

Southern Voice on Post-MDGs

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Setting the Agenda

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Session One

Post-MDGs: Framework, Issues and Challenges

Designing MDGs for a More Just World

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a c i v i l s o c i e t y t h i n k t a n k

1. The Issues
2. Critical Questions for Designing Post-2015 MDG
3. Enhancing the Voice of the South
4. Strengthening Links within the Global South
5. Addressing Intra-Country Inequity
6. Weakness of the Post-MDG Discourse
7. Agendas for Addressing Injustice
8. Redesigning MDGs for a More Just World



a. MDG Post 2015

Focus on:

i. Distributive justice at home

- Ending poverty
- Greater equity
- Empowerment and participation of the resource poor

ii. A more just world order

- Enhancing the voice of the South
- Strengthening South-South cooperation

b. Two goals not necessarily congruent.

- ### i.
- Global order is becoming more equitable due to the rise of the global South but income disparities are widening between and within South countries



c. **Rise of the South**

- i. Rise of South driven by market forces within an increasingly globalised world.
- ii. Rise of South driven by a small group of countries who may be termed as BRICS+. This includes:
 - China
 - Other East Asian countries
 - India
 - Brazil
 - Mexico
 - Argentina
 - Turkey
 - Russia
 - South Africa
- iii. The emergence of BRICS+ is not matched by the dynamism and transformation of other economies of the South, particularly the LDCs. This implies that:
 - Intra-South inequality is increasing
 - Within individual South countries, including BRICS+, inequalities are also increasing



2. Critical Questions for Designing Post-2015 MDG

- a. Restructuring the global economic order to accommodate the emergence of the global South as a major force in the global economy**
 - i. Lessons from the struggle for a New International Economic Order in the 1970s.
 - ii. Attempts by the North to keep the South divided
 - The G20
 - China vs the rest
 - Regionalisation of the South
 - iii. Can the BRICS + countries act together to establish themselves as a global force?
 - iv. Can the dynamism of BRICS+ be harnessed for strengthening trade and financial links within the South so as to stimulate growth within the rest of the South
- b. Addressing the issue of inequality within South countries and the injustices which create and perpetuate them**



3. Enhancing the Voice of the South

- a. Strengthening voice and control over international institutions**
 - i. UN system
 - ii. International financial institutions
 - iii. WTO
- b. Challenging the hegemony of the US dollar as the global reserve currency.**
- c. Challenging the tendency of particular countries to introduce and impose political/strategic variables into economic transactions of other countries.**
 - i. Financial transactions
 - ii. Trading transactions: The resort to political sanctions



4. Strengthening links within the Global South

- a. **Transmitting growth of BRICS + within South through trade effects**
 - i. Case of East Asia
 - China as a stimulus
 - Growth of intra-East Asia trade
 - Spill over effect on India
 - ii. South Asia outside India less benefited from East Asian + Indian growth
 - iii. Varying trends in intra-South stimuli between South Asia and East Asia.
 - iv. Growing East/South Asian economic links with West and Central Asia.
 - East/South Asia's emergence as the principal energy market for West Asia.
 - West Asian growth driven by labour imports from within Asia
 - East/South Asia's export competitiveness is increasing in West Asian markets.
 - v. Asia as a trade partner for Africa/Latin America
 - Asia's emergence as a major export market – stimulus for export growth and diversification in these two regions
 - Asia as a more competitive source of imports to SSA and LA



4. Strengthening links within the Global South

b. Enhancing financial flows across the South

- i. Enhancing intra-South FDI
 - Already happening within East Asia
 - PRC/Indian investments in resource rich countries of SSA and LA.
 - Need to significantly enhance FDI flows to other LDCs in South
- ii. Restructuring global financial flows from North to South
 - The North as the Sinkhole of capital surpluses of the South
 - Drawing on foreign currency reserves held by the South in the North to enhance South-South financial flows
 - Enhancing investments from SWF within the South
- iii. Enhancing ODA flows within South
- iv. Migrant remittances from and to South as an instrument of development
- v. Exploring scope for expanding the proposed BRICS bank to include a broader membership from the South
- vi. Scope for a possible Southern Monetary Fund



5. Addressing Intra-Country Inequity

a. Impact of growth and globalization

- i. Increasing growth and globalization in South has led to some poverty reduction – but little structural change.
 - Poverty fell in below \$1.25 a day category but remains high in < \$ 2 category.
 - Implies that people's condition may have moderately improved because of GDP and export growth but little qualitative change has been registered so that large numbers of people who continue to languish within \$1.25 - \$ 2 category, remain vulnerable to natural disaster and economic volatility.
- ii. Growth process within South largely market driven, drawing upon manufacturing, resource or IT export growth which have enhanced concentrations of wealth and widened inequality within countries.



5. Addressing Intra-Country Inequity

a. Impact of growth and globalization

- iii. Three decades of market driven reforms have entrenched a philosophy of private wealth accumulation and legitimized the socio-political power of a business elite which is symbiotically linked to the power structure.
 - Democratic process, where it exists, has emerged as a rich man's game.
 - Emergence of a business elite as the dominant force in society and the corresponding weakening of the state
 - China/Vietnam a special case where state/private sector nexus has been strengthened at the expense of disempowerment of ordinary people.



