SOCIAL WATCH

REPORT 2012

OVERVIEW

SUSTAINABLE DEVELOPMENT:

The right to a future

Growing **inequalities** and unregulated finances are expropiating people everywhere from their fair share in the benefits of global prosperity. Our children will inherit the burden of **deforestation, desertification, erosion of biodiversity and climate change.** To revert this trend, the promise of universal dignity brought by **human rights** has to be enforced and **the rights of future generations** need to be recognized and properly **defended.**

A REPORT FROM CITIZENS' ORGANIZATIONS IN 66 COUNTRIES

Includes the findings of the Civil Society Reflection Group on sustainable development

A GLOBAL PROGRESS REPORT ON POVERTY ERADICATION AND GENDER EQUITY

The full version of the Social Watch Report 2012 includes:

The right to a future
Roberto Bissio

Human rights should be at the core of economic recovery
Civil Society Statement

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Civil Society Reflection Group on Global Development

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Current practices are threatening our very existence
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Simon Stocker and Georgina Carr, EUROSTEP

Housing, land and sustainable development
Miloon Kothari and Shivani Chaudhry

MEASSURING PROGRESS

Basic Capabilities Index

Gender Equity Index

Social and Economic Rights Fulfillment Index (SERF)

And national reports from:

Afghanistan, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Belgium, Benin, Bolivia, Brazil, Bulgaria, Burma (Myanmar), Cambodia, Cameroon, Canada, Central African Republic, Chile, Colombia, Croatia, Cyprus, Czech Republic, Dominican Republic, Ecuador, El Salvador, Eritrea, Finland, France, Germany, Ghana, Guatemala, Honduras, Hungary, India, Iraq, Italy, Kenya, Republic of Korea, Malaysia, Malta, Mexico, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Palestine, Panama, Paraguay, Peru, Philippines, Poland, Senegal, Serbia, Slovenia, Somalia, Spain, Sri Lanka, Sudan, Tanzania, Thailand, United States, Venezuela, Vietnam, Yemen, Zambia

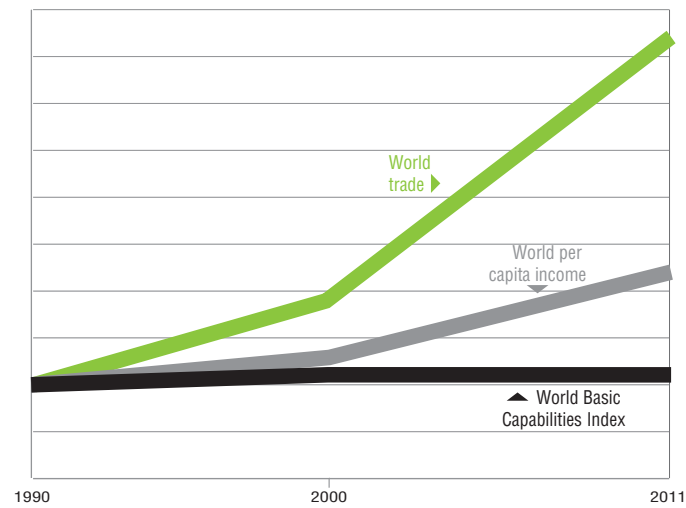
The right to a future

An overview of the Social Watch Report 2012

Roberto Bissio
Social Watch International Secretariat

FIGURE 1

Trade, income and basic capabilities



The General Assembly of the United Nations has convened a summit conference to be held in June 2012 in Rio de Janeiro, Brazil, the city that 20 years ago hosted the historic UN Conference on Environment and Development. Widely known as the Earth Summit, the Rio 1992 conference endorsed the notion of sustainable development and approved the international conventions on climate change, desertification and biodiversity.

"Sustainable development" was defined at that time by the Brundtland Commission[1] as a set of policies that "meet the needs of the present without compromising the ability of future generations to meet their own needs." It has been commonly understood as providing for the requirements of the social sphere (by eradicating poverty), while allowing for the economy to grow and respecting the environment.

The 1992 Rio summit did not provide a definition of what precisely the "needs of the present" are, but in the subsequent series of UN conferences of the 1990s several social commitments were defined, including those of eradicating poverty and achieving gender equality and several indicators and targets were identified. Each country should decide on the policies that would allow for the achievement of these universally agreed goals and targets. Yet, after the collapse of the Warsaw pact and the desintegration of the Soviet Union, there seemed to be a widespread consensus that free trade and economic liberalization were the way to go.

Thus, the World Trade Organization, created in 1995, announces in its homepage that "the opening of national markets to international trade (…) will encourage and contribute to sustainable development, raise people's welfare, reduce poverty, and foster peace and stability." In a similar way, the first of the Articles of Agreement of the World Bank, as amended in 1989, establishes as a major purpose "to promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in raising productivity, the standard of living and conditions of labor in their territories."[2].

These two powerful international institutions have shaped the economic policies of the developing countries in the last two decades through their rulings on international trade and through the loan conditionalities imposed on indebted economies. Both clearly agree on trade and economic growth as the key objectives of their policies and the most important contributions to the sustainable development of their member countries.

And they have met these objectives: Total world exports multiplied almost five times in 20 years, growing from a total value of USD 781 billion in 1990 to USD 3.7 trillion in 2010. Over the same period, the world's average inhabitants more than doubled their income, from USD 4.08 a year in 1990 to USD 9.12 in 2010.

The dignity deficit

These indicators suggest a global abundance of resources, which are sufficient to guarantee for the essential needs of all of the world's 7 billion inhabitants. And yet, too many of these inhabitants suffer from hunger. According to the 2010 report of the Food and Agriculture Organization, 850 million people are undernourished in the world, and that number is increasing due to rising food prices.

To monitor trends in global deprivation, Social Watch has developed a Basic Capabilities Index[3], which combines infant mortality rates, the number of births attended by trained personnel and enrolment rates in primary school. Together these indicators of basic well-being provide elements of what should be considered a "minimum social floor." They should add up to 100%, meaning that no children should be out of school, no women should deliver their babies without assistance and no kids born alive, or at least less than 1% of them, should die before their fifth birthday, since the major cause of those avoidable deaths is malnutrition and poverty.

The indicators computed in the BCI are part of internationally agreed goals that reflect what a minimum social floor should achieve. Below that, there is a dignity deficit. Dignity for all is what the UN Charter and the Universal Declaration on Human Rights set out to achieve and what world leaders committed themselves to achieve in the Millennium Declaration.

But the world is far from achieving these basic targets. The BCI moved up only 7 points between 1990 and 2010, which is very little progress. And over this period, progress was faster in the first decade than the second – increasing over four percentage points between 1990 and 2000 and of barely three percentage points between 2000 and 2010. This trend is the opposite for trade and income, both of which grew faster after the year 2000 than in the decade before (see figure). It is surprising that progress on social indicator slowed down after the turn of the century, despite steady growth in the global economy and despite international commitment to accelerate social progress and achieve the MDGs. This situation can only get worse

1 The World Commission on Environment and Development, known for its Chair, former Norwegian Prime Minister Gro Harlem Brundtland, issued the report titled *Our Common Future* that inspired the deliberations of the Earth Summit.

2 IBRD Articles of Agreement, (16 February 1989), <siteresources.worldbank.org/EXTABOUTUS/Resources/ibrd-articlesofagreement.pdf>.

3 See more about the Basic Capabilities Index in pages 23 of this report.

as the most developed countries are facing severe financial and economic crisis that spreads all over the world. Austerity fiscal policies that cut on social spending started to be implemented in debt-affected countries and are now spreading even to countries that do not suffer from debt problems or fiscal deficit. According to a study by the Policy and Practice division of UNICEF, the UN organization for children, out of 128 developing countries surveyed, more than 90 were introducing austerity measures that affect their social sectors in 2011 or were planning to do so in 2012. In at least one quarter of them the contraction was deemed "excessive", meaning expenditures were cut below the pre-crisis level. This will have a direct impact on the well being of children and their families.

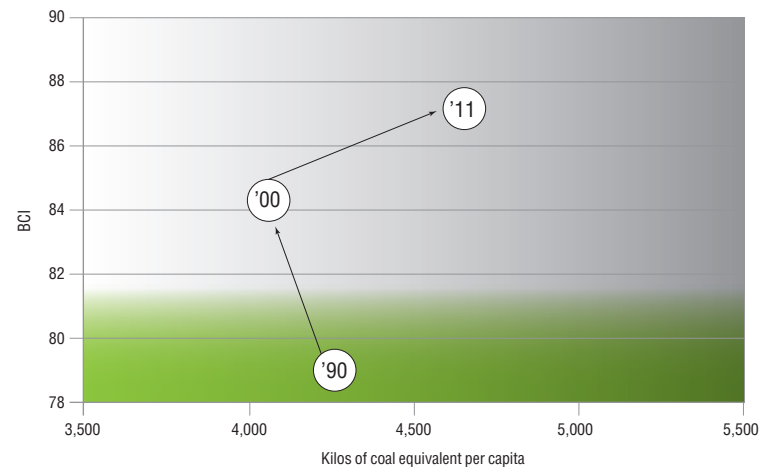
The glaringly obvious reason for the bad performance of social indicators even when the economy shows positive trends is the growing inequality within and between countries. According to the September 2011 issue of "Finance and Development", a publication of the International Monetary Fund, "in 2010, real per capita income in the United States was 65 percent above its 1980s level and in the United Kingdom, 77 percent higher. Over the same period, inequality in the United States increased from about 35 to 40 or more Gini points, and in the United Kingdom, from 30 to about 37 Gini points. These increases reflect significant adverse movements in income distributions. Overall, between the mid-1980s and the mid-2000s, inequality rose in 16 out of 20 rich OECD countries". The Gini coefficient is the most used measure of inequality and ranges from 0, when everybody has the same income, to 1 when a single individual receives all the wealth of a society. Brazil is one of the few countries where inequalities have diminished in the last decade from over 60 to nearly 55. The world as a whole is more unequal than any country, with a Gini value of around 70.

Thus, the hard numbers prove that prosperity does not "trickle down.» It used to be common sense that a growing economy benefits the poor, that a rising tide will lift all boats, big or small, or that the pie has to grow first before we can share it, but the trends in terms of the indicators of social progress seem to show the opposite. And that is also what many members of the Social Watch network around the world report.

Growth at any cost

Economic growth is a priority for all governments. Some identify growth as the key policy priority because it has been very slow or even declined during the global financial crisis that started in 2008. Other have lots of it; including a number of African countries such as Zambia and Cameroon, helped by increasing commodity prices. But that growth is not benefitting the majorities. In Zambia and Mozambique, as also in countries as diverse as Armenia, Azerbaijan, Bolivia, Chile, Ecuador, and Vietnam, extractive industries are the main motor of growth. In an effort to attract investors, safeguards and performance requirements have been waived and the result has been environmental

FIGURE 2



deterioration without social benefits. The description of the situation in Vietnam is echoed in countries in all regions: "The country's rapid economic growth is placing tremendous strains on the natural environment, but while legislation protecting the environment is strong, its implementation is often weak."

"As the population, economy and process of urbanization all grow," the Vietnam report continues, "the main threats to the environment include overexploitation of forests, loss of arable land, water and air pollution, soil erosion due to unsustainable land practices, loss of biodiversity through – among other factors – poaching in national parks and environmental damage due to mining."

The same is true elsewhere. In Thailand, for example, unrelentless pursuit of economic growth has induced at village level "a movement away from subsistence livelihoods to an increased focus on monetary income." Thus, the Thai now face "the challenges of rapid degradation of marine and coastal resources and the multiple consequences of urbanization and industrial and tourism development."

And in Mozambique : "The benefits of economic growth have not reached the people who need them most and the poor are getting poorer."

Not surprisingly, the watchers are alarmed. In Argentina, for example, they find it "paradoxical" to promote investments "at any cost" in order to insure growth, while at the same time approving environmental protection policies. The watchers in Finland go even beyond and suggest that "it is time for an open discussion on the fundamental issues of well-being, equality and development, including forsaking the unending quest for material growth."

Inequality is the reason why, against all theories and models, poverty is not receding, or doing so very slowly, even in countries where the economy is growing fast. By giving corporations more rights without corresponding obligations, globalization exacerbated inequalities between and within nations.

Inequality is the predominant concern in the reports from Hungary and the Dominican Republic, but the issue appears in a majority of the national contributions of this Social Watch 2012 global report. In rich and poor countries alike, only a small minority benefitted from the excellent economic performance of the world up to the financial crisis of 2008. And then, those that did not benefit from the boom were asked to pay for the bailouts of banks in the richest countries of the world that had become "too big to fail."

Not surprisingly the economic crisis and its social and environmental costs is a major issue in most of the European reports, particulalrly those of the Czech Republic, Poland and Slovenia.

Economic growth requires energy, and energy is at the heart of many of the problems denounced by the Social Watch country coalitions in this report. Oil extraction is easily identified with pollution but supposedly "cleaner" energy sources; such as hydro-electrical dams appear as problematic in several testimonies.

In Malaysia, where the official national goal is to achieve developed country status by 2020, an entire area of rainforest is being flooded and at least 15 communities relocated in order to construct a huge dam for hydro-electrical power. This is considered unsustainable and "irresponsible" by the Malaysian watchers, who warn about "loss of endemic species, increasing social discontent and environmental threats." In Brazil and Mexico huge hydroelectric megaprojects are being planned or constructed. In Cameroon the Lom and Pangar dam project will displace thousands of people and ruin one of the richest ecosystems in the world.

Biofuels, often labeled as "green," are a major cause of environmental disruption in Colombia, where the governmental support for agro-industrial mono-cultivation (which provides the input for biofuels) is causing the displacement of entire populations of

small scale farmers. To add insult to injury, this does not even result from domestic demands but from the needs of the United States, subsidized by loans from multilateral development banks.

In Guatemala the monocrop is sugar cane, also a major source of biofuels, and its industrial cultivation has similarly led to population displacement, human rights violations and deforestation.

Coffee is the culprit in Nicaragua. The country depends on its exports for cash and the expansion of this crop is depleting soil fertility, polluting water resources and promoting deforestation as peasants are displaced from their traditional lands.

In Sri Lanka deforestation is another consequence of armed conflict and in the Central African Republic the loss of 30,000 hectares of primary tropical forest has been registered due to the pressure of farmers, which in turn results from droughts in the north, northeast and eastern regions, which in the past were known for their agricultural production.

Desertification appears again and again in the reports as a major problem, particularly in Africa. In Nigeria almost 350,000 hectares of arable land are being lost annually to the advancing desert, as a result of droughts and human overexploitation, overgrazing, deforestation and poor irrigation, practices that derive from the extremely hard socioeconomic conditions in which the people live.

Climate change is also the root cause of the opposite disaster, catastrophic floods that devastated Central America in 2011 and Benin in 2008 and 2010, where crops were destroyed and outbreaks of cholera, meningitis and yellow fever were registered.

In Ghana, the impact of climate change is reported by the local watchers as: "hotter weather, reduced or increased seasonal rainfall, changes in rainfall patterns, flooding, sea surges, tidal waves and a rise in sea-level causing inundation and coastal erosion. The result is a reduction in food security, increased transmission of vector and water-borne diseases, significant economic losses through weather crises and the displacement of the population."

Even governments that have been leaders in acknowledging the problem find it difficult to sustain coherent policies. Bolivia, which champions the combat against climate change among developing countries, relies heavily on oil and gas production to fund its antipoverty strategies. In Germany, as part of the strategies to contain the European financial crisis, subsidies for solar energy are being reduced and the item for economic compensation to countries affected by climate change has been deleted from the 2011 draft budget.

Carbon and space

One of the countries most severely affected by climate change is Bangladesh, where rainfall and flooding is already leading to food shortages and millions of people risk becoming "climate refugees."

Paradoxically, Bangladesh is one of the countries which has contributed least to the problem, since its per capita carbon emissions are among the lowest in the world.

The graph in pages 24-25 shows, precisely, the ranking of countries by CO_2 emissions from fossil fuels, in the horizontal axis, and by their Basic Capabilities Index in the vertical axis.

This graph shows that while 50% of carbon emissions are generated by 13% of the population, 45 countries with a total population of 1.2 billion people have managed to achieve social indicators that are better than the world average with per capita emissions of CO_2 from fossil fuels below the world average. And none of them are labelled as "high income." Yet, the members of that group of the "clean and virtuous" have no recognition or compensation for their achievement. Quite to the contrary, similar to other middle-income countries and those considered as "least developed," they often find their space for making domestic policy choices to achieve sustainable development squeezed by external demands, conditionalities and impositions that press them to take steps such as slashing tax rates and spending on social services.

The graph also shows that there is no direct relation between better progress on social indicators and CO_2 emissions. With carbon dioxide emissions of three tonnes of per capita a year, Costa Rica and Uruguay have managed to lower their infant mortality rates to the same level as a country that emits 20 tonnes a year: the United States. At the same time, with the same level of emissions as Norway, South Africa has a set of social indicators similar to that of Indonesia, which consumes five times less fossil fuels.

Between 1990 and 2000 the world's index of basic capabilities improved five points (from 79 to 84) while the world per capita emissions of CO_2 from fossil fuels actually decreased from 4.3 tonnes of coal equivalent to 4.1. In the first decade of the 21stcentury, the social indicators moved uponly 3 points in the global average, but world CO_2 emissions moved up to 4.6 tonnes per capita.

The amount of global warming-causing greenhouse gases in the atmosphere reached a record high in 2010, and the rate of increase has accelerated, reports the World Meteorological Organization. Scientists attributed the continuing rise in levels of carbon dioxide, which is responsible for two thirds of climate warming, to fossil fuel burning, deforestation and changes in land use.

Countries with CO_2 emissions way below the world averages and low rankings on social indicators argue that they need a certain "space" for more emissions in order to ensure an improvement in well being of their populations. This argument is sound, particularly since OECD countries countries have already used up more then their fair share of "atmospheric space" for emissions. However, empirical evidence shows that some countries have managed to reach social indicators at levels comparable to the average of the OECD countries with less than half the world emissions average. OECD members, in turn, not only consume much more than the world average, but have historically contributed to the accumulation of greenhouse gases in the atmosphere and thus used up their share of the atmospheric space.

If fulfilment of basic dignity levels of enjoyment of social, economic and cultural rights is not incompatible with sustainability and achievable with existing resources, not doing so is not just an ethical fault but also a threat to the global system, increasingly perceived as unjust, unfair, designed to create more and more inequality and therefore illegitimate.

Rights as the basis of sustainable development

When basic civic and political rights are absent civil society is unable to organize peacefully, people cannot make their voices heard and the quality of government policies suffers. In Eritrea, "the hell of Africa" and Burma, the need for some democratic governance as prerequisite is clearly spelled out, while in Palestine it is inescapable that no development is possible under foreign occupation and in Yemen it is evident that "*little progress can be made towards sustainable development because the country is teetering on the edge of civil war and faced with widespread famine and social catastrophe."*

Yet, civil society shows amazing resilience and displays creativity as soon as it is given a slight

ECOLOGY AND ECONOMY

Two modern sciences carry in their names the Greek word *oikos* (house). *Ecology* is the science that studies the relations that living organisms have with respect to each other and their natural environment. Ecology can establish the limits above which a certain activity may cause irreversible damage. The science that deals with the relation between finite resources and infinite human wants is *economics*. In 1932 Lionel Robbins defined economics as "the science which studies human behavior as a relationship between ends and scarce means which have alternative uses."

It is not the notion of limits that is new. The "novelty" – and the urgency – is that human activities have reached global limits and thus globally agreed strategies are needed.

opportunity. In Iraq the demonstrations that shook the country in February 2011, calling for the elimination of poverty, unemployment and corruption illustrate the new role that Iraqi citizens are beginning to play in a society where democratic participation was formerly violently repressed or silenced altogether. Although still amidst a backdrop of insecurity and highly deficient civil liberties, civil society organizations are growing and playing an ever-increasing role in the nation's development and joining the regional "Arab Spring" democratic insurgency.

In Kenya, after many years of struggle for true sovereignty and citizenship, citizens finally managed to negotiate a groundbreaking Constitution in 2010. Its focus on basic rights, participation, and accountability to citizens provides the basis for defining the role of the State as central to constructing an economy that fulfils the promise of equity and basic social and economic rights. In environmental terms, the new Constitution is also a step forward since it establishes the right of every Kenyan to a clean and healthy environment.

In Bolivia and Ecuador constitutional reform processes similarly backed by big majorities have strengthened the rights of indigenous peoples and, instead of using the language of "sustainable development" found inspiration in their cultures to establish at constitutional level the rights of *Pachamama* (Mother Earth). However, as watchers make clear, the protection of those rights from the ravages of the relentless quest for economic growth demands constant struggles. Environmental concerns, Bulgaria watchers recall, were extremely important in the country's struggle for democracy. Now, after years of increasing apathy, more and more people are becoming involved in environmental issues. The introduction of Genetically Modified Organisms (GMOs) in the market and several flaws in the implementation of the NATURA 2000 programme for conservation of natural areas have become two major issues in the political debate and the mobilization of citizens.In Italy, even when sustainable development was never part of the Berlusconi Government's priorities, successful referenda promoted by civil society (against nuclear power, forced privatization of water and other public services and against the exemption of the Prime Minister from the rule of law) brought almost 27 million Italians to vote, and succeeded in pushing the country in a more sustainable direction.

