Kapuscinski Development Lecture/Keynote Address of the 2014 Conference of the Consortium for Comparative Research on Regional Integration and Social Cohesion (RISC) University of Helsinki, Finland, 29 October 2014

Benchmarks for a truly universal Post-2015 Agenda for Sustainable Development

Jens Martens, Executive Director, Global Policy Forum

Introduction

"Post-2015" is the "flavor of the day"; it is currently right in the center of the development discourse. The United Nations, governments, civil society organizations, researchers, and even business people are currently discussing what will come after the Millennium Development Goals (MDGs). As you all know, the reference period for the MDGs will expire in 2015, and this is the reason why the world community is now engaged in the task of formulating an agenda for the following period. But this Post-2015 Agenda can and must be much more than just an updated list of MDGs.

On the one hand, this process offers the opportunity to correct the errors and omissions of the MDG approach, one that has reduced the development discourse to the eradication of extreme poverty and the provision of basic social services in poor countries. While these issues are extremely important, the MDG approach failed to adequately address the environmental dimension of development, the structural flaws of the global economic and financial system, and the responsibilities of the global North.

On the other hand, the Post-2015 process offers the opportunity to respond to changing global realities, be it the shift in geopolitical and economic power relations with the rise of the BRICS countries or urgent global problems, such as accelerating global warming, growing inequalities, and the expansion of the global shadow financial system.

Conventional development concepts and their related goals and strategies do not provide adequate answers to these changing conditions and global problems. Debates on the Post-2015 Agenda, however, offer the op-

doi: 10.3167/reco.2015.050105 ISSN 2152-906X (Print), ISSN 2152-9078 (Online)

portunity to reconsider the whole notion of development in light of these new realities. They offer us a chance to overcome old and often enduring paternalistic approaches toward development policy. And they offer the opportunity to challenge the idea that development is a phenomenon that occurs only in countries of the Southern hemisphere while we in the North are already "developed." In fact, a future development agenda focusing only on poor countries and not rich ones would be completely inadequate.

That is why we need a truly universal Post-2015 Agenda and not just an updated set of MDGs. But what does universality mean? Universal means an agenda that addresses the rights and responsibilities of all actors in society, including transnational corporations and high net-worth individuals on the one hand, and the most marginalized and impoverished groups on the other hand. But universal also means an agenda that defines the goals, responsibilities and commitments of all countries in the world, not only those of the so-called developing countries. In order to overcome poverty, inequality and environmental degradation, the Post-2015 Agenda must become an "Agenda for the Rich" as well. Furthermore, if the Post-2015 goals are truly to be "universal in their application,"[1] they must be relevant for all countries in the world, including the rich ones. In fact, I contend that we need "Development Goals for the Rich."

But, the Post-2015 Agenda should be far more than a list of goals, and I emphasize: it would be a mistake to reduce the conversation about the agenda only to a conversation about goals.

According to UN Secretary-General Ban Ki-moon, the Post-2015 agenda should have four building blocks:[2]

1. a far-reaching vision with a compelling narrative;
2. a set of concise goals and targets;
3. a global partnership for development to mobilize means of implementation; and
4. a participatory review, monitoring and accountability framework.

For the remaining time of my lecture, it would be more than sufficient to concentrate on just one of these four building blocks. Nonetheless, what I would like to do instead is to highlight four of the most critical, and potentially most controversial points, related to all four of the building blocks.

First, I ask the following question: What does a truly universal agenda mean for the concept of "development?" Do we have "to reset the narrative of development as sustainable, equitable and human rights–based development," as Sakiko Fukuda-Parr suggests?[3] Or do we have to go even further? Should the Post-2015 Agenda be a Post-Development Agenda?

Second, what is the future of the "Common but Differentiated Responsibilities" or CBDR principle, if the simple North–South or developed–developing countries dichotomy is no longer valid?

My third question is, what does a truly universal Post-2015 Agenda mean for the definition of goals and targets? What will be the development goals and targets for the rich?

And finally, what does a truly universal Post-2015 Agenda mean in terms of means of implementation? What does it mean for the future of aid? Should the Post-2015 Agenda be a Post-ODA (Official Development Assistance) Agenda?

These questions will guide the analysis below as each one corresponds to a section.

Rethinking the narrative of development

Allow me to address my first question: Do we have to rethink the whole narrative of development?

It was on December 4, 1948, that the UN General Assembly adopted a resolution with the title: "economic development of under-developed countries"[4] for the first time. A few weeks later, on January 20, 1949, U.S. President Harry S. Truman made his historic inaugural address, in which he announced a "bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas."[5]

This statement marks the beginning of the era of development, or, as the Mexican writer and activist Gustavo Esteva quipped, "the invention of underdevelopment."[6] Since this time, the countries of the world have been categorized as being either developed or underdeveloped, or, in current terms, developing. This division of the world was based on modernization theory and its idea of a more or less linear development trajectory where progress is primarily defined by the speed of economic growth.

