

# CSF Bulletin

UN LDC-IV Civil Society Forum Bulletin ( No. 1, 9 May 2011, Istanbul, Turkey)

## Ban Ki-moon call to work together for a better world

Secretary General of the United Nations (UN) Ban Ki-moon has called upon the world community to work together to make this world better for all.

The UN chief made the call while launching the Civil Society Forum (CSF) of the Fourth UN Conference on Least Developed Countries (LDCs) formally at Istanbul Congress Centre on Sunday.

He termed the civil society as a key partner in the development process in the LDCs.

Addressing the function, Nepalese Prime Minister Jhala Nath Khanal said a vibrant civil society constitutes an important pillar of a just, inclusive, stable and prosperous society.

"It is important that there is a focused engagement of the civil society organizations and their active contributions in the pressing issues of common concerns," he said.

The Nepalese premier said the CSF has an important role to play as the next programme of action would be charted out for the next decade.

Turkish Foreign Minister Prof Ahmet Davutoglu, said the civil society and non governmental organisations (NGOs) are crucial partners for LDCs in their development endeavours.

Agreeing with the Global Civil Society Report and Recommendations, he said development paradigm must change as the dominant approaches to development has failed the world's poorest citizens. A genuine partnership is needed," he added.

The Turkish Minister termed NGOs as key partners in the quest to achieve peace and prosperity for all nations and countries, regardless of their circumstance, region, ethnicity or religion.

"Without involving the entire societies,



including NGOs, local governments and the private sector, in development efforts, our success in reaching the MDGs and climate change goals will be elusive," he observed.

In his address of welcome Prof Dr. M. Ihsan Karaman, head of the host country CS representative, said sustainable and equitable development cannot be made possible without the contribution of the civil society.

He said the participation of the civil society in the process inevitable both from the view of the LDC governments, and of the development partners.

The civil society must do its best to ward off development processes implemented without first realizing the basic and indispensable criteria such as justice, peace, ethical values, and protection of human and environmental health, and without taking into consideration the society's priorities and demands.

Dr. Arjun Karki, the International Coordinator OF LDC Watch and Chair and spokesperson of the LDC-IV Civil Society Forum, said, the CSO would work on our own programmes for action, recognising that real change

cannot happen without the ownership and participation of people across society.

"We will prepare our plans for action beyond this conference, to engage and inform the public, strengthen our work and hold governments to account for effective implementation of the Istanbul Programme of Action," he said.

Joseph Deiss, President of the UN General Assembly and Antonieta Rosa Gomes, former foreign minister of Guinea Bissau spoke on the occasion.

During the opening ceremony, Dr Karki handed copies of the Global Report "Towards A World Without LDCs" over to the UN Secretary General and other members of the panel.

The report contains concrete suggestions for moving these countries on the road to economic and social development.

Hundreds of civil society representatives are in Istanbul to deliver the message to their governments that LDC-IV could mark the beginning of a world without LDCs, if governments have the political will.

## "Civil society can provide frank and honest accounts of impact of policies", says UN Under-Secretary General Cheick Sidi Diarra



Speaking at the opening of the Civil Society's informal plenary yesterday, UN Under-Secretary General and Secretary General of the LDC-IV Conference Cheick Sidi Diarra praised LDC civil society for its ability to provide honest account of how policies impact on the daily lives of households. "They have told us uncomfortable truth, but we have listened and heeded their advice", he said.

Joining him on the platform was Mehmet Yener, Deputy Permanent Representative of Turkey to the UN in New York, who described civil society as "an important agent for progress and social change, bringing the needs, concerns and aspirations of ordinary people to the policy-making process". Civil society should shape the current wisdom for a better future, he said.

The Nepalese ambassador to the UN Gyan Chandra Acharya agreed that the civil society track of the UN process had helped move the agenda forward, adding "Business as usual is not a solution; if it were we would not have 48 LDCs". Dr Arjun Karki, Chair of the Civil Society Forum and President of LDC Watch, Dr Ihsan Karaman, Chairman of Doctors Worldwide Turkey, and Ms Azeb Girmai, from ENDA-Ethiopia also addressed the meeting.

