Pulling the plug on failed development policies is perhaps the single most important thing Prime Minister David Cameron, Liberia's President Ellen Johnson Sirleaf and Indonesia's President Susilo Bambang Yudhoyono and their colleagues on the Post-2015 High Level Panel can recommend to preserve the role of free markets in advancing sustainable development in the decades ahead. Pursuing dubious policies in the name of development is giving the conventional development model an increasingly bad name. According to a recent Pew Global Attitudes poll, in 11 of the 21 nations surveyed, half or less now agree that people are better off in a free market economy. Given what passes for development, this is hardly surprising.

The furor over land grabs is a case in point. In the name of development, the World Bank is investing in $8 billion a year in land acquisitions to produce biofuels and other commercial export crops. Oxfam has described many of these projects as land grabs because lands are taken from small-scale farmers and pastoralists who lack the power to claim their rights effectively and to defend and advance their interests. In developing countries, as many as 227 million hectares – an area the size of Western Europe – has been sold mostly in the past two years to international investors in ways that violate human rights, flout the principle of informed consent, force migration to overcrowded cities and deprive small farmers food they produce for their families and communities. Land grabs have been described as “development in reverse.”

1 President and Senior Economist, Center for Sustainable Economy. jtalberth@sustainable-economy.org
2 Director, The Access Initiative. Ldesilva@wri.org.
Big dams are another tragic story. After a decade of restraint, we are now in the midst of a new dam building boom in some of the world’s most sensitive rivers. In the Mekong River Basin, the Asian Development Bank and international partners are financing new dams in tributary waters that still flow free. Scientists warn that 100 fish species that provide food for millions would become critically endangered if twenty-seven proposed dams were constructed.

In the east-India state of Orissa, the International Finance Corporation has poured billions into new open pit coal mines, aluminum smelters, and coal fired power plants that produce no power at all for those most in need. Hundreds of thousands of people, most of them participating in subsistence-based economies, many of them tribal (25 percent of Orissa’s population is tribal) and among the poorest in India, have been negatively impacted by this energy-intensive, export-based industrial development.

These are examples of the business of development carried out in the form of day-to-day decisions by international economic and financial institutions such as the World Bank, International Monetary Fund, the World Trade Organization and their national counterparts. Not to say that all development decisions by these entities are bad – there are many examples of where they got it right. But if the Post-2015 agenda is to amount to anything at all, decisions that advance a failed development model of the past must be transformed to be part of the solution rather than a leading cause of the world’s woes.

"if the Post-2015 agenda is to amount to anything at all, decisions that advance a failed development model of the past must be transformed to be part of the solution rather than a leading cause of the world’s woes."

Hallmarks of the prevailing development approach are well known and still being pursued with zeal. Maximizing the growth rate of GDP, fostering trade dependency, replacing informal with formal markets, urbanization, privatization, deregulation, fiscal austerity and investments in large, centralized systems of provision for food, water, and fossil-based energy are among its signature policies. In too many cases, pursuit of these policies by financial and economic institutions is based on bad economics – such as failing to account for externalities – and has canceled out any efforts to promote more equitable and sustainable development by others.

As a result, the world is facing a host of converging crises that are crippling progress towards the vision of sustainable development articulated in the Rio Earth Summit 20 years ago and again last June at the Rio+20 conference. Achieving the three pillars of sustainable development – economic prosperity, equity, and environmental sustainability remain elusive. Global unemployment has risen from 8.7 to 9.1% between 2007 and 2011. Almost 870 million are chronically undernourished and 2.7 billion are exposed to indoor air pollution from dirty cooking fires. Over 1.4 billion subsist on less than $1.25 per day. The distribution of wealth is more skewed than ever. The top 1% of wealth holders now control 40% of global assets. This past
summer the Arctic sea ice melted to its smallest size ever, prompting scientists’ concern that the worst-case scenario of global warming is becoming a reality. The rate of extinction has reached 100-1,000 times that suggested by the fossil records before humans.