In some countries, Serbia and El Salvador among them, civil society organizations are vocal in supporting sustainable development policies that they have actively contributed to formulate through open consultations. Yet, success is not taken for granted, as it depends on "implementation, monitoring and enforcement, raising awareness and securing political support."

Sustainable development: goals or rights?

By monitoring antipoverty efforts and development strategies at national and international level, Social Watch has found, as summarized above, that economic indicators and social well- being indicators do not correlate. It is therefore urgent to revise economic strategies to achieve the internationally agreed sustainable development goals and make the enjoyment of human rights a reality for all.

At the Earth Summit, the leaders of the world stated that "the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries (...) aggravating poverty and imbalances." This is as true today as it was in 1992.

Global public goods cannot be provided by any single state acting alone, and they include the preservation of the life supporting functions of the atmosphere and the oceans (threatened by global climate change) or the reliability and stability of a global financial system, indispensable for trade and development but threatened by unhindered speculation, currency volatility and debt crises. The failure to provide those public goods impacts the livelihoods of billions of people around the world and threatens the one public good that inspired the creation of the United Nations: global peace.

Further, in spite of the recommendations formulated by the Earth Summit to develop sustainable development indicators and all the work done in this area since then, the international community still lacks agreed indicators to measure the sustainability of the global public goods under its surveillance.

The report of the Stiglitz-Sen-Fitoussi Commission[4] clearly suggests that well-being indicators and sustainability indicators are of a different nature and likens them to the dashboard of a car, with separate displays for speed and remaining gas. One informs about the time needed to achieve a destination, the other one refers to a required resource that is being consumed and may reach a limit before the destination is reached.

The human rights framework sets clear goals for well-being indicators. The rights to food, to health, to education impose the mandate to achieve universal attendance of all girls and boys to education, the reduction of infant mortality to less than 10 per thousand live births (since all mortality above this figure is related to malnutrition and poverty), the universal attendance of all births by trained personnel, the universal access to safe water and sanitation and even the universal access to phone and internet services.[5] Basically all of the first six goals of the MDGs can be read as a request to fulfill existing rights in accordance with the International Covenant on Economic, Social and Cultural Rights (ESCRs). And human rights demand other goals, not included among the MDGs, such as the right to social security (article 22 of the Universal Declaration), now recognized as the basis for a "minimum social floor".

The national and international development discourse should not be about picking certain goals as a priority, since all have already been agreed upon, but about when they will be progressively achieved. The realization of those rights is a responsibility of governments "individually and through international assistance and co-operation, especially economic and technical, to the maximum of available resources," according to the Covenant on ESCRs. The prioritization of 'maximum available resources' also applies to international assistance. In order to monitor the effective use of the maximum available resources (including those of international cooperation) the Universal Periodic Review of the Human Rights Council should be strengthened to perform this task. Further, the Optional Protocol to the Covenant on ESCR should be ratified, so as to allow citizens to claim their rights in court, and the bilateral and multilateral development agencies have to be made accountable for their human rights impact.

Sustainability indicators, on the other hand, refer to the depletion of certain non-renewable stocks or assets. When those are part of the global commons international agreements are required to ensure sustainability. Contrary to human well-being, which can be formulated in terms of goals, sustainability needs to be addressed in terms of **limits**. Limits can be formulated as an absolute ban on certain activities, such as the ban on whaling or on the emission of ozone depleting gases (Montreal Protocol), or they can establish quotas to ensure non-depletion, which can be assigned to economic actors through different market and non-market mechanisms respecting the equity and solidarity principles.

Internationally, more work needs to be done, for example, on fisheries in order to avoid further depletion of species that are vital to feed millions of people. But above all, an ambitious agreement is needed on the second commitment period of the Kyoto Protocol that limits temperature rise to well below 1.5º to prevent catastrophic climate change and ensuresjust and fair sharing of drastic emission reductions, in accordance with common but differentiated responsibilities and historical responsibility.

Any formulation of "sustainable development goals" that does not include adequate climate change targets or does not address the human rights aspects and the sustainability aspects simultaneously and in a balanced way, risks derailing the comprehensive sustainable development agenda without any compensatory gains.

Instead of the establishment of new goals, what is needed is a monitoring and accountability system that can actually make **all** governments, North and South, subject to review for their obligations at home and **simultaneously** creates an entitlement for support when those domestic obligations are met but the available resources are still not enough.

The principle of "special and differential treatment" for developing countries enshrined in

4 Report by the Commission on the Measurement of Economic Performance and Social Progress, (2009), <www.stiglitz-sen-fitoussi.fr>

5 Article 19 of the Universal Declaration on Human Rights: Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

the WTO agreements is there because of that same logic, but in practice this principle is seldom applied. The notion of "historic responsibility" mentioned in the preambular paragraph of the UN Framework Convention on Climate Change goes one step beyond.

In the current international trade system, when a country fails to meet its obligations, the affected country cannot impose a change in the offending tariffs or subsidies (as that would violate sovereignity) but is allowed to impose a retaliation up to levels determined by an arbitration panel. A similar construction can be imagined, where a country that is unable to get from "international assistance and co-operation" the additional resources needed to fulfill its human rights obligations, can carve exemptions in its trade and investment obligations to the level required, by for example raising trade tariffs beyond what would usually be allowed in WTO agreements, impose additional obligations on foreign investors without risking being sued under investment agreements, deferring debt-related payments, or any other measures the affected government might deem necessary. These arbitration formulas are not completely different from those proposed for countries facing difficulties in their external debt payments.

In fact, such a principle was already enunciated by former UN Secretary-General Kofi Annan in 2005 in his "In larger freedom" report when he proposed that debt sustainability be defined as the level of debt that allows a country to achieve the MDGs by 2015 without an increase in its debt ratio.

Financial and technical assistance is only one aspect of the obligations of developed countries (and, in fact, of all countries, including middle-income countries, once they have achieved a satisfactory level of fulfilment of basic ESCR obligations). Countries also have a collective international responsibility to ensure that the governance of the global economy is consistent with human rights. Cambodia, for example, is receiving currently some USD 700 million in ODA a year, but it has accumulated reserves of USD 2.5 billion in the last few years, most of them in US Treasury bonds, which amounts to an LDC providing a soft loan to one of the world's richest countries.

Can the Cambodian Government be blamed, on this account, for diverting precious resources in this way instead of allocating them to essential social services? While this is a description of what actually happens, those reserves are needed as an insurance against even greater risks derived from speculation and financial volatility. The G7 and perhaps even the G20 governments are much more responsible for having created those risks, by liberalizing financial flows and de-regulating the financial industry. By not meeting their responsibility to create a sustainable global financial system, the most powerful countries are also not allowing poor country governments to use their available resources properly.

New rights and institutional mechanisms need to be established with regard to sustainability. The civil society Reflection Group on sustainable development, comprised of members of Social Watch, Friedrich Ebert Stiftung, terre des hommes, Third World Network, Dag Hammarskjöld Foundation, DAWN and the Global Policy Forum has incisively identified the deficit in this regard and proposes explicit recognition of the rights of future generations and mechanisms to defend them. (See pages 7-13 of this report)

This "right to a future" is the most urgent task of the present. It is about nature, yes, but it is also about our grandchildren, and about our own dignity, the expectations of the 99% of the world's 7 billion men and women, girls and boys that were promised sustainability two decades ago and have found instead their hopes and aspirations being melted into betting chips of a global financial casino beyond their control.

Citizens around the world are demanding change and this report is only one additional way to make their voices heard. The message could not be clearer: people have right to a future and the future starts now. ■

Human rights should be at the core of economic recovery

The world is still experiencing the aftermath of the 2008 global financial crisis, with no real recovery in sight. Only an enduring commitment to respect, protect and fulfil legally binding human rights obligations enshrined in the Universal Declaration of Human Rights and core international treaties can provide the basis for reforms to ensure a more sustainable, resilient and just global economy. The G20 leaders must enforce reforms aimed at preventing speculative activity in financial markets from undermining the enjoyment of human rights; also, they should agree to increase relative fiscal pressure on the banking sector and to cooperate to promote transparency and mutual accountability in revenue mobilization.

Civil Society Statement[1]

More than three years after the onset of the global financial crisis the world economy faces an uncertain future scenario. The world has at no point been close to a "recovery" from the human rights toll of the financial crisis. Poverty and inequality have increased and economic growth, where it has taken place, has not led to more jobs or higher wages but has been unevenly distributed to the wealthiest sectors of society.

As the world braces for another economic downturn, countries and households barely able to cope during the last recession are now in an even worse situation, with negative consequences for fundamental human rights in rich and poor countries alike.

States' human rights obligations embedded in the International Bill of Rights require that governments carefully assess their various choices and courses of action against the human rights consequences in transparent, participatory, non-discriminatory and accountable ways. Only an enduring commitment to respect, protect and fulfil legally binding human rights obligations enshrined in the Universal Declaration of Human Rights and core international human rights treaties can provide the basis for reforms that ensure a more sustainable, resilient and just global economy.

Large-scale deprivations of human rights stemming from the financial and economic crises are not inevitable, natural phenomena. The Group of 20 (G20) agenda outlined at Cannes provides several actionable opportunities for governments – individually and in concert – to choose alternative, human rights-centred paths to sustainable economic recovery.

Issues and recommendations

The seriousness of problems threatening the world economy today warrants a cohesive and coordinated response from G20 countries to stimulate their economies. The premature move to pursue austerity policies, and the consequent reduction in aggregate demands, have been the main reasons why the world is falling back into an economic crisis. These policies threaten to continue to deprive people of access to finance, jobs and services while their governments for the most part refuse to establish fair systems for the private sector to share the burden of public debt restructuring.

Human rights standards and principles provide a framework for the design and implementation of economic stimulus measures that are participatory, transparent, accountable and non-discriminatory, and the G20 should enforce the implementation of measures designed within such a human rights framework. Introducing stimulus measures without adequately assessing their effects is not desirable, especially when they may place new strains on public budgets to benefit private risk-taking. Gender- and environmentally sensitive public infrastructure programmes are among the measures that should be undertaken to ensure that any recovery benefits those most in need.

Governments' obligations to take steps to fulfil their responsibilities for economic and social rights cannot be upheld without a thorough evaluation of the contribution that the financial sector makes to public budgets through taxation. In general, the liberalization of capital over the last two to three decades has meant more indirect and regressive taxes, disproportionately raising fiscal pressure on poorer and middle-income households.

The scale and complexity of financial institutions is another pressing issue. Large financial firms, some of them operating in dozens of jurisdictions, have successfully resisted calls to reduce their complexity or size. They are able to profit from tax and regulatory dislocations that such a position makes possible, while their complexity and size limits the chances that the resulting risks can be successfully resolved without disrupting vital banking activities in the event of a collapse. The G20 should undertake measures to address this problem as it relates to systemically important financial institutions, including through direct regulatory intervention to break up large firms. It is especially important that G20 members agree to adopt and impose a tax on financial transactions and make a clear commitment to use this newly generated revenue to fulfil their human rights obligations. Governments should take decisive steps to cooperate internationally in order to ensure transparency and mutual accountability in domestic revenue mobilization.

In addition, governments should enforce banking regulations that fully recognize the duty of States to prevent, protect against and provide effective remedies for human rights infringements by private actors, including the financial sector. In the short to medium term, governments must be fully empowered to consider regulation of banking services as an essential tool to enhance the enjoyment of human rights for all. ■

1 Adapted from the Joint Civil Society Statement to the Group of 20 Leaders on Embedding Human Rights in Financial Regulation (October 2011). For the complete statement and list of signing organizations see: <www.coc.org/rbw/g20-asked-uphold-human-rights-responsibilities-finance-november-2011>.

Rio+20 and beyond: no future without justice

Over the last 20 years, little has been done to change patterns of production and consumption that pollute, erode biodiversity and lead to climate change, while commitments to human rights and gender justice have not been fulfilled. We are facing societal and ecological disaster. The State can respond quickly to this, if based on democratic legitimacy and accountability. In times of growing global interrelationship between societies, economies and people, universally agreed principles are the precondition for living together in justice, peace and in harmony with nature. Here we propose eight principles as the foundation for a new sustainability rights framework.

Civil Society Reflection Group on Global Development[1]

The world is in need of fundamental change. We live in a world in turmoil; too many people are tossed around in a global boom and bust, a global casino gambling with our livelihoods, our security, our futures and our planet.

We live in a world where the top 20 percent of the population enjoy more than 70 percent of total income and those in the bottom quintile get only two percent of global income. Gains from economic growth and globalization have been unevenly shared. In most countries, the rich have become richer at the expense of the middle class and low-income groups. Unfettered economic growth has further increased social inequalities even though it has generated the resources to do the opposite and finance more equitable access to public and essential services. Persistent poverty, unemployment, social exclusion and higher levels of inequality are threatening care systems, social cohesion and political stability.

We live in a world where 50 percent of carbon emissions are generated by 13 percent of the population. Fast spreading unsustainable production and consumption patterns have been linked to the rapid depletion of natural resources, including clean water, as well as to unequal sharing of the promised "benefits" of economic growth and expanding trade. They have led to global warming that produces rising sea levels, higher frequency of extreme weather conditions, desertification and deforestation. For bio-diversity, the loss of environmental heritage is permanent. We have exceeded the ecological limits and ignore the planetary boundaries. With the climate change threat we are already living on borrowed time. However, we refuse to cut back on emissions and allocate the scarce resources to those who have not yet benefitted from their exploitation.

All too often national and international policies have not aimed to reduce inequalities. Their dedication to stimulating economic growth has provided the incentives to exploit nature, rely on the use of fossil fuels and deplete biodiversity, undermining the provision of essential services as countries compete in a race to the bottom offering lower taxes and cheaper labor as incentives.

Persistent discrimination locks women in precarious reproductive work and violence. Women, especially the poor, remain socially discriminated and in many places are deprived of their bodily, reproductive and sexual rights. This makes them more vulnerable to exploitation and violence inside and outside their homes. Care work which is often undertaken by women within households, is given no value or recognition. Women's livelihoods and productive activities that include all forms of health care work are often left unprotected and unsupported. All these are made more distressed during times of economic crises and by policies that favor profit over social provisioning.

Biodiversity and the bounty of nature, while cherished, are not respected, protected or valued. Communities and populations that seek to live in harmony with nature find their rights ignored and their livelihoods and cultures jeopardized.

Why has this happened? Certainly it is not because of a lack of awareness or attention of policy makers at the highest levels. The climate change danger, cited in the mid-1980s at a conference of the WMO, was brought center stage in 1987 by the Brundtland Report, as was the urgency of biodiversity loss. The momentum carried to the Rio conference in 1992, which launched framework conventions on climate change and biodiversity as well as on desertification. It also adopted the Rio Declaration principles, the Forest Principles and a plan of action, Agenda 21. The global conferences of the 1990s focused on issues of human rights and social equity and adopted blueprints to tackle injustices from social exclusion and gender discrimination. In the Millennium Declaration of 2000, member states committed themselves "to uphold the principles of human dignity, equality and equity at the global level" as "a duty to all the world's people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs".

Over the last 20 years, however, the ideals and principles of Rio have been overshadowed, as implementation has mostly not occurred. Similarly, a host of international commitments to human rights and gender justice have not been fulfilled. World product per capita has more than doubled in the last two decades, yet with widening disparities. Globalization has yielded millions of poor quality jobs. Financial and commodity speculation has undercut food security and turned millions of hectares of land away from growing food and into unsustainable uses. Little has been done to change patterns of production and consumption that pollute, erode biodiversity and lead inexorably to climate change. 45 countries with a total population of 1.2 billion people have managed to achieve social indicators that are better than the world average with per capita emissions of CO_2 from fossil fuels below the world average. And none of them are labeled as "high income". Yet, similar to other middle-income countries and those considered as "least developed", they often find their space for making domestic policy choices to achieve sustainable development squeezed by external demands, conditionalities and impositions that press them to take steps such as to slash tax rates and spending on social services.

Economic policies have on many occasions contradicted the commitments made to rights and sustainability as they and their related national and international institutions occupy the apex of governance domains. They have relied too much on markets to allocate societies' resources and distribute their wealth, singling out GDP growth as the ultimate measure of well-being. The result has been increased concentration and bigger market share ratios of a few transnational corporations, including in the food and medicine sectors.

This deliberate policy choice of hands-off came to a head when, ignited in the USA, it exploded into the global financial crisis in 2008, intensifying inequalities further as the resulting job losses and income cuts hit low-income groups disproportionately. Yet, relentlessly, the policy responses squeezed societies and communities further, relying on the same market actors that had been wrong before, paying little or no heed to the already fragile human and ecological systems, and pushing societies and communities to the breaking point.

Despite evidence that counter-cyclical policies acted as effective shock absorbers and enhanced resilience, many governments have sacrificed social expenditures to neo-liberal orthodoxy and a stronger dependence on financial markets. The costs of inaction and the mal-action of business as usual are amassing a mountain of social and ecological liabilities. High unemployment especially of young people, increasing food prices and widespread unfairness have created a climate of social and political

1 Statement produced by the Civil Society Reflection Group on Global Development Perspectives. It is a preliminary statement and has not been fully discussed by all members of the Group yet. It is "work in progress". Therefore, not every recommendation in this statement was explicitly endorsed by each member of the Group. But the statement captures the ideas and the fundamental consensus, which were formulated in the previous meetings of the Reflection Group. The more comprehensive final report of the Group will be published in spring 2012. Members of the Reflection Group are: **Alejandro Chanona**, National Autonomous University of México; **Barbara Adams**, Global Policy Forum; **Beryl d'Almeida**, Abandoned Babies Committee Zimbabwe; **Chee Yoke Ling**, Third World Network; **Ernst Ulrich von Weizsäcker**, International Resource Panel; **Danuta Sacher**, terre des hommes Germany; **Filomeno Sta. Ana III**, Action for Economic Reform, Philippines; **George Chira**, terre des hommes India; **Gigi Francisco**, Development Alternatives with Women for a New Era; **Henning Melber**, Dag Hammarskjöld Foundation, Sweden; **Hubert Schillinger**, Friedrich-Ebert-Stiftung, Germany; **Jens Martens**, Global Policy Forum Europe; **Jorge Ishizawa**, Proyecto Andino de Tecnologias Campesinas, Peru; **Karma Ura**, Centre for Bhutan Studies; **Roberto Bissio**, Social Watch; **Vicky Tauli-Corpuz**, Tebtebba Foundation; **Yao Graham**, Third World Network Africa.

tension and unrest in many countries. In countries around the globe, from Cairo to Manhattan to New Delhi, people take to the streets to express their anger with the status quo and their unwillingness to accept it any longer. Their motives and goals may differ according to the unique circumstances they live in – but their demands are all similar: greater justice and more freedom from the pressure of the "markets" and their faithful agents.

Why is governance failing us so badly? States have reneged on their democratic values and governments have become less accountable to the people. Universal norms and standards are being ignored or side-stepped by new rules that favor markets. Risks are being borne by those who had no role in taking them while a new classification of "too-big-to-fail" has re-ordered the distribution of public resources. We are confronted with a hierarchy of rights with those protecting human and eco systems relegated to the lowest rungs. This situation finds its parallels in governance at the national and international levels. Further, the fragmented global governance has led to missing the big picture and setting low demands that treat symptoms not causes.

Decades of wrong-headed policies and the impact of multiple policy failures have inevitably highlighted the role of the state and how important it is. Responses to the failure of the financial system show that the state can act and will act quickly in the face of perceived disaster with money and policies. But, the required stronger role of the state must be based on democratic legitimacy and accountability and be balanced by effective participation of civil society.

We are living in a period of turmoil, facing societal and ecological disaster. We demand of states that they act now promptly and effectively in the face of this disaster.

Reconfirming the foundation of sustainability: The framework of universal principles and rights

The need for universal principles. Every concept of development, well-being and progress in societies is based on a set of fundamental principles and values. These values are rooted deeply in our culture, our ideologies and our belief systems. We are convinced, that there is a set of universal principles and values that is shared by most of us. Common principles and values build the foundation of societies. We acknowledge the diversity of cultural expressions as a value in itself that has to be protected and promoted. In times of globalization and growing global interrelationship between societies, economies and people, universally agreed principles are the precondition for living together in justice, peace and in harmony with nature.

A set of existing principles as common ground. There is no need to invent principles and values of this kind. In national constitutions as well as in various international treaties, declarations and policy statements of the United Nations, governments have agreed upon certain fundamental principles, which are essential to societies and international relations. We propose the following set of eight principles as the foundation for a new sustainability rights framework:

- *Solidarity principle.* Solidarity has been a widely accepted principle in many national constitutions to govern the relationship of citizens within a country. Central to this concept is the equality of citizens and their shared responsibility for a common good. In the notion of solidarity, assistance is not an act of charity, but a right of every woman, man and child. Solidarity differs radically from charity and philanthropy. In times of globalization, this concept has been transferred to the international level. In the Millennium Declaration, governments listed solidarity as one of the core values: "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." Today, the notion of solidarity is accepted as a key principle in various international agreements such as the United Nations Convention to Combat Desertification from 1994.

