Development (GPD) are closely related. Both are the elements that most directly represent the cruciality of international cooperation that is needed to support developing countries in achieving the SDGs.

The means of implementation are mainly finance and technology that are needed to boost the financial and technical resources of developing countries in implementing the three pillars of SDGs. These are to supplement domestic resources, but it is realised that the local resources are not enough especially when the SDGs imply additional areas of action.

The global partnership includes the MoI of finance and technology. But it also includes other important elements such as the supportive structures or regimes of international trade, finance and technology, that are essential to creating the external environment needed by developing countries to support their domestic policies. Global Partnership also implies that in formulating their domestic policies, developed countries would take into account the effects they have on developing countries, and that they would formulate policies that are supportive to the global effort and to developing countries' efforts in particular.

Recommendation: The means of implementation should be included in each SDG so as to emphasise the importance of implementation. It should also be a chapter or a SDG in itself. In addition, the global partnership for development should be also a chapter or a SDG in itself, and elements of it should also be in the other Goals/ Targets.

2. Technology

2.1 General

Technology is recognised in Agenda 21, Rio plus 20 outcome, and in the MDG Goal 8, as an essential component in MDGs and SDGs as both a Means of Implementation and as Global Partnership.

The central role of technology transfer to developing countries as well as the development of endogenous technology in these countries were recognised in the 1992 Rio Summit. Chapter 34 of Agenda 21 defines environmentally sound technologies in a comprehensive way as not just individual technologies but total systems that include know-how, procedures, goods and services, equipment and organisational and managerial procedures. It states the principle of the need for favourable access to and transfer of environmentally sound technologies to developing countries through technology cooperation enabling transfer of technological know-how and building up of economic, technical and managerial capabilities for the efficient use and further development of transferred technology.

The Johannesburg Plan of Action and the Rio Plus 20 outcome and other international documents or processes recognise the central importance of technology development, access and transfer.

Sustainable development and its components such as health care, climate change, energy access, can only be achieved if new technologies are available and if developing countries have access at affordable prices. This is especially if the three pillars of sustainability are to be simultaneously implemented. For example, in order to take climate actions, while still meet the goals of poverty eradication, full employment and reasonably high economic growth, there has to be a technological change or revolution in many sectors. For another example, to meet the goal of health for all, available medicines have to be affordable and new medicines also have to be discovered and made available. The challenge is greater because global environmental space whether in terms of resources or atmosphere has become much more limited, yet the needs of development are also growing.

Two other general points should be considered. First, the technology cycle includes research, development, demonstration, production at large scale (often called commercialisation) and diffusion. Each step requires its own attention. Developing countries should be enabled to take part in all aspects, though most of them are now seen as recipients at the diffusion stage.

Secondly, developing countries would like to climb the technological ladder. Technology transfer is not merely the import or purchase of machines and other hardware at commercial rates. A central aspect of technology development and transfer is the building of local capacity so that people and institutions in developing countries can design and make technologies which can be diffused into the domestic economy. As recognised in Agenda 21 (para. 34.12), a "critical mass of research and development capacity is crucial to the effective dissemination and use of environmentally sound technologies and their generation locally".

In the process of technological development, developing countries can go through three stages: (1) initiation stage, where technology as capital goods are imported; (2) internalisation stage, where local firms learn to adapt the imported technology to local conditions and to produce the technology; (3) and generation stage, where local firms and institutions innovate through their own research and development (R & D) (UNCTAD, 2007).

Technology transfer may involve the purchase and acquisition of equipment; the know-how to use, maintain and repair it; the ability to make it through "emulation" or reverse engineering; to adapt it to local conditions; and eventually to design and manufacture original products. The process of technology transfer involves progressively climbing through all these aspects.

Several conditions have to be present for technology transfer and development to take place. The absence of such conditions can form barriers to technology transfer. Among the barriers that are normally listed are poor infrastructure, inadequate laws and regulations, shortage of skilled personnel, lack of finance, ignorance of technology issues, high cost of certain technology agreements, problems created by equipment suppliers, and intellectual property rights.

Intellectual property rights has become an important and often contested issue in the discussion on technology transfer and development. Whether IPRs constitute a barrier or an important barrier depends on several factors, such as whether or not the particular technology is patented, whether there are viable and cost-effective substitutes or alternatives, the degree of competition, the prices at which it is sold, and the degree of reasonableness of terms for licensing, etc.

In terms of proprietary rights, technologies and related products can be usefully placed under three categories: those that are not patented and are thus in the public domain; those that are patented; and future technologies (which are likely to come under patents unless there are new mechanisms or initiatives).

2.2 Technologies in the Public Domain

Some technologies are in the public domain; they are not patented or their patents have expired. According to Agenda 21 (para. 34.9), a large body of technological knowledge lies in the public domain (are not covered by patents) and there is a need for the access of developing countries to such technologies as well as the know-how and expertise required to use them. In this case, the main barrier to technology transfer may be lack of financial resources, and international funds should be established to enable developing countries to purchase and to manufacture such technologies.

An important measure to promote sustainable development is to expand the space for technologies in the public domain, and to expand the transfer to developing countries of publicly-funded technologies. Governments in developed countries play an important role in funding R & D programmes, many of which are implemented by the private sector. In addition, governments sponsor a range of R & D that underpins private sector investments in developing environmentally sound technologies (ESTs) (IPCC, 2000, Chapter 3, page 95).