However, this approach has turned a blind eye to environmental, gender and human rights aspects of development; it has confused the growth of Gross Domestic Product (GDP) with progress in society; and it has regarded poverty as a primarily technical challenge in which categories of inequality and social justice are neglected. Hence, many scientists and development politicians have, for very good reasons, criticized this approach and demanded alternatives. Already in 1975, the Dag Hammarskjöld Foundation published the ground-breaking report "What now?: Another development." It argues that the concept of development cannot be reduced to raising economic growth. Instead, it states:

> Development is a whole; it is an integral, value-loaded, cultural process; it encompasses the natural environment, social relations, education, production, consumption and well-being. The plurality of roads to development answers to the specificity of cultural or natural situations; no universal formula exists.[7]

In the following years, the broader concept of sustainable development attempted to capture the ideas of plurality and comprehensiveness. In 1992, the year of the Rio-Conference on Environment and Development, ecologist Wolfgang Sachs declared: "The last 40 years can be called the age of development. This epoch is coming to an end. … The idea of development stands like a ruin in the intellectual landscape. … The time is ripe to write its obituary."[8] But obviously, Sachs was too optimistic. There is life in the old dog yet. More than two decades and several economic, financial and environmental crises later, the dominant discourse of economists and politicians still equates development with the growth of GDP. Last year, the report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda presented growth as a *sine qua non* condition for poverty eradication and sustainable development. It noted that "continuing on current growth trends, about 5% of people will be in extreme poverty by 2030."

It adds that "with slightly faster growth and attention to ensuring that no one is left behind we can eradicate extreme poverty altogether."[9] This suggests that poverty eradication and sustainable development can be achieved with the good old faithful model described above, in which wealth is supposed to trickle down to the poorest segments of society as a result of faster growth, and this without any reference to the need for redistributive policies and the limits of the global ecosystem, in the words of Rockström and his colleagues in the *Planetary Boundaries.*[10] It all depends on unleashing private capital and a stronger corporate sector as the engine of growth.

The proposal of the Open Working Group for a new set of Sustainable Development Goals (SDGs) again reflects the absolute belief in GDP growth. In their report from August 2014, governments defined as one of the proposed targets to "sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries."[11] This formulation is like a relapse into the first UN Development Strategy of the 1960s and its belief in growth-based catch-up modernization.

What do we need instead? Within the epistemic community of development theorists there is a lot of debate around the notion of "Post-development".[12] Shouldn't we do away with the whole notion of development, when it seems to be so intrinsically tied to the growth paradigm?

I have a lot of sympathy with this school of thinking. But, I tend to follow the Dag-Hammarskjöld Report from 1975 on "another development" and propose to redefine "development" instead of replace the term. "We are all in need of a redefinition of our goals, or new development strategies, or new lifestyles, including more modest patterns of consumption among the rich."[13]

What sounds like my own conclusions are, in fact, part of the Cocoyoc Declaration from October 1974. Exactly 40 years ago, social and natural scientists and economists from all over the world came together to discuss in an integrated manner the environmental and social aspects of development. It seems that we have not made a lot of intellectual progress since then. We are still in need of a redefinition of development and the Post-2015 Development Agenda, with its claim of being a universal agenda, offers an excellent opportunity to discuss what that new definition might be.

As a start, we should no longer regard development as a process that takes place only in Africa, Asia and Latin America. Nor should we regard development as a linear process from starting point A to target point B. As the *buen vivir* philosophy of the indigenous peoples in the Andes region emphasizes, the idea of a good life in harmony with nature is a process that never ends. It is constantly renewing and reproducing itself.

If we regard (sustainable) development as a normative concept, we could define it as processes of economic, social, cultural and political transformation in all countries of the world, with the ultimate objective of fulfilling all human rights without transgressing planetary boundaries at the global level and a sustainable ecological footprint at the national and even individual level. As planetary boundaries have already been overstepped due to overproduction and overconsumption in the rich countries, a transformative development requires the redistribution of resources and the reduction of inequalities.

For wealthy countries, a transformative Post-2015 Development Agenda must lead to fundamental changes in their consumption and production patterns, significant reductions in their greenhouse gas emissions, and proactive regulatory and fiscal measures to reduce the gap between rich and poor. This brings me to my second question, the future of the principle of CBDR.

The future relevance of CBDR

The principle of CBDR represents one of the milestones of the Rio Declaration of 1992. Today, it is the object of fierce political conflicts both during climate negotiations and in debates on the Post-2015 Agenda. The principle states:

> In view of the different contributions to global environmental degradation, states have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.[14]

For the first time in history, governments recognized their different present and historical contributions to environmental degradation and, thus, their differing obligations to pay for remediation and mitigation. However, if we agree that the old division of the world into developed and developing countries no longer reflects the political and economic realities of today's world, what does this mean for the future of CBDR?

At the Rio+20 Conference, some governments called for a general abandonment of the CBDR principle, citing its irrelevance. But this line of argument is misleading for two main reasons. First, deleting the CBDR principle would not change anything in terms of the existing socio-economic disparities between countries that continue to show considerable differences in income (in terms of both absolute and per capita GDP), and these disparities have actually increased in recent years. Their economic capabilities and their contributions to global environmental degradation differ accordingly. As these differences between countries continue to persist, any international political decisions must duly consider them, even if the principle recognising these differences were to be eliminated. Second, the CBDR principle itself is based on internationally recognized norms and declarations that would remain in place even if the CBDR principle were to be retracted. Above all, these include the solidarity principle, the polluter pays principle, and the ability to pay principle.

- The principle of all countries sharing in the responsibility of managing global challenges is based on the concept of solidarity as it has long existed at the level of the nation-state. The equality of citizens and their common responsibility for public welfare constitute the central elements of this concept. At the international level, governments have described the principle of solidarity in the UN Millennium Declaration as follows: "Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most."[15]

- Even if countries were to deny their historical responsibility for climate change and environmental damages, in accordance with the polluter pays principle (Principle 16 of the 1992 Rio Declaration), they could generally apportion the costs of preventing, eliminating and compensating for harm done to the environment.
- The ability to pay principle is regarded as a generally accepted fundamental principle of taxation and is established in the national tax legislation of many countries as well as in the rules for assessed contributions to international organizations.