- *Do no harm principle.* Originally a key principle of medical ethics reflected in the promise of the Hippocratic Oath "to abstain from doing harm", this principle has become relevant to other areas. For instance it has been included in humanitarian principles of UNICEF since 2003 and has been adopted in a code of conduct of major humanitarian organizations. In essence, the commitment to implement policies in a way that they do no harm to people or nature should be regarded as a guiding principle in all policy areas and at all levels.

- *Principle of common but differentiated responsibilities.* This principle marks one of the milestones of the Rio Declaration from 1992. Its Principle 7 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." For the first time in history, governments recognized their differential present and historical contribution to environmental degradation and, thus, their differential obligation to pay for the remediation and mitigation. By including the historical dimension it goes beyond the principle of "special and differential treatment" based on economic capabilities and needs, as contained in WTO Agreements. The principle is a key element of the Kyoto Protocol but its application must not be limited to the climate negotiations.

- *Polluter pays principle.* The simple message of this principle is that the costs of pollution have to be borne by those who cause it. This principle has been part of international environmental law since the 1970s, and was reaffirmed in the Rio Declaration, Principle 16: "National authorities should endeavor to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution (...)." While this principle is widely acknowledged in international environmental law, it should be applied in other areas as well. In the context of the recent financial crisis, many asked for the "polluters", i.e. the banks and the financial industry, to bear the costs of the crisis. As the European Commissioner Michel Barnier said: "I believe in the 'polluter pays' principle. We need to build a system which ensures that the financial sector will pay the cost of banking crises in the future."

- *Precautionary Principle.* This principle states that in the absence of a scientific consensus if an action or policy has a suspected risk of causing harm to people or nature, the burden of proof that it is not harmful falls on the proponents of this action or policy. It is also laid down in the Rio Declaration, which says in Principle 15: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." After Rio this principle has been incorporated into many other international agreements, such as the Cartagena Protocol on Biosafety from the year 2000 with regard to the transboundary movement of living modified organisms and their products.

- *Subsidiarity Principle.* According to this principle political decisions must always be taken at the lowest possible administrative and political level, and as close to the citizens as possible, in order to ensure that women and men fully participate in decision-making. This idea is a core element of concepts of federalism and one of the central principles in the treaties of the European Union. Indigenous peoples regard this principle as an essential tool to preserve their identity, diversity and cultures. The principle recognizes the inherent democratic right to self-determination for people, communities, and nations, but only as long as its exercise does not infringe on similar rights of others. Therefore, it must not be misused as an argument against central governmental action at national or international levels, but must always be applied in combination with the other principles, in particular the solidarity principle.

- *Principle of Free, Prior and Informed Consent.* According to this principle communities have the right to give or withhold their consent to proposed projects and actions by governments or corporations, that may affect their livelihood and the lands they customarily own, occupy or otherwise use. This principle is a key element of the United Nations Declaration on the Rights of Indigenous Peoples from 2007 and recognized in the ILO Convention on Indigenous and Tribal Peoples in Independent Countries (169/1989). However, this principle is not limited to the rights of indigenous peoples. It is also laid down in the Rotterdam Convention on

the Prior Informed Consent procedure for certain hazardous chemicals and pesticides in international trade from 1998. This convention provides, inter alia, for importing countries to receive information on a chemical being exported from a country that has banned or severely restricted it for health or environmental reasons.

- *Principle of peaceful dispute settlement.* This principle is a core element of the UN Charter, which says in Article 2: "All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered." In the Manila Declaration of 1982 governments reconfirmed that the peaceful settlement of disputes should represent one of the central concerns for states and for the UN (A/RES/37/10, 15 November 1982).

These eight principles shall build the cornerstones of a universal sustainability rights framework. They are interconnected and must not be applied in isolation.

The essential values of freedom, equality, diversity and the respect for nature. In addition to the core set of universal principles, there are fundamental values, which are also essential to international relations. Governments referred to some of them in the Millennium Declaration. They include, inter alia:

- *Freedom.* Men, women and children have the right to live their lives in dignity, free from hunger and from the fear of violence, oppression or injustice. Democratic and participatory governance based on the will of the people best assures these rights. But there are limits to freedom – namely where the freedom of our peers is touched. "Freedom is always the freedom of dissenters" (Rosa Luxemburg). And freedom has its limits in the principle of "do no harm".
- *Equality.* No individual and no nation or group must be denied the opportunity to participate in and to benefit from development. Equal rights and opportunities of women and men must be assured. Equality includes the concept of intergenerational justice, i.e. the recognition that the present generation shall only meet its needs in a way that does not compromise the ability of future generations to meet their own needs.
- *Diversity.* Human beings must respect one other, in all their diversity of belief, culture, language, looks, sexual orientation, and gender. Differences within and between societies should be neither feared nor repressed, but cherished as a precious asset of humanity. A culture of peace and dialogue should be actively promoted.
- *Respect for nature.* Prudence must be shown in the conduct towards all living species and the use of natural resources. Only in this way can the immeasurable riches provided to us by nature be preserved and passed on to our descendants. The current unsustainable patterns of production and consumption must be changed in the interest of our future welfare and that of our descendants. Respect for nature means much more than sound management of the human environment: it means that all living species have intrinsic rights. They should not be regarded as objects of human interaction but as subjects with value that goes beyond use and exchange. This understanding of nature as a living system is reflected in the thinking and believe systems of indigenous peoples, for instance in the concept of Buen Vivir.

Failure to translate the principles into practice. While all governments agreed to these principles in general, they have mostly failed to translate them into enforceable obligations and specific policies. If governments had taken the solidarity principle seriously, poverty and hunger could have been reduced dramatically; if they really accepted the principle of common but differentiated responsibilities, the Copenhagen climate summit would not have ended in such a disaster; and had they complied with the precautionary principle, nuclear catastrophes such as those of Chernobyl and Fukushima could have been avoided.

Turning principles into rights. In order to ensure the functioning of a society and create safeguards against tyranny, values have to be translated into law, rights and legally binding obligations. At international level, the human rights system plays a key role in turning moral values into legal rights. Of particular importance is the International Bill of Human Rights that includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. Equally significant are the Convention on the Elimination of all Forms of Discrimination against Women and the UN Convention on the Rights of the Child. More recently, these key documents have been complemented by the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005) and the UN Declaration on the Rights of Indigenous Peoples (2007). Together with the Declaration on the Right to Development (1986) and complemented by the core set of principles we mentioned above, these documents can form the normative framework of a holistic concept of sustainability, well-being and societal progress.

Rebalancing rights. While the norms of the international human rights system are generally accepted and ratified by most countries of the world, there is still a huge implementation gap. Even worse: while states and their organs at national and international levels too often failed to respect, protect and fulfill human rights, over the last two decades they have strengthened corporate rights and the rights of capital. They promoted the free movement of capital, but restricted the free movement of people; they strengthened the rights of transnational investors, but weakened the rights of people affected by these investments. Transnational corporations may nowadays sue governments at international fora for any change in the rules, including health regulations, that affect their actual or planned profits, but people are hindered from suing companies for the pollution and other harmful practices inflicted upon them. There is an urgent need to rebalance rights, i.e. to reclaim human rights as the normative foundation of policy, and to roll-back the rights of capital in relation to the rights of people.

Filling the gaps in the rights system. There are not only gaps in the implementation of rights but also gaps in the international rights system itself. Certain principles and values, such as the principle of intergenerational justice and the respect for nature are not explicitly translated into (codified) rights yet. There is a need of intensified debate and research on how to include the concepts of the rights of nature and intergenerational justice in the international normative system and turn them into practice.

From theory to practice: Translating principles and rights into strategies, goals and policies. To translate fundamental principles into internationally agreed rights and obligations is only the first step. The next is to formulate political goals and strategies to implement these rights. Here, public policies play a crucial role. Democratically legitimized public authorities, particularly governments and parliaments, have the main obligation to implement a rights-based approach of sustainability, well-being and societal progress. They must not transfer this obligation to the private sector or to civil society.

Redirecting policies towards present and future justice

Consequences from the failure to translate principles and rights into policies. In the past decades governments agreed formally on an almost comprehensive set of sustainability principles and human rights, but they failed to bring their policies effectively into line with them. Instead, policies are still too often sectorally fragmented and misguided with an overreliance on economic growth and self-regulation of the "markets". New concepts like "green growth" are at best attempts to treat the symptoms of the problems without tackling their root causes. What is therefore needed are fundamental changes at three levels: in the mindset, the guiding concepts and indicators of development and progress; in fiscal and regulatory policies (at national and international levels) in order to overcome effectively social inequalities and the degradation of nature and to strengthen sustainable economies; and in institutions and governance mechanisms (at national and international levels).

Changing the dominant mindset. The mindset of many opinion leaders and political decision-makers worldwide is still focused on economic growth and market-driven solutions as the panacea for all economic, social and environmental problems in the world. Governments are not (and should not be) in a position to change the dominant mindset by command and control. But they are obliged to draw lessons from the failures of the past and reformulate the overall objectives of their policies and related concepts and metrics that guide

them. Instead of subordinating their policies to the overarching goal of maximizing GDP growth, the leitmotif of their policies should be to maximize the well-being of the people without compromising the well-being of future generations by respecting the planetary boundaries.

New metrics for sustainability and societal progress. Consequently, governments should recognize the need for new metrics for sustainability and societal progress beyond GDP to guide their policies. They should actively promote the research and discourse on alternative metrics at national and international levels, within a specified timeframe, and with broad participation of civil society. The discourse should build upon existing initiatives, for instance the report of the Stiglitz-Sen-Fitoussi Commission, Measuring Australia's Progress (MAP), and the Gross National Happiness Index of Bhutan. It should also take into account the current revision of the System of Environmental-Economic Accounts (SEEA) coordinated by the Statistics Division of the UN Secretariat.

Sustainable development goals. The 1992 Rio Summit demanded further work on the definition of indicators of sustainable development which would be the basis both for defining the concept and establishing common international goals. Two decades later, more progress has to be achieved. Links have to be established to the human rights framework which sets clear goals, for instance on the rights to food, to health, and to education. Therefore, the debate should not be about these goals, as they have already been agreed upon, but about the "when" and the "maximum available resources" (including those of international cooperation) to ensure their progressive realization. Any formulation of Sustainable Development Goals that does not adequately address the human rights aspects and the sustainability aspects simultaneously and in a balanced way risks derailing the comprehensive sustainable development agenda without any compensatory gains.

Commitment to policy coherence for sustainability. In order to translate the universal sustainability rights framework outlined above into practical policy at national level, governments and parliaments should adopt binding commitments to policy coherence for sustainability as well as strategies for implementation and monitoring. Based upon the core set of universal principles, such as the precautionary principle, the "do no harm" principle, and the solidarity principle, all public policies should be redirected towards human rights and sustainability and subject to sustainability and human rights impact assessments.

A new Charter on the Right to Sustainable Development. In order to bundle the core set of fundamental principles and human rights to a normative framework of sustainability, well-being and societal progress, we propose to adopt a new Charter on the Right to Sustainable Development. This Charter should also refer, inter alia, to the World Charter for Nature (1982) and the UN Declaration on the Rights of Indigenous Peoples (2007), and update and upgrade the Declaration on the Right to Development from 1986. The new Charter should emphasize the commitment of governments to policy coherence for human rights and sustainability. It should reconfirm the obligation to progressive realization of human rights using the maximum available resources and expand it to the right to sustainable development and the rights of future generations. It should acknowledge the concept of planetary boundaries. And finally, it should confirm the principle of fair burden sharing and equitable per capita rights towards the global commons and to the emission of greenhouse gases, taking fully into account the historical responsibilities of societies.

Redirecting fiscal policies towards sustainability. Fiscal policy is a key instrument of governments to turn the rights-based approach of sustainability, well-being and societal progress into practice. The actual priorities of governments are reflected more clearly in public budgets than in government declarations and action programs. Moreover, the composition of state budgets allows inferences to be drawn about the political influence of different interest groups: Is the military dominant? Are business interests pushed through? Or is public spending focused on the needs of the majority in a society and correcting gender imbalances? In recent decades, we witnessed the erosion of public finance in many countries, which resulted in a growing inability of governments to provide the necessary public goods and services in support of people's welfare and care systems, thus failing to respond effectively to the aggravated social and environmental problems. Therefore, there is an urgent need to strengthen and redirect public finance.

- *Taking the four "R's" of fiscal policy seriously.* Fiscal policy can basically have four purposes: The **raising** of revenues in order to provide the necessary public goods and services; the **redistribution** of income and wealth from the richer to poorer sections of society; the **repricing** of goods and services in order to internalize ecological and social costs and discourage undesirable behavior (such as currency speculation); and the justification for citizens to demand democratic **representation** ("*no taxation without representation*") and accountability . Unfortunately, governments have rarely taken advantage of these aspects of a pro-active fiscal policy. On the contrary, they have often participated in a global tax race to the bottom (particularly with regard to corporate taxation). They have given preference to indirect taxes, like an undifferentiated value-added tax, which have regressive effects and have increased inequalities, and they hesitated to introduce effective taxes on environmentally harmful resource consumption. We need steps towards country-specific eco-social fiscal reforms, taking into account, *inter* alia, the following aspects:

- *Emphasizing progressive taxation*: A basic requirement for strengthening public revenues is a broad based system of progressive taxation. In line with the principle of common but differentiated responsibilities taxation should be based on the ability to pay; rich individuals, transnational corporations and large landowners should be taxed accordingly. A flat and undifferentiated value-added tax is regressive, burdens the poor, and therefore should not constitute the centerpiece of the tax system. Any form of indirect taxation should be designed in a way that it is sensitive to the poor's welfare by introducing progressivity (e.g. by taxing luxurious consumption) and mitigating the regressive features.

- *Greening the tax system*: A key element of any eco-social fiscal reform should be the shift from the taxation of labor to the taxation of resource consumption. Following the polluter pays principle, a system of eco-taxes should particularly increase the "price of pollution", the use of fossil fuels and other non-renewable energies, and the emission of greenhouse gases.

- *Effective taxation of corporations*: An essential element of an efficient tax system includes the effective taxation of corporations. Tax exemptions or fiscal incentives for transnational corporations, particularly in export processing zones, are counterproductive and an inefficient instrument to attract foreign direct investment. They should be eliminated, if possible in an internationally coordinated way.

- *Initiatives against tax evasion and illicit financial flows*: In many countries illicit financial flows, tax avoidance and corruption continue to prevent the establishment of a sustainable system of public finance. A bundle of national and international measures is needed to strengthen fiscal authorities, close tax loopholes and prevent capital flight. These include: Supporting governments in creating more efficient and fair tax structures and fiscal authorities; effective measures against the manipulation of transfer pricing; mandatory country-by-country reporting standards for transnational corporations, with the US American Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) from July 2010 as an initial step for the extractive industries; binding rules for the automatic exchange of tax information between state agencies; effective support for stolen assets recovery as described in the United Nations Convention against Corruption; banning financial transactions in tax havens and secrecy jurisdictions.

- *Applying the polluter pays principle to the financial sector – introducing a Financial Transaction Tax*: Demands raised for many years for the introduction of a financial transaction tax have gained additional relevance through the current global financial crisis. Such a tax can contribute to a fairer distribution of burdens by involving the financial sector, which caused the crisis, in covering the costs of coping with it. The tax should be levied on trading shares, bonds, derivatives and foreign currency on the stock exchange, at trade centers and over the counter (OTC) transactions. Imposition of the tax ought to be internationally coordinated and performed by the responsible national fiscal authorities, but individual countries or groups of countries should be encouraged to start applying it even before it beco-

mes global. In order to ensure that tax revenue is not exclusively used to cure budget deficits but also spent for environmental, development and rights purposes, a substantial part of the revenues should be earmarked and distributed through a fund under the auspices of the United Nations.

Reallocation of government spending. Parallel to the necessary changes on the revenue side of the budget, any effective eco-fiscal reform requires fundamental changes on the expenditure side as well. Too often public money has been spent for harmful or at least questionable purposes. By redefining priorities public spending policy can become a powerful tool to reduce social inequalities and remove discrimination and to support the transition towards sustainable production and consumption patterns. This includes the following steps:

- *Abolition of harmful subsidies*: While subsidies can be a useful temporary mechanism to compensate vulnerable sectors for unexpected distortions or to promote desirable activities, every year governments spend hundreds of billions of dollars on harmful subsidies particularly in the agricultural, water, energy, forestry and fishery sectors. Public money is used at home and abroad (through multilateral development banks) to lower the price of fossil fuels, to support agricultural exports, or to subsidize transnational investments. These kinds of subsidies not only have detrimental social and environmental effects; by artificially lowering the prices, they often reduce the profitability of local industries and the production of renewable energy. In essence, the negative effects of subsidies are threefold. They absorb a substantial portion of state budgets that could otherwise be used for better purposes; they contribute to environmental damage by creating misleading consumer and production incentives; and they have negative distribution effects. Therefore, governments should commit to time-bound targets to phase out all subsidies that support unsustainable production and consumption patterns or otherwise violate the do no harm principle as soon as possible.
- *Strengthening public spending to stimulate sustainable production and consumption*: Not all subsidies are harmful. On the contrary, subsidies can play an important role in supporting emerging local industries and introducing environmentally friendly technologies. Well-targeted subsidies can have positive redistributive and environmental effects. Governments should substantially strengthen public subsidies in areas such as renewable energy, sustainable and affordable public transport systems, eco-efficient housing, social infrastructure and consumption subsidies to poor households.
- *Cutting military spending*: Military expenditures absorb a significant share of state revenues in most countries. In 2010 they reached a total historic high of USD 1,630 trillion. By reducing military budgets, large sums of money could be freed up for funding environmental and social programs. A precondition for this, however, is strengthened support for conflict prevention, peaceful conflict resolution, and if needed, peacekeeping and peacebuilding. At the same time, the largest arms-producing countries (in particular the five permanent members of the Security Council) have a responsibility to improve the control and regulation of their arms exports and to support a Global Arms Trade Treaty.
- *A universal social protection floor for all*: Access to social security is a human right (Art. 22 of the Universal Declaration of Human Rights). But it is also an economic and political necessity, for a working social security system reduces poverty, strengthens the purchasing power of the people and hence domestic demand, and prevents social tension and societal conflicts. A publicly financed minimal set of basic social security ought to exist in every country. It would be a necessary condition to prevent people from falling into poverty as a result of economic crises. Therefore, governments should implement the concept of a universal social protection floor, as promoted by the ILO. It should be based on the following four pillars: Universal access to public healthcare for all; guaranteed state allowances for every child; a universal basic pension provided by the state for persons in old age or with disabilities; guaranteed state support for unemployed and underemployed people living in poverty.
- *Public provision of essential services*: After years of a global trend towards privatization and deregulation, public authorities have to reclaim the responsibility to provide essential services for all citizens, including freshwater supply, sanitation, education, healthcare, shelter, public transport, communication, and access to energy. Governments should substantially increase the spending level in these areas. With sustainable stimulus packages governments should invest in targeted infrastructure programs in order to increase energy and resource efficiency. Following the subsidiarity principle, priority should be given to promote decentralized models of water and renewable energy supply, with

URGENT APPEAL TO CHANGE THE MINDSET

The United Nations Conference on Sustainable Development - Rio 2012 - must change the dominant mindset by:

Restoring public rights over corporate privileges;

after 30 years of strengthening the power of investors and big corporations through deregulation, trade and financial liberalization, tax cuts and exemptions, and weakening the role of the State in mediating this power; and after the market-driven financial meltdown.

The principles and values of the Rio Declaration and the UN Millennium Declaration, adopted by heads of State and government, are threatened and urgently need to be re-established. These principles and values include Human Rights, Freedom, Equality, Solidarity, Diversity, Respect for Nature, and Common but Differentiated Responsibilities. Corporate interests do not uphold these principles and values.

Taking equity seriously;

after 30 years of policies that have further widened the gap between rich and poor and have exacerbated inequities and inequalities, not least regarding access to resources.

Unbridled market forces have favoured those already in a position of power, thereby widening the economic divide. This requires the state to redress the imbalance, eliminate discrimination, and ensure sustainable livelihoods, decent work and social inclusion. Intergenerational justice requires restraint and responsibility by the present generation. It is urgent to establish more equitable per capita rights towards the global commons and to the emission of greenhouse gases, taking fully into account historical responsibility.

Rescuing nature;

after more than 60 years of global warming, loss of biodiversity, desertification, depletion of marine life and of forests, a spiraling water crisis and many other ecological catastrophes.

The environmental crisis is hitting the poor much harder than the affluent. Knowledge-intensive solutions including technologies are available to restore natural systems, and dramatically reduce pressures on climate and the global environment while improving human well-being. A “green economy” is attainable but must be embedded in a holistic concept of sustainability. What we need is a change of lifestyles.

The Rio 1992 Summit adopted legally-binding instruments and embraced civil society. The Johannesburg Summit 2002 celebrated partnerships relying on a self-regulated Private Sector. The Rio 2012 Summit must re-affirm the State as the indispensable actor setting the legal frame, enforcing standards of equity and human rights, and fostering long-term ecological thinking, based on democratic legitimacy.

strong public oversight, and to reduce the market power of oligopolistic public or private suppliers. In order to pay attention to the rights and interests of indigenous peoples and local communities, public authorities and private companies must respect the principle of free, prior and informed consent in all infrastructure projects.