A paper for the UNFCCC surveyed government R & D funding of ESTs in the United States, Canada, United Kingdom and Korea. It found that in most countries, governments allocated their rights (patents, copyrights, trademarks, etc.) to the recipient research institutions to a significant degree. As a result, the diffusion of climate-friendly technology would "typically be along a pathway of licensing or royalty payments rather than use without restriction in the public domain" (Sathaye et al., 2005).

The Intergovernmental Panel on Climate Change (IPCC) study (2000) calls on OECD countries to influence the flow of such technology directly through their influence on the private sector or public institutes that receive funding from government for their R & D to be more active in transferring technologies to developing countries. It cites Agenda 21 (chapter 34, paragraph 34.18a) that "governments and international organisations should promote the formulation of policies and programmes for the effective transfer of environmentally sound technologies that are publicly owned or in the public domain." Products that emerge from publicly funded R & D should be placed in the public domain. Those that are partially funded should be in the public domain to the extent to which it is publicly funded.

At the international level, there can also be public funding and joint planning of R & D programmes. Products and technologies emerging from such publicly funded programmes should be placed in the public domain.

2.3 Patented Technologies

For technologies that are patented, there should be an understanding that patents should not be an obstacle for developing countries to have access to them at affordable prices. Agenda 21 (para. 34.10) states that: "Consideration must be given to the role of patent protection and intellectual property rights along with an examination of their impact on the access to and transfer of environmentally sound technology, in particular to developing counties, as well as to further exploring efficiently the concept of assured access for developing countries to environmentally sound technology in its relation to proprietary rights with a view to developing effective responses to the needs of developing countries in this area." Agenda 21 (para. 34.18e) also agreed that in the case of privately owned technologies, measures would be adopted particularly for developing countries, including developed countries creating incentives to their companies to transfer technology; purchase of patents and licenses for their transfer to developing countries; prevention of the abuse of IPRs including through compulsory licensing with compensation; providing funds for technology transfer; and developing mechanisms for technology access and transfer.

While the patent system provides incentives for innovation, it can also be a barrier to the transfer of technology to developing countries at affordable prices.

In the wide arena of sustainable development, there are some well-known examples. In health, the price of medicines can be prohibitively high;

there is thus an increasing understanding that patients in developing countries can benefit from generics that are often many times cheaper. In the area of food production, the patenting of seeds and genes of seeds that have the characteristic of being drought resistant or flood resistant can hinder the use of these seeds by small farmers in developing countries. Just six companies and their partners control 201 or 77% of patent applications for 261 families of patents with gene characteristics of being resistant to drought, heat, floods and cold. In the climate area, some firms in some developing countries found it very difficult to obtain the license from patent holders to locally produce substitutes to the CFCs which were to be phased out under the Montreal Protocol, due to the high cost and onerous conditions placed by the patent holder for the license.

There are various ways in which the barriers posed by IPRs can be addressed within the framework of the WTO's TRIPS agreement. This has been dealt with by the UN MDG Gap Report for 2013, which recommends that developing countries make use of these TRIPS flexibilities such as compulsory licensing and government use, when needed, to promote access to essential medicines.

Some developing countries have previously proposed at the WTO that countries be allowed not to patent environmentally-sound technology so that its transfer and use can be facilitated. The relaxation of the TRIPS rules in the case of climate-related technologies has also been proposed by developing countries in the UNFCCC; however this met with opposition.

International measures can be taken to ensure that royalty and other conditions in voluntary licenses are fair and reasonable.

Governments can also facilitate easier access to compulsory licenses when required for specific purposes. For example the US Clean Air Act provides for CL of patented technologies needed to meet agreed standards, i.e. to comply with the emission requirements, no reasonable alternative is available, and where non-use of the patented innovation would lead to a "lessening of competition or a tendency to create a monopoly." A district court can, with the Attorney General's assistance, determine whether a compulsory patent license should be granted and set the reasonable terms.

A "Global Technology Pool for Climate Change" could be developed in which owners of ESTs place their IPRs in a pool, and make them available to developing country firms on payment of low compensation (in some circumstances royalty free) and on standard terms to be established. This approach has the potential to manage the patent system, regulate practices by the IP holder and makes it administratively and financially easier for access to take place.

2.4 R and D Model and Future Technologies

For technologies to be developed for future use, the nature of the funding of research and development will exert influence on the proprietary nature of the products and technologies. In line with the goal of having as many technologies in the public domain as possible, a technology fund can be set up for research and development for new technologies. Since the funding is made available by the fund, the patents for the inventions are to be owned by the fund. Inventions can then be made available to firms in developing countries through licenses at no cost or minimal cost.

This scheme would not of course prevent privately funded innovation activities from taking place, and the two could co-exist. However, the larger the resources available for global publicly funded R and D activities, the larger will be the share of future technologies that will be in the public domain.

The UN Secretary General's report on options for a technology facilitation mechanism (A/67/348, 4 Sept. 2012) also has many useful proposals, in line with the Agenda 21 proposals for the establishment of a collaborative network of research centres, support for cooperation and assistance programmes, and building capacity for technology assessment, and collaborative arrangements.

International collaboration for R and D (including arrangements for its financing) is an important possibility that should be explored fully. Models of collaboration (such as thost that existed or exists in agriculture, health, etc.) should be examined to see if the lessons learnt can be adopted and adapted for other areas such as climate change.