Transforming the business of development is not only about abandoning failed policies that have exacerbated these alarming trends. Solutions now limited in scope must be dramatically scaled up through global sharing of best practices and technologies and redirecting development towards a new set of global development goals that reflect new ways of doing business. In Maryland, Governor O’Malley became the first state leader to adopt a new growth metric – the Genuine Progress Indicator – to replace GDP as an economic policy goal. In sub-Saharan Africa, the goal of improving food security has been pursued by diversifying rice strains and providing public support for small farmers who grow food for local consumption rather than export. In Germany, energy entrepreneur Ursula Sladek is demonstrating a new model for electricity through a democratically controlled cooperative whose goal of 100% renewables by 2050 has now been adopted nationwide and in neighboring Denmark. Such local success stories provide the building blocks not only for global goals, but the policy changes needed to achieve them.

While the pathway is clear, neither of these two objectives can be met without wholesale reforms of governance so that the business of development becomes everyone’s business and not just relegated to technocrats and elites. Setting new Post-2015 goals for the world will only be effective if it is accompanied by transparent, inclusive and accountable governance mechanisms. The framework for such a mechanism can be found in the Rio+20 outcome document “The Future We Want”.

The High Level Political Forum proposed in that document should be tasked with regularly monitoring and assessing progress in achieving the Post-2015 goals and recommending timely corrective action when progress is weak. The Forum should be supported by a secretariat that facilitates government-led multi-stakeholder dialogues at the local, national, regional and international levels. These dialogues should be inclusive and span thematic areas as well. The dialogues should be informed by substantive reports from UN agencies, governments, civil society and an independent Representative for Future Generations.

The assessments and recommendations from the dialogues will feed into a Ministerial gathering that would take place every second and third year. The Ministerial will bring together Ministers covering finance, environment and social development portfolios. Every Fourth year, heads of state would gather to ensure that key policy decisions are made to move the goals forward. The Ministerial and Heads of state meetings will also be transparent and inclusive. The whole will constitute the High Level Political Forum.

Jumpstarted in London this week, work of the High Level Panel has begun in earnest. The Panel’s charge is to deliver a report to the United Nations in May 2013 outlining the contours of a bold but practical global development agenda that updates or
replaces one based on eight Millennium Development Goals that will expire in 2015. These three overriding objectives – pulling the plug on what has failed in the past, scaling up successful solutions, and making the business of development everyone’s business – provide a natural frame for a new set of global goals that are effective in meeting the world’s challenges. The world hungers for leadership on a Post-2015 development program that works for all. With these three objectives at the forefront of their work, Prime Minister Cameron and Presidents Sirleaf and Yudhoyono are in a position to provide it. Let’s hope they deliver.

About Center for Sustainable Economy
CSE works to speed the transition to a sustainable society by developing innovative solutions for government agencies, businesses, non-profits, and educators and through expert analysis of sustainability trends and policy impacts. We rely on a network of distinguished fellows with expertise in the fields of ecological economics, conservation biology, sustainability analysis, and public interest law. We serve our partners by providing expertise they need but also take initiative on our own campaigns when key opportunities arise.

Our Vision
We believe that a swift transition to a New Economy that fosters economic prosperity, social equity, and environmental sustainability is the only way to emerge from the converging crisis of global economic collapse, climate change, and resource depletion in a manner that is just, rapid, and minimizes harm, especially to those least well off. Hallmarks of the New Economy have been well researched. It is the transition that needs to happen now. We need to marshal vast knowledge, skills, and resource of humanity to create a New Economy that:

• Measures progress by improvements in well-being and not expansion of the scale and scope of market economic activity.
• Recognizes the immense value and importance of relationships and activities outside the so-called formal sector.
• Is based on a renewable energy platform, guarantees basic human needs, discourages wasteful consumption, and invests in rather than depletes natural, physical, social and cultural capital.
• Replaces brutal and wasteful competition between nations, businesses, and individuals with one that binds us together in cooperative frameworks for solving civilization’s most urgent problems.
• Is firmly enshrined within the Earth’s ecological limits and guided by our spiritual and ethical traditions.
• Is diverse, adaptable, localized, and resilient.

To learn more about CSE and how our expertise can advance your work, please contact us at: info@sustainable-economy.org; (510) 384-5724