Thus, even without the CBDR principle, there would still be political and legal instruments to justify differentiated responsibility and treatment of countries.

Therefore, rather than being done away with, the CBDR principle ought to be adapted to changing global framework conditions. This would enable it to do justice both to the changed socio-economic realities of countries and to their historical responsibilities. However, in no circumstances must such a further development of CBDR be used by the high-income countries as an excuse to shirk their responsibility.

What does this mean in practical terms? In order to translate CBDR into political practice, the following four considerations should be highlighted:

1. Limits of the global ecosystem. Today, there is far-reaching consensus in the scientific and political community that there are limits to the carrying capacity of the global ecosystem and that humanity has already exceeded these limits in some areas. This phenomenon is described by the concept of the *Planetary Boundaries*[16] that I mentioned before. This concept defines nine areas in which global ecological limits should not be crossed[17]. In three areas—climate change, biodiversity loss and human interference with the nitrogen cycle—these boundaries have already been exceeded.

Governments should accept the basic concept of *Planetary Boundaries* in order to be able to reach an agreement on the sharing of limited usufruct and emissions rights as well as on commitments to compensate for environmental damage.

2. Equal per capita rights for all people. The fundamental principle of equality attributes equal rights to everyone. This must also apply to the use of limited natural resources and the emission of greenhouse gases. This would make equal per capita rights an essential element of any future climate regime. In connection with the global budget defined for the amount of greenhouse gas emissions permitted, an upper limit can thus be established for per capita emissions. If a country exceeds it, this country has to commit itself to the necessary reductions. Only where this is demonstrably and fully unachievable should compensation be permitted—

for instance, in the form of carbon offsetting. However, this must be done within strictly defined limits. Under no circumstances must it serve as a sale of indulgences for wealthy climate sinners.

3. Historical responsibility. Taking the consumption and emissions of the present generation into consideration is not enough to establish all people's fair share in terms of their use of the global environment. (Over-)use by previous generations also needs to be taken into account. When it comes to the climate, this means that cumulative per capita emissions have to be taken as the basis for calculations. There are, above all, two arguments that would suggest this.

First, climate change is not solely the result of present greenhouse gas emissions but it also has been caused by the sum of all emissions that have accumulated in the Earth's atmosphere since the beginning of industrialization. The challenge is to limit the overall sum of historical, present and future emissions.

Second, aggregated prosperity of the industrialised countries is based partly on capital stocks and infrastructure (buildings, roads, etc.) that were produced in the past. They overused the environment in relation to their share of the global population. This means that they have accumulated climate debts that they now need to settle. Not permitting the present generation to live at the (ecological) expense of future generations is a fundamental principle of intergenerational justice.

4. Economic capabilities. The second essential component of the CBDR principle is to differentiate countries according to their economic capabilities. The classic yardstick for this is GDP or per capita GDP. While these two measurements are not suitable for measuring prosperity (as previously mentioned),[18] they will have to continue to serve as a basis of calculating economic capabilities until governments have agreed on improved indicators.

However, in order to determine countries' fair share of contributions to support the financing of global public goods, at least two further aspects ought to be considered. In keeping with the example of national tax systems, a poverty or development threshold ought to be defined for all countries. This should ensure that the resources required for poverty reduction, for the fulfilment of economic, social and cultural rights, and for environmental tasks are not depleted. In addition, following the model of progressive taxation, countries with a higher per capita GDP ought to make a disproportionately higher contribution than poorer countries.

Nonetheless, CBDR is not only about burden sharing, for the efforts and costs that the countries take on to counter global crises also come with enormous benefits. Common but differentiated responsibilities also mean common but differentiated benefits. Promotion of a circular economy with zero waste and zero emissions (i.e., energy efficiency and the transition to a low-carbon economy) would have positive long-term economic impacts for countries and would, of course, also enhance people's quality of life. In the short term, only those parts of the economy that benefit from retaining the status quo would stand to lose. The car industry, with its lobbying against stricter CO_2 emissions standards in the EU, is one example of one of the losers of a socio-ecological transformation. So we can see that the fronts here are not between countries but between the economic winners and losers of such transformative changes. Moreover, it is certain that the burdens and costs that are shared by countries according to the CBDR principle would be significantly lower than the cost of doing nothing.

Nicholas Stern already pointed this out in his 2006 Review on the Economics of Climate Change.[19] If governments do not agree on effective measures against climate change, this can, according to his estimates, result in welfare losses equivalent to at least 5% of global annual GNI. In contrast, he put the annual costs of minimising greenhouse gas emissions at around a mere 1% of global GNI.[20] In addition, there is a crucial difference between the costs of taking action and not taking action. The costs of not taking action will have to be borne by everyone, and above all by the masses of people who are particularly vulnerable, especially those in poor countries.

In contrast, governments can transfer the costs of action to those who have caused environmental damage and possess the economic capabilities to repair or compensate for this damage. Therefore, the CBDR principle will and must play a crucial role in discussions about the means of implementation of the Post-2015 Agenda. This is also relevant to the process of defining the future SDGs. UN Secretary General Ban Ki-moon underlined in his 2014 report on the MDGs and the Post-2015 Agenda, "All stakeholders agree that the new goals should be universal in their application, while reflecting national priorities and taking into account different capabilities."[21] In other words, the new set of SDGs should consist of common goals but differentiated targets.

This brings me to my third question: What does a truly universal Post-2015 Agenda mean for the definition of goals and targets? And, in particular, what could be specific targets for the rich?