2.5 Technology Assessment

In order to promote the development and transfer of technologies, it is also important to assess the appropriateness of the technologies that are selected for development, transfer, and diffusion.

This is to ensure that the technologies that are so promoted are in accordance with the objectives of the UNFCCC, as well as in line with national needs and goals.

Criteria should be adopted to assess technologies that meet general acceptability as well as national conditions, needs and objectives. A mechanism can then be established on applying these criteria when selection of technologies takes place.

It is proposed that the following are among the principles/criteria to be considered:

1. Relevance to the objective of addressing the climate change problem;

2. Environmental soundness;

3. Safety to the environment and to human health;

4. Affordability, especially for developing countries;

5. Social acceptability and effects, including in relation to employment, equity, and cultural norms; and

6. Economic efficiency and cost-effectiveness.

It is clear that there could be trade-offs between and among some of the principles and criteria mentioned above. The methods for making choices in the context of trade-offs is therefore also important to consider and determine.

2.6 Recommendations

1. Technologies in the public domain should be encouraged and expanded.

2. Developing-country Governments are urged to make essential medicines and other essential products and technologies more available in their public facilities (drawing from MDG Gap Report 2013).

3. Developing countries are encouraged to make use of the TRIPS flexibilities in order to increase access to more affordable essential medicines and other products and technologies linked to sustainable development whenever conditions justify, through local production and importation (drawing from MDG Gap Report 2013).

4. Manufacturing companies in developing countries with the capacity to do so are encouraged to produce more affordable essential medicines locally, taking advantage of international efforts that facilitate such production (MDG Gap Report 2013). This should also apply to other products within the sustainable development framework.

5. New R&D initiatives that help delink the high cost of R&D from the price of the product need to be further developed and implemented (MDG Gap Report 2013).

Recommendations on New Technologies

- Governments of developing countries should accelerate efforts to increase access to and affordability of ICT, especially broadband Internet.

- Governments and research institutes of developed and developing countries are encouraged to continue supporting the efforts of the Technology Mechanism, including the Climate Technology Centre and Network, to increase the transfer of climate change–related technologies to developing countries. Developed countries are urged to scale up long-term climate finance and reach their commitments by 2020.

- The public and private sectors of developed and developing countries are urged to increase cooperation in expanding access to new technologies to enhance preparedness for and resilience to the effects of natural disasters.

- All United Nations Member States and stakeholders should re-examine and bring to the international agenda the importance and role of science, technology and innovation and the transfer of all relevant technologies in the achievement of development goals in all areas.

- Models of R and D and their financing should be explored that can finance innovation while aiming to achieve greatest possible access for developing countries. The delinking of innovation cost from the price of the product is an important potential objective.

- A system and structure for technology assessment should be established to be an important component of technology development and transfer arrangements.

(Note: The first 4 recommendations above are taken or drawn from the UN MDG Gap Report 2013).

2.7 Technology Facilitation Mechanism for Sustainable Development

The Rio plus 20 outcome mandated the UN Secretariat to report on a possible technology facilitation mechanism. The UN Secretary General report on this (A/67/348) examines and outlines recommendations on the functions, format and working methods of such a mechanism.

It recommends setting up several global networks: of science foundations; national business incubators; policy organisations; and technology transfer and information mechanisms.

The report also gives suggestions on technology-related SDGs (with three goals of improving technology performance by a factor 4; universal access to sustainable technology; and global green innovation system for sustainable development).

The main recommendations of the SG report are that:

- A global technology facilitation mechanism is needed under the UN.

- The mechanism can draw from "lessons learnt" in the report as guidelines for deliberations on details of the mechanism.

- An inter-governmental preparatory working group should be set up to work out the institutional details of the mechanism.

Another recommendation should be that technology assessment should be an important component of the technology facilitation mechanism. This issue has also been recognised and discussed in the SG's report.

For the OWG-SDG, it is also useful to examine this report and draw from its lessons and recommendations for the work and outcome of the OWG.

3. Some Finance Related Issues as Means of Implementation

Finance issues are part of both means of implementation and global partnership. The following is an outline of some of the finance issues for MoI.

3.1 Reaffirm the target of 0.7% of GDP for ODA of developed countries

There is a significant section on ODA in the Rio+20 outcome. This should guide the discussion on the SDG on aid.

With the new and additional actions expected of developing countries, there is an expectation of new and additional financial resources to support the developing countries in implementing the SDGs.

There is thus grave concern over the decline in ODA in absolute amounts and in relative terms (i.e. as per cent of GDP) since 2011. Reports from the OECD show that ODA has fallen by a total of 6% in real terms in 2011 and 2012, the first decline since 1997. New actions in the environment including climate change will require additional financing; but this should not displace other worthwhile causes like poverty reduction, health and education and industrialisation. As the UN SG has said, "we must reverse this trend" (of declining ODA).

There should thus be in the SDGs a reaffirmation of the need for progress rather than regression towards the ODA target of 0.7% of GNI.

3.2 Other external financing for development

ODA will not be sufficient for the ambitious SDGs. The OWG could thus examine other sources. For example, the Financial Transaction Tax scheme, to be implemented by 11 EU members, is expected to deliver some 30-35 billion Euros a year. It is designed "to ensure that the financial sector makes fair and substantial the contribution to public revenues" and to encourage it "to engage in more responsible activities". A portion of the taxes collected could be channelled to sustainable development financing.

