

# THE FUTURE OF INTERNATIONAL DEVELOPMENT COOPERATION

## EL FUTURO DE LA COOPERACIÓN INTERNACIONAL AL DESARROLLO

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**Resumen:** La cooperación internacional para el desarrollo debe estar inspirada en la innovación si queremos que sea efectiva. La Agenda post-2015 tendría que ser más inclusiva y cooperativa a la vez que debería tener en cuenta el cambio climático y la rendición de cuentas para luchar contra la corrupción. La cooperación Sur-Sur crecerá y la innovación tecnológica podría convertirse en la fuerza impulsora del cambio.

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**Abstract:** International development cooperation must be inspirationally innovative if it is to be effective. The post-2015 agenda will be more inclusive and cooperative while emphasizing climate change and accountability, notably against corruption. South-South aid will grow and technological innovation could become the driving force for change.

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Predicting the future is, at best, a hazardous undertaking. But if there is one certainty, it is that international development cooperation must be inspirationally innovative if it is to be effective in achieving the goal of a juster, more equitable world.

Look around and you will see unprecedented transformation. Exponential changes abound in shifts in the centres of political and economic influence, in the impacts of a changing climate, in the phenomenal advance in information and communication technologies that drive trade and bring nations, cultures and people closer together, and in the expectations and aspirations of human beings in every country. Look again and you will see history, as it so often does, repeating itself through greater inequality and widening disparities between those that have and those that don't. But we must draw history to our side too and learn from it, because it shows that innovation and inspiration can help in great measure to overcome both existing and new barriers to development.

Those and other changes reflect a highly dynamic development landscape. We stand today at a crossroads where the developed world has been severely rocked by financial and economic crises. That has threatened social and economic advances in developing countries and forced a reconsideration of the values that underpin policies related to development – and, indeed, those that guide the world's financial and economic systems.

High on the international development agenda in the coming years will be a review of the Millennium Development Goals (MDG) – how well they have succeeded and the extent to which such goals have been, and will remain, the most useful and relevant framework for cooperation.

The food crisis of 2007-08 is estimated to have pushed more than 100 million people back below the poverty line, showing just how fragile development gains can be in the face of periodic shocks and stresses. The knock-on effects of political and economic instability can continue into the longer term.

The creation of the MDGs was a hugely important and innovative landmark for international development, because they set a standard and articulated targets that attracted an unprecedented level of support around the world. They also helped to promote development budgets and to explain the business of aid to a vast constituency. They are, of course, incomplete. There could have been more goals, but as an exercise in diplomacy and positive compromise among a diverse range of stakeholders they have set a standard for cooperation in a joint international development framework.

But what happens after 2015? There are essentially three options. The first is to extend the deadline for achieving the targets. The second is to build on the existing goals, tweaking them on the basis of experience and research. And the third is to try something altogether different. Given that it took 10 years to develop the MDGs, it will be a struggle to create a new framework that will enjoy the wide support it would need for legitimacy. It would seem most likely, from the present perspective, that we will see an updated and fine-tuned version of the current MDGs, one that emphasizes the eradication of extreme poverty, inequity and inequality, and gives greater consideration to climate change and environmental sustainability. Under the UN's leadership but with far broader participation, it will again define global goals and national targets. The framework

is also likely to focus on accountability and on the responsibility of the international community to respect their funding commitments, and of developing country governments to do more to deliver on their development commitments. Significantly, the process of developing the new framework may well include a wider range of civil society organizations, the private sector and philanthropic organizations in consultations.

Demographic change is already a key issue for policy makers and development practitioners. Its role in the development dialogue is set to grow further, particularly in light of the rapid pace of urbanization in many developing countries. According to the World Bank, there will be more than 2 billion people living in urban slums by 2030, underlining the trend of poverty as an increasingly urban phenomenon. The age distribution of the world's population is also set to show some dramatic changes, with the number of people aged between 15 and 24 expected to double between now and 2050. That has significant implications on employment and politically. And the number of people older than 60 is expected to double in developing countries, which presents further challenges.

Climate change threatens the supply of water, land and other resources. There are multiple projections of the impact of a changing climate, but it is clear that if even some of those are realized we are likely to see more natural disasters, less dependable agricultural production and the beginnings of the phenomenon of climate refugees. Low lying countries will be most at risk, with Bangladesh for example already seeing previously fertile and productive land being eroded by rising water levels and flash flooding.

These are just some of the many development challenges that current leaders and future generations of policy makers and development practitioners will have to grapple with. The MDG target year, 2015, could mark a watershed in the world's approach to development – all the more so as it will also coincide with a period of what we must hope will have been collective reflection on the causes, effects and implications of the global economic crisis. Among the lessons from the current economic uncertainty are the need for accountability and the imperative of collective action in addressing crises.