Towards Targets for the Rich

Observers of the Post-2015 discussions that have taken place in New York over the last 12 months may have gotten the impression that the whole agenda is about goals, or, more precisely, the SDGs. These discussions took place in the Open Working Group of the UN General Assembly on SDGs. It took this working group more than 50 days of discussion and negotiation to come to a consensus. The result has been a list of 17 goals and 169 targets. These goals and targets cover all three dimensions of sustainable development, and they also address hot topics, such as the means of implementation and the rule of law.[22]

However, this consensus rests on shaky ground. In addition to the report of the Open Working Group, the UN will publish a separate document that lists all reservations member states have toward any of the goals or targets proposed. The Vatican and Sudan (among others) are opposing the target on reproductive rights; Russia the goal to promote peaceful societies; and Japan the stand-alone goal on climate change. Moreover, the consensus of the Open Working Group does not yet reflect the consensus of the UN as a whole. The UN General Assembly welcomed the report of the Open Working Group and decided that it "shall be the main basis for integrating sustainable development goals into the post-2015 development agenda."[23] But, at the same time, the General Assembly recognized "that other inputs will also be considered" in the negotiations leading up to the Post-2015 Summit. The final decision on the SDGs will be taken by the heads of State and government in New York in September 2015.

Nevertheless, putting all of this aside, the current consensus is remarkable. It goes far beyond the narrow scope of the MDGs. The proposed list of SDGs contains a broad but very diverse mix of goals and targets. Some are highly ambitious, like goal 1 to "end poverty in all its forms everywhere." It not only includes the target to eradicate extreme income poverty by 2030, but also the target, "by 2030, to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions."[24] If taken seriously, this target could be quite challenging even for some of the world's richest countries, like the United States or Germany.

Other targets proposed by the Open Working Group are very petty and superficial, like the target to "develop effective, accountable and transparent institutions at all levels" (16.6) or the target to "enhance policy coherence for sustainable development" (17.14). Many of the proposed targets are not SMART in the sense that they are neither Specific, Measurable, Assignable, Realistic nor Time-bound.

Some people, such as Jeffrey Sachs, argue that the list of 17 goals is too long, not easy to communicate and should therefore be narrowed down to ten goals or less.[25] Frankly, I don't see a valid reason for this. Take, by way of comparison, the Universal Declaration of Human Rights. When it was drafted in 1947 and 1948, can you imagine someone proposing to reduce its 30 articles to 10 in order to make it more concise and easier to communicate? Do you think the Universal Declaration of Human Rights would have more political weight if it were shorter?

The key issue is not the *number* of goals but their *substance.* Do they make a real difference? Are they sufficiently ambitious, and are they an adequate reflection of global challenges? Will they trigger policy changes? Or do they only reproduce the agreed language of the past, recycle old commitments and maintain the status quo? The SDGs can make a difference if they are truly universal, if they are not only goals for the poor and if they overcome one of the major weaknesses of the MDGs by defining specific targets and responsibilities for rich countries.

To repeat what I said earlier, what we need are common goals but differentiated targets. The 17 goals proposed by the Open Working Group are common goals—they affect and are relevant to all countries in the world. Promoting sustainable agriculture (proposed goal 2) is a challenge for India and Brazil but also for the United States; ensuring access to equitable and quality education (proposed goal 4) is not only relevant for Ghana or the Philippines but also for Germany; and achieving gender equality (proposed goal 5) remains an unfulfilled task in all countries of the world.

But what do I mean by differentiated and specific targets for the rich? I distinguish between three different types of targets:

First, targets are universal and, therefore, create obligations on which all governments must deliver—including rich country governments. Examples include the target I have already mentioned to reduce at least by half the proportion of people living in poverty in all its dimensions; or the target to provide access to safe, affordable, accessible and sustainable transport systems for all, notably by expanding public transport (target 11.2).

A second type of target is one that requires domestic policy changes in order to reduce negative external effects at the global level—kinds of *do-no-harm-targets* in other words. Examples could include the reduction of countries' ecological footprints and the reduction of per capita greenhouse gas emissions, both of these targets are not yet part of the proposed SDG list.

The third type of target zeroes in on the international duties and responsibilities of rich countries. They include, above all, ensuring that the necessary institutional, regulatory and financial means are available to implement the Post-2015 Agenda.

Most of the 169 targets proposed by the Open Working Group can be allocated to one of these three categories. Let me highlight just two specific goals, which are particularly relevant from a "targets for the rich" perspective: (1) the goal to ensure sustainable consumption and production patterns (proposed goal 12); and (2) the goal to reduce inequality within and among countries (goal 10).

Sustainable consumption and production patterns

The High Level Panel on the Post-2015 Agenda wrote in its report last year that, "the MDGs fell short…by not addressing the need to promote sustainable patterns of consumption and production."[26] I fully agree with this assessment, and I also agree that the adoption of SDGs on consumption and production in a world of limited resources is a prerequisite for sustainable development. Therefore, it is good news that the Open Working Group is recommending a stand-alone goal on this issue. Already three years ago, Mohan Munasinghe, former Vice-Chairman of the Intergovernmental Panel on Climate Change (IPCC), introduced the idea of Millennium Consumption Goals (MCG).[27] He argued that the richest 20% of the world's population consume over 80% of global output, or 60 times more than the poorest 20%. Therefore, the main responsibility to prevent or reduce resource use, emissions and waste should fall on this richest 20%.