3.3 External Debt

The UN MGD Gap Report 2013 notes that in 2012 some developing countries

(Continued on page 17)

SDGs: Economic Issues at National and Global Levels

The economic pillar of sustainable development is crucial, yet relatively neglected. It should get its proper place in the Sustainable Development Goals. This paper deals with economic issues at national level (as Sustainable Development Goals) and at international level (as part of the new Global Partnership for Development). It is part of the South Centre's contribution to the United Nations process of establishing Sustainable Development Goals.

Economic development with a green environment—an aspiration for many countries.

A. Economic Issues

A1. National Goals and International Supporting Policies

The targets below can supplement MDG-like specific goals that may be set for developing countries. They need to be (a) pursued by developing countries and (b) supported by appropriate policies by advanced economies to enable and support the goals by developing countries and (c) supported by international actions.

1. Sustained economic growth in developing countries

Goal: Sustained economic growth is absolutely necessary for progress on the social front. No country has ever achieved constant improvements in living standards and human development indicators without sustaining a rapid pace of economic growth. Without this, progress in human and social development would naturally depend on external and domestic transfer mechanisms – that is, aid and redistribution of public spending, respectively. Since there are limits to such transfers, social progress cannot go very far without an adequate pace of income and job generation.

Growth targets: The international community should go back to setting growth targets for developing countries. The United Nations at the end of the 1950's fixed 5 percent as the target growth for the 1960's, the first UN Development Decade. It was raised to 6 percent for the 1970's, the Second UN Development Decade. The UN was just getting ready to fix 7 per cent for the 1980's when the world economy went into recession in 1974. A trend growth target of at least 6 per cent should be adopted for low income countries (LICs) in order to close their income gap with more advanced countries. Should growth fall short of the target for an extended period, action should be taken at the national level

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SDGs: MoI and GPD

(Continued from page 16)

had to restructure their debt and additional countries are at high risk of debt distress, 9 of them in Sub Saharan Africa. The global economic slowdown, if it continues, is likely to result in a return of the debt crisis for more developing countries. Thus the debt issue, which was part of Goal 8, should also be given prominence in the SDGs.

The following are recommendations, some of them made by the MDG Gap Report , for consideration as inputs to the discussion on SDGs:

1. Assure timely debt relief for critically indebted developing countries struggling with unsustainable debt so as, inter alia, not to impede progress on the MDGs.

2. Encourage the international community to further develop and disseminate the tools and techniques for effective debt management, including by systematically taking into account the social dimension of debt sustainability.

3. Improve the timeliness and coverage of publicly available country debt data based on both creditor and debtor reporting systems so as to strengthen capacities for assessing debt sustainability and encourage greater transparency.

4. Devise principles for the path of adjustment to reduce excessive debt that strike a social and developmental balance between financing, debt restructuring and the pace of policy reform.

5. The financial requirements for a country to implement its SDGs should be an important factor to consider in debt sustainability assessments.

6. Establish an international sovereign debt restructuring and debt resolution mechanism under the auspices of the United Nations. The Working Group on this issue under UNCTAD could provide recommendations in this regard.

(The first four recommendations above are from the UN MDG Gap Report 2013 and placed here for reference.)

(policy adjustments) and/or international level (additional financing or debt relief or trade preferences) to achieve the target.

2. Full employment

Goal: Full employment as the key policy objective for both developing countries and advanced economies.

Job creation holds the key to improvements in living standards and to human development. But economic growth is not necessarily associated with creation of jobs at a pace needed to fully absorb the growing work force. Thus, active policies are needed to provide secure and productive job opportunities.

Targets: Set specific time-bound targets for overall and youth employment and use labour market, training and other policies, in cooperation with the ILO.

3. Equity and distribution

Goal: Ensure that the benefits of economic growth and development are distributed fairly and equitably and to improve the situation of income distribution and social equity.

Equity is an important ingredient of social cohesion and development. Prevention of widened inequality in income distribution calls for intervention, targeted policies and correctives.

Targets:

- Set a minimum limit to the share of bottom 20 per cent and a maximum limit to the share of top 5 per cent in national income and use taxes and social policy instruments (income supports, subsidies, provision of free housing, education and health services) to achieve these targets. (This is preferable to setting equity targets in terms of the Gini coefficient because, *inter alia*, it addresses both concentration and poverty.)

- Establish targets for minimum social spending in government budgets (e.g. 10 per cent of GDP), drawing on best practices in advanced economies.

- Strive towards decent wages and incomes for workers in the formal and informal sectors and agricultural producers.

4. Building productive capacity, economic diversification and development strategies

Goal: Developing countries should achieve sustained development of productive capacity, through implementing of development strategies that enable economic growth, employment generation including through adding value to commodities, industrialisation and agricultural development.

Many developing countries are still dependent on commodities. They need to add value through processing and resource-based industrialisation. They also need longer-term policies for industrial and agricultural development, and the support measures (national and international) to enable their implementation. Industrialization is essential for reducing income, productivity, technology and skill gaps with more advanced economies since there are limits to growth and development in commodity-dependent and service economies. It takes different shapes at different levels of development. But, it is not beyond reach even for some relatively small economies. On the other hand, many resource-rich economies closed income gaps with more advanced economies of their times only through industrial development. Developing countries require the policy space and the resources (finance and technology) and market access to enable this development to take place.