- *Strengthening participatory, gender and human rights budgeting initiatives*: Free access to budgetary information as well as effective control are essential to increase the accountability of governments to their citizens in their use of public funds. Governments should therefore ensure the effective participation of civil society in budgetary planning. Whether and to what extent governments are actively promoting gender equity in their budgets should be determined with the help of gender-budgeting approaches. Similarly, governments should assess if budgets are complying with their obligation to promote, protect and fulfill the economic, social and cultural human rights.

- *Using public procurement policies to promote sustainability*: Public authorities from the local to the global level have an enormous purchasing power. So far they were guided mostly by criteria of cost-effectiveness. However, more and more public procurement operators try to influence the production methods and products of their suppliers by introducing environmental, social and human rights standards. In addition, procurement policies could be used to specifically strengthen the local economy by supporting domestic suppliers.

- *Using sovereign wealth funds to finance sustainable investment*: Assets under management of sovereign wealth funds increased to USD 4.7 trillion in July 2011. There was an additional USD 6.8 trillion held in other sovereign investment vehicles, such as pension reserve funds, development funds and state-owned corporations' funds. There is an enormous potential to invest these assets in accordance with specific sustainability objectives. Governments should authorize the decision-making bodies of these funds to introduce binding sustainability criteria to guide their investment policies.

A new global system of financial burden sharing beyond ODA. Even with a fundamentally strengthened system of public finance with increased tax revenues and reallocated public expenditures, in many countries the maximum available resources will not suffice to fulfill the social, economic, cultural and ecological rights of the people. External funding will therefore still be required. The current system of financial transfers is based on the concept of aid (Official Development Assistance - ODA). It is characterized by paternalistic relationships between rich donors and poor "partners". Despite all attempts to increase "ownership" and "aid effectiveness", these financial flows are often unpredictable, volatile, tied to products and services from donors and subject to conditionalities. This concept of aid is misleading, as its justification is charity instead of rights. Governments have to overcome this concept of aid and establish a new normative framework of burden sharing between rich and poor countries based on the solidarity principle, e.g. in form of a universal fiscal equalization scheme. Models for this type of compensation or equalization already exist on the national and regional level. In Germany, for example, regional inequalities are to be compensated by a concept of financial adjustment between the federal states. In the European Union cohesion and economic equalization are financially supported by a compensatory structural policy. Such a model would be consistent with the International Covenant on Economic, Social and Cultural Rights (ESCR). The realization of those rights is a responsibility of governments "*individually and through international assistance and co-operation, especially economic and technical, to the maximum of available resources.*" The prioritization of resources for ESCR also applies to international assistance.

A compensation scheme to pay off climate debt. The second pillar of a new normative system of financial transfers should build on the polluter pays principle and the principle of common but differentiated responsibilities. This is particularly relevant in order to allocate the costs of climate change. In accordance with these principles, those countries, that are responsible for the damage that the excessive emission of greenhouse gases is causing – and will be causing in the future – have to compensate for the costs. They have accumulated climate debt that they will have to pay off over the coming years and decades. The compensation schemes should be guided by the principles of fair burden sharing and equitable per capita rights, taking fully into account the historical responsibilities of societies.

Beyond the 0.7 percent target. Changes in the normative framework of financial transfers will also affect the so-called 0.7 percent target. In 2010 the 0.7 percent target experienced its 40th anniversary of non-fulfillment, since the governments in the UN General Assembly set the target in 1970. The decision was based on the then dominant concept of modernization. It was felt that a "big push" in foreign capital was needed to allow so-called developing countries to "take off" towards enduring economic growth. At that time, experts from the World Bank estimated the capital gap at around ten billion dollars, equivalent to around one percent of the GDP of the so-called industrialized countries. In 1969 the Pearson Commission recommended giving so-called developing countries 0.3 percent of the GDP in form of private capital and 0.7 percent in the form of ODA. This marked the birth of the 0.7 percent target.

Today, this 0.7 percent figure has only symbolic political importance as an "indicator of solidarity". The 0.7 percent target cannot explain what the fulfillment of the sustainability rights framework will actually cost, how much the respective countries could contribute themselves and how much external capital would be needed to fill the gap. All estimates of the external financial needs along with the new and additional resources required for climate mitigation measures and climate change adaptation show, however, that the financial transfers needed go well beyond the 0.7 percent of the GDP mark. The justified criticism of the original context on which the 0.7 percent target was based in no way legitimizes turning away from international obligations.

We need to change perspectives, to move away from an aid-based approach to a rights-based approach of external public finance. Further development of the UN General Assembly resolution from 1970 to adjust the normative framework of financial transfers to the realities of the present is long overdue. This could take place in the context of the proposed Charter on the Right to Sustainable Development.

Proposals for new and more predictable forms of financial transfers are not new. The *North-South: A Programme for Survival* report, issued in 1980 by the international Brandt Commission proposed to raise revenues for development by 'automatic' mechanisms, which can work without repeated interventions by governments. "*We believe that over time the world must move to a financial system in which a progressively larger share of such revenues is raised by these means. The fact that revenues are raised automatically does not, of course, imply that their transfer should be automatic; on the contrary, they should be channelled through an appropriate international agency or agencies (…).*" More than 30 years after this visionary report, it is time to turn these ideas into reality.

Strengthening the rule of law to promote sustainability. Setting rules and standards is a central task of responsible governments and a key instrument of active policy-making. Over the past 30 years however, governments have too often weakened themselves by policies of deregulation and financial liberalization. Instead, they trusted in corporate voluntarism and self-regulation of "the markets". Public standard-setting and regulation have often been denounced as *command and control policies.* But only unfettered financial markets made the current financial meltdown possible, weak antitrust laws allowed transnational banks to become *too big to fail*, and the inadequate translation of the precautionary principle into mandatory technology assessments led to the catastrophes of Fukushima and elsewhere. In response to the recent financial and food crises governments started to introduce new rules and standards, as in October 2011 the U.S. Commodity Futures Trading Commission, which has set modest rules to limit excessive speculation in commodities. But much more remains to be done to restore public rights over corporate privileges and to strengthen the rule of law in the interest of present and future generations.

Towards inclusive, accountable governance

The need to overcome fragmentation. To date the approach to sustainable development governance has been one of governing the three pillars of sustainable development in their own zone, complemented by coordination across them. This is attempted at all levels – global, regional, national and sub-national – and in cooperation with non-state actors, primarily civil society, indigenous peoples and the private sector.

Sustainable development has been viewed as a linking concept designed to facilitate a dialogue between those whose primary concerns relate to the environment and those who see their role as promoting growth and development. This approach has emphasized coordination and dialogue, but does not have a strong institutional basis for decision-making and policy change across the three pillars. Nor has it addressed human rights, inequalities and social exclusion. In practice, the environmental pillar dominates the dialogue, the economic pillar dominates impact and the social one is largely neglected apart from the limited way it is addressed through the MDGs.

Decision-making and policy development are severely handicapped by this hierarchy among the three pillars as global economic governance does not adhere to the mandates of the human rights regime or the requirements of sustainable development. The hierarchy among the three pillars is also reflected in the measures used for policy prescriptions and budget allocation. These have low-level social goals; the progress metrics count only dollars and externalize social and environmental costs. These metrics favor the private sector and penalize the public purse. We are not measuring sustainable development, but mainly economic growth.

To overcome the fragmentation of governance for sustainable development and ensure policy coherence, it is essential to re-arrange and re-configure the institutional arrangements that cover all aspects of the policy cycle: agenda setting, policy analysis and formulation, decision-making, implementation, and evaluation.

Towards a Sustainable Development Council. Adopting sustainable development as an overarching concept requires an apex institution that subsumes all other notions of development and can infuse the essence of rights and sustainability into the agenda of all developmental and environmental bodies.

This institutional configuration of sustainable development must guide the work of global institutions in integrated decision-making, policy action, implementation and review. It cannot be left to ECOSOC. Many recommend a Sustainable Development Council directly reporting to the General Assembly on the lines of the Human Rights Council. This Council would have a remit that extends to all three pillars of sustainable development - the environmental, the economic and the social.

The council's jurisdiction would extend to all multilateral bodies, including the international financial institutions. The new council would be charged with overseeing the reporting process supported by an enhanced Universal Periodic Review (UPR).

A Universal Periodic Review on Sustainability. The new Sustainable Development Council should be equipped with a Universal Periodic Review mechanism so that all countries report on measures to achieve sustainable development, covering all relevant issues linked to human rights, trade, macroeconomic policy, the environment, financing and political participation. The UPR concept should be enhanced to consider information provided not only by governments, but also by other stakeholders, such as civil society and the private sector. Information on reports and Universal Periodic Review findings would be made widely available through information channels that actively target all relevant stakeholders.

Upgrading the Committee on Development Policy. As presently constituted, the Committee for Development Policy (CDP) is a subsidiary body of the Economic and Social Council of the UN (ECOSOC). It provides inputs and independent advice to the Council on emerging cross-sectoral development issues and on international cooperation for development, focusing on medium- and long-term aspects. The 24 members of the Committee are nominated by the United Nations Secretary-General in their personal capacity, and are appointed by the Council for a period of three years. Membership is geared to reflect a wide range of development experiences as well as geographical and gender balance. The CDP should be upgraded to undertake research and provide independent advice on policies of sustainable development that fully integrate the three pillars and on emerging issues that require inter-governmental attention and action. It should establish ad hoc working groups or task forces to deepen and supplement its work and include members from organizations with a proven commitment and track record in the relevant issues including from civil society and indigenous peoples.

International Ombudsperson and Special Rapporteurs. There are some key areas of sustainable development and intergenerational justice where the international governance system lacks the appropriate normative standards and oversight. We support the recommendation to establish the institution of an Ombudsperson for intergenerational justice/future generations. In addition, the function of Special Rapporteurs should be used to examine, monitor, advice and publicly report on problems, such as land rights, technology access and use, and fisheries, and develop recommendations not only on specific cases but also for new or upgraded norms. This could be a special procedure of the newly constituted Council for Sustainable Development.

Overcoming the governance gaps at national level. A major challenge for more effective governance at the global level is the lack of coherence at the national level. Effective international arrangements cannot be determined or strengthened without commitments and coherence at the national level, and in all countries. Restructuring ECOSOC or creating a new Council will be a futile exercise if it is not "owned" by effective national counterparts and placed in an influential governance position vis-à-vis other ministries and interests. The new governance mechanism at national level could include, for example:

- A new "Sherpa for Sustainability". Responsibility should be taken by the head of state or government to increase policy coherence for sustainability. He or she should establish a "Sherpa" function for sustainability. This function/position should have cabinet rank to ensure coordination among government ministries and authorities.

- A Parliamentary Committee on Policy Coherence on Sustainability. To secure oversight and public accountability, a Parliamentary Committee on Policy Coherence on Sustainability should complement the "Sherpa" function. These high-level institutions in the executive and legislative branches of the state will provide the necessary national presence and representation at the relevant fora of global governance for sustainable development. Their positions and perspectives should be prepared by a permanent and meaningful consultation process with broad constituency participation that reflects the cross-sectoral dimensions of sustainable development.

- An Ombudsperson for Future Generations. The appointment of Ombudspersons for Future Generations could bring the sustainability agenda straight to the heart of governments and policy-making. The Ombudsperson could engage directly in the policy-making process and assesses the long-term effects of policies from an integrated perspective. Only an independent body without the requirement to be re-elected by current voters can fully focus on the long-term analysis and represent it without any hesitation. ■

Rio+20: implementation is the key

Across the world, social marginalization, and even exclusion, is on the rise. The disenchantment of young people, women, indigenous peoples, rural and urban poor and other marginalized populations, as well as a middle class now under threat, constitutes an unprecedented challenge for governments and the UN. The ecological crisis – from resource depletion to pollution and climate change – has worsened since 1992. Human Rights provides a cross-cutting dimension for sustainable development: Rio+20 must therefore focus on implementation of sustainable development. There is an urgent need to strengthen institutional arrangements in accordance with the Rio principles.

Third World Network, Malaysia
Chee Yoke Ling

Expectations for the Rio+20 outcome document are inextricably linked to the unfulfilled commitments and promises of the 1992 Rio Conference on Environment and Development, and subsequent conventions and action plans. The commitment to make a paradigm shift from unsustainable economic growth models to sustainable development was made at the highest political levels but to date has not taken place.

Today income inequalities between and within States are pervasive. World exports have increased almost five-fold while world per capita income has more than doubled. However, the top 20% of the population enjoys more than 70% of total income and those in the bottom quintile gets only 2% of global income.

That distorted distribution of economic wealth has come about at the high price of a deregulated and destabilized international financial system, and a multilateral trade system that is largely characterized by rules that are not balanced, operating to the disadvantage of developing countries. When financial and economic crises hit, the majority— especially the poor— bear vastly disproportionate impacts.

Developed countries also agreed at Rio 1992 to take the lead in shifting from unsustainable consumption patterns. But these have remained largely unchanged, and instead have spread to developing countries with the wealthy adopting similar lifestyles while poverty eradication continues to be elusive. With income inequalities sharpening in all countries, over-consumption and unsustainable consumption dominates production choices (and hence natural resources use and financial resources allocation) while the poor and marginalized are deprived of a dignified standard of living.

INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

The UN is the primary forum in which to agree on an Institutional Framework for Sustainable Development (IFSD) for the integration of the three pillars of sustainable development and the implementation of the sustainable development agenda. In this context, there is an urgent need to strengthen institutional arrangements on sustainable development at all levels in accordance with the Rio principles, especially that of common but differentiated responsibilities.

To accomplish this integration of the three pillars and achieve sustainable development, the IFSD should at least carry out the following functions:

- Identify specific actions to fulfil the sustainable development agenda;
- Support regional structures and national mechanisms in developing and implementing their national sustainable development strategies;
- Support developing countries to participate meaningfully at the international and regional levels of decision making;
- Provide global guidance on specific actions needed in order to fulfil the sustainable development agenda;
- Monitor progress in implementation, including on the commitments to provide expertise and technology for implementation and recommend actions to correct and address challenges;
- Assess the balanced integration of the three pillars in the international system and establish the needed mechanisms to follow up on commitments and to identify gaps or weaknesses that affect the full implementation of the sustainable development agenda;
- Promote the participation of civil society in the sustainable development agenda.

The IFSD requires the Secretariat to: (a) provide research, analysis and reports and recommendations, to alert governments and the public of emerging trends and problems; (b) provide technical assistance and advice in general; (c) make arrangements for convening meetings, disseminating their reports and following up on the outcomes. It is important that for all of these, it consider the implications for all three pillars, so that each one is equitably developed in concepts, outcomes and actions.

Reaffirming the Rio 1992 principles

Sustainable development principles and frameworks have already been adopted, first at Rio 1992 and subsequently in action plans, programmes and measures agreed at annual sessions of the Commission on Sustainable Development (CSD). They have also been agreed to in all of the relevant treaties and conventions.

Components of the sustainable agenda are also contained in the outcomes of the UN Summits and Conferences since 1992. The elaboration of human rights as a cross cutting dimension for sustainable development too has ample precedent, going back as far as the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948.Rio+20 must therefore focus on implementation.

Today the implementation gaps of the sustainable development agenda are widely acknowledged. It is therefore crucial for Rio+20 to acknowledge the fundamental causes for the implementation failure. These include:

- Overtaking of the sustainable development agenda by globalization characterized by economic liberalization that has created ecological and social crises, concentrated wealth in a handful of large corporations in both industry and finance and undermined the policy autonomy and space of States. Such globalization has itself created economic crises, exacerbating social tensions, conflicts and political destabilization.
- Weakening of multilateralism that is crucial for sustainable development.
- Disproportionate influence of global economic institutions and their lack of public accountability, including to the UN.
- Lack of implementation means (finance, technology and capacity building that were an integral

part of the 1992 sustainable development partnership with developed countries committing to provide them.

- Lack of integration of the three pillars of sustainable development (economic development, social development, and environmental protection), at all levels of policy and governance despite initial efforts in the 1990s.

Thus there is an urgent need to:

First, reaffirm the internationally agreed principles contained in the Rio de Janeiro Declaration on Environment and Development of 1992, in particular the fundamental principle of common but differentiated responsibilities, as the political framework for sustainable development.

Second, renew political commitment to implement the agreed sustainable development agenda, building on accumulated knowledge and experiences over the past 20 years.

Third, undertake a "revitalized global partnership for sustainable development" based on States resuming their responsible role and asserting policy autonomy as a counter to the unfettered market forces that are causing instabilities at all levels.

Fourth, in any private-public sector collaboration, ensure independence of public policy and governance from undue influence by the private sector, especially transnational corporations and large enterprises.

Fifth, recognizing the importance of appropriate technology for sustainable development establish an intergovernmental body that facilitates technology transfer and innovation (and deals with barriers such as intellectual property rights) and builds capacity for technology assessment. The CSD in its first session in already stressed the need for technologies to be assessed for their health, safety, environmental, economic and social impact.

Rebuilding confidence

Confidence building is needed due to the retreat by most developed countries from their international sustainable development commitments, and even rejection by some of the principle of common but differentiated responsibilities. It is clear from the preparatory process and numerous related discussions that there is still no universally accepted definition or common understanding on the term "green economy." While parts of the UN system such as ESCAP have assisted Member States in arriving at some common understanding of green growth, its details and operationalization remain unclear to most governments.

At the level of national and local governments, communities and enterprises and civil society organizations, a wide range of policies, programmes, projects and measures are developed and implemented that all concerned regard as "green" in accordance with their respective interpretations and descriptions.

However, it is also emerging strongly from the preparatory process, especially the regional meetings, including most recently the High Level Symposium on Rio +20 in Beijing and the Delhi Ministerial Dialogue on Green Economy and Inclusive Growth, that there is a growing consensus on reaffirming the Rio principles and sustainable development framework at the international level and allowing national strategies to be formulated that can refine the three pillars in line with the best principles, approaches and practices. ■

Current practices are threatening our very existence

The development path pursued by the wealthiest nations is ravaging the planet's natural resources. There is need for a radical change in the current economic system that continues to produce and reflect sharp economic and social inequalities around the world. If structural imbalances are to be addresses successfully, the introduction of democratically managed control and regulatory mechanisms that seek to enhance and protect public rights as opposed to corporate privileges is of crucial importance. Eradicating poverty, diminishing inequalities, striving for more inclusive and just society and respect for the environment should be core pillars and goals of such strategy.

EUROSTEP

The future of the world, its 7 billion people and the generations to come will be determined by the way in which we respond to the significant challenges that confront our planet. Our current practices are threatening our very existence.

The international community adopted a set of principles and obligations at the 1992 Rio Earth Summit, endorsing sustainable development. Unfortunately, implementation of these principles has been limited. Industrialized countries have failed to provide the means (financial resources and technology transfer) to implement the Earth Summit agreements, and also to provide the leadership needed to change production and consumption patterns, particularly in their own countries.

Human activity has been the major cause of environmental degradation and climate change. The development path pursued by the world's wealthiest nations has drawn disproportionately on the planet's non-renewable natural resources, and continues to do so. Actions to achieve a far-reaching transition to sustainable development models must be undertaken, and this requires radical and urgent transformation in current approaches to economic growth and stability and to patterns of production and consumption.

Countries have common but differentiated responsibility for contributing to current unsustainable practices, and for the consequence of unsustainable use of the world's natural resources. Since the actions of industrialized nations have contributed most to creating the global environmental problems we collectively face, they should actively assist developing countries in migrating and adapting to the adverse effects they now face.

The limits of the "green" economy

Taking the actions necessary to put in place effective mechanisms for the sustainable management of natural capital and resources will inevitably impact on economic actors. The creation of a green economy is likely to create new "green jobs," but will also destroy "brown" ones; thus, during the process of transformation towards a green economy some individuals, groups, communities and countries will lose whereas others will win. Sustainable development is about improving the well-being of both present and future generations, and is concerned with not only environmental but also social, economic and intergenerational justice: greening the economy alone will not bring about sustainable development.

Eradicating poverty, diminishing inequalities, striving for a more inclusive and just society, along with respect for the environment and ensuring accountability should be core pillars and goals of any sustainable development strategy; a green economy, while it may be less dependent on natural resources, will continue to promote inequity unless other fundamental changes are also made.

The idea of rethinking the conventional model of economic progress is envisaged by the European Union in its position towards the upcoming Rio+20 Earth Summit, but despite valuable proposals for policies and strategies, much emphasis is placed on technological innovations as a means to achieve further resource efficiency. Innovations such as geo-engineering techniques, nano-technology or synthetic biology do have the potential to contribute to sustainability, but undoubtedly must be subject to rigourous systematic impact assessments.

Furthermore, sustainable development is a concept that goes beyond resource efficiency: radical reforms dealing with production and consumption patterns, social and political rights and economic practices are needed if the multi-dimensional aspects of sustainability are to be properly addressed.

Equity, empowerment, human rights and democratic participation

The first principle of the Rio Declaration on Environment and Development states that "human beings are at the centre of concerns for sustainable development." In this perspective, promoting social, gender, economic and environmental equity, the reduction of inequality and the observance of human rights should be the basis of any development strategy. This can only be achieved by engaging citizens in the process of making the changes necessary to ensure sustainability, changes which have to be pursued with full transparency and accountability. Ensuring access to information, raising awareness about sustainable development issues and improving participation of citizens and stakeholders in decision-making processes are key elements for sustainable development.