### Civil Society exchanges views with UN Member States

At the beginning of April UN Member States heard from civil society actors about their concerns and demands for sustainable development in LDCs at the UN Civil Society Hearings. LDC civil society was well-represented with speakers from Nepal, Haiti, Senegal, DR Congo, Benin, Ethiopia, Cambodia and Samoa. There were also speakers from Belgium, USA, Argentina, Korea, and Kenya. The meet-

ing was attended by a number of government representatives, and a number of LDC governments responded, taking up the issues raised by civil society.

### Panels and Forums at the CSF

The CSF has a full programme of events, and below we give you a sample of those happening on 9 May.

Today sees the first of the 4 Thematic Plenaries, organised during the week on the major discussion themes for LDCs by the CSF Steering Committee. Today's issue is on 'Equitable Models for LDC Development in a new Era'.

There are two forums which have a series of events during the week, the Intellectuals Forum and the Youth Forum.

The Intellectuals Forum is running all week, with a series of panels on such themes as development, trade and investment, governance, migration, role of civil society, all central to issues in LDCs. Today's discussion will be on the Limits of Conventional Thinking with Professor Richard Falk of Princeton University, USA and Martin Khor, Executive Director of South Centre are addressing the debate.

The Youth Forum has been holding workshops and today is winding up with a final document on youth and LDCs.

Jubilee South APMDD, SAAPE and LDC Watch are organising a panel on 'The Debt Situation in LDCs and the urgent call for debt cancellation'.

Gender is an important issue in LDCs, and today there is a workshop on Gender and economic Justice in LDCs, organised by The Association of African Women for Research and Development AAWORD.

## **Türkiye’deki sivil toplum kuruluşları BM EAGÜ-IV Konferansı’ndan ne bekliyor?**

Türkiye’de özellikle insani yardım konusunda faaliyet gösteren sivil toplum kuruluşları, en az gelişmiş ülkelerin çoğunda çalışmalar yapmaktadır. Gerek afet zamanlarında yardıma koşmak, gerekse doğal felaketler olmaksızın ihtiyaç içerisinde bulunan bölgelere insani yardım ve gönüllü sağlık hizmetleri götürmek gibi çabalar, çoğu zaman gözlerden uzak olsa da, yıllardır devam ediyor. Bu kuruluşlar, gittikleri en az gelişmiş ülkelerde tanık oldukları zor koşulların ve sorunların ortadan kalkmasını, en azından hafiflemesini, bu ülkelerin sürdürülebilir kalkınma yolunda ilerlemesini istiyor.

4. BM En Az Gelişmiş Ülkeler (EAGÜ) Konferansı Sivil Toplum Forumu, Türkiye’den bu ülkelere giderek çalışmalar gerçekleştiren sivil toplum kuruluşlarının uzaktan işbirliği yaptıkları kuruluşlarla bizzat tanışmasını sağlayacak bir platform. Bu platformda, Türkiye ve EAGÜ kökenli sivil toplum kuruluşları bir araya gelerek birbirlerini daha iyi tanıyacak, sürdürülebilir kalkınmaya yönelik yaptıkları çalışmaları paylaşacaklar.

Günümüz dünyasında bir ülkenin sorunları diğer ülkelerden ayrı düşünülemez. Bir toplum diğer bir toplumu, bir ülkenin uygulamaları diğer ülkeleri etkilemektedir. Hem bu bağlamda, hem de vicdani çerçevede, en az gelişmiş ülkeler kaderlerine terk edilemez. Onların sorunları dünyanın sorunlarıdır. Türkiye’deki sivil toplum kuruluşlarının, bu yönde bir çaba olan 4. BM En Az Gelişmiş Ülkeler Konferansı’ndan nihai beklentisi, bu ülkelerdeki sorunların kalıcı olarak çözümüne ve gelişmişlik seviyesinin yükseltilmesine yönelik stratejilerin ortaya konması, atılacak sürdürülebilir kalkınma adımlarının belirlenmesi ve bunların hayata geçirilip geçirilmediğini izleyen bir denetim mekanizmasının oluşturulmasıdır.