A2. The International Context: Actions required at the international level, through policies in developed countries or through international actions

In order that developing countries (DCs) are able to attain the macro-economic goals, two types of supporting policies are needed: (a) National Policies in developed countries, (b) International actions and reforms.

To succeed in development, developing countries need to have adequate policy space. However, their policy space is considerably narrower than that enjoyed by today's advanced economies (AEs) in the course of their industrialization because of the tendency of those who reach the top to "kick away the ladder" and deny the followers the kind of policies they had pursued in the course of their development.

It is necessary to reform multilateral and bilateral arrangements to allow DCs as much economic policy space as those enjoyed by today's developed countries in the course of their industrialization and development.

DCs also enjoy much less environmental space than that enjoyed by today's AEs in the course of their industrialization, and hence face greater constraints in attaining growth and development without compromising future generations' well-being. Centuries of industrial development in AEs have left very little carbon space and much of it is still being used by AEs because of a very high per capita emission of carbon dioxide and other harmful gasses. DCs thus face the dilemma of either sacrificing growth and development or incurring large costs of mitigation to cope with the limited carbon space. In the same vein, global warming and increased instability of climatic conditions are already inflicting significant costs on several poor DCs, including those dependent on agricultural commodities and small-island economies.

Thus, action is also needed at the international level in order to ease the environmental constraints over economic growth and development in DCs and to meet the costs inflicted on them by environmental deterioration resulting from years of industrialization in AEs.

Finally, there is a need for a development-friendly global economic environment. We need mechanisms to prevent adverse spillovers and shocks to DCs from policies in AEs or destabilizing impulses from international financial markets.

Adequate policy space and a development-friendly global economic environment call for action at the international level on several fronts:

i. Review multilateral rules and agreements with a view to improving the policy space in DCs in pursuit of economic growth and social development.

ii. Attention to the international IP regime with a view to facilitating technological catch-up and improving health and education standards and food security in DCs.

iii. Industrial, macroeconomic and financial policies of DCs are severely constrained by BITs and FTAs signed with AEs. These agreements are designed on the basis of a corporate perspective rather than a development perspective and they give considerable leverage to foreign investors and firms in DCs. They need to be revised or reconsidered.

iv. Ensure favourable terms for commodity-dependent DCs in contracts with TNCs to enable them to add more value to commodities and obtain more revenues from commodity-related activities.

v. Establish and effectively implement a legally binding multilateral code of conduct for TNCs to secure social responsibility and accountability and prevent restrictive business practices.

vi. Introduce multilateral mechanisms to bring discipline policies in developed countries to prevent adverse consequences for and spillovers to DCs, including:

-- reducing or eliminating agricultural subsidies,

-- reducing or eliminating restrictions over labour movements ,

-- reducing or eliminating restrictions or barriers to transfer of technology,

-- ensuring that monetary and exchange rates policies made in developed countries fully take into account the effects on developing countries.

vii. Establish mechanisms to bring greater stability to exchange rates of reserve currencies and prevent competitive devaluations and currency wars, such as those seen during the current crisis.

viii. Full employment should be declared as a global objective, to be pursued by all countries without resort to beggar-my-neighbour exchange rate, trade and labour-market policies.

ix. Reversal of the universal trend of growing income inequality should also be a global goal. This calls for reversing the secular decline in the share of labour in income in most countries. This goal could be pursued through various means to establish a level playing field between labour and capital, including greater international mobility of labour, regulation of international financial markets and capital movements, more equitable taxation of wage income and incomes from capital and financial assets, prevention of tax competition and a code of conduct for TNCs. Pursuit of such a goal calls for breaking the dominance of finance and corporate interests in the formulation of policies and operation of the global markets. No single country alone can do this – it should be pursued collectively at the global level.

x. Regulate systemically important financial institutions and markets, including international banks and rating agencies and markets for commodity derivatives with a view to reducing international financial instability and instability of commodity prices.

xi. Establish impartial and orderly workout procedures for international sovereign debt to prevent meltdown in DCs facing balance-of-payments and debt crises.

xii. Provide financial resources and technology to developing countries to enable them to cope with environmental deterioration and climate change.

xiii. Introduce international taxes in areas such as financial transactions or energy to generate funds for development assistance as well as for financing the costs of climate change mitigation and adaptation in DCs.

xiv. Reform international economic governance in ways commensurate with the increased participation and role of developing countries in the global economy. Re-examine the role, accountability and governance of specialised institutions such as the IMF, the World Bank (WB) and the WTO, and the role that the UN can play in global economic governance.

B. International Economic Issues and Actions: Enhanced Global Partnership for Development

The shortcomings of the MDG 8 on Global Partnership are well known. The goals were ad hoc and the targets and indicators are also not systematically compiled. The SDGs and the Post -2015 agenda for development should not simply extend MDGs, reformulating the goals, dropping one or two and adding a few in areas such as environment and human rights. It should focus, instead, on global systemic reforms to remove main impediments to development and secure an accommodating international environment for sustainable development.

This is a big, ambitious agenda which cannot be acted on and achieved overnight. It should be prioritized and taken up in an appropriate sequence. International action for systemic reforms should be formulated as explicit commitments with appropriate time frames, going well beyond the generalities of Goal 8 of the MDGs. Without this, global partnership for sustainable development would remain an empty rhetoric.