A sustainable economy cannot be achieved without involving all parts of a society. Social protection needs to be extended to all members of society as a right, and not just to those in formal employment. A human-rights based approach should be taken to addressing poverty in financing for development strategies with a particular focus on women. Regarding food security, for example, the role of women (who produce 60-80% of food in agricultural societies) should be recognized.

Financing for sustainable development

Significant levels of financing will be required from developed countries in order to advance the implementation of effective global strategies. The commitment to provide new and additional finance towards tackling climate change also needs to be recognized within this context.

New forms of innovative financing that have been under discussion for more than a decade can also be an important contribution towards the implementation of sustainable development strategies. The proposal for a financial transaction tax (FTT) should be taken forward, and most local and national taxation systems need to be revised so that they promote sustainability. New systems must be based on the principle that polluter pays, and all subsidies that undermine sustainable development must be eliminated.

Conclusions

The recent crises have shown the limits of current economic models. Increased liberalisation will not deliver development, understood as a multidimensional concept encompassing economic, environmental and social progress. This model has led to increased instability, the emergence of multiple crises, an over emphasis on personal accumulation of wealth, increasing social inequalities and environmental degradation.

The structural imbalances in the global economic system that perpetuates inequalities and trap millions in cycles of poverty must be addressed, redistributing power and putting in place democratically managed control and regulatory mechanisms. People should be put at the centre of any strategy devised to ensure social, economic and environmental security.

Rio 2012 is an important opportunity to build on past commitments and secure their implementation. Adopting binding internationally agreed time-bound commitments and strategies must be its ultimate objective. ■

From the grassroots: NATIONAL REPORT

MOZAMBIQUE

An irresponsible administration

The Government has shown it is not only unable to combat poverty and social inequalities but also incapable of formulating a convincing plan to improve the population's quality of life. The benefits of economic growth have not reached the people who need them most and the poor are getting poorer. The current economic model is clearly unsustainable and the Government is failing to administer the country's natural resources or manage exploitation concessions so that these benefit the population as a whole. Some progress has been made in the fight against corruption but this is still one of the main obstacles to increasing people's well-being.

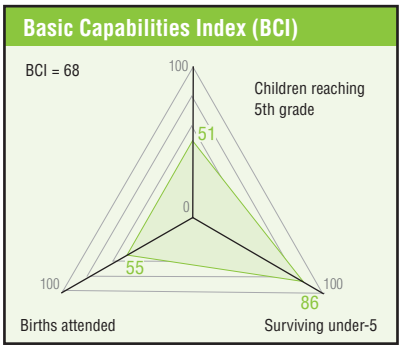
Human Rights League
Public Integrity Centre
Informal Justice Support Centre
Custódio Duma, Coordinator

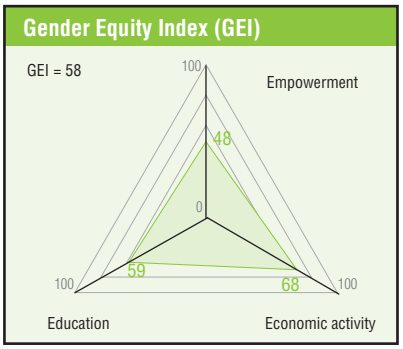
Mozambique has considerable natural resources in the form of natural gas, vegetal coal, aluminium, silver, more than 2,500 kilometres of coastline, rivers, forests, wood and a great potential for tourism.[1] However there is little chance of this wealth being used to help reduce poverty, first and foremost because the country is pursuing an irresponsible and unsustainable policy of promoting mega-projects.

Some studies go so far as to suggest the Government is incapable of administering these natural resources or of managing exploitation concessions in a way that benefits the country's economy or the population at large, and this means it is missing opportunities to promote national development.[2] Since the end of last year economists, civil society organizations, and even the Commission of Catholic Bishops of Mozambique have been trying to persuade the Government to reverse its policy of granting tax exemptions to mega-projects while the tax pressure on the general public is increasing.

A November 2009 review by the African Peer Review Mechanism[3] reported that Mozambique's public administration is very politicized and that it is difficult to distinguish between the State and Frelimo, the party in power since independence in 1975. Not only is this combination of party and State a discriminatory way to manage the public sector, but it also undermines public policy planning and means that all socio-economic development processes are tied to politics.

Moreover, with its vacuous pronouncements and failed measures, the Government has shown that it is incapable not only of combating poverty and social inequalities but also of formulating a convincing plan to improve people's lives.





False growth

The International Monetary Fund (IMF) reported in April that Mozambique's economic growth in 2010 was among the highest in the region[4] and predicted a real GDP rise of 7.25% in 2011 and 8% in the medium term. The problem is that the economic benefits of this expansion do not help the poor, who continue to get poorer. The minimum monthly wage is MZN 2,700 (USD 90), which according to trade unions and workers' organizations is only enough to satisfy 35% of a family's basic needs.[5] A study by PricewaterhouseCoopers showed that in 2011 pay increased by only 9.8% while inflation was 15%, so in fact wages have fallen by 5.2%.

When we consider that more than half of Mozambique's general budget is financed by donor countries and 80% of its investment is from foreign sources, it is no surprise that many economists believe the country's economic growth is false.[6] None of the main factors in the economy – such as the balance of payments, the State budget, investments or control of inflation – are determined by the country's wealth or are functions of internal equilibrium, the domestic market or national production. They are all based on foreign resources.

The high inflation rate may be a direct consequence of the rise in international prices for food and crude oil, but it is clear that Mozambique is unable to exploit its potential and produce foodstuffs and other products that could be exported and help reduce dependence on foreign aid. The country's economic ills can be traced above all to its growth models, which are unsustainable or unrealistic.

The fight against corruption

Transparency International reports that Mozambique has made some progress against corruption, moving from 130th out of 178 countries in 2009 to 116th in 2010.[7] Corruption is still one of the main obstacles to development however, compounded by a combination of other related factors including weaknesses in management procedures, lack of transparency in public administration, impunity for wrongdoers and obsolete legislation in this area.

Mozambique's ranking on the corruption scale has improved because two important cases involving the embezzlement of public funds have come before the courts. These involved two ex-ministers (one of the Interior and the other of Transport and Communications) and also a president of the Council for the Administration of Airports, with the total loss amounting to around USD 10 million. But even so, the final ruling in these cases[8] demonstrated how much the judiciary is manipulated by the political arm of government.

1 Maps of the World, "Mozambique Natural Resources," <www.mapsofworld.com/mozambique/economy/natural-resources.html>.

2 C. N. Castel-Branco, "O que é que a ITIE faz bem e o que é que não faz? Uma proposta de agenda de trabalho sobre os recursos naturais em Moçambique," 25 February 2011, <www.iese.ac.mz/lib/noticias/2011/CNCB_PGMM_Fev2011.pdf>.

3 African Peer Review Mechanism, *Country Review Report: Mozambique*, APRM Country Review Report No. 11, June 2009, <www.aprm-international.org/index.htm>.

4 MacauHub, "IMF says Mozambican economy post growth of 6.5 pct in 2010," 11 April 2011, <www.macauhub.com.mo/en/2011/04/11/imf-says-mozambican-economy-posts-growth-of-6-5-pct-in-2010/>.

5 Empresas e Negócios, "Salários mínimos são marca da pobreza em Moçambique," 26 March 2011, <empresasenegocios.org/2011/03/26/salarios-minimos-sao-marca-da-pobreza-em-mocambique>.

6 Canalmoz, "Estabilidade económica de Moçambique é falsa", interview with João Mosca, 12 April 2011, <www.canalmoz.co.mz/hoje/19205-estabilidade-economica-de-mocambique-e-falsa.html>.

7 Transparency International, "Corruption Perceptions Index 2010 Results," <www.transparency.org/policy_research/surveys_indices/cpi/2010/results>.

8 The Boston Globe, "Sentence Reduced in Mozambican Corruption Case," (24 May 2011), <www.boston.com/business/articles/2011/05/24/sentence_reduced_in_mozambican_corruption_case/>.

The question of transparency was high on the national agenda in 2010–11, especially as regards the extractive sector. In the first quarter of 2011 Mozambique took an initial step towards complying with the requirements of the Extractive Industries Transparency Initiative (EITI) when it published its first annual report with a declaration of the payments made by companies in the sector and the sums received by the State.[9] The civil society organizations that took part in this process agreed unanimously that the contribution of the six firms selected for the report (FY 2008) came to less than 1% of the State budget.[10]

Specialists in the field say the report shows Mozambique is losing out in this process of awarding concessions in two ways: first because it grants the multinationals unnecessary tax incentives; and second because it is undervaluing the country's natural wealth.[11]

Poverty and unrest

The official Government line is optimistic but recent studies show that the cost of living in the country is rising. As there are no mechanisms for ongoing constructive dialogue there may come a point where people express their discontent by taking to the streets with popular revolts as they did in 2008 and 2010.

The "disturbances" of 5 February 2008 and 1 and 2 September 2010 paralyzed the capital, Maputo, and the city of Matola 20 kilometres away, and violence also broke out in the provinces of Gaza, Manica and Nampula. The end result was around 20 people dead and more than 200 injured. The Government only managed to quell the unrest by promising on both occasions to subsidize fuel, semi-collective passenger transport – known as the "chapa 100"– and more recently some foodstuffs, with the promise of a guaranteed "basic basket."

Since 2007 the President has repeatedly stated that the problem of poverty is basically psychological and that the people should be more optimistic and fight against "mental poverty."[12] The previous poverty-reduction strategy, which was called the Action Plan to Reduce Absolute Poverty (PARPA), was changed in May 2011 to the Action Plan to Reduce Poverty (PARP), the logic being that poverty among the people was no longer "absolute."

However, the Third Evaluation of Poverty did not reflect this conclusion. It showed that some 52% of the population is living in absolute poverty,[13] with the worst levels in the central part of the country. This means Mozambique will be unable to reach one of its Millennium Development Goals, which was to reduce poverty from 80% in 1990 to 40% by 2015. The unemployment rate is around 21% of the active population.[14]

Independent evaluations in 2009, after PARPA II had been in operation for five years, showed that less than 50% of the objectives had been reached. Delays in formulating the new plan, PARP, compromised the subsequent phase (also for five years) which should have started in 2010. The Government only finalized and passed the PARP in May 2011 and therefore the 2010–11 budget was based on generic plans and improvised measures.

The 2010 UNDP Human Development Index, which considers life expectancy at birth, mean years of schooling and per capita income, ranks Mozambique 165th out of 169 countries, and the 2010 Social Watch Basic Capabilities Index (based on infant mortality, percentage of births attended by skilled health personnel and percentage of children who reach fifth grade) gives it a value of 71, which places it in the low level development group.[15]

Poor health indicators

Infant mortality in Mozambique is 79 per 1,000 live births.[16] Access to healthcare services is limited and an estimated 50% of the people live more than 20 kilometres from the nearest health centre, which in practice means they do not actually have access to the services. The country is negatively affected by a series of epidemics that up to now have not been adequately tackled:

- *HIV and AIDS*. Some 16% of the population is HIV-positive.
- *Malaria* is responsible for around 30% of all deaths in Mozambique. In different parts of the country from 40% to 80% of children aged two to nine have malaria, and in some areas up to 90% of children under five are infected. Malaria is also the most serious problem among pregnant women in rural areas. Some 20% of pregnant women suffer from it, with the incidence greatest (at 31%) during first pregnancies.[17]
- *Tuberculosis* is one of the main causes of sickness and mortality and affects the most vulnerable groups, in particular young adults, children and people living with HIV and AIDS. Mozambique, with its high morbidity indicators, has been since 1993 among the 22 countries in the world considered "very affected" and is currently in 18th position in the World Health Organization (WHO) classification.
- With a *leprosy* rate of 1.4 cases per 10,000 people, Mozambique has the highest incidence of this disease in Africa and is one of the six worst affected in the world.[18]
- Another problem is *cholera***.** According to the Ministry of Health, last year alone there were 36 deaths from this disease out of a total of 1,968 registered cases.[19]

Conclusion

It will not be possible to tackle poverty effectively unless the Government changes its attitude to the problem. As long as indicators such as GDP growth are seen as the only valid way to measure the country's development, the Government will be unable to respond adequately to the population's pressing problems and the national development model will not be sustainable. Economic growth alone is not enough; this is why projects like PARPA and its offspring PARP have not brought about an improvement in people's well-being and discontent is on the increase. ■

9 Iniciative de Transparência na Indústria Extractiva, "Primeiro Relatório da Iniciativa de Transparência na Indústria Extractiva em Moçambique sobre a Reconciliação de Pagamentos e Recebimentos na Indústria Extractiva," <www.itie-mozambique.org/relatorio.pdf>.

10 T. Selemane and D. Nombora, "Implementação da ITIE, gestão de recursos naturais e urgência da renegociação e publicação dos contratos com mega projectos: O caso de Moçambique," (Maputo: Centro de Integridade Pública, May 2011, <www.cip.org.mz/cipdoc/84_ANALISE%20ITIE%20MOÇAMBIQUE%202011.pdf>.

11 Castel-Branco, op. cit.

12 Government of Mozambique, "A luta continua pela independência completa," (25 June 2010), <www.portaldogoverno.gov.mz/noticias/news_folder_politica/junho-2010/a-luta-continua-pela-independencia-completa>.

13 Ministério da Planificação e Desenvolvimento, "Pobreza e Bem-Estar em Moçambique: Terceria Avaliação National," (October 2010), <www.ine.gov.mz/publicacoes/TERCEIRA_AVALIACAO_NACIONAL_DA_POBREZA1.pdf>.

14 Index Mundi, "Economia: Taxa de desemprego," <www.indexmundi.com/map/?v=74&l=pt>.

15 UNDP, Human Development Report 2010; Social Watch, *The 2010 Basic Capabilities Index: Slowing Down*, (Montevideo: 2010).

16 Index Mundi, "População: Taxa de mortalidade infantil," <www.indexmundi.com/map/?t=0&v=29&r=xx&l=pt>.

17 Ministério da Saúde, "Programa Nacional de Controlo de Malária," <www.misau.gov.mz/pt/programas/malaria/programa_nacional_de_controlo_da_malaria>.

18 Ministério da Saúde, "Lepra," <www.misau.gov.mz/pt/epidemias_endemias/lepra>.

19 Ministério da Saúde, "Cólera," <www.misau.gov.mz/pt/epidemias_endemias/colera>.

Rio Declaration on Environment and Development, 1992

The United Nations Conference on Environment and Development,

Having met at Rio de Janeiro from 3 to 14 June 1992,

Reaffirming the Declaration of the United Nations Conference on the Human Environment, adopted at Stockholm on 16 June 1972, and seeking to build upon it,

With the goal of establishing a new and equitable global partnership through the creation of new levels of cooperation among States, key sectors of societies and people,

Working towards international agreements which respect the interests of all and protect the integrity of the global environmental and developmental system,

Recognizing the integral and interdependent nature of the Earth, our home,

Proclaims that:

Principle 1. Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.

Principle 2. States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.

Principle 3. The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.

Principle 4. In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.

Principle 5. All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world.

Principle 6. The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interests and needs of all countries.

Principle 7. States shall cooperate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. 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 to sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.

Principle 8. To achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies.

Principle 9. States should cooperate to strengthen endogenous capacity-building for sustainable development by improving scientific understanding through exchanges of scientific and technological knowledge, and by enhancing the development, adaptation, diffusion and transfer of technologies, including new and innovative technologies.

Principle 10. Environmental issues are best handled with participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided.

Principle 11. States shall enact effective environmental legislation. Environmental standards, management objectives and priorities should reflect the environmental and development context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries.

Principle 12. States should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.

Principle 13. States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage. States shall also cooperate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction.

Principle 14. States should effectively cooperate to discourage or prevent the relocation and transfer to other States of any activities and substances that cause severe environmental degradation or are found to be harmful to human health.

Principle 15. In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

Principle 16. National authorities should endeavour to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution, with due regard to the public interest and without distorting international trade and investment.

Principle 17. Environmental impact assessment, as a national instrument, shall be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority.

Principle 18. States shall immediately notify other States of any natural disasters or other emergencies that are likely to produce sudden harmful effects on the environment of those States. Every effort shall be made by the international community to help States so afflicted.

Principle 19. States shall provide prior and timely notification and relevant information to potentially affected States on activities that may have a significant adverse transboundary environmental effect and shall consult with those States at an early stage and in good faith.

Principle 20. Women have a vital role in environmental management and development. Their full participation is therefore essential to achieve sustainable development.

Principle 21. The creativity, ideals and courage of the youth of the world should be mobilized to forge a global partnership in order to achieve sustainable development and ensure a better future for all.

Principle 22. Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development.

Principle 23. The environment and natural resources of people under oppression, domination and occupation shall be protected.

Principle 24. Warfare is inherently destructive of sustainable development. States shall therefore respect international law providing protection for the environment in times of armed conflict and cooperate in its further development, as necessary.

Principle 25. Peace, development and environmental protection are interdependent and indivisible.

Principle 26. States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations.

Principle 27. States and people shall cooperate in good faith and in a spirit of partnership in the fulfilment of the principles embodied in this Declaration and in the further development of international law in the field of sustainable development.

Switching paradigms: the only way forward

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The difficulty in achieving the development and human well-being goals lies in the failure of the prevalent economic paradigm, which poses for us the issue of changing capitalism from the inside or from the outside. Our response is from the inside. The weakness of the principles that sustain the neoliberal model has been shown by the recurring economic crises. However, these principles continue to be imposed as the only way forward to development.

Beginning with the publication of the World Commission on the Environment and Development (the Brundtland Commission) in 1987, the term "sustainable development" became a reference point for the international community. With the 1972 United Nations Conference on the Human Environment and the Report by the Commission on International Development Issues (Brandt Commission) as its precedents, the Brundtland Commission defined sustainable development as: "development that can meet [the] needs of the present generation without compromising the ability of future generations to meet their own needs."

The concept of sustainability explores the relationship among economic development, environmental quality and social equity. It includes a long-term perspective and an inclusive approach to action, which recognises the need for all people to be involved in the process.

However, a balance sheet of this paradigm's advances shows a large gap between discourse and actions. A review of the documents that came out of the different UN development summits shows that since the Rio Summit, the discourse in favor of sustainable development has been maintained, accompanied by notions like human development and human security.

This does not mean the notion has been strengthened or that it is a priority on international agendas. Quite to the contrary: the promotion of this paradigm has suffered serious ups and downs due to factors ranging from the differences in perceptions between the North and the South about priorities and financing, or the reduction of goals to "a minimum acceptable to all," to the preeminence of the traditional security agenda since the 9/11 terrorist attacks on Washington and New York in 2001.

The developed countries have omitted the notion of "sustainable" to favor their economic expansion and the maintenance of their populations' excessive consumption patterns. Meanwhile, in the developing countries, protecting the environment has not necessarily been a priority, while the logic of first seeking growth and only after that, development, has held sway. Thus, despite the fact that in the framework of the United Nations, states have declared themselves in favor of sustainable development, the political will has not existed to carry forward a comprehensive program that would make it possible to implement it over the entire planet.

These circumstances should be understood in the framework of the international system that took on board neoliberal postulates as the paradigm for development. According to this vision, electoral democracy and free markets would bring with them the longed-for well-being, and for that reason, states should limit their functions and let market forces act. This model displayed its limits very early on with recurring economic crises and the widening social gaps that have brought globalization to a true ethical crisis.

The lack of ethics in the international economy, particularly in financial markets, is also fed by the absence of norms and regulations, which in turn feeds speculation. The neoliberal model favors the search for easy, short-term profits, a situation that is also the root of the different economic crises, the unequal distribution of wealth, and the increase in the number of people living in extreme poverty.

The socio-economic model prevalent in the world today has narrowed its vision of human development, which undoubtedly was richer when it started out at the time of the Brundtland Report and the goals of the Earth Summit. Today, it has shrunk to a minimum that is closer to a moral excuse than a real will to solve the problems.

Thus, the advances of the sustainable development agenda have been gradual and limited. They depend directly on the political will of the states, not only for coming to agreements on goals, resources, and schedules, but also for their implementation, evaluation, and follow-up. The developed countries have bet on minimum goals and targets, at the same time that they avoid establishing specific, much more ambitious, inclusive targets and commitments.

Economic growth and monetary stability *per se* are not equivalent to less poverty. As long as the structural problems of inequitable distribution of income and wealth are not solved, it will be very difficult to advance in the fight against hunger and to reduce poverty, lessening the capacity to fulfill the Millennium Development Goals or any other, for that matter. It should also be pointed out that it is imperative to increase ODA; if what is really wanted is to reduce current inequalities; more precise indicators are required for evaluating poverty in the world. The problem is that the entire system of monitoring and indicators is part of the current economic growth paradigm and jibes with its discourse.

The liberal community that today's world is part of, and its vision of the world economy, have generated a narrative with which individuals interpret their surroundings and assign meaning to their particular and social living conditions. This is why it is important to change that narrative, to allow world leaders, heads of state or government, to reformulate their interpretation of reality and therefore the way they design and evaluate public policies.