But an SDG on consumption and production patterns must not only address overconsumption and unsustainable lifestyles. It must also address the production patterns of corporations and the kinds of products they create. Corporations are responsible for the exploitation of natural resources and the environmental damage that this can bring about; they are responsible for the design and marketing of products that are unsustainable; they are responsible for respecting—or violating—human rights within their sphere of influence; and they are responsible for putting pressure on governments and the UN to avoid stricter regulation.

Last year, Margaret Chan, the Director-General of the World Health Organization, was in Helsinki and delivered a remarkable speech. In fact, never before have I heard such a frank statement coming from a top-ranking UN official. So please allow me to quote her:

> Efforts to prevent non-communicable diseases go against the business interests of powerful economic operators. In my view, this is one of the biggest challenges facing health promotion. … it is not just Big Tobacco anymore. Public health must also contend with Big Food, Big Soda, and Big Alcohol. All of these industries fear regulation, and protect themselves by using the same tactics. Research has documented these tactics well. They include front groups, lobbies, promises of self-regulation, lawsuits, and industry-funded research that confuses the evidence and keeps the public in doubt. Tactics also include gifts, grants, and contributions to worthy causes that cast these industries as respectable corporate citizens in the eyes of politicians and the public. They include arguments that place the responsibility for harm to health on individuals, and portray

> government actions as interference in personal liberties and free choice. This is formidable opposition. Market power readily translates into political power. Few governments prioritize health over big business. … This is not a failure of individual will-power. This is a failure of political will to take on big business.[28]

Global Policy Forum recently published a series of papers that fully confirm Margaret Chan's findings.[29]

Therefore, we cannot leave the responsibility to change consumption and production patterns solely in the hands of individual consumers and producers. Governments have to play a key role in setting the right policy incentives, or, first of all, correcting wrong incentives. This may include, *inter alia,* taxes on resource consumption and greenhouse gas emissions; the abolition of tax holidays for the extractive industry; subsidies for the use of renewable energies and organic agriculture; and the simultaneous phasing out of environmentally or socially harmful subsidies.

In addition, governments should introduce effective international regulation for transnational corporations and prevent corporate actors from unduly influencing global policy making and the Post-2015 Agenda. To do so, they should adopt clear mandatory guidelines and policies for their relationship with corporations as well as establish comprehensive transparency and conflict of interest policies.

Margaret Chan expressed very clearly that the belief in corporate self-regulation is misleading and wishful thinking.

Inequality

The same is true when it comes to the goal to reduce inequality. Thomas Piketty just recently demonstrated in his book *Capital in the Twenty-First Century* that capital owners have been getting richer much faster than the rest of us.[30] In the last decades, the gap between rich and poor in many countries of the word has grown, with the notable exception of some Latin American countries with proactive social policies, like Bolivia, Brazil and Uruguay.[31] Moreover, income disparities between countries have increased significantly. Branko Milanovic, former lead economist in the World Bank's research department, estimated that the world income Gini coefficient has been constantly increasing over the past 200 years from around 0.43 in the early 19th century to 0.71 in the first decade of this century.[32] Only in the last few years has this trend seemed to have reversed due to the strong economic growth of countries like China.

I, therefore, very much welcome the inclusion of the goal to reduce inequality not only within but also among countries on the list of SDGs compiled by the Open Working Group. With this decision, governments have acknowledged that inequality is a severe problem that requires political responses at the domestic and international levels. However, as the only measurable target under this goal, the Open Working Group recommends: "by 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average."[33]

This target is much too cautious and misleading for several reasons: first, it makes the reduction of inequality dependent on steady economic growth; second, it does not make any mention of the income of the rich (particularly the "1%"); and third, it refrains from referring to the need to redistribute income and wealth.

In further discussions about targets on inequality, governments should take into account the interesting idea of the so-called Palma ratio. Alex Cobham and Andy Sumner introduced this measure in 2013 based on the work of economist Gabriel Palma.[34] The Palma ratio is an alternative measure of income concentration and inequality. It is the ratio of the income share of the top 10% to that of the bottom 40% of the population. According to Cobham and Sumner, it is based on the observation that the middle classes tend to capture around 50% of national income, "so that politics can be thought of, simplistically, as determining the split of the other half of national income between the richest 10% and the poorest 40%."[35]

The advantage of this ratio is that it looks at both sides of the coin: at poverty on the one side and wealth on the other. This could and should lead to different policy recommendations than those elicited by the prevailing one-dimensional view on poverty. In contrast, recent voices have been arguing that we must realize that inequality is not about the rich; it is about the poor.[36] This view completely ignores the political economy of poverty and the need for redistribution as a desirable political option.

A proponent of this view argued: "If governments make very rich people a bit poorer by changing tax or inheritance rules, who's to say the money won't just be spent on missiles or grandiose infrastructure projects or other things that the people don't really want?"[37] This sounds like a United States Tea Party argument and is only valid for those who don't trust public fiscal policy at all.

My response to this is a simple poem by Bertolt Brecht:

> Rich man, poor man faced each other in a van.
> Said the poor man with a switch:
> "Were I not poor,
> you wouldn't be rich.
> (Bertolt Brecht, "Alfabet," 1934)

I still believe in the power of public policy in general, and the potential of fiscal policy as an instrument of redistribution in particular. This brings me to the fourth and final part of my lecture, and probably the most crucial topic in the Post-2015 negotiations: the debate around the means of implementation.

Means of implementation

Goals without means are meaningless. It would be easy for governments to agree on goals—even more so as they will not be legally binding. Who would be against ending poverty and hunger everywhere, though I still think that we should not wait until 2030? Who would be against healthy lives and quality education for all? Who would oppose the goal of ensuring affordable drinking water for all? Many of these goals are already codified human rights anyway. It is far more difficult to translate the goals into policies, to agree on the ways to reach the goals, and, in particular, to allocate responsibilities for providing the necessary means of implementation.