B1. Policy Space for Developing Countries

1. Policy space in developing countries: Review multilateral rules and agreements as well as trade and investment bilateral agreements with a view to improving the policy space in developing countries in pursuit of the above national objectives.

2. Removing anti-development policies in advanced economies. Examples include:

• Eliminate exports subsidies for agricultural products and restrictions over transfer of technology in advanced economies.

• Encourage reserve-issuing countries to impose controls over destabilizing capital outflows to developing countries, as seen during the past 5 years.

• Developed countries should fully consider the effects of their financial and monetary policies on developing countries. Financial or monetary policies can result in financial instability not only in the developed countries themselves but also worldwide, with adverse effects on developing countries. (a) Lack of financial regulation has resulted in a global financial crisis and there is need for adequate financial regulation and re-regulation in developed countries. So far this has not been satisfactory. (b) Easy monetary policies can cause speculative flows of capital to developing countries with destabilising effects.

B2. Global Economic Governance

Reform international economic governance in ways commensurate with the increased participation and role of developing countries in the global economy. Re-examine the role, accountability and governance of specialised institutions such as the IMF, WB and the WTO, and the role that the UN can play in global economic governance.

B3. Trade Issues

• Reaffirm the primary importance of the multilateral trading system embodied in WTO.

• Discourage proliferation of bilateral FTAs that encroach on policy space of developing countries and divert trade from the multilateral arena.

• Ensure that trade and investment agreements enable rather than discourage or detract from policy space in developing countries that is required for their development.

• Reaffirm that agriculture is the sector where there is most trade distorting subsidies, express concern that domestic support in developed countries are maintained at very high levels (OECD data that this level has now crossed the $400 billion level), call for elimination of export subsidies in developed countries and very significant reductions in domestic supports in developed countries.

• Reaffirm the prime importance of food security in developing countries and that trade rules and negotiations have to recognise and respect this priority, as well as to promote the livelihoods and incomes of small farmers in developing countries.

• Reaffirm the need for improved market access for products of developing countries into the markets of developed countries.

• Support the proposals by LDCs for increasing their duty free quota free market access to developed countries with associated improvements to rules of origin for their products, and the quick phasing out of cotton subsidies.

• Maintenance of the development dimensions and concerns in the Doha Round and on that basis to continue the negotiations in WTO until their successful conclusion.

Labour mobility: Allow cross border competition over jobs for labour services to be delivered within national territories, as under Mode 4 of GATS.

B4. Financial Issues

1. Reaffirm the targets of 0.7% of GDP for ODA of developed countries:

• Recall the most recent statement on ODA in Rio+20 outcome.

• Express grave concern over the decline in ODA in absolute amounts and in relative terms (i.e. as per cent of GDP) since 2011.

• Reaffirm the need for progress rather than regression in the movement towards the 0.7% target.

2. Other external financing for development:

Introduce international taxes and other sources of revenue to establish a fund for development assistance independent of national budgets of donor countries. The size of the fund should match the external financing needed to meet the above growth target for LICs. This is needed to enable transition donor-dependency framework and to delink development assistance from highly politicised national budgetary procedures. The European Commission has already negotiated a Financial Transaction Tax scheme, to be implemented by 11 EU members, expected to deliver some 30-35 billion Euros a year. It is designed "to ensure that the financial sector makes fair and substantial the contribution to public revenues" and to encourage it "to engage in more responsible activities". If extended globally, such a tax could raise some $400 billion.

3. External Debt:

(a) Debt workout mechanism: Establish orderly workout procedures for international sovereign debt to replace ad hoc, disorderly and often chaotic negotiations between insolvent debtors and their creditors in order to safeguard the interests of both sides and to remove the legal vacuum that allows the so-called vulture funds to seek unjustified benefits at the expense of both debtors and creditors.

(b) Other assistance to countries to prevent debt distress situation and to manage debt problems. Provision of debt relief to developing countries, etc.

(c) Improve the definition and terms for debt sustainability and link these to developing countries' financial needs in relation to their fulfilment of MDGs and SDGs.

4. Financial regulations:

• Regulation of capital flows to prevent or minimise destabilising and volatile large cross-border flows of short-term capital.

• Bring systemically important financial institutions (large international banks and rating agencies) under regulation and supervision of an independent multilateral agency.

• Control and regulate speculation in the commodities markets.

5. Reform of the international monetary system:

• Address the shortcomings in the exchange rate and the international reserves systems.

• Reform the mandate, operations and governance of the IMF.

• With the objective or goal to reducing systemic financial instability, improving global governance and supporting development.

6. Improving Global Governance to enable participation and voice of developing countries

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Child at a rally for the right to food in India: Developing countries need financial resources to implement the SDGs.

The MDGs Beyond 2015

By Deepak Nayyar

The MDGs began life a decade ago. There were three dimensions to the significance of the MDGs. It was an explicit recognition of the reality that a large proportion of people in the world were deprived and poor.

It was a statement of good intentions that sought a time-bound reduction in poverty to improve the living conditions of those deprived and excluded. It was an attempt to place this persistent problem, until then a largely national concern, on the development agenda for international cooperation. In retrospect, it is clear that the MDGs, much like the human development index, caught the popular imagination.