This is why a change of paradigm must be accompanied by a renewed discursive-conceptual framework, as well as new indicators to measure social well-being. Any measurement of advances in development and social well-being must go beyond the methodology limited to the economic-monetarist vision that reduces complex, multidimensional phenomena like poverty to a narrow conceptual construct from which minimal indicators are derived. For this reason, the discussion about defining new development goals must continue, so they can go beyond the categories of economic growth. A new set of indicators for poverty and other issues is needed which would mean a profound redefinition of international society, the State, and humanity itself.

The current crisis of the international system as a whole opens up the possibility of rethinking the relationship between state and market, and the neoliberal paradigm that has held sway for several decades. As the Brundtland Report pointed out at the time, "Sustainable development in the final analysis must rest on political will of governments as critical economic, environmental, and social decisions have to be made." ■

Green and equal: financing for sustainable and equitable development

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An essential element in ensuring the substantive implementation of any international agreement is adequate financial and political support. The gap between promised funds and actual funds allocated is itself a key measure of the durability of political commitments. Following the money, however, is not sufficient to ensure that climate change funds are being directed in an equitable and sustainable manner. Climate funds must also integrate a gender budgeting approach in the design and disbursement of those funds in order to address and mitigate the differential impact of climate change on women. Moreover, the administration and design of the funds must be conducted in a gender equitable manner, including by involving women and women's rights organizations in decision-making at every level.

Analysis has demonstrated that there continues to be a significant gap between the statement commitments of fund administrators, such as the World Bank, to gender equitable development policies and a near total absence of gender-based analysis of climate change fund policy and programming by the World Bank.[1] The consequences of this absence are significant, not only for closing the gap between the well-being of women and men, but for the overall success of any climate change strategy.[2] This is because men and women play distinct roles in areas such as food production, fuel consumption, resource management, disaster response, and in the care economy. As a result they are affected in unique ways by climate change and are positioned to make unique contributions to adaptation and mitigation efforts.

Women make up the majority of small-scale food producers. They are far more likely than men to be responsible for cultivation, food preparation and managing the distribution of food to their families and communities. Climate change funds that overlook the role women play in food production miss an opportunity to make a significant impact on both food security and adaptation and mitigation efforts.

Climate change funds must also address the broader structures of inequality, or risk widening the gap between women and men. Although women make up the majority of small-scale farmers, and are best positioned to respond to food insecurity, they are far less likely to hold formal title to the land they cultivate. They are less likely to have property rights, including rights of inheritance. Research has also demonstrated that in times of food scarcity women often allocate more food to male family members than female family members. A gender-sensitive evaluation of climate change funds must consider not only how the funds are distributed, but the extent to which funding is allocated to address the structural impediments to women's full participation.

A gendered analysis of climate change funds must also be attentive to the division of paid and unpaid labour. This is an area where gender budgeting can make a particularly significant contribution to understanding how to improve climate change financing. Women continue to perform a disproportionate amount of unpaid labour, much of which is directly impacted by climate change. This labour includes labour performed in the cultivation and preparation of food and water, which is made more difficult by drought and other changes in weather patterns. It includes collecting and using fuel to clean, cook, and sterilise. All of these burdens are increased by the negative impact of climate change. Yet, much of this work is not part of the monetized economy. Thus, climate change financing mechanisms that measure impact in terms of paid work and GDP or GNP do not capture either the growing burden of unpaid work on women or the impact of mitigation strategies in decreasing that burden. Lower burdens of unpaid work not only increase women's capacity to engage in paid work and, thus, potentially increase their economic independence, a lower burden of unpaid work may also increase educational opportunities for women and girls. Increased education levels for women, in turn, have demonstrated positive impacts on their health and the health of their families. None of these impacts, however, can be measured without measuring the nature and effect of unpaid work on women and their communities.

The example of unpaid work raises a more fundamental tension in climate change fund monitoring efforts. Gender and climate budgeting are both based on the premise that budgets are statements of values, not simply mechanical responses to market and other economic dynamics. Gender and climate budgeting assumes that spending is an opportunity for change for the better – for a macroeconomics that is sustainable and equitable, that measure progress in terms of well-being and not GDP, that captures change in quality of life, not just the monetized economy. As such, this kind of monitoring and analysis is a radical reframing of neo-liberal economic theory. In practice, however, gender and climate budgeting projects often invoke both the ideas of fairness or justice and traditional economic arguments regarding cost-effectiveness and growth. In times of global economic crisis it is difficult to make arguments that do not attend to the cost and productivity. However, when state actors begin to step back from international commitments to climate change and gender equity they often do so by citing the cost of meeting those commitments. In the face of the argument that justice and equality are too expensive, proponents of the values that underwrite climate and gender budgeting projects must face the contradiction within their own tactics—they must consider whether or not they are willing make claims for justice and equality even when those end goals are antagonistic to market growth and productivity. ■

1 Rooke, Anna et al. *Doubling the Damage: World Bank Climate Investment Funds Undermine Climate and Gender Justice.* Gender Action and Heinrich Böll Foundation North America, (2009).

2 *Ibid.*

Intergenerational justice: satisfying needs instead of greed

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The concept of intergenerational was put forth in 1974 by economist James Tobin, who wrote: "The trustees of endowed institutions are guardians of the future against the claims of the present. Their task in managing the endowment is to preserve equity among generations."[1] The unsustainable use of natural resources leads to intergenerational injustice.

Perceiving ourselves as a collective whole, it is easy to argue that we are obliged to be concerned about the fate of people in future generations. But the question is how and to what extent our present actions and decisions must be oriented to the future. Each generation must put aside a suitable amount of capital in return for what it received from previous generations, that enables the latter to enjoy a better life in a more just society.

Since only posterity can bring to fruition our projects or our contributions, this cannot be done on the basis of contractual relationships. While the present generation can bind itself to do something for the future, the future is not yet there to be party to the contract. This is where the idea of community becomes useful. It is in a community where members of a collective find "a sense of identity that spreads across time." As this community exists at local, national, regional and global levels, concern for its future members must also exist at all these different levels.

Hence justice considerations apply to relations which are beyond the present one. This is particularly true in the case of distributive justice. In some sense the present generation exercises power over the future ones, and has the possibility of using up resources in such a way that it negates the rights of the future ones. The future has no way of controlling the present. Moreover the present generation even has power over the very existence of the future ones. This could be an even greater influence than that on the current generation, where the influence would at most affect the survival of the people. This is enough ground for asserting rights to future persons, though there could be contrary arguments.

Another attempt to define future generations has been made by the University of IDWA in an attempt to reconcile human interests with those of Nature, which are distinguishable but not separable. Sociologist Elise Boulding has proposed that 'future generations' can be defined in terms of "the 200 years present" that is a period of time beginning from 100 years in the past and ending with 100 years in the future, from any point of the present.

The Rio 1992 Earth Summit adopted several legally binding environmental treaties, particularly, the UN Framework on Climate Change (UNFCC) and the 1992 Convention on Biological Diversity.

The Earth Summit highlighted intergenerational justice or equity as an underlying principle of all environmental and developmental concerns. This was accepted by all participating nations. It was recognized that the rights of the future generations have to be respected while pursuing the needs of the current one. These recognitions were to be brought into the realms of policies and laws by conceding nations.

Subsequent meetings such as those in Johannesburg 2002 and in Copenhagen in 2009 have not inspired much confidence among people world the over. The latest conference, in Cancun, even risked negating whatever gains remained out of the Kyoto protocol agreements.

It is urgent to strike a sustainable relationship between nature and humans for the benefit of future generations including children. As pointed out by Rio +20 conference Secretary General Sha Lukang, two decades have not brought the world closer to eradication of poverty; on the contrary the world has moved further into environmental crisis and climate change. It is this environmental poverty that the future generation will inherit.

Rio 2012 must reiterate the conviction that sustainable development based on social, equity, economic growth and environmental preservation is in contradiction with development based purely on economic growth. It is often said that Rio 92 was all about bringing civil society and the corporate sector to sustainability issues. Rio 2012 must now bring governments back to take action. Sustainable development including the rights of the future generations can be achieved only through transparent global governance, not through a free market regime.

The wealth of knowledge and experience that has emerged since the UNCRC needs to be understood in the context of children's rights. The much discussed phenomena of anthropogenic global warming and climate change, aggravated by loss of biodiversity threaten the earth to an unprecedented degree, and will directly affect future generations, including children living today and those yet to be born. This demands global instruments which are binding and geared to defending the ecological rights of the present and future generations. This includes the call for recognition of ecological rights of children and much more.

Further any step that would be taken must be followed through with binding instruments. The future needs to be enabled, as stated by Antoine de Saint-Exupéry: "As for the future your task is not to foresee it but to enable it."[2] This enabling can be achieved only through creating appropriate mechanisms and in this regards the proposal from World Council for Future to appoint a "legal representation or a Guardian" is interesting.[3] Some of the countries have such institutions already. Setting up of an international Ombudsperson or calling for such arrangements nationally, can be a concrete outcome of Rio 2012 towards sustainability and enabling of the future, which amounts to guaranteeing intergenerational justice. ■

1 J. Tobin, "What Is Permanent Endowment Income?" American Economic Review 64, (May 1974).

2 Antoine de Saint-Exupéry, Citadelle (The Wisdom of the Sands), (Paris: 1948).

3 Cited in World Future Council, Guarding our future: How to include future generations in policy making, <www.worldfuturecouncil.org/fileadmin/user_upload/PDF/brochure_guardian3.pdf>.

Housing, land and sustainable development

Miloon Kothari and Shivani Chaudhry[1]

The concept of *environmental justice* is useful for integrating equity, social justice and environmental principles within the framework of sustainable development. Environmental justice has been defined as the right to a safe, healthy, productive and sustainable environment for all, where "environment" is considered in its totality including ecological (biological), physical (natural and created by human labour), social, political, aesthetic and economic conditions.

UN Habitat has reported that the population of slum dwellers around the world continues to grow at around 10% every year. In a worst-case scenario the number of slum dwellers will rise from 1 billion in 2005 to 1.6 billion by 2020. According to the World Health Organization, 884 million people worldwide do not have access to an improved water source while an estimated 2.6 billion people lack access to improved sanitation (more than 35% of the world's population). In 2006, 7 out of 10 people without access to improved sanitation were rural inhabitants.[2] Up to one quarter of the world's population is estimated to be landless, including 200 million people living in rural areas, and approximately 5% of the world's population lives in extreme poverty.[3]

This grave situation poses significant risks to the lives and health of a large majority. It also impacts a range of human rights, including the right to an adequate standard of living and the right to a healthy environment. Globalization policies, including trade and investment agreements, have adversely impacted the urban and rural poor, especially women and indigenous peoples.

The rights to adequate housing and land are integrally linked to the human rights to health, food, water, work/livelihood, development and the environment. Access to adequate and nutritious food, clean and potable water, a secure livelihood and the highest attainable standard of health are critical to promoting sustainable development and maintaining the health and well-being of people and the planet.

Meaningful participation in decisions that affect one's life is a human right as well as a means to ensure enjoyment of other human rights including the right to adequate housing. Denial of the right to participation has adverse effects on the right to adequate housing. Where participation in housing design, plans and policies is ensured, the housing provided is more likely to meet the criteria of adequacy and sustainability. Most violations of human rights occur because people are not consulted in decisions that directly affect their lives and livelihoods. Meaningful participation mandates that the process of consultation be ongoing.

Given the mutual inextricability of all human rights, the current failure to secure the rights to adequate housing and land has resulted in a cycle of deprivation that has impeded the enjoyment of several related human rights, including the rights to food, water and health, which are fundamentally linked.

By the continued failure of State and non-State actors to respect, promote and fulfil the human rights to adequate housing and land, there is an urgent need to rethink "business as usual" and chart a new way forward. We propose the further development and practice of two approaches – the right to the city and the right to land and natural resources – as conceptual bases for the articulation of the indivisibility of human rights and the promotion of the human rights to adequate housing, land and sustainable development.

The development and renewed articulation of the "right to the city" presents an opportunity for a durable solution, one that uses a holistic and sustainable approach to realizing both human and environmental rights.

The movement for the right to the city has been launched by social groups and civil society organizations in an attempt to ensure better access to and opportunities for everyone living in cities, especially the most marginalized and deprived sections.

The right to the city is "the equitable usufruct of cities within the principles of sustainability, democracy, equity, and social justice. It is the collective right of inhabitants of cities, in particular of vulnerable and marginalized groups, that confers upon them legitimacy of action and organization, based on their uses and customs, with the objective to achieve full exercise of the right to free self-determination and an adequate standard of living."[4] Must be defined as the right to an inclusive and gender-sensitive political, social, cultural and spiritual space and must include a strong commitment to poverty reduction. This includes removing discriminatory provisions in laws and policies that negatively affect the poor and economically weak. Financial incentives, subsidies, credit, land and priority housing must be provided to the homeless, landless, and those living in inadequate conditions.

Legal recognition and protection of the human right to land and other natural resources are critical for promoting sustainable development and environmental justice. The right to land needs to be upheld to ensure equality in land ownership and use of land and public spaces. This includes the right to collectively own and manage land, property and other natural resources such as forests and water bodies. Legal recognition of community-based property rights is important to help ensure sustainable use and management of natural resources as well as protect the right to an adequate standard of living.

Land laws and policies should define "public good/interest" to prevent the takeover of land for undemocratic purposes and should revoke the principle of eminent domain since it is largely misused by States. ■

1 Miloon Kothari is the former UN Special Rapporteur on adequate housing, UN Human Rights Council; Shivani Chaudhry is Associate Director of the Housing and Land Rights Network, India.

2 A. Prüss-Üstün et al., *Safer Water, Better Health: Costs, benefits and sustainability of intervention to protect and promote health,* WHO, (Geneva: 2008).

3 UN-Habitat and Global Land Tools Network, *Secure Land Rights for All*, (2008), <www.unhabitat.org/content.asp?cid=5698&catid=503&typeid=24&subMenuId=0>.

4 "World Charter on the Right to the City," <www.globalgovernancewatch.org/resources/world-charter-on-the-right-to-the-city>.

Sustainable development and a renewed role for the State in the Arab region

Arab NGO Network for Development (ANND)

The Arab peoples' revolutions and uprisings that erupted first in Tunisia in December 2010 underline this linkage between sustainable development, democratic governance and freedom, while the Arab region continues to witness wars, crises and conflicts as a result of the violation of international law and the inability to implement agreed international resolutions. It is obvious that a just and sustainable peace in this region will not be achieved unless and until the right of the Palestinian people to self-determination is respected.

Adding to regional tensions is the fact that water, the most strategic of natural resources in this arid region, is being mismanaged. Most Arab countries' water supply depends on expensive and energy-intensive processes that deplete other natural resources owing to a lack of regional or national expertise and oversight. Resource management can be enhanced only by ensuring that access to fresh water remains a basic human right.

Thus it is essential to re-evaluate existing policies on water usage and energy generation in order to ensure that exhaustible resources are used in a just and sustainable manner. Inter-regional investments and cooperation in this field must also be stepped up.

Steps should be taken to ensure that the green economy concept does not become a step backwards from the commitments contained in Agenda 21, one of the main Earth Summit outcomes, even as it is used to embrace a new approach to achieving global sustainability. Such an approach must be grounded in a wider understanding of sustainable development, which includes revising global production and consumption trends and prioritizing rights, equity, fairness and common but differentiated responsibilities.

Poorly managed and unsustainable energy policies have exacerbated climate change, in addition to endangering water and food security through such technologies as first generation bio-fuels that create a false trade-off between energy and food. Increased adaptation of environmentally friendly sustainable techniques, like wind or solar energy, including public and private investment in these fields is of the essence.

A revitalized global partnership for sustainable development should address the issue of global governance, including the ways in which trade, investment and finance relations often favour rich countries at the expense of poor country livelihoods and divert resources from development and rights focused objectives. This makes it essential to re-evaluate trade policies and agreements that contradict the goal of sustainable development and to address the structural imbalance of power in the global economy that privileges the few.

It is also crucial to review and revise policies that frame and support – or fail to support – sustainable development, including for example those on food sovereignty and security as well as those related to new technologies and transfer of technologies. This would help address the threat to ecosystems and biodiversity posed by land degradation and water pollution. When in comes to new technologies, enforcing the "precautionary principle" is essential in order to avoid the risks and challenges posed by unproven technologies.

The incidence of poverty is rising alongside economic growth in the Arab region, as it is in other developing regions. Poverty is greatest among rural populations whose livelihoods often depend on agriculture. Policy makers have prioritized integration into the global economy through economic de-regulation, including trade and investment liberalization, debt financing, privatization and public-private partnerships. This has further weakened developing countries, increasing their dependence on food imports, and exacerbating their vulnerability to external shocks.

Clearly the role of the State in economic matters must be reconsidered in order to balance its role as a regulator and facilitator against the role of the market in increasing economic growth. Developing countries need to move away from an exclusive focus on economic growth towards a model of economic development based on a broad "rights-based" perspective.

Both developing and developed countries need strengthened institutions that operate within intra-regional and intra-thematic frameworks, focused on "bottom-up" participatory governance. Greater coordination and cooperation on sustainable development is needed among regional commissions and international funds, programmes, agencies and development banks in coordination with UN institutions.

The mobilization of technical and financial assistance should facilitate the implementation of regionally and sub-regionally agreed sustainable development programmes and projects, with a focus on empowerment of local stakeholders. This in turn depends on strengthened government institutions that are transparent and accountable to all key stakeholders.

Through coordination structures at the national and local level, government institutions should also foster full public participation in sustainable development policy formulation and implementation. Implementation of any kind requires policies and mechanisms that ensure the involvement of local stakeholders, represented in diverse civil society groups and constituencies, including women, indigenous people, and people with special abilities, who are empowered to make and implement decisions that often primarily concern them.

It is essential that the Rio+20 process results in the adoption of internationally agreed and time bound commitments with clear strategies to achieve them.It must clarify the responsibilities of global governance institutions, including UN agencies, the IMF, World Bank, World Trade Organization, and others for achieving agreed results. We urge the establishment of a "Sustainable Development Council" on par with such institutions as the Security Council, the Human Rights Council and the Economic and Social Council, with the authority to monitor the implementation of national sustainable development initiatives through binding resolutions. ■

The *indignados* are asking the right questions about Europe's future

Tilburg University
Mirjam van Reisen
Eurostep
Simon Stocker and Georgina Carr

In October 2011 the *indignados* from Madrid went to Brussels to share their concerns and raise serious questions. They were joined by people from other European countries who were also inspired by Stéphane Hessel's book *Time for Outrage!* (*Indignez-vous!* in the original French). Hessel, a 93-year-old man who was in the resistance during World War II, urges his readers to defend the values of modern democracy and reject the "selfish" power of money and markets.[1] These values are embodied in the setting up of the United Nations as a way of mediating conflicts, the proclamation of the Universal Declaration of Human Rights and the establishment of the European Union.

The *indignados* came to ask what Europe had to offer them. With one out of two young people in Spain unemployed it was natural that they were seeking answers. European Commission President José Manuel Barosso recognized that times were especially difficult in his 2011 State of the Union speech to the European Parliament, saying: "We are now facing the greatest challenge our Union has ever seen, I believe, in its history."[2] He warned that countries could leave the EU and that there would be a reversion to nationalism. Two weeks earlier the Polish Finance Minister had cautioned the Parliament that a Eurozone collapse would probably lead to the break-up of the Union and the real prospect of war in Europe within 10 years.[3]

The *indignados* are correct to wonder whether our leaders are asking the right questions or are asking the questions in the right way.

Europe is currently trapped within two primarily conservative discourses. One of them stems from the anxiety of citizens and national leaders who regard the EU as no longer to their benefit and want to return to the primacy of a national identity and policy framework. The second, led by a corporate sector badly in need of an EU that can compete at the global level, is fear of the devastating consequences a breakdown could pose.

Missing in both of these discourses is a concept of an EU that benefits its citizens and contributes to greater understanding among countries in the region and to peace and prosperity for all. While the EU was based on an approach that integrated the economic and social dimensions, the social dimension is no longer part of a discourse dominated by "self-interest," Europe's "needs" and Europe's "competitive power." The emphasis on short-term profit rather than long–term economic sustainability betrays Europe's heart and soul. It also sacrifices the goal of an economic policy that can be sustained and can benefit everyone.

Increasingly Europe's economic development has been fuelled by both the consumption and depletion of global resources,[4] resulting in wealth generation for the region but environmental degradation inside and abroad. Much of this development has relied on acquiring resources in third countries and acting with self-interest in terms of business and trade. The Lisbon Strategy was adopted in 2000 with the stated aim of making the EU "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion" by the end of the decade.[5] It sought to enhance economic growth through better policies for the information society, structural reform for competitiveness and innovation and increased investment in research and development. Modernizing the European social model, investing in people and combating social exclusion were also set as objectives.

By the end of the decade however economic growth had further declined, and while employment rates were slightly higher than at the beginning they were far short of the target of a 70% overall employment rate. In overall terms the strategy was widely acknowledged to have failed. The 2008 global financial crisis was a contributing factor, but even before the financial meltdown it was clear that the Lisbon Strategy would not deliver on its ambition to make the EU the most competitive knowledge-based economy. ■

1 J. Lichfield, "The little red book that swept France," *The Independent*, (3 January 2011), <www.independent.co.uk/news/world/europe/the-little-red-book-that-swept-france-2174676.html>.