## **Türkiye’de sivil toplum ve faaliyet alanları**

Türkiye’de sivil toplum faaliyetleri dernekler, vakıflar, meslek örgütleri, sendikalar, siyasi partiler, girişim grupları, kooperatifler, birlikler, platformlar gibi çeşitli çatılar altında gerçekleşir. Sivil toplum örgütlerinin tüzüklerinde tanımlanmış faaliyetleri vardır. Ancak her alanda söz söyleyip faaliyet gösterme yeterliliği ve sorumluluğuna sahiptirler.

Türkiye’de yaklaşık 100 bin civarında sivil toplum örgütü bulunmakla birlikte bunların bir kısmı aktif olarak faaliyet göstermemektedir. Aktif faaliyet gösteren sivil toplum örgütü sayısı Avrupa ülkeleriyle karşılaştırılmayacak kadar düşük olsa da Türkiye’de yerel, ulusal ve uluslararası hemen hemen her alanda çalışan sivil toplum kuruluşlarıyla karşı karşıyayız.

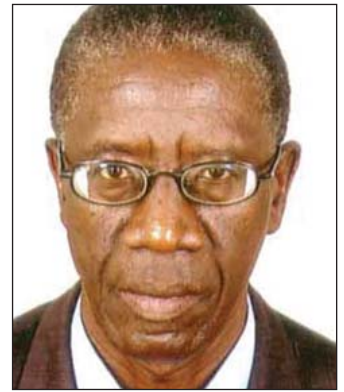
Dernekler Kanunu, derneklerin uluslararası faaliyetlerde bulunmalarına ve yurtdışındaki kuruluşlarla işbirliği yapmalarına imkan tanısa da, yasal çerçeve hem dernekler hem de vakıflar için hala bazı noktalarda kısıtlayıcı olmaya devam ediyor. Yine de AB uyum yasaları ile birlikte Türkiye’deki sivil toplum kuruluşları birçok zorlayıcı engeli aşarak hareket alanlarını genişletti. Örneğin, insani yardım kuruluşları en az gelişmiş ülkelere gidiyor, bu ülkelerdeki yaygın hastalıkların tedavisi, ihtiyaç duyulan yerlerde su kuyularının açılması, eğitim ve okur yazarlığın artırılması, kırılganlığın azaltılması gibi kalkınmaya destek verici faaliyetlerde bulunuyor.

4. BM En Az Gelişmiş Ülkeler (EAGÜ) Konferansı Sivil Toplum Forumu boyunca Türkiye’de faaliyet gösteren bazı önemli sivil toplum kuruluşlarını yakından tanıma fırsatı bulacaksınız. Böylece sorunlarımızın çözümüne yönelik kalıcı işbirliklerinin temelleri atılmış olacak. Forumun ilk günü olan 7 Mayıs, kayıt, tanışma ve oryantasyona ayrıldı. Ayrıca EAGÜ’lerden gelen filmlerin gösterimi ve çeşitli sivil toplum kuruluşlarının stantlarından oluşacak fuar da 7 Mayıs’ta başlıyor.

# Une entrevue avec

## Demba Moussa Dembele

### président de PMA L'Observatoire sur ses espoirs pour la Conférence des Nations Unies



#### Quels seront les résultats les plus importants de Conférence pour les PMA Africains?

Décisions fermes sur les prix des denrées alimentaires qui ont eu des effets dévastateurs sur nombre de PMA africains dont certains ont été secoués par des émeutes de la faim ayant entraîné des pertes en vies humaines.