That collectivity is likely to include emerging donors. South-South development cooperation, notably from the ranks of the BRICS countries (but also from South Korea, Venezuela and elsewhere), has increased substantially in recent years and that trend is likely to continue. Much Southern development assistance to date has been in the form of technical cooperation and project support, but signatories to the Paris Declaration in particular will be expected to move towards more programme-based cooperation in future. Geographical and political considerations have been important determinants of the way that Southern development cooperation has been allocated. These have tended to reflect cultural, linguistic and economic ties and often been concentrated in neighbouring states and the region. Opportunities for trade and investment are a powerful motive for such cooperation.

The down side, according to some commentators, is a relative lack of conditionality to their assistance on human rights and environmental safeguards. That contrasts with the major traditional donors, whose assistance does, of course, come with policy conditions. But as Southern

assistance moves towards a more programme-based approach, there is scope for the introduction of conditionalities – particularly when it is part of multi-donor budget support programmes. As they scale up, Southern donors are also likely to engage more with macro-economic and social policy dialogues. All this will strengthen the role of Southern contributors in shaping the international development cooperation agenda. Their increasing participation and influence in a global forum –and concomitant financial and ideological input– will be a key ingredient in shaping the future development framework.

Recent examples of Chinese external assistance may be a sign of things to come from South-South cooperation. China has shown an understanding of the value of the BRICS countries and has tried to emphasize that development relationships can be mutually (but not always equally) beneficial. The concept of aid within BRICS extends beyond hand-outs to initiatives where both the contributor and recipient gain through the generation of economic activities. That is a reality that Northern donors will have to come to terms with. Philosophically, it is not at vast odds with Northern tied aid or with the political and strategic influence related to aid that Northern countries have long been familiar with. It does, however, contain the prospect of an ongoing and rather interesting debate on the ideology of aid.

As trade is an instrument of official development assistance, so the private sector can also be leveraged to contribute to poverty reduction. Recent years have seen foreign direct investment becoming an increasingly significant source of capital for developing countries. But the extent to which it has, and will continue to, contribute to a developing country's economic

growth is questionable, with much depending on the country's ability to absorb the investment. An increasing private sector role in international development, however, would seem to offer potential for future gains in poverty reduction, environmental protection along with labour and human rights – if managed thoughtfully and motivated not exclusively by the commercial imperative. Its impact, though, will by necessity be sporadic and will be concentrated on those areas where trans-national companies do business. Corporate social responsibility, which involves the integration of environmental and social considerations into core business strategies, has become increasingly embedded in major corporations, at least nominally. But on the consumption side, this is unlikely to encourage poverty reduction, because the goods that most of these companies produce are not for the poor, and the 'business case' will always be prioritized.

The growing fair trade movement has tapped into Northern consumers' consciousness and has shown that they can positively influence how a company operates in a way that does not involve charitable giving or any significant deviation from their normal lifestyle. Insofar as public demand in the North –and, increasingly, in some wealthier Southern markets– continues in the future to boost the willingness of companies to protect the environment, not to employ child labour, not to discriminate in employment and to uphold labour and human rights, the private sector can help to raise the bar for employment standards.

By extension, international companies operating in developing countries are also in a position to influence and strengthen national government systems. As such, there is certainly scope to include them in discussions on a new global framework

to replace the MDGs. In a scenario of growing cooperation between multiple stakeholders, the particular strengths of international companies –such as direct access to the labour market and local demands for aid, participation in trade associations and global development funds, a willingness to experiment and innovate, a capacity to work with the local private sector, and an ability to influence local government policies– can add much value to expanded and enhanced international development cooperation partnerships.

The fight against corruption –or, to adopt for a moment, that splendid euphemism ‘integrity deficit’– will continue to be one of the most compelling challenges for the international development community. With some estimates of as much as 30 percent of the billions of dollars, pounds and euros spent annually on international development loans and programmes being diverted by corruption, the post-global recession era is unlikely to tolerate its perpetuation – at least on such a scale. In some cases, corruption in development has become self-perpetuating, with the desire to maintain illicit cash flows becoming a key reason why further funds are requested. It can also influence the types of development programmes being planned and shape the way those programmes are designed.

The negative impact on development outcomes has been already substantial. Transparency International research, for example, suggests that corruption raises the price of connecting a household to a water network by up to 45 percent. There are further implications for health, education, employment and, of course, for justice and the rule of law. Corruption is explained –and, at times, almost justified– by an idea that compromises to local

norms are unavoidable. The international development community itself must bear some responsibility for having conceded to illegal demands, be it by turning a blind eye to suggestions of misappropriation or conceding to the imperative of donor strategy over integrity.

Recent years have seen increasing resistance, both in society and at the corporate donor level, to corruption in development. But with multiple countries and donors willing to fund development programmes, it is possible for corrupt institutions and individuals to play one off against another. A joint and common approach to development funding and codes of practice will be needed to effectively reduce, and ultimately to eliminate, the vast sums lost each year to corruption. Neither donors nor the world’s poor can afford that it continues. A scenario of major new international development cooperation partnerships of public, corporate and private donors, backed by a swell of social opposition to corruption (as seen, for instance, in the creation of an anti-corruption law in India), represents an effective, viable and probable way forward.