2 J. M. Barosso, President of the European Commission, "State of the Union Address 2011," (28 September 2011), <ec.europa.eu/commission_2010-2014/president/state-union-2011/index_en.htm>.

3 L. Phillips, *Poland warns of war 'in 10 years' as EU leaders scramble to contain panic*, (14 September 2011), <euobserver.com/18/113625>.

4 WWF has said that the EU and other high-income regions are using five times the amount of natural resources as low-income countries ("WWF contribution to public consultation on the EU position for the 2012 United Nations Conference on Sustainable Development," April 2011).

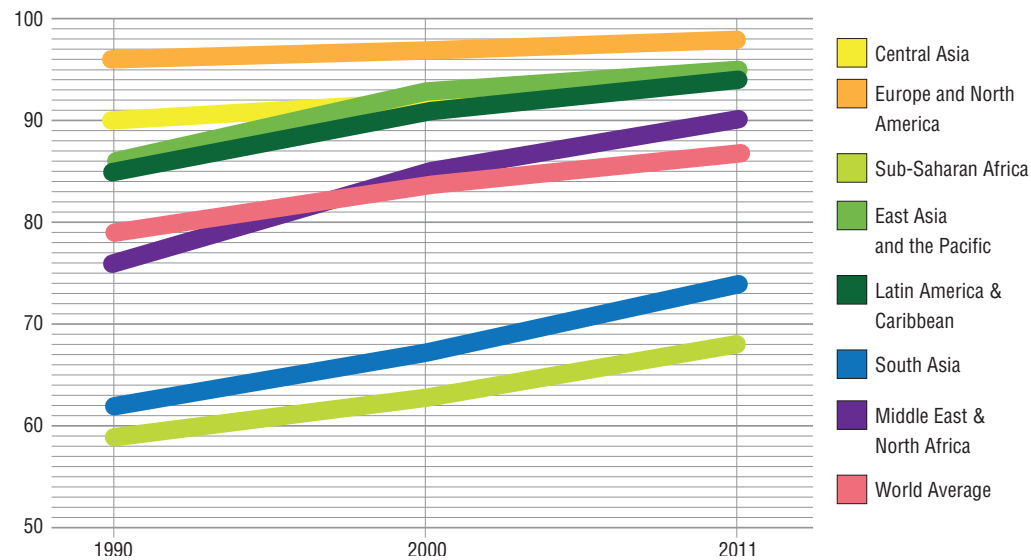
5 ESIB – The National Unions of Students in Europe, *The Lisbon Agenda: An Introduction*, (Brussels: 2006), <www.esib.org/documents/publications/official_publications/lisbonhandbook.pdf>.

The boom and the busted

A lost decade in the fight against poverty

CHART 1

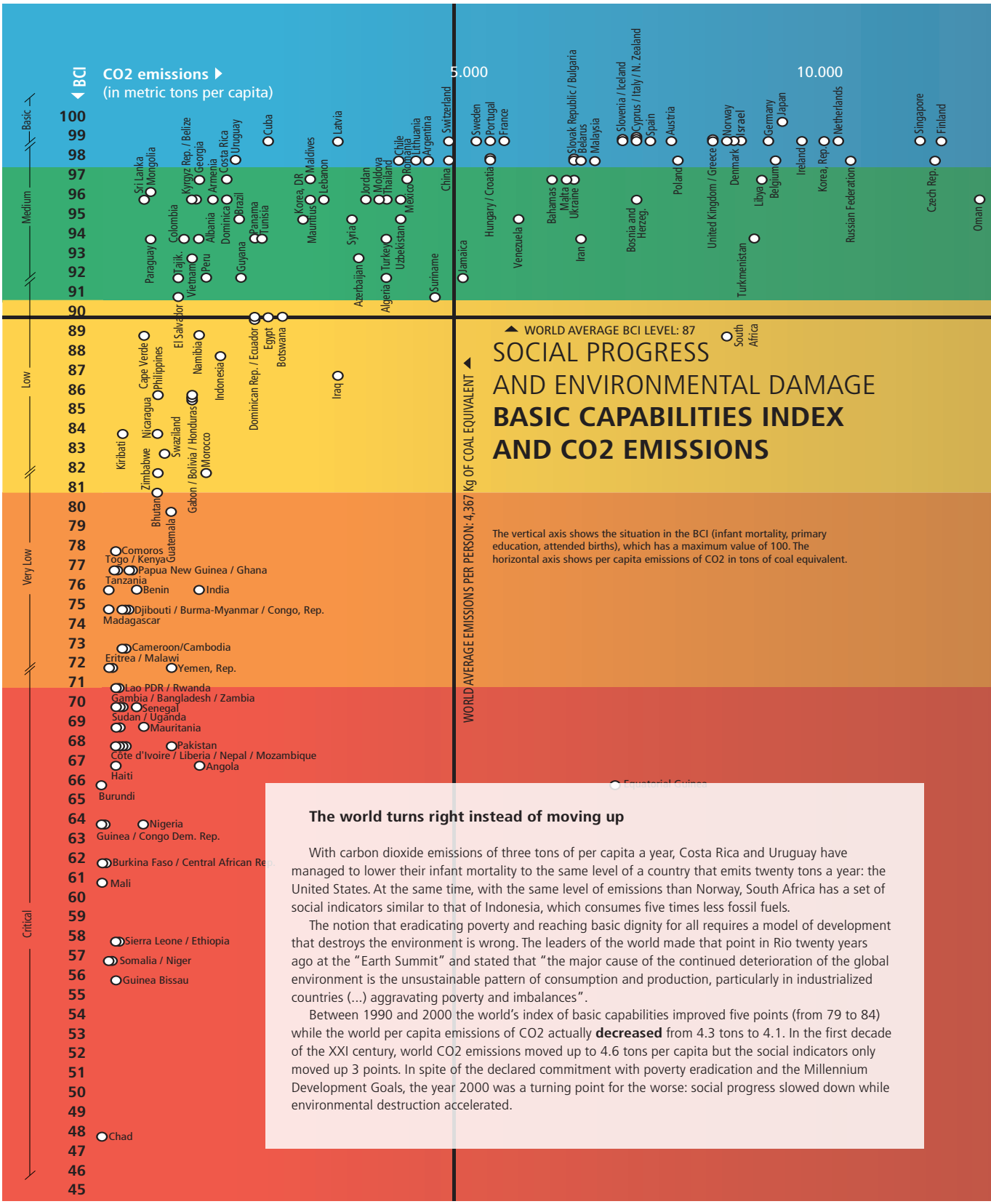
BCI level by region (1990, 2000 and 2011)



World trade and per capita income grew faster (see p. 3) in the first decade of the XXI century than the decade before, but progress against poverty slowed down. A gap widened, due to the unequal distribution of the benefits of prosperity. Now the boom years seem to give way to a bust. The vulnerable did not benefit from the accelerated growth in the economy, but they will undoubtedly suffer the most with a new contraction. The 2011 Basic Capabilities Index show that economic performance and well being of the people do not go hand in hand (see chart 4). Progress on education, health and nutrition was already too slow when gross income was growing fast. While using the latest available figures, the Index does not capture yet the whole impact of the global financial and economic crisis that started in 2008, because social indicators are gathered and published much slower than the economic numbers. Yet, social watch is receiving evidence from its members on how the crisis is burdening the most those already vulnerable and that situation can only become worse if the big industrialized countries enter into prolonged stagnation or recession.

By region, the trend reflects the global slowdown in terms of increases in the BCI level. There has been only marginal change in BCI for Europe and North America in the last 20 years. For Latin America and the Caribbean, East Asia and the Pacific, and the Middle East and North Africa, the trend shows a significant slowing down of progress during the period 2000 to 2011 compared to the previous decade. Despite the higher momentum for the poorer countries in Sub-Saharan Africa and South Asia, it must be noted that these two regions have the lowest BCI recorded. They need to accelerate even more if they are to reach average basic levels in the next decade.

BASIC CAPABILITIES INDEX 2011

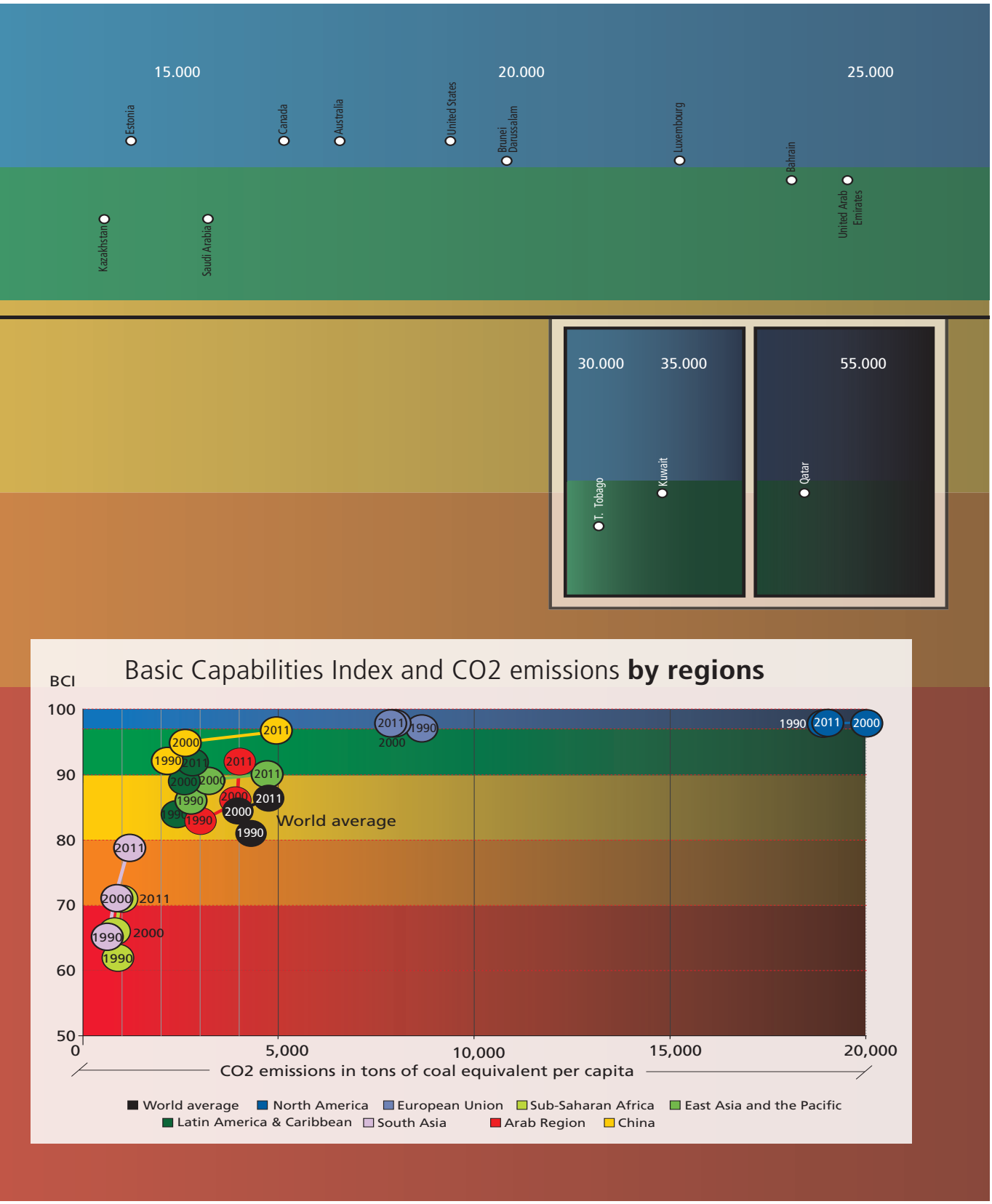


The world turns right instead of moving up

With carbon dioxide emissions of three tons of per capita a year, Costa Rica and Uruguay have managed to lower their infant mortality to the same level of a country that emits twenty tons a year: the United States. At the same time, with the same level of emissions than Norway, South Africa has a set of social indicators similar to that of Indonesia, which consumes five times less fossil fuels.

The notion that eradicating poverty and reaching basic dignity for all requires a model of development that destroys the environment is wrong. The leaders of the world made that point in Rio twenty years ago at the "Earth Summit" and stated that "the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries (...) aggravating poverty and imbalances".

Between 1990 and 2000 the world's index of basic capabilities improved five points (from 79 to 84) while the world per capita emissions of CO2 actually **decreased** from 4.3 tons to 4.1. In the first decade of the XXI century, world CO2 emissions moved up to 4.6 tons per capita but the social indicators only moved up 3 points. In spite of the declared commitment with poverty eradication and the Millennium Development Goals, the year 2000 was a turning point for the worse: social progress slowed down while environmental destruction accelerated.



Basic Capabilities Index and CO2 emissions **by regions**

It is not about money

The Basic Capabilities Index (BCI) was designed by social watch as an alternative way to monitor the situation of poverty in the world. Most of the available poverty-measurement is based on the premise that poverty is a monetary phenomenon and they measure, for example, how many persons live with an income of less than one dollar a day. The BCI is an alternative non-monetary measure of poverty and well-being based on key human capabilities that are indispensable for survival and human dignity. The indicators that make up the BCI are among the most basic of those used to measure the millennium development goals (MDGs).

The BCI assigns equal weight to three basic capabilities: (1) the capability to be well-nourished;(2) the capability for healthy and safe reproduction; (3) and the capability to be educated and be knowledgeable. The index is computed as the average of three indicators: 1) mortality among children under five, 2) reproductive or maternal-child health (measured by births attended by skilled health personnel), and 3) education (measured with a combination of enrolment in primary education, the proportion of children reaching fifth grade and adult literacy rate).

All the indicators are expressed in percentages and they range from 0 to 100. Under-five mortality, which is usually expressed in number of deaths per thousand children born alive, is expressed as 100 minus that value. So that, for example, a value of 20 deaths per thousand becomes 2% and, when deducted from 100, yields a basic indicator value of 98. Thus, the theoretical maximum value in infant mortality is 100, which would mean that all children born alive survive until they are five years old. Reproductive health takes the maximum value 100 when all women giving birth are attended by skilled health personnel. Similarly, the education indicator registers 100 when all school age children are enrolled in education and they all attain five years of schooling. These three indicators are then averaged, so the total value of the index will vary between 0% and 100%.

BCI levels

Countries with basic BCI level have reached a reasonable level of human development and have basically met the MDG targets way ahead of the 2015 deadline. Countries with medium BCI level have achieved a certain level of momentum to address key human development concerns and have a fair chance of meeting the MDG targets by 2015. Countries with low BCI level are still struggling to provide basic services for their citizens and will more likely miss the MDG targets by 2015. Countries with very low and critical BCI levels will certainly miss the MDG targets. Most of these countries, particularly those with critical BCI level, are experiencing severe economic difficulties, social unrest or wars. Some have just emerged from armed conflict and are still transitioning to normalize government operations and public services. ■

GENDER EQUITY INDEX 2012

	Education	Economic Activity	Empowerment	GEI		Education	Economic Activity	Empowerment	GEI
Afghanistan	4	17	25	15	Egypt	83	29	22	45
Albania	94	57	13	55	El Salvador	98	55	34	62
Algeria	86	44	16	49	Equatorial Guinea	92	28	7	42
Angola	70	73	50	64	Eritrea	45	58	30	44
Argentina	100	68	53	74	Estonia	99	80	52	77
Armenia	100	74	36	70	Ethiopia	37	71	25	44
Australia	100	83	57	80	Finland	100	87	76	88
Austria	100	68	54	74	France	100	79	51	77
Azerbaijan	98	64	32	64	Gabon	92	67	23	61
Bahamas*	100	0	34	0	Gambia	79	71	26	59
Bahrain	97	35	30	54	Georgia	98	63	39	67
Bangladesh	81	65	18	55	Germany	100	78	62	80
Belarus	100	71	22	64	Ghana	79	88	19	62
Belgium	98	79	61	79	Greece	99	68	49	72
Belize	100	62	46	69	Guatemala	89	50	6	49
Benin	43	66	14	41	Guinea*	34	78	0	0
Bhutan	72	41	9	41	Guinea-Bissau	57	52	20	43
Bolivia	92	64	43	66	Guyana	98	39	57	64
Bosnia and Herzegovina	98	68	9	58	Haiti	84	45	16	48
Botswana	100	78	41	73	Honduras	100	52	39	63
Brazil	98	75	43	72	Hungary	98	82	40	73
Brunei Darussalam	99	78	39	72	Iceland	100	82	80	87
Bulgaria	99	81	47	76	India	66	33	12	37
Burkina Faso	48	75	20	48	Indonesia	93	57	36	62
Burundi	69	91	47	69	Iran	95	42	16	51
Cambodia	71	73	21	55	Iraq*	61	0	23	0
Cameroon	65	44	15	41	Ireland	100	74	48	74
Canada	100	83	57	80	Israel	100	81	44	75
Cape Verde	91	62	62	72	Italy	99	66	45	70
Central African Republic*	26	69	0	0	Jamaica	97	75	16	63
Chad	13	52	12	25	Japan	93	65	14	57
Chile	99	60	56	72	Jordan	97	39	11	49
China	95	76	21	64	Kazakhstan	99	82	44	75
Colombia	99	71	21	64	Kenya	86	75	14	58
Comoros	74	70	1	48	Kiribati	96	0	6	0
Congo, DR	40	55	12	36	Korea, DPR	0	0	0	0
Congo, Rep.	34	40	12	29	Korea, Rep.	84	68	26	59
Costa Rica	100	61	60	74	Kuwait	97	57	33	62
Côte d'Ivoire	42	41	12	32	Kyrgyzstan	99	71	48	73
Croatia	99	79	44	74	Lao, PDR	75	69	23	56
Cuba	100	48	56	68	Latvia	100	81	51	77
Cyprus	95	76	32	68	Lebanon	95	42	28	55
Czech Republic	100	74	46	73	Lesotho	100	83	34	72
Denmark	100	87	66	84	Liberia	86	52	29	56
Djibouti	59	64	14	46	Libya*	0	0	0	0
Dominica*	100	0	60	0	Lithuania	98	83	48	77
Dominican Republic	100	71	44	72	Luxembourg	100	75	30	68
Ecuador	97	57	58	71	Madagascar	94	84	33	70

GENDER EQUITY INDEX 2012

	Education	Economic Activity	Empowerment	GEI		Education	Economic Activity	Empowerment	GEI
Malawi	89	57	32	59	**Senegal**	63	57	28	50
Malaysia	98	40	31	56	**Serbia**	98	75	51	75
Maldives	97	60	31	63	**Sierra Leone**	33	87	11	44
Mali	35	42	19	32	**Singapore**	94	71	40	69
Malta	100	58	31	63	**Slovakia**	100	75	43	73
Mauritania	69	61	28	53	**Slovenia**	100	79	47	75
Mauritius	98	59	42	67	**Somalia***	0	0	0	0
Mexico	98	56	37	64	**South Africa**	98	74	66	79
Moldova	98	87	45	77	**Spain**	99	71	73	81
Mongolia	99	94	50	81	**Sri Lanka**	97	58	31	62
Montenegro*	0	0	0	0	**Sudan**	76	25	20	40
Morocco	72	29	19	40	**Suriname***	98	62		0
Mozambique	59	68	48	58	**Swaziland**	93	73	31	65
Myanmar*	97	65	0	0	**Sweden**	99	85	77	87
Namibia	100	76	54	77	**Switzerland**	98	80	58	79
Nepal	65	56	21	47	**Syria**	89	38	24	50
Netherlands	100	82	56	79	**Tajikistan**	74	67	13	51
New Zealand	100	83	63	82	**Tanzania**	71	68	42	60
Nicaragua	100	58	64	74	**Thailand**	97	77	39	71
Niger	21	38	18	26	**Togo**	53	54	14	40
Nigeria*	60	38	0	0	**Trinidad and Tobago**	99	72	64	78
Norway	100	90	78	89	**Tunisia***	93	18	0	0
Oman	94	13	27	45	**Turkey**	83	34	19	45
Pakistan	55	19	14	29	**Turkmenistan**	100	73	13	62
Panama	99	69	60	76	**Uganda**	82	59	48	63
Papua New Guinea	89	88	2	60	**Ukraine**	100	67	41	69
Paraguay	99	70	49	73	**United Arab Emirates**	98	49	43	63
Peru	96	69	43	69	**United Kingdom**	100	81	47	76
Philippines	100	67	61	76	**United States of America**	100	69	47	72
Poland	100	75	52	76	**Uruguay**	100	72	51	74
Portugal	99	78	55	77	**Uzbekistan**	87	71	13	57
Qatar	98	53	30	60	**Venezuela**	100	65	28	64
Romania	99	80	39	72	**Viet Nam**	95	75	41	70
Russian Federation	100	81	44	75	**Yemen**	30	40	2	24
Rwanda	84	72	74	77	**Zambia**	78	49	18	49
Saudi Arabia	93	4	15	37	**Zimbabwe**	88	57	21	55

* There are no available data on GEI.

Social Watch: promoting accountability

Social Watch, a network that today has members in over 70 countries around the world, was created in 1995 as a "meeting place for non-governmental organizations concerned with social development and gender discrimination." This network was created to respond to the need to promote the political will required for making the United Nations promises come true. Social Watch, which is continually growing both qualitatively and quantitatively, has published 16 yearly reports on progress and setbacks in the struggle against poverty and for gender equality. These reports have been used as tools for advocacy on a local, regional, and international level.