Ouverture réelle des marchés aux exportations des pays africains, y compris leurs exportations agricoles

Engagement ferme à mettre fin aux subventions aux exportations agricoles par les pays de l'OCDE

Imposer un moratoire immédiat sur le service de la dette pour tous les PMA et annulation de la totalité de leur dette publique

Eviter un nouveau cycle d'endettement aux PMA en transformant en dons toutes les ressources mises à leur disposition en réponse aux crises multiples (alimentaire énergétique ; financière) par les institutions financières internationales et les pays développés.

Soutien aux sources innovantes de financement du développement, en particulier la taxe sur les transactions financières

Cesser d'imposition des accords de " libre-échange ", comme les APE qui ne sont que des accords commerciaux visant à contrôler les marchés des pays africains.

Respecter le droit au développement des PMA et de tous les pays africains. Respecter leur droit à élaborer leurs politiques de manière démocratique et souveraine

Renforcer la coopération Sud-Sud

Proposer un nouveau cadre de coopération Sud-Nord, plus démocratique et respectueux de la souveraineté des pays africains

Transférer davantage de ressources pour l'adaptation au changement climatique

#### Comment la société civile africaine travaille-t-elle avec les gouvernements

Actions de plaidoyer sur la nécessité de tenir les engagements vis-à-vis des populations

Pression pour une plus grande transparence dans les décisions publiques

Pression pour une franche coopération dans la mise en œuvre des engagements pris en faveur des PMA

Plaidoyer pour une étroite collaboration sur des questions, comme la dette ; le commerce ; la souveraineté alimentaire, etc.

Plaidoyer pour des processus démocratiques et inclusifs

#### Comment la situation a changé pour les PMA africains au cours des 10 dernières années?

Il y a eu une augmentation des investissements directs et transferts de technologies notamment de la part des pays du Sud dits " émergents ", comme la Chine, le Brésil, l'Inde, entre autres.

Mais les PMA africains sont toujours plus dépendants à l'égard des produits de base

Accroissement de la dépendance alimentaire. Pour certains pays, les importations de produits alimentaires ont été multipliées par trois entre 2005 et 2008

Désindustrialisation accrue, illustrée par la chute de la contribution du secteur manufacturier au produit intérieur brut (PIB) du fait de la libéralisation du commerce et de l'ouverture des marchés imposées par la Banque mondiale et le FMI. Les PMA africains sont toujours soumis aux mêmes politiques néolibérales (libéralisation du commerce; privatisation)

D'où l'accroissement de l'extrême pauvreté dans les PMA africains: 59% des habitants vivent avec l'équivalent de moins de \$1,25 par jour et 80% avec moins de \$2 par jour. Dans l'ensemble des PMA, ces chiffres sont respectivement 53% et 78%, selon le dernier rapport de la CNUCED sur les PMA (2010)

Ceci explique la détérioration des indicateurs de développement humain pour tous les PMA africains: l'écrasante majorité des pays au bas de l'indice de développement humain (IDH) du PNUD sont africains

La plupart des PMA africains et même des non PMA ne pourront pas atteindre les OMD

Les crises financière, alimentaire et énergétique ont durement frappé les PMA africains, tout comme le changement climatique, qui a accru leur vulnérabilité dans tous les domaines

## LDCs and Civil Society: Working for Common Goals Civil Society Organisations are playing an important role in highlighting the LDC agenda at various levels

By Ambassador Gyan Chandra Acharya

It is commendable that the civil society organisations have been playing an important role over the years in highlighting the Least Developed Countries (LDC) agenda at various levels. It is also important to note that since the 3rd LDC Conference, Community-based Organisations (CBOs) and civil society in general are at the forefront with higher commitment to and substantial engagement in the LDC issues at various levels.

In the UN General Assembly Resolution 3/227, the contributions of civil society actors in the Conference as well as its preparatory process have been duly recognized. It also calls for their active participation in this regard. Therefore, in the context of the LDC Conference, the role of the civil society assumes greater significance.