One of the fundamental design faults of the MDG approach was that it defined very specifically goals one to seven and very vaguely, in goal eight, the means to achieve them. The G77 learned its lessons from this experience and insisted on having means of implementation listed under each of the SDGs as well as specifically under goal 17 on the global partnership for sustainable development.

The result has been a list, sometimes repetitive, of 62 targets (19 of them under Goal 17 and 43 under the other 16 goals) that describe the means of implementation. Most of these targets are not numerical, and, when they are specific (such as the 0.7 target for ODA), they are not timebound. Basically, the list does not contain any new commitments but just summarizes ones that already exist.

In my view, this is not enough. What we need is a much more ambitious Post-2015 Action Agenda. Governments and the UN are calling it a new or renewed global partnership. My friends and I in the Reflection Group are calling it a "Program for Structural Transformation."[38] This program should define the financial, regulatory and institutional measures to realize the SDGs. And it should address the structural obstacles and political barriers that prevented the realization of many development goals so far. I highlight here two specific issues: the need for Sustainable Development Budgets and the future of ODA.

Towards Sustainable Development Budgets

Fiscal policy is a key instrument for governments seeking to implement the SDGs. Governments can generally approach the issue from both the revenue (tax policy) and the expenditure (budget policy) angles. They should pursue a pro-active tax policy to achieve environmental and social policy goals and fulfill their human rights obligations. This includes, for example, the taxation of the extraction and consumption of non-renewable resources, and forms of progressive taxation that are sensitive to the poor's welfare (e.g., by taxing consumption of luxuries).

On the expenditure side, governments should take measures to initiate the redistribution of income and wealth and to trigger ecological steering effects. This can include cash transfers to needy families, child benefits, and the phasing out of ineffective or even harmful subsidies.

If priorities are properly defined, budget policies can become a powerful instrument to reduce social inequality, eliminate discrimination, and promote the transition to sustainable patterns of production and consumption. Realizing any set of SDGs will only be possible if governments undertake, *inter alia,* the necessary adjustments in their tax and budget policies. In other words, they have to formulate Sustainable Development Budgets in order to implement Sustainable Development Goals. This requires eco-social fiscal reforms at the national level. But it also requires strengthened tax cooperation at the global level.

In the last few years, international cooperation in tax matters has intensified. But this takes place mainly within the OECD and the G20. Countries that are not members of these clubs are either excluded or only invited for consultations. What we need is a universal intergovernmental body on tax cooperation under the roof of the UN. So far, the UN's work has centered on the UN Committee of Experts on International Cooperation in Tax Matters. This is far from being sufficient. While the committee provides valuable advice and recommendations, it is by nature an expert committee—not an intergovernmental body—and therefore not able to take intergovernmental decisions. Furthermore, the committee's work is severely constrained by its lack of resources.

In order to strengthen international tax cooperation and to combat tax evasion and harmful tax avoidance, I propose a global Tax Cooperation Forum at the UN. It should promote dialogue and cooperation on issues linked to tax and fiscal policies and lead to the establishment of an Intergovernmental Commission on Tax Cooperation or, even better, an International Tax Organization.[39]

Rethinking Official Development Assistance (ODA)

Even with a strengthened system of public finance, in many countries the maximum available resources will not suffice to implement the Post-2015 Agenda. External funding will therefore still be required.

The current system of financial transfers is based on the concept of aid (ODA). Despite all attempts to increase "ownership" and "aid effectiveness," this system is characterized by paternalistic relationships between rich donors and poor recipients. This relationship has not changed just by now calling donors "providers" and recipients "partners". The financial flows are still often unpredictable, volatile, tied to products and services from donors and subject to conditionalities. Allow me one further and final quote:

> The whole concept of Aid is wrong. I am saying it is not right that the vast majority of the world's people should be forced into the position of beggars, without dignity. In One World, as in One State, when I am rich because you are poor, and I am poor because you are rich, the transfer of wealth from the rich to the poor is a matter of right; it is not an appropriate matter for charity.[40]

This was said by Julius Nyerere, then President of Tanzania, in 1975—and it is still valid. Governments have to go beyond the concept of aid and establish a new normative framework of burden-sharing between rich and poor countries based on the solidarity principle—for example, in the form of a universal fiscal equalization scheme.

Models for such a type of compensation or equalization scheme already exist on the national and regional level. In Germany, for example, regional inequalities are to be compensated for by a system of financial income adjustment between the federal states. In the EU, cohesion and economic equalization are supported financially by a compensatory structural policy. A similar approach is now needed at the global level.

Changes in the normative framework of financial transfers will also affect the so-called 0.7% target. A few days ago, the 0.7% target experienced its 44th anniversary of non-fulfillment, since the UN General Assembly set the target in 1970.[41] At that time this decision was based on the belief that a "big push" in foreign capital was needed to allow so-called developing countries to "take off" towards enduring economic growth. Experts from the World Bank estimated the capital gap at around 10 billion dollars, equivalent to around 1% of the GDP of all of the so-called industrialized countries put together. In 1969, the Pearson Commission recommended giving so-called developing countries 0.3% of the GDP in form of private capital and 0.7% in the form of ODA.[42] This marked the birth of the 0.7% target.

Today, this 0.7% figure has merely symbolic political importance as an "indicator of solidarity." The 0.7% target cannot explain what the implementation of the SDGs will actually cost, how much the respective countries could contribute themselves and how much external capital would be needed to fill the gap. However, all estimates of external financial needs, along with the new and additional resources required for climate finance show that the financial transfers needed go well beyond the 0.7 target.