The reasons are almost obvious. There is a simplicity that is engaging. There are targets that are quantitative. There are objectives that are easy to comprehend. There are good intentions with which no one could possibly disagree. It could be said that the MDGs combined a normative statement on what is desirable and a political statement on what is feasible. But, as it turned out, the MDGs did not quite serve their larger strategic purpose of changing the discourse on development.

The limitations of MDGs as a construct, in conception and in design, provide some basis for an evaluation of the MDGs as a framework. In terms of conception, there are some basic problems. The MDGs specify an outcome but do not set out the process which would make it possible to realise the objectives. The MDGs are stipulated without any reference to initial conditions, but where a country gets to in any given time horizon depends at least, in part, on where it starts out from. The MDGs are set out in terms of aggregates or averages which often conceal as much as they reveal because there is no reference to distributional outcomes.

In terms of design, there are some serious limitations. There is a multiplicity of objectives, both quantitative and qualitative, that span a wide range. The objectives are specified in many different ways: in proportions, to completion or just intentions. Some indicators are inappropriate and could be misleading. An evaluation of MDGs as a framework for monitoring

SDGs on full employment

(Continued from page 12)

5. In the development of international trade-related rules and negotiations, the maintenance and promotion of employment and livelihoods in developing countries shall be given the highest priority as a goal.

C. National Level Policies

1. All countries should consider the attainment of full employment as a top priority economic and social goal. It is understood that employment includes jobs in the formal sector and livelihoods in the small-agriculture and informal sectors.

2. It is also understood that in the context of sustainable development, full employment as a goal should be accompanied by:

(a) policies of job-intensive economic growth,

(b) the prioritising of small and medium industries and of small farmers as the focus of policy attention and incentives for growth,

(c) employment and livelihoods be of a socially and economically decent and sustainable level,

(d) environment and health related concerns are taken fully into account in the policies for generating employment,

(e) a special focus should be given to reducing youth unemployment.

3. In the formulation of fiscal policy, high priority should be given to the generation of employment and the move to attain full employment.

4. Shortfalls in domestic government budgets required to fund programmes that generate employment-intensive growth to a level sufficient to attain full employment, should be met by international financing and through international cooperation.

D. Means of Implementation

1. Adequate financial resources and appropriate technology and technical assistance and capacity building should be provided to developing countries that require such support in enabling them to have the ability to adopt national policies that give the highest priority to employment generation and full employment as a goal.

(This paper was written by Martin Khor, Executive Director of the South Centre.)

EUobserver.com

Unemployment line: Unemployed citizens in Europe lining up for unemployment benefits. Most developing countries cannot afford such benefits—it is a better strategy to ensure full employment.

progress in development highlights shortcomings. There is an implicit, albeit incorrect, presumption that one-size-fits-all. There are unintended consequences, mostly in the form of misplaced emphasis on stepping up the rate of economic growth and mobilising external financing for social sectors.

What is more, it would seem that the MDGs have been misunderstood, misused and misappropriated. These problems are attributable, in large part, to the silence on means, with a focus on ends, which in turn might have been attributable to two reasons that are understandable: the recognition that development is characterised by specificities in time and in space, and the acceptance that there might be genuine differences of opinion on what are appropriate strategies of development so that a political consensus on means would be exceedingly difficult if not impossible. But the silence was transformed into an opportunity by orthodoxy which simply occupied that vacant space. It had the voice and the influence to focus on faster growth, more aid and better governance. In the process, the essential values underlying the MDGs have been lost in translation.

In contemplating the future of MDGs beyond 2015, this paper suggests some important conclusions. Such a framework is necessary even if it is point of reference. But it cannot simply be more of the same. The MDGs should be modified but there is need for prudence in additions or subtractions, while ensuring that such rethinking is not stifled. Generalised MDGs and contextualised MDGs are complements rather than substitutes, so that global goals should allow space for differences in initial conditions and in national priorities.

Indeed, the time has come to reflect on contours of change which would represent departures from or substantial modifications in the existing framework. There are three imperatives that deserve to be highlighted. First, there should be structural flexibility at the national level. It must be made explicit that MDGs represent objectives for the world as a whole, which are not a scale to measure progress in every country because national goals must be formulated using global norms as a point of reference. Second, there should be a cognition of inequality in any assessment of outcomes. This is essential because inequalities exist and distributional outcomes matter. Hence the focus of any such exercise to monitor progress must be on the poorest 25 per cent or bottom 40 per cent of the population. Third, the new framework for the MDGs must incorporate some priors on means rather than simply focus on ends. The message is not only about outcomes but also about process.

The recognition of poverty and deprivation with an emphasis on human development in the MDGs served a valuable purpose. But it was not enough because nothing was said about strategies to meet this challenge of development. The well being of humankind is the essence of development, so that employment and livelihoods are essential, while distributional outcomes are just as important.

In the national context, therefore, it is necessary to reformulate policies, redesign strategies and rethink development. In reformulating policies, there is a strong need to reflect on macroeconomic objectives and macroeconomic policies. In redesigning strategies, it is necessary to introduce correctives and interventions that prevent or minimise the exclusion of people from development. The object of correctives should be to foster inclusion.

In rethinking development, it is important to recognise the significance of institutions, the relevance of the balance between domestic and external factors and the critical importance of public action. It must be stressed that the developmental role of the state is critical across the entire spectrum of what needs to be done.