It is well known to us that the implementation of the successive Programmes of Action (PoA) for LDCs has proved to be inadequate and of limited success. Moreover, the economic and financial as well as food and energy crises together with adverse impact of climate change have further pushed LDCs to the extent of development emergency. Their hard-won development gains have now been threatened. On top of that, the millions of people in LDCs are bearing the brunt of these crises.

To deal with the structural constraints and impediments being faced by LDCs with additional challenges generated by the multiple crises, the international support mechanism in its present form has to be strengthened. It is the need of the hour to think LDCs' situation out of the box, as "business-as-usual" approach will not be sufficient. In Istanbul, the international community, therefore, must come out with an action plan that is ambitious, comprehensive, forward-looking and result-oriented.

### Programme of Action (PoA)

The success of the next Program of Action also calls for a robust and effective monitoring and follow-up mechanism with clearly defined institutional and policy framework together with the provision of dedicated resources. And there is no doubt that the promotion of good gover-



nance at the national level as well as international level is indispensable to ensure inclusive, rapid and sustainable development in the LDCs.

LDCs as the principal stakeholder of the Conference have already expressed that they set an overarching goal of enabling at least half of LDCs to reach the stage of graduation by 2020 by achieving sustained and high economic growth through structural transformation. Towards this goal, they have accorded productive capacity of LDCs as top most priority focus in the next Program of Action followed by inclusive human and social development as well as addressing the multiple challenges in LDCs.

In ensuring a concrete and deliverable outcome document from the Conference, the civil society can advocate for key policy measures based on LDCs' genuine needs and aspirations. They can share best practices and lessons learned while highlighting the challenges and shortcomings from their perspective in the course of the implementation of the previous program of actions.

Even after the conference, the civil society actors can be active in suggesting suitable strategies and mechanisms to make LDCs and their development partners accountable in the implementation of the new Program of Action. They can also mobilize their networks for generating supportive opinion in the international community in favor of providing enhanced level of support measures including the resource flow to LDCs. They can further strengthen their networks at various levels to better advocate LDC issues and lobby for policy measures favorable to LDCs and their people at the global level.

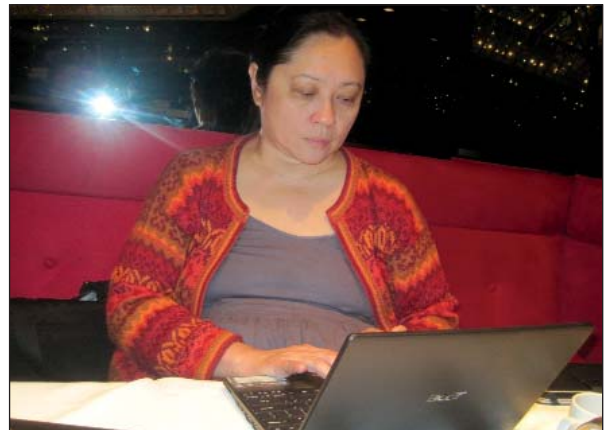
We expect that our friends from the civil society organizations will continue to play an important role, within their mandates, in making the Fourth United Nations Conference on LDCs a success.

*Acharya is Ambassador/Permanent Representative of Nepal to the United Nations and also the Chair of the Global Coordination Bureau of the Least Developed Countries (LDCs).*

# "Debt Has Always Been an Obstacle to Development"

- Lidy Nacpil

**LIDY NACPIL, a Filipino activist, is International Coordinator of Jubilee South, a network of anti-debt coalitions in more than 60 countries across Asia, Africa, and Latin America. She currently serves as vice president of the Freedom from Debt Coalition in the Philippines, the oldest organization working for debt cancellation since 1988. She is also a member of the LDC IV Civil Society Forum Steering Committee. Excerpts of an interview:**



## **How big is the debt owed by LDCs to the developed countries and the multilateral organisations?**

It is rather difficult to have an exact number. But, of course, it is several billions of dollars put together because for all developing countries, it is about 2.2 trillion dollars. For the LDCs, it could run over 100 billion dollars altogether. Important thing to note is that the bulk of this includes bilateral and multilateral debt. Debt from commercial banks and private sources are also growing.

