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Why emerging economies will play a decisive role in shaping the post-2015 debate

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Why emerging economies will play a decisive role in shaping the post-2015 debate

Bonn, Shanghai, 28 January 2013. Global governance requires the active participation of emerging economies such as India, Brazil, China or Indonesia. Negotiations about post-2015 international development goals are no exception. The willingness of emerging economies to engage in the negotiations and to use the new framework for their domestic policies or their engagement with other developing countries will be critical for a new agreement that shall replace the Millennium Development Goals (MDGs). Established in 2001, the MDGs are to be achieved by the year 2015.

What is at stake?

Negotiations about a post-2015 development agenda face a triple challenge: First, they need to create momentum to sustain commitments from traditional donors to provide assistance for poverty reduction in least developed countries and fragile states. Second, they need to forge a new agenda that includes global public goods such as environmental sustainability, addresses peace and security and growing inequality. This is needed also for linking the process to the Sustainable Development Goals (SDGs) proposed by the Rio+20 Summit in 2012. Third, to achieve these new goals the negotiations need to foster a global partnership that goes beyond traditional development aid and includes other policy areas and other forms of development finance such as trade regimes or foreign direct investments.

The MDGs reflect a consensus between OECD countries and developing countries reached in the late 1990s. The MDGs helped traditional donors to recast the legitimacy of development aid and to mobilize domestic support for additional aid pledges by putting human development at the centre of international development. As the 2015 deadline approaches, the 'decade of generosity' is over. Affected by the economic crisis, a new rallying cry for development aid in OECD countries seems unlikely. At the same time, rapidly growing volumes of trade, direct investments, soft loans and development assistance provided by emerging economies to other developing countries have further reduced the relative importance of aid in supporting development in least developed countries.

Emerging economies and the MDGs

Against this background, emerging economies play a key role in shaping post-2015 international negotiations. The position of emerging economies will substantially influence whether future global goals remain the business of development aid and an agenda for least developed countries and fragile states or whether the negotiations can serve as a window of opportunity for a fresh discussion on universal goals at the global level.

Scholars and policy makers in emerging economies – not unlike OECD countries – currently still view the post-2015 negotiations as an agenda driven by traditional donors and North-South relations. This became all too clear at a conference recently convened in Shanghai by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and the Shanghai Institutes for International Studies (SIIS). Emerging economies that provide growing levels of development finance to other developing countries contribute to progress in achieving the MDGs. Yet, so far the MDGs have not served as an explicit framework for South-South cooperation. Instead, South-South cooperation is portrayed as different from traditional North-South cooperation and an alternative to traditional donor-recipient relations. It is therefore not surprising that emerging economies appear reluctant to subscribe to a new agreement that would affect their relations with other developing countries.

Moreover, the MDGs played very different roles in national discourses and for emerging economies' domestic policy-making. In some countries like Indonesia, the MDGs figured prominently as guidance for policy makers and for relations with traditional donors. In contrast, in countries like China very few people at government level or the larger public know about these goals. Yet, China's success in poverty reduction made the largest single contribution to achieve the global target. Chinese scholars therefore question the function of new global goals if a causal link between the MDGs and progress in achieving them is so difficult to make.

Challenges and opportunities for emerging economies

Several factors make it difficult for emerging

economies to shape a new agenda. Unlike traditional development assistance, South-South cooperation does not face pressure to redefine itself which could act as a catalyst to promote the interest of emerging economies to actively shape the debate. Further, weak institutions for cooperation among emerging economies make it difficult for these countries to develop joint positions. The BRICS forum, for instance, is still relatively young and has not (yet) taken up development cooperation as a key issue. Policy makers in China, India or Brazil also know comparatively little about other emerging economies' cooperation with developing countries. As exchange among these countries on development issues has been limited until now and their policies are often not very transparent, emerging economies know more about OECD countries' policies. This hampers efforts to develop joint positions on developmental issues. Whereas in OECD countries, the MDGs have strengthened the separation between development aid and other policy areas and strengthened the development aid community, emerging economies also do not (yet) have strong aid communities that would take up the debate.

However, the upcoming negotiations could also provide an opportunity for emerging economies to strengthen their "soft power" – an increasingly important motivation for them to engage in international cooperation. Emerging economies could use a future agreement to address growing concerns among developing countries about the sustainability of South-South cooperation, as

trade relations and development aid projects are increasingly facing challenges not too different from those of North-South relations. In addition, an agreement that would go beyond poverty reduction and address global public goods and inequality could also serve as framework for emerging economies' cooperation with Europe or the US 'beyond aid', for instance to call for technology transfers and support for renewable energies. Emerging economies such as Indonesia, which co-chairs the MDG High Level Panel and the Global Partnership, indeed seem to seize the opportunity. The post-2015 debate is already in full swing. European countries have a special responsibility during the negotiations. They need to be flexible and open to new ideas and positions from emerging economies and they need to reach out at an early stage. In addition, European countries should be willing to subscribe to ambitious objectives for their own domestic policy making and thereby increase the attractiveness of a new agreement for emerging economies. The world does not need a new global agenda that fails to include emerging economies.

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