The justified criticism of the original context upon which the 0.7% target was based in no way legitimizes turning away from international obligations. With the Post-2015 Agenda we need to change our perspective and move away from an aid-based approach to a rights-based approach of development finance—just as Julius Nyerere asked us to do 40 years ago.

Conclusion

A truly universal Post-2015 Agenda will require us to redefine the whole concept of development; to rescue and renew the CBDR principle; to adopt sustainable development goals and targets for the rich; to translate sustainable development goals into sustainable development budgets; and finally, to create a new system of financial burden-sharing beyond ODA.

These are enormous tasks, and I am not naïve. The narrative of development and the fundamental understanding of progress in societies will not and should not be changed from the top down by decisions of politicians and diplomats in New York. This requires fundamental shifts in the power relations between social groups at national and international level. And it requires what the Reflection Group on Global Development Perspectives already called for in 2011: a fundamental change of mindset, by, *inter alia,* restoring public rights over corporate privileges.

The German philosopher Arthur Schopenhauer once formulated the idea that all truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. And third, it is accepted as being self-evident.[43] With some of our ideas, we are probably still between stages one and two. But we are making progress. And the Post-2015 agenda and the process leading up to it offer the chance to make more.

NOTES

1. Cf. UN Doc. A/69/201, para. 70.
2. Cf. UN Doc. A/69/201, para. 68.
3. Cf. Fukuda-Parr (2012), p.11.
4. UN GA Res. 198(III) of 4 December 1948.
5. Cf. Truman's Inaugural Address, January 20, 1949. Retrieved from http://www.trumanlibrary.org/whistlestop/50yr_archive/inagural20jan1949.htm
6. Cf. Esteva in Sachs, 2007, p. 6.
7. Dag Hammarskjöld Foundation, 1975, p. 7.

8. Cf. Sachs, 2007, p. 1.
9. Cf. High-Level Panel of Eminent Persons on the post-2015 Development Agenda, 2013, p. 32.
10. Cf. Rockström et al., 2009.
11. Cf. UN Open Working Group on Sustainable Development Goals, 2014, goal 8.1.
12. Cf. Rist, 2014; Ziai, 2014.
13. Quoted from http://www.unep.org/Geo/geo3/english/045.htm
14. Cf. UN General Assembly, 1992, principle 7.
15. UN General Assembly, 2000, para. 6.
16. Cf. Rockström et al., 2009.
17. Climate change, ocean acidification, depletion of the ozone layer, the global nitrogen and phosphorus cycle, freshwater consumption, changes in land use, the loss of biodiversity, atmospheric aerosol loading and chemical pollution.
18. Cf. the comprehensive critique by the Stiglitz-Sen-Fitoussi Commission (Commission on the Measurement of Economic Performance and Social Progress, 2009).
19. Cf. Stern, 2006.
20. Stern's methods of calculating have been disputed, and he himself put them into perspective later on. However, this does not change anything about his basic statement that the costs of action are much lower than those of non-action. According to Stern, this could be made even more clearly today (Stern, 2013).
21. Cf. UN Doc. A/69/201, para. 70.
22. Cf. UN Open Working Group on Sustainable Development Goals, 2014.
23. Cf. UN Doc. A/RES/68/309 of 12 September 2014.
24. Cf. UN Open Working Group on Sustainable Development Goals, 2014, goal 1.2.
25. Cf. http://www.scidev.net/global/mdgs/feature/jeffrey-sachs-sdgs-big-science.html
26. Cf. High-Level Panel of Eminent Persons on the post-2015 Development Agenda, 2013, Executive Summary.
27. Cf. Munasinghe, 2011.
28. Cf. Chan, 2013.
29. Cf. http://www.globalpolicy.org/corporate-influence.html
30. Cf. Piketty, 2014.
31. Cf. Lopez-Calva/Lustig, 2010.
32. Cf. Milanovic, 2009.
33. Cf. UN Open Working Group on Sustainable Development Goals, 2014, Target 10.1.
34. Cf. Cobham/Sumner, 2013.
35. Cobham/Sumner, 2013, p. 25.
36. Cf. Melamed, 2014.
37. Melamed, 2014.
38. Cf. Civil Society Reflection Group on Global Development Perspectives, 2013.

39. The Zedillo Panel already proposed in 2001 that the international community should consider the potential benefits of an International Tax Organization, cf. High-level Panel on Financing for Development, 2001, p.9.
40. Cf. Nyerere, 1975.
41. Cf. UN General Assembly, 1970, para. 43.
42. Cf. Pearson, 1969, p. 18.
43. Cf. Arthur Schopenhauer, 1859: Die Welt als Wille und Vorstellung. Vorrede zur ersten Auflage. Leipzig, F. A. Brockhaus.