## **Why is debt cancellation important for the LDCs?**

Debt has always been an obstacle to development. Payments of debts have meant that a large part of public financing is being used up for this instead of their investment in essential services. Therefore, we have always argued that if we want the LDCs to be on the road to development, a very essential part of this has to be the cancellation of the debts. We can see from the history that most of these debts were accumulated because of very unequal terms of economic relations between the LDCs and the rich countries of the world. Governments of LDCs resorted to debt in order to provide the means to survive to their people. The same history has also taught us that there has been much pushing by the rich countries to borrow because it is in their interest of raising profits through interests. Even in the case of concessional loans, they are intended to ensure that economic policies in the South are conducive to investments from the North.

## **How optimistic are you that the LDC IV will come up with an agreement regarding debt cancellation?**

I am not very optimistic that they will come up with a comprehensive policy. But, on the other hand, it is encouraging that in several preparatory meetings that we have witnessed, there is a mention by several governments that debt cancellation or debt relief as they put it, is on the table. We are encouraged by the fact that there will be some efforts to address the debt question. It is, now, up to us to push really hard so that the response of the governments will be adequate and not merely some token measure. That is our challenge.

## **What should be done to address the problems of poverty and underdevelopment in LDCs?**

The responses should be two-fold - the internal/domestic policies and the international one. The LDC governments should have the political will to move away from development strategies that have already failed because such strategies are oriented towards the needs of global economic system rather than the needs of their people. That is one fundamental part. But there also has to be corresponding response from the global community. There has to be major changes in trade policies, debt policies and investment policies in the entire world to create enabling environment for the LDCs to develop. If the LDCs change their internal policies but the external environment remains hostile, then that will not work.

# Together, We Can Make LDCs History

**Time has come for the international community to make a bold commitment-to help graduate more than half of the LDCs over the next decade**

**By Dr Arjun Karki**

Sandwiched between two emerging Asian giants-India and China, Nepal is slowly trying to emerge out of the shadow of the decade-old Maoist insurgency. While its neighbours are becoming economic powerhouse, Nepal is ranked as one of the 48 Least Developed Countries (LDCs) of the world.

From the earthquake raven Haiti to conflict-hit Burundi, LDCs are characterised by low socio-economic development indices and conflict within their borders and beyond. Most of the 850 million people living in the LDCs are having to tolerate the massive suffering and unnecessary deaths that result from the under-development.

Unfortunately, there is seen little international support and commitment to help and support the LDCs so that they could also be able to join the development mainstream and their people allowed to lead a dignified life.

While much has been written and debated about the impact of global financial crisis on major Western economies, little thought has been given towards the impact of the crisis on some of the poorest countries in the world.

In this backdrop, the fourth UN Conference on the Least Developed Countries (LDC IV) being held in Istanbul must adopt a new Program of Action (PoA) for LDCs for the next decade built on three fundamentals as follows:

1. That the past three decades of development have been marked by an increase in the number of LDCs from 24 to 48 countries. Only three LDCs have graduated during this period.
2. That LDCs are being severely impacted by three crises that they have had no role in creating: crises of the financial system, the climate system and the food system.
3. That the world has changed and that the policies of the past will not work in the future. New thinking and new approaches are needed.

Time has come for the international community to make a bold commitment-to help graduate more than half of the LDCs out of the LDC status over the next decade. The objective itself is challenging, but not impossible.



## 'Opportunity, not Charity'

One thing must be made clear. LDCs need opportunities, not charity. LDCs need rights, not handouts. They need support, not exploitation. But the international system is stuck in meeting the challenges of the early 21st Century. A lack of progress in the WTO, in the UNFCCC and in addressing structural flaws in the financial system must not be an excuse for a lack of progress in supporting LDCs. People living in poverty in LDCs should not be asked to pay for political paralysis with their lives.