From its number 0, published in 1996, to this present issue, the 16th, the *Social Watch Report* has complied more than 670 national reports from civil society organizations, all of them with the common aim of reminding governments of their commitments and tracking their implementation, both country by country and at the international level.

The present issue, featuring contributions from more than 65 national Social Watch coalitions, carries forward the idea that brought the network into existence in 1995: the need to generate tools and strategies to rectify the lack of accountability mechanisms and ensure compliance with international commitments related to social policies and development goals.

In the decade Social Watch was created, a series of high-level United Nations conferences, starting with the 'Children's Summit' in 1990 and ending with the Millennium Summit in 2000, redefined the global social agenda. In 1995, the Social Summit (Copenhagen) and the Women's Conference (Beijing) defined, for the first time, gender equality and the eradication of poverty as common universal objectives, setting concrete targets and timelines to achieve the goal vaguely formulated in 1946 in the UN Charter as "dignity for all". To promote the political will needed for those promises to become a reality, the Social Watch network was created as a "meeting place for non-governmental organizations concerned with social development and gender discrimination" (*Social Watch No. 0*, 1996), by a group of civil society organizations.

Thus, the *Social Watch Report* was formulated as a powerful tool for the presentation of internationally available statistical information and for reporting on qualitative aspects of the issues addressed through analyses by social organizations working at a national level. A yearly publication, the Report is devoted to progress and setbacks in the struggle against poverty and for gender equality, two largely overlapping objectives, since the absolute majority of people living in poverty are women.

The Social Watch yearly reports, while adding an international dimension to local efforts and campaigns, became the first sustained monitoring initiative on social development and gender equity at a national level, and the first to combine both in one international overview.

The report Nº0, published in 1996, featured contributions from 13 organizations; since then, the network has been growing steadily. Currently, Social Watch has members ("watchers") in over 70 countries around the world, and membership increases each year.

The local, the global and the Report

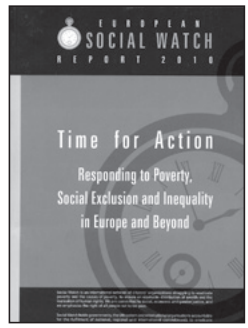
Every year Social Watch chooses to analyze a different topic in depth through its Report, usually focusing on issues under discussion on the international agenda that can be addressed from a local perspective. Experts from diverse origins and disciplines contribute alternative views on the issues through thematic articles. This international perspective is complemented with national and regional reports through which member organizations contribute with a local perspective, reporting on the state of affairs in their countries in relation to each year's specific theme.

In addition, Social Watch produces indexes and tables with comparable international information, presenting a macro-perspective of the situation related to certain dimensions of development while also providing national level readings. Social Watch has developed alternative indicators to measure progress or setbacks in gender equity and the meeting of basic human capacities, which are now used as reference points for both civil society and international institutions. These are: the Gender Equity Index (GEI), and the Basic Capabilities Index (BCI).

MEMORANDUM OF UNDERSTANDING BETWEEN NATIONAL GROUPS AND THE SOCIAL WATCH NETWORK

1. Coalitions must be based in the country and be active in social development issues in that country (not exclusively as academics or consultants).
2. Their basic commitment to the international network is to provide a national report, with their own conclusions and determination of priorities, to be included in the annual publication.
3. They are expected to use their national report and the global report in lobbying activities at a national level.
4. They must be open to the incorporation of other organizations, work actively to broaden awareness of Social Watch and encourage the participation of other organizations.
5. They are responsible for raising funds for their activities. National coalitions are not dependent for funds on, or financially accountable to, the Secretariat or any other international Social Watch entity.
6. Each coalition determines its own organizational structure.
7. Social Watch membership and the exercise of governmental functions are absolutely incompatible.
8. Cooperation with other national platforms should be encouraged at sub-regional, regional and global levels.
9. In cases of conflicts between members/participating organizations of a coalition on issues related to Social Watch (e.g. nomination of the focal point, contribution to the Social Watch Report, nomination of delegates to the Social Watch Assembly) all parties involved have to demonstrate their willingness to solve the problems at the national level. If, in exceptional cases, an agreement cannot be reached, the Coordinating Committee can take the necessary decisions.
10. In order to demonstrate their affiliation to the network all coalitions are encouraged to use the Social Watch logo for national activities directly related to goals and objectives of Social Watch. They are requested to inform the International Secretariat about these activities. In other cases they have to seek permission from the International Secretariat or the Coordinating Committee in advance for other uses of the Social Watch name and logo.

NOTE: The Memorandum of Understanding was adopted during the 1st General Assembly, Rome, 2000. Available from: <www.socialwatch.org>.



Although members use the document for advocacy work in diverse situations, report launches, as well as index launches, are key opportunities for dissemination of its contents, both taking place in relevant spaces for international and national debate and decision-making. The report is published by the Secretariat in several languages: Spanish, English, French, Arabic and Russian. Some national coalitions also publish their own versions of the report: Spain, Italy, Czech Republic, Germany, Poland, Europe, India, Brazil and the Philippines. Other coalitions publish an array of materials. The Czech and Italian Social Watch coalition, for instance, publish the Gender Equity Index, while Ghana's Social Watch has published a compilation of its national reports and the Beninese Social Watch coalition issues a quarterly, *Social Watch Bénin*. Also, in February 2011 the European report was launched: *Time for Action Responding to Poverty, Social Exclusion and Inequality in Europe and Beyond*.

In addition, Occasional Papers are published, mainly to help build the capacity of member coalitions, regional training workshops are organized, and position papers are produced[1]. For example, in 2011 Social Watch published the Occasional Paper 7 entitled "*Centroamérica y la sociedad civil – Desafíos en común – Derechos humanos, desarrollo sustentable*", which offers thematic reports on problems the region is facing, and national reports.

Through communications methods via website, e-newsletter and its Facebook page, Social Watch utilizes new multimedia and tools to disseminate information on gender, development and human rights issues, generate discussions among fellow civil society practitioners, and conduct outreach to policymakers and journalists. Advocacy, communications and campaigning strategies complement each other to achieve its goals.

On several occasions, Social Watch spokespersons have addressed the UN General Assembly and other intergovernmental bodies on behalf of the network or wider civil society constituencies. The network has kept national coalitions informed about global decision making processes and enabled members to participate in these developments.

A flexible network

As the "meeting place" has grown, several aspects of it have evolved, but the founding ideas and objectives remain. In preparing for their participation in the Copenhagen Social Summit, civil society organizations adopted flexible and *ad hoc* ways of organizing as a network. No formal governing structure or steering committee was created and no stable coordinating group was established. Non-governmental organizations (NGOs) preferred to inform each other and coordinate activities in horizontal open spaces, an approach that some analysts regard as a forerunner of the organizational format later adopted by the World Social Forum. Many of the NGOs that took part in the Social Summit later formed the backbone of Social Watch. As a result, the structure and functioning of the network preserves much of the original flexibility and openness.

In addition to national coalitions, the network is structured around three bodies: the General Assembly, the Coordinating Committee and the International Secretariat. In recent years, some regional and sub-regional coordination structures were established as a space for discussion - not as a necessary intermediate body to link the national with the global.

The Social Watch network is not an incorporated entity and it did not start by drafting its governing bylaws. Instead, a short Memorandum of Understanding between national groups and the network (see box) became the basic framework establishing mutual expectations, respecting both the autonomy of national coalitions and democratic, horizontal decision-making. A key principle that distinguishes Social Watch from other international civil society networks is that no central body provides funds for its members. These operational principles help avoid the tensions associated with donor/recipient relationships within the network – since there aren't any – and also the loss of energy that could result from lengthy discussions about money, budgeting and reporting, as well as procedural matters. It has also resulted in members' strong sense of tenure over the network.

National coalitions organize the way they want – or can – according to the conditions in each country. The membership of Social Watch coalitions is very diverse, including research institutes or centres, NGOs, grassroots organizations, trade unions, women's groups, rural organizations and others.

Global Assembly

The Global Assembly is the Social Watch network's highest directive body. Policy discussion and me-

1 The first Occasional Paper by Mirjam Van Reisen, *The Lion's Teeth*, examines the political context in which Social Watch was created. The second, by Ana María Arteaga, *Control Ciudadano desde la base*, analyzes the democratization of international human rights instruments experience in Chile in 1997. The third, a compilation by Patricia Garcé and Roberto Bissio, introduces the experience of monitoring Copenhagen goals through the concrete example of Social Watch. Papers 4 and 5, coordinated by the Social Watch Social Sciences Research Team, address poverty and inequality in Latin America and the links between poverty and human rights. The Paper 6 *Beijing and Beyond – Putting Gender Economics at the Forefront* launched during the review of the Committee on the Status of Women marking the 15th anniversary of the adoption of the Beijing Declaration and Platform for Action. Occasional Papers available from: <www.socialwatch.org/taxonomy/term/459>.

dium- to long-term strategic planning happens in its realm, which serves as a decision-making forum. However, it is also a space for reinforcing the sense of belonging and strengthening the network's identity and unity. In addition to setting medium- and long-term priorities and identifying potential alliances in advocacy strategy, the Assembly elects members of the Coordinating Committee to whom coordination and political leadership between assemblies are delegated. It takes place every three years and has been held five times: in Rome 2000, Beirut 2003, Sofia 2006, Accra 2009, and most recently, in 2011[2], in Manila. The Manila Assembly concluded that the current growth-led economic model is economically inefficient, socially unjust, environmentally damaging and politically unsustainable and pledged to challenge the prevailing economic paradigm based on GDP growth worldwide. Social Watch will also contribute to the current climate negotiations and advocate for innovative sources of financing for poverty eradication and gender equality.

Vice President of the Philippines, Jejomar Binay, with members of Social Watch network at the official inauguration of the Social Watch Global Assembly, Manila, July 2011.

Coordinating Committee

The Coordinating Committee (CC) is the key political body for the 'daily' work of the network, with an organizational structure which requires fluid communication, facilitated principally through an email list, plus biannual face-to-face meetings and regular telephone conferences to discuss specific issues.

As the CC's task is to "ensure the political visibility and participation of the network in relevant spaces and processes,"[3] its composition endeavours to represent a geographical and gender balance, as well as considering the contribution, in terms of experience and capabilities, that members can provide to the whole network. In general, the CC's decisions are adopted by consensus, and every single decision (and discussion) is communicated to the watchers in a timely manner. The constant participation of two Secretariat members as *ad hoc* members of the CC ensures coordination between the two bodies, with the function of the Secretariat being to support and implement the strategic decisions made.

International Secretariat

The Secretariat is the main executive body of Social Watch. The first external evaluation of the network (1995-2000) noted that, "Of the various roles in the Social Watch network, that of the Secretariat has changed the most" (Hessini and Nayar, 2000). Originally the Secretariat's function was limited to responsibility for the production of the Report, but due to the network's growth it has subsequently incorporated a series of new functions, including research, capacity building, campaigning, promotion of the network and its representation in international forums.

Promoting accountability

The Accra Assembly, held in October 2009, endorsed the concept of "mutual accountability" among members and among the different bodies of the network (Secretariat, CC, members). Social Watch believes that the key action to achieve poverty eradication, gender equality and social justice happen primarily at the local and national level and, therefore, its international activities and structures should be accountable and at the service of national and local constituencies, and not the other way around.

Social Watch will achieve its objectives through a comprehensive strategy of advocacy, awareness-building, monitoring, organizational development and networking. Social Watch promotes people-centred sustainable development. Peace is a precondition for the realization of human rights and the eradication of poverty. But also poverty and lack of respect for human rights are at the root of many armed conflicts. Therefore the devastating impact of conflict and post-conflict situations on people is of particular concern for Social Watch. ■

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2 Final reports, working papers and other materials from these five Assemblies available from: <www.socialwatch.org/node/62>.

3 The document describing the nature and mandate of the Coordinating Committee was agreed upon at the 2nd General Assembly in Beirut 2003. Available from: <www.socialwatch.org/node/9388>.

THE KEY ROLE OF SOCIAL WATCH

Juan Somavia[1]

As many of you know, I am a great supporter of Social Watch. I believe that this accountability movement that you initiated within, and after, the World Summit for Social Development in Copenhagen has certainly proven its worth and my civil society soul is fully, fully with you. Thank you for the magnificent job you have done in monitoring the commitments of governments. You have persistently reminded them, as well as international organizations, business, and NGOs of the need to act on them.

The major conferences of the 1990s defined agendas for transformation from the UN. It was a time when governments began to question prevailing dogmas with a sustainable development vision. Many governments were then ready to give leadership in shaping new approaches. But the commitments of the 1990s became increasingly subordinated to the demands of a model of deregulated globalization that has become increasingly unbalanced, unfair, and I believe politically unsustainable. Today the courage, the resolve, and the space to think and act differently are much, much weaker. So this puts a premium on the role of civil society and social movements as agents of change. And today Social Watch is more necessary than ever before.

Dear friends, tempting as it is to look back, we must take stock of the current reality and move forward. The reason: financial and economic crises are clear manifestations of an inefficient growth pattern that has created indecent levels of income and wealth concentration. Not surprisingly, there has been a distinctive weakening of a human rights approach. We know that the transformations we wish to see in our societies must be driven by the force of social movements and of social struggle. Social progress demands constant vigilance and constant activism. The Millennium Development Goals helped to bring a certain focus and a means of measuring progress and we can chalk off some successes in the reduction of absolute poverty since 1990. But at the same time, the facts are that globally 3.5 billion people have the same income as the top 61 million people.

Even here in dynamic Asia we see rapid growth in output, but slow growth in decent jobs and wages. Also more than 200 million are officially unemployed worldwide, including nearly 80 million young women and men, and youth unemployment rates are sometimes seven to 10 times higher than the rate for others. And the number of workers in vulnerable employment, 1.5 million, and those working but surviving on less than two dollars a day, some 1.2 billion, are on the rise again. This is certainly not the path to sustainable development. People are rightly demanding more fairness in every aspect of their lives. In three quarters of the 82 countries with available information a majority of individuals are getting increasingly pessimistic about their future quality of life and standards of living. Too many feel squeezed, including the middle classes. At the same time, they see many governments with either too little strength or too little will to reign in the unaccountable power of financial operators who have come to wield so much negative influence on our societies. On the one hand, we have financial institutions deemed too big to fail, and on the other many people who feel they are treated as if they are too small to matter. This can't go on.

The financial and economic crises shocked the world into realizing that change was essential. Yet there are many, too many, indications of a return to business as usual, and this is a recipe for disaster. So how can we move forward? To begin with, by putting decent work and social protection as key objectives of sustainable development growth patterns. Many, perhaps most of the tensions we are experiencing come together in the world of work. Decent and productive work is central to human dignity, to the stability of people's lives and families, to peace in our communities, as well as in our societies and to strong, sustainable economic growth. Let me quote: "Poverty anywhere is a threat to prosperity everywhere". This principle of the ILO's constitution reflects, as you have said, the right of all people not to be poor. And every person living in poverty knows that working out of poverty, a productive job, is their best chance at a life of dignity. Labour is not a commodity, work is central to human dignity, if you want peace you must cultivate social justice, these are the operating principles of the ILO. And the labour market is a gateway to social justice when it respects human dignity, guided by the notions of freedom, of equity, and equality.

The ILO and its agenda are at the heart of real social processes. We were born as an institution in 1919 out of the social struggles at the end of the 19th century. In the unfolding Arab revolt and revolution we have heard impassioned calls for jobs and social justice, freedom and democracy, all embodied in decent work. Moving towards a different pattern of growth with social justice is technically possible, yet we know politically difficult – too many entrenched interests. And that's where you are key.

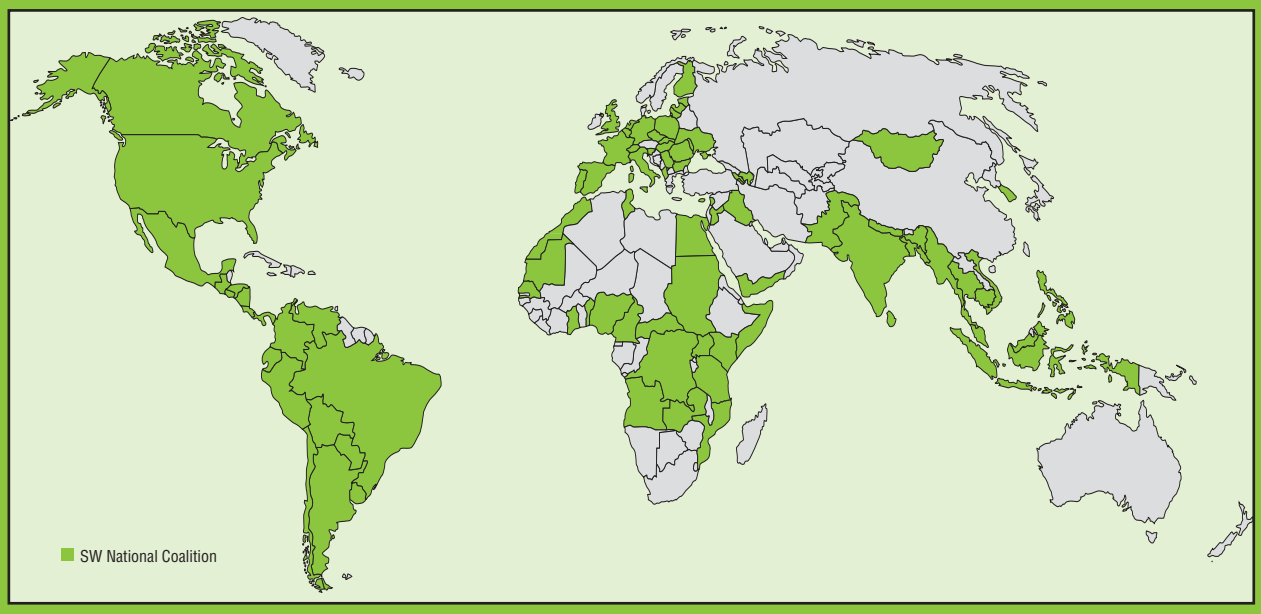
Social Watch can play a major role in driving this agenda. It requires, for example, a new policy mix that generates higher levels of investment in the real economy, in particular, small enterprises, and not in financial products that do not create value or jobs; yields a fairer relationship between productivity gains and salaries; produces income led growth and strikes a balance between export led strategies and domestically driven demand; enables all to participate through relevant training and educational opportunities; allows for balance and synergy through policy coherence -- for example, in the creation of green jobs; places rights at work and social dialogue at the heart of policy making, and this policy mix must be guided by the objective of sharing the benefits of globalization equitably in a context where voice, participation and democracy flourish.

This year at the International Labour Conference, which is our annual conference, we had two major breakthroughs that can be important elements in the new paradigm for growth with social justice. First, the new convention on domestic workers brings the system of rights to the informal economy. Domestic workers have long mobilized to get the protection and respect to which they are entitled and now we must ensure that the convention is ratified and implemented. And secondly, we are moving towards approving next year in ILO standards, on a universal social protection floor to promote social security strategies that are protective and empowering, productive and sustainable, and which stimulate aggregate demand. Today we must remember 80 percent of workers have no access to social security. This is set within the framework of broader national strategies to reduce poverty and formalize informal employment. These I believe are strong building blocks of social justice and I invite you to mobilize around them and your support can be invaluable. I also want to mention that there is a nascent decent work movement that coalesces around the 7th of October each year, which has been declared by the International Trade Union Confederation as International Decent Work day and you may wish to join in.

Dear friends, let me conclude; we have all been inspired by the courage, the clarity, the energy of Arab youth, but turning dreams into reality is a task for all of us. And the direction of change is never guaranteed, we must all be watchful. We must drive change towards balanced and just outcomes. And we must all be held accountable. The current growth model that has evolved since the early 1980s has become economically inefficient, socially unstable, environmentally damaging and politically unsustainable. So it must be changed. But getting there will probably lead to increased social conflict. But as we know, history tells us that out of social struggle can come positive change. And as you know, when you choose to challenge prevailing dogmas, when you choose to defend human rights, gender equality and other values that are under assault, when you want to make societies better, you also make another choice: the choice to swim against the tide of entrenched interests. So it is difficult, and will always be difficult. And that is why commitment, conviction, persistence, the positive energy not to be discouraged is so essential. And you all have that. And that is the spirit of Social Watch. What you are doing is vital. I wish you the strength and imagination to carry on your invaluable work and invite you to work with the ILO towards a new era of social justice. Thank you so very much.

1 Speech from General Director of the International Labour Organization (ILO) to the General Assembly in Manila, Philippines 2011, <www.socialwatch.org/varios/manila/videos.htm>

Social Watch in the world



SOCIAL WATCH

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USA: The country is home to 5% of the world's population, yet it consumes 25% of the world's energy and is responsible for 22 percent of the world's industrial carbon dioxide emissions.

MALAYSIA: Annual deforestation rate jumped nearly 86% between 1990 and 2005, with a total loss of forest coverage of 140,200 hectares per year since 2000.

HOUSING: 1.6 billion people are currently living in sub-standard housing, 100 million are homeless, and around a quarter of the world's population is estimated to be landless.

