

Harnessing financial and resources mobilization for the sustainable development in LDCs

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Development of Equity or equitable development, What's in a word?

With 5 minutes of speaking time, some of our analysis and suggestions might sound a little bit rough on the edge. My apologies for that

1. In these times of financial turmoil there is a rather cynical ambiguity in the word Equity or Equitable. I don't know whether you have ever tried to type equitable on google. The links you get there are more about equity on the stock markets than on social justice or the fight against inequality. Frankly speaking, and looking at reality, they have a point. Equity rules the world, and it has not made our world more equitable. Data show that the dominance of financial capital has contributed to widen the wealth gap between and within countries. If we want 'equitable' development that is one of the first problems we have to cure, and the issue should at least be addressed in a programme for development of LLDC.
2. But, Let's not get cynical from the start. We are happy that our own rights based definition of equitable, has gained some ground. It has made a come back in international development discussions. Last year, at the MDG summit it earned a place in the official speeches (for instance in the intervention of my own country Belgium). It even made it to the final outcome document. A broad recognition of the fact that in the end sustainable development is not compatible with inequality is a good thing. It is analytically correct, and in our view a better base for adequate policy than the straight forward growth paradigm that seems to be on the rise again in international circles. It is on the rise at EU level, in the G20 and other important fora despite the very fresh and hard lessons of the financial crisis and the threat of climate change.
3. Looking a little bit more closely at the revival of the concept of equality and the recognition of its importance for development we get a little worried. The fight against inequality turns out to be rather selective, focussing almost exclusively on internal policy of LLDC and other developing countries and overlapping to a large extent with the fight against corruption. However important that fight may be, it is only part of the story. We cannot turn a blind eye to growing inequality at international level, nor to international mechanisms that widen the gap. You can have your own choice: debt repayments even after full HIPC treatment; unfair distribution of revenue from extraction of natural resources; unfair distribution of return on FDI; tax losses through transfer pricing within TNCs; capital flight fueled by internal corruption but made possible by internationally used tax havens, etc. A binding framework for finance and

business practices would be an important and in my view necessary breakthrough , but slightly beyond the ambition of LDC IV I am afraid.

4. The question is what then is within the ambition of this process and the conference in May. Will we get at least part of the new architecture Unctad has proposed in the LLDC report this year? Will we get at least a substantial part of the highly desirable policy measures in the LLDC's long wishing list? Will we get at least one concrete step forward in one of the real priority areas, be it resource mobilisation, capacity building, sustainable agriculture or infrastructure. Or will we get caught in the traditional kind of trench war with predictable country group positions and no result at all?
5. Talking about ambition everybody should keep in mind that the outcome of the Istanbul conference has to be an action plan 2021 not action plan 2012. This new action plan is supposed to bring us to 2021. That means ten more years of the global and internal dynamics that have been at work over the last few years. Reading draft documents and the reactions from several groups the likely outcome looks more like a half hearted attempt to catch up with the reality of 2012 or at most 2015, than a firm plan to deal with the challenges of the future. Even the more far reaching proposals don't seem to grasp all the problems and the opportunities that will without any doubt come about within 10 years
6. Of course we all know this is a UN conference on development issues. So what we realistically may expect but really have to avoid is some high ambition in the general introduction . and extreme pragmatism if not immobilism in the action section. What should be in the basket in the end? Just a few suggestions about what to do

- Let us not forget about the concepts

the fight around the concepts is not an unimportant one. Inclusiveness , sustainability, and equitable development are extremely important. They are a necessary condition for real development. But there is a high risk of them being diluted into meaningless buzzwords or interpreted in all kinds of different ways. We should qualify them better. And make them operational and useful

- Do something significant about the international framework

At this level we will probably find the widest gap between what should be done and what will be done. Most LLDC are far away from the handles steering the international machinery, although they are often first in line to be hit by the effects of it

But still, we think it is worthwhile to look for low hanging fruit. If we could make a choice, we would go for control on the financial sector and a Financial transaction tax It would temper speculation and mobilise at least a big part of the desperately needed additional resources. My second point would be binding measures against speculation on food commodities, and concrete progress in commodity policy in general with some kind of internationally coordinated supply side management

- Less is more? Shorten and sharpen the shopping list

With a month to go it is urgent to count the sheep and go for the real priorities. Given the limited political support, and the limited political momentum it wouldn't hurt to be a little opportunistic and define a priority package that we consider to be a benchmark for judging about success or failure. It should include: some 'deliverables' for the LLDC group as such. / some measures that would be of benefit to all low income countries but LLDC in the first place/ some proposals that catch the potential of increasing South South cooperation in the area of aid, trade and investment/ and at global level push for operational steps in regulation that at this moment get lipservice but little real support from the major actors. Looking for win win proposals is going to be very important in Istanbul and later, especially in these times where the pressure for graduation and differential treatment is on the rise again. Most of the time the pressure is not to do more for the LLDC but less for the others.

In terms of continued action after May 2011, Istanbul should provide us with an LLDC action package that we can inject into some of the mainstream political processes that will get political momentum in the next few years. That could be for instance the Rio plus 20 exercise, or actions vis à vis the G20 process when it comes to international regulation

- Closer to home for civil society: no equitable development without genuine ownership

It becomes more and more clear how central ownership is to development. But again, the concept has been interpreted in a wide variety of ways.

We have come a long way since the time an IMF official, asked about ownership, reacted 'we will tell them that they own it'. But still...there is a long way to go.

On the importance and the urgency of genuine ownership of development objectives and processes a lot can be learned from some of the events the last few months in the Middle East. If donors and governments really want equitable development and ownership, they cannot do it against the people and their organisations. As much as we want countries to gain policy space to plan their own development in a not always friendly international context, we fight for policy space for people and their organisations to protect and achieve their rights. In the end that is what equitable is about..

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