To prevent even more damaging impacts, LDCs need cuts in greenhouse gas emissions by development partners, recognition of the principle of common but differentiated responsibility and meet the challenges posed by the most recent climate science.

LDCs spend \$6.03 billion every year for debt servicing. In many LDCs, more money is spent on debt servicing than on essential services like healthcare, drinking water and energy. European and other developed countries have themselves recently experienced the consequences of high levels of debt. Therefore, cancellation of all LDC debt has become imperative in order to enable LDCs in investing more on essential services of most vulnerable people of the world.

Millions of people living in the poor and developing country have pinned high hopes from the forthcoming Istanbul Summit. We must not fail them this time. What we need is a bold and decisive political leadership from the LDCs and a commitment from the rest of the international community to make the LDC status a history. The new century must give voice to the voiceless and promise them a life full of dignity. Only then people in Nepal, Mali or Madagascar can hope of a bright future for their offspring. The time to act is NOW.

*(Chair and spokesperson of LDC-IV Civil Society Forum, Dr Karki can be contacted at [akarki@ldcwatch.org](mailto:akarki@ldcwatch.org))*

# Can South-South cooperation support a transformational agenda in LDCs?



**The Bulletin is publishing excerpts of an interview with Ms Kozul-Wright, Team leader of UNCTAD's annual Least Developed Countries Report because of its relevance to LDC development.**

South-South cooperation and integration can make a big difference and support transformation in the LDCs, but will not happen automatically. The dynamic emerging economies in the South account for a huge proportion of the world's population, represent a growing share of global GDP and have shown strong resilience to the global economic crisis.

In the wake of this crisis, development models based on market fundamentalism have been widely discredited, with many LDCs searching for alternative strategies inspired by the successful experiences of in the South. There is now a real window of opportunity to implement alternative development models. South-South cooperation offers a marriage of economic opportunity and policy sensitivity, often missing from North-South cooperation.

Development requires diversification. Despite an increase in exports of primary commodities from LDCs in the past decade, when the crisis hit, the LDCs were exposed and vulnerable. Another problem is the low level of learning and innovation that accompanies an extractive and largely agricultural economic base. LDCs, whose industries have often been dominated by transnational corporations, have always produced and exported primary commodities or low value-added manufactures, at the expense of developing indigenous entrepreneurial and technical capacities.

The critical question is how can China, India, Brazil and South Africa become the new drivers of growth for the LDCs? Can dynamic Southern partners spur structural transformation in LDCs by providing new markets and improved access to technology and capital?

Undoubtedly, there are reasons for optimism, but it will call for strengthened South-South economic policy cooperation and coordination, and must be more sensitive to

local constraints and policy objectives. The emphasis on building productive capacities has been much more integral to South-South cooperation than for traditional development assistance. Sharing policy advice among developing countries is likely to avoid the ideological excesses that have accompanied much recent policy advice, and conditionalities, attached to multilateral lending and follow a more pragmatic direction.

South-South cooperation is not the ultimate panacea: while the economic gaps within the South are far less pronounced than between North and South, they exist and have even grown over the last decade. Policy coordination and cooperation can help prevent this and the close link between South-South cooperation and building strong Developmental States is important. Sharing policies and best practices between the large, dynamic developing countries and LDCs help reduce the possible risks.

Today, large Southern countries are offering more generous development assistance, debt cancellation, and new investment opportunities to LDCs and are important sources of infrastructure funding and technology transfer. The challenge for the developing world is to ensure that the recent rapid expansion of South-South trade, technology and investment flows are extended and turned into lasting development gains.

Strengthening the Developmental State is an essential dimension in this. In all dynamic southern economies and countries classified as developed market economies, the government has been influential in promoting and supporting economic development. We must stress the mobilizing and coordinating functions of the Developmental State as well as its capacity to combine and integrate policy measures in support of structural transformation, i.e. the process of diversifying away from agriculture and other traditional products, into modern economic activities. However, in LDCs, globalization has not fostered the desirable kind of structural change that could move labour to more productive activities.

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