REFERENCES

Acosta, A. (2010). Toward the Universal Declaration of Rights of Nature. Thoughts for action. Article for the AFESE Journal, 24 August 2010. Unpaginated manuscript retrieved from http://www.forumdesalternatives.org/EN/articles/Acosta_DDNN_ingl.pdf

Baer, P., Athanasiou, T., Kartha, S., & Kemp-Benedict, E. (2008). *The greenhouse development rights framework.* Berlin: Heinrich Böll Stiftung/Christian Aid/Eco-Equity/Stockholm Environment Institute. Retrieved from http://www.boell.de/sites/default/files/GDR-second-edition-i.pdf

Chan, M. (2013, June). Opening address at the 8th Global Conference on Health Promotion. Helsinki, Finland. Retrieved from http://www.who.int/dg/speeches/2013/health_promotion_20130610/en/

Civil Society Reflection Group on Global Development Perspectives. (2012). No future without justice. *Development Dialogue, 59.* Retrieved from http://www.dhf.uu.se/publications/development-dialogue/dd59

Civil Society Reflection Group on Global Development Perspectives. (2013). *Towards a framework of universal sustainability goals as part of a post-2015 agenda.* (Discussion Paper). Berlin: Friedrich-Ebert-Stiftung. Retrieved from http://www.globalpolicy.org/images/pdfs/GPFEurope/10075.pdf

Cobham, A., & Sumner, A. (2013). *Putting the Gini back in the bottle?: 'The Palma' as a policy-relevant measure of inequality.* Washington, D.C.: Center for Global Development.

Commission on the Measurement of Economic Performance and Social Progress. (2009). *Report by the Commission on the Measurement of Economic Performance and Social Progress.* Paris. Retrieved from www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf

Dag Hammarskjöld Foundation. (1975). What now? Another development. Dag Hammarskjöld report on development and international cooperation. *Development Dialogue, 1*(2), 1–128.

Fukuda-Parr, S. (2012). *Recapturing the narrative of international development.* (UNRISD Research Paper 2012–5). Geneva: UNRISD.

High-level Panel of Eminent Persons on the Post-2015 Development Agenda. (2013). *A new global partnership: Eradicate poverty and transform economies through sustainable development.* New York: United Nations.

High-level Panel on Financing for Development (Zedillo Panel). (2001). *Report of the high-level panel on financing for development.* (UN Doc. A/55/1000). New York: United Nations.

Lopez-Calva, L., & Lustig, N. (2010). *Declining inequality in Latin America: A decade of progress?* Washington, D.C.: Brookings Institution Press and UNDP.

Martens, J., Dressel, S., Obenland, W., & Petzold, C. (2014). *Turning public budgets towards sustainability: A guide to environmental-social budgeting.* Bonn/New York City: Global Policy Forum. Retrieved from http://www.globalpolicy.org/images/pdfs/GPFEurope/Turning_public_budgets_towards_sustainability_tec.pdf

Melamed, C. (2014). The other half. To end inequality, we must realize that it isn't about the rich, it's about the poor. And we know almost nothing about them. *Aeon, 24.* Retrieved from http://aeon.co/magazine/society/to-end-inequality-we-must-understand-how-poverty-works/

Milanovic, B. (2009). *Global inequality and the global inequality extraction ratio.* (Policy Research Working Paper 5044). Washington, D.C.: World Bank.

Munasinghe, M. (2011). Millennium consumption goals (MCG): How the rich can make the planet more sustainable. *The Island.* Retrieved from http://www.mohanmunasinghe.com/pdf/Island-MCG-1Feb20112.pdf

Nyerere, J. K. (1975, November). The economic challenge: Dialogue or confrontation. Address given to the Royal Commonwealth Society. London.

Pearson, L. (1969). *Partners in development: Report of the commission on international development.* New York/Washington/London: World Bank.

Piketty, T. (2014). *Capital in the twenty-first century.* Cambridge: Harvard University Press.

Rist, G. (2014). *The history of development: From Western origins to global faith.* London: Zed Books.

Rockström, J., Steffen, W., Noone, K., Persson, Å., Chapin III, F. S., Lambin, E. … Lenton, T. M. (2009). Planetary boundaries: Exploring the safe operating space for humanity. *Ecology and Society 14*(2). Retrieved from http://www.ecologyandsociety.org/vol14/iss2/art32/

Sachs, W. (Ed.). (2007): *The development dictionary: A guide to knowledge as power.* London: Zed Books.

Stern, N. (2006) *Stern review on the economics of climate change.* London: HM Treasury.

Stern, N. (2013). *Ethics, equity and the economics of climate change. Paper 1: Science and philosophy.* (Working Paper No. 84a). London: Centre for Climate Change Economics and Policy. Retrieved from http://www.lse.ac.uk/GranthamInstitute/publications/WorkingPapers/Papers/80-89/WP84a-Ethics,-equity-and-the-economics-of-climate-change---Paper-1-science-and-philosophy.pdf

United Nations. (1995, March). *The Copenhagen Declaration of Action: World Summit for Social Development.* New York: United Nations.

United Nations General Assembly. (1970). *International development strategy for the second United Nations development decade.* (Resolution 2626 [XXV]). New York: United Nations.

United Nations General Assembly. (1992). *Rio declaration on environment and development.* (UN Doc. A/CONF.151/26). New York: United Nations.

United Nations Intergovernmental Committee of Experts on Sustainable Development Financing. (2014). *Report of the intergovernmental committee of experts on sustainable development financing.* New York: United Nations. Retrieved from http://sustainabledevelopment.un.org/content/documents/4588FINAL%20 REPORT%20ICESDF.pdf

United Nations Open Working Group on Sustainable Development Goals. (2014). *Outcome Document.* (UN Doc. A/68/970) New York. Retrieved from http://sustainabledevelopment.un.org/focussdgs.html

Ziai, A. (2014). Post-Development-Ansätze: Konsequenzen für die Entwicklungstheorie. In F. Müller, E. Sondermann, I. Wehr, C. Jakobeit, & A. Ziai (Eds.), *Entwicklunsgtheorien. Weltgesellschaftliche Transformationen, entwicklungspolitische Herausforderungen, theoretische Innovationen.* Baden-Baden: Nomos (Politische Vierteljahresschrift, Sonderheft 48).