In the international context, the focus of MDGs is much too narrow. The misplaced emphasis on concessional development assistance, attributable to a donor-centric world view, dominates the discourse. Clearly, the international community needs to do better at this unfinished business but far more needs to be done. Moreover, aid is a mixed blessing. There are other sources of external financing such as remittances from migrants that need to be explored. In any case, for developing countries, access to markets in trade and access to technology for development are far more important than foreign aid could ever be.

Similarly, there is need to transform thinking on LDCs which seems to stress economic growth assuming that it will trickle down and investment in social sectors assuming that it would reach the poor. The approach to poverty reduction needs to be re-oriented away from compartmentalisation in social sectors into an integration with development strategies that seek to combine economic growth with employment creation and participatory development.

Most important, perhaps, it must be recognised that unfair rules of the game in the contemporary world economy encroach upon policy space so essential for development. This situation needs to be corrected. Even rules that are fair are necessary but not sufficient. And there is a need for positive discrimination if not affirmative action in favour of poor countries, particularly the LDCs that are latecomers to development. The possibilities of cooperation among developing countries at this juncture provides a new window of opportunity, through better bargaining and collective action, for reshaping some existing rules or creating new rules that are at least less unequal if not fair.

This is an extract from the South Centre's Research Paper No. 38, on The MDGs Beyond 2015 (see p. 9).

Deepak Nayyar is the Vice-Chair of the Board of the South Centre.

Development-led Globalization Requires De-colonizing the MDGs

By Manuel Montes

The big attraction of the eight Millennium Development Goals (MDGs), or at least the first seven of these, was their near universal acceptability. It mobilized both resources and politics, both nationally and internationally, in pursuit of reducing poverty, hunger, gender inequality, malnutrition and disease.

Since they were introduced, the excitement over the MDGs fully occupied the space for development thinking. The MDG discourse – in international agencies and in national settings – appears to have crowded out the basic idea that development is about economic transformation.

The MDG discourse forgot that, while development can provide the means to reduce poverty and deprivation, development policies directed at reducing poverty do not necessarily lead to moving people permanently from less productive to more productive jobs. Poverty reduction is not the same as economic transformation. Economic development requires a new global deal which requires that countries have the policy tools to transform their economies. This is what development-led globalization entails.

Take the question of setting health targets. A debate has broken out about whether universal health coverage should be a goal. First of all, some developed countries, such as the United States, do not themselves have universal coverage as a goal in the health sector. Like many other facets of the global economy, such a goal would apply to developing countries but could exempt rich countries from a similar obligation.

Secondly, setting a goal of universal health coverage, even if possibly a basic human right, does not address the actual determinants of health outcomes, which include the usual indicators of deprivation including household poverty, but must also include affordable access to medicine and an effective domestic health care system.

The availability and cost of medicine, the overwhelming proportion of which is still sourced from developed countries, has been a sore point for developing countries for a long time. Moreover, too much (as compared to the afflicted population) research and medical production are oriented toward diseases and maladies in the developed countries. Should there be agreed global goals in terms for the "right" kinds of medicines and their affordability? Which parties should accept these goals as their obligation?

Children take part in Independence Day celebration in Togo in 1960: The struggle for de-colonization continues in many developing countries. (Photo: CNN)

Building capabilities in producing medicines in developing countries could certainly be transformative - moving the labor from less productive to more productive jobs. But this will require developing countries to have affordable access to technology, which will require easing the monopoly rights over the use of technology now being granted to those recognized as their inventors.

Building effective domestic health systems will require upgrading domestic human resources and government capacities in building, maintaining, regulating, and financing the health sector. Historically, these new capabilities have involved many of the most important aspects of economic transformation. Otherwise these health systems must forever rely on the goodwill of foreign donors and private foundations.

At this point, it is really important to restore a genuine development discourse and the global community must seize this opportunity.

In fact, the idea that developed countries need only worry about poverty and the well-being of the populations in other countries, and not their development, dates from colonial times.

In the 1930s, as the scramble for colonies from the late 19th century ended, colonial powers sought to justify external control by proposing a new note of responsibility for "native welfare" which economist Arndt in 1987 described as "quite distinct from that of economic progress or development." For example, the Colonial Development and Welfare Act adopted by the UK government in 1939 provided for minimum standards of nutrition, health, and education in territories and trusteeships. In the same analysis, Arndt refers to a W. Arthur Lewis critique of a World War II British economic plan for Jamaica, for a failure to distinguish between "social welfare" as raising the standard of living in the colony and "economic development."

De-Colonizing the MDGs is necessary if the agreed post-2015 global goals are to be truly developmental. In the framework of development-led globalization, Africa is not just a continent whose extreme poverty the international community must focus on but a diverse set of countries, each with their own human and natural resources, which can be deployed toward their own development. This diversity creates enormous space for regional cooperation in pursuit of overcoming dependence on commodity exports - whose earnings are highly unstable - and establish domestic industries to provide productive jobs.

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Manuel Montes is Senior Advisor on Finance and Development at the South Centre.

SOUTH CENTRE

South Unity, South Progress.

Chemin du Champ d'Anier 17-19

POB 228, 1211 Geneva 19

Switzerland

Tel : +41 22 791 8050

Fax: +41 22 798 8531

south@southcentre.int

www.southcentre.int

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