Advances in information and communications technologies have been a catalyst for an extraordinary interaction of innovation and inspiration in social movements. Mobile phone technology and the internet, particularly social networking sites, have enabled mass social movements to develop. The Indian example, in which a campaigning website launched a petition for a new anti-corruption law, attracted 500,000 signatories in just 36 hours. Within a week, India’s notoriously unresponsive government had conceded to all the movement’s demands. The new law would be one drafted by civil society, not by politicians. But the greatest achievement

of the technology-powered combination of innovation and inspiration was the 'Arab Spring'. In an apparently spontaneous uprising of people in several Arab countries from late-2010, powerful social movements brought down governing regimes in four countries. The revolutionary spirit that this engendered deeply permeated national political frameworks throughout the region –not just in countries where regimes fell– creating conditions for political reform and unprecedented dialogue between government and civil society.

These two examples presage more potently than perhaps anything else the future contribution of technology to the quality of governance. No longer can strong-armed regimes rule complacent in a belief of their unassailability. And as it develops further, technology will make governments around the world ever more accountable.

Technology is closing the gap between the world as it is and the world as we would like it to be. It has the potential to be the major driving force for an increasingly democratic global economy, and will inspire greater access by citizens to a vast range of services. The most dramatic change is likely to be felt by remote rural communities who, for the first time, will be able to access not just financial services through mobile and other devices, but educational opportunities, weather and market information, and health care. Technology will reduce the distance between citizens and the politicians and bureaucracy whose duty it is to serve them. The implications of innovative, technology-based cooperation between government, the private sector and the people are as exciting as they are revolutionary.

A growing recognition of the importance of communicating more effectively the need

for continued and improved international development cooperation will bring communications closer to centre stage. There is undoubtedly much scope for a new narrative on international development, one that challenges the widespread apathy in industrialized countries and emphasizes the key objective of creating a sustainable and stable future. People have to be engaged in a dialogue on why development matters to the average citizen of North America, Europe and elsewhere, and on what they can contribute to it. In the increasingly complex and interconnected world of tomorrow, international development and domestic policy issues will become ever more related, with job creation, economic expansion, security and health among the most obvious points of overlap. That, in turn, will see the emergence of new constituencies that are concerned with development, with what is driving their interests. These constituencies will have an important role to play in global development partnerships, with much potential to influence policy.

How will NGOs fit into this new development landscape? NGOs have an established history of adapting to new operating environments. Northern NGOs were born of missionary zeal. The post-World War II years saw the emergence of a more developmental approach, while a further transition at the end of the Cold War saw NGOs shift focus to emerging democracies. Many NGOs found themselves being forced to follow the money, which led to a debate about the extent to which NGOs should allow themselves to be donor-driven. Inevitably, perhaps, NGOs have become increasingly involved in the UN and government donor development circuit, which created new networks and skills. By lobbying and advocacy, they have helped

in no small way to raise the accountability of governments in many developing countries. They increasing wore, if you like, a mantle of global consciousness through their work on fair trade, for instance, or governance, trade and aid. Today, NGOs are undoubtedly leaner, more efficient and probably more effective organizations than in the past. But the coming years will once more throw NGOs the challenge of reinventing themselves, of ensuring that they are ready to adapt all over again to a new set of development landscape realities.

They will need to sustain and improve their capacity to mobilize rapid humanitarian assistance, in a partnership of multiple actors. This will be key, because NGOs are generally far less encumbered by the bureaucratic processes for getting humanitarian help to affected populations quickly. They will also need to show ever more innovative ways of demonstrating the value they add to international cooperation, notably involving civil society in the South. NGOs can be a highly effective link between and within societies. NGOs know how to reach people and engage them. They know how to inspire them. Building on their tradition of zeal, the successful NGOs of the future will be those that can adapt themselves and promote creative solutions and approaches within the context of broad partnerships.

Most if not all people working in development have been profoundly inspired at some stage of their career by an ideal of greater global equity, of a world in which everyone has access to proper education, quality health care and blind justice, with opportunities for decent employment, and governments that work effectively for the benefit of all their peoples and not just the privileged few.

In his acceptance of the Nobel Prize, Alexander Solzhenitsyn wrote: *One day Dostoevsky threw out the enigmatic remark: "Beauty will save the world". What sort of a statement is that? For a long time I considered it mere words. How could that be possible? When in bloodthirsty history did beauty ever save anyone from anything? Ennobled, uplifted, yes – but whom has it saved?*

Solzhenitsyn goes on to make an appealing case for the power of beauty and truth to overcome the unbending opposition of ugliness and untruth.

And therein, perhaps, lies a clue as to how the international development community can cooperate better towards the beautiful ideal of global equity. For if it can perceive beauty not just in the goal but in the means of achieving it, if it can encourage conditions that stimulate innovation, if it can create instruments of progress that inspire to effect, and if it can do all this in a spirit of genuine cooperation and mutual benefit, it will truly have taken a major step towards a fair, equitable and sustainable world.