6. *Weakness of the Post-MDG Discourse*

a. **The MDG agenda**

- i. MDG agenda was not designed to reduce inequity or for promoting inclusion.
- ii. Post-MGD discussion focuses on inclusive development to reduce poverty and promote greater equity
- iii. Limitations of the agenda
 - Addresses symptoms of poverty
 - Policy responses tend to be rights based
 - Focus on the state as rights provider and enforcer
 - Agenda heavily dependent on social provisioning (SP) using social safety nets
 - Agenda sustained by budgetary transfers and reallocation of public expenditures
 - Enhanced and redirected flows of external aid



6. *Weakness of the Post-MDG Discourse*

b. Addressing sources of poverty and inequality.

- i. Structural injustice creates and perpetuate poverty and inequality
 - Prevailing agendas for inclusion inadequately address the sources of injustice
 - Within prevailing agenda SP interventions remain disconnected from the dynamics of the growth process
 - This approach perpetuates a culture of dependence and enhances claims on budgetary resources which poses challenges of sustainability
- ii. Diagnosing sources of structural injustice
 - Inequitable distribution of assets
 - Unequal participation in markets
 - Unjust access to education and healthcare
 - Undemocratic process of governance



7. Agendas for Addressing Injustice

a. Widen access to assets:

- i. Land/Water resources/forests
- ii. Land as equity
- iii. Providing ownership over natural resource wealth
- iv. Broadening ownership of corporate wealth

b. More equitable participation in markets.

- i. Enhance share in value addition (VA)
- ii. Provide primary producers with share in VA through equity share in VA at the marketing and processing stages
- iii. Link workers to VA through provision of equity stake in industries where they work



7. Agendas for Addressing Injustice

c. Institutions for broadening ownership

i. The role of collective action

- Service sector
- Migrants
- Utilities

ii. Corporations of the poor

- Grameen Bank model
- Lijjat model
- SEWA model
- Mondragon model
- Social business model
- The Amul Model



7. Agendas for Addressing Injustice

d. Financial intermediation

- i. From micro to macro finance
- ii. Mutual funds for the resource poor (RP)
- iii. Channeling budgetary resources and ODA into
 - Poverty reduction
 - Equity ownership fund for RP

e. Quality education for all

- i. Common schools system – modeled on Europe/East Asia/Socialist world
- ii. Enhance quality of state schools/higher education
- iii. Reserve places in private schools/universities for deprived households



7. Agendas for Addressing Injustice

f. Quality healthcare for all

- i. Towards a universal health insurance system
- ii. Governance issues for public health

g. Democratizing Governance

- i. Democratize democracy
- ii. Democratize governance
 - Transparency in governance
 - Accountability
- iii. Issues of corruption
- iv. Equality before the law



8. Redesigning MDGs for a More Just World

- a. Set targets for promoting agendas for structural change identified above.**
 - i. Identify quantifiable targets
 - ii. Indicate feasibility of both setting and attaining these targets

- b. Identify desirable but unquantifiable targets**
 - i. Design measures for assessing progress in meeting such targets.
 - ii. Indicate feasibility of setting and attaining such targets.

- c. Identify specific goals for a more just world order**
 - i. Democratizing international institutions
 - ii. Measures for redirecting global financial flows to the South.

Table: Poverty Situation in Selected Regions and Countries

Country	Reference Year	% of population below \$1.25 a day	% of population between poverty line \$1.25 and \$2.00 a day
East/ South-East Asia			
Cambodia	2007	28.3	28.2
China	2005 ^a	15.9	20.4
Indonesia	2009 ^a	18.7	32.0
Lao PDR	2008	33.9	32.1
Philippines	2006	22.6	22.4
Thailand	2009	12.8	13.7
Vietnam	2008	13.1	25.3
South Asia			
Bangladesh	2005 ^b	49.6	31.7
India	2005 ^a	41.6	34.0
Nepal	2004	55.1	22.5
Pakistan	2006	22.6	38.4
Sri Lanka	2007	7.0	22.1

Country	Reference Year	% of population below \$1.25 a day	% of population between poverty line \$1.25 and \$2.00 a day
Sub Saharan Africa			
Angola	2000 ^c	54.3	15.9
Congo, Dem. Rep.	2006	59.2	20.4
Ethiopia	2005	39.0	38.6
Ghana	2006	30.0	23.6
Kenya	2005	19.7	20.2
Liberia	2007	83.7	11.1
Mali	2006	51.4	25.7
Mozambique	2008	60.0	21.6
Nigeria	2004	64.4	19.5
Senegal	2005	33.5	26.9
South Africa	2000	26.2	16.7
Tanzania	2007	67.9	20.0
Uganda	2009	37.7	26.8
Zambia	2004	64.3	17.2
Zimbabwe		-	-
Latin America			
Bolivia	2007 ^d	14.0	10.7
Brazil	2009 ^d	3.8	6.1
Colombia	2006 ^d	16.0	11.9
Nicaragua	2005 ^d	15.8	16.1

Source: World Development Report 2012.

Note: a. Population weighted average of urban and rural estimates. b. Adjusted by spatial consumer price index data. c. Covers urban areas only. d. Based on per capita income averages and distribution data estimated from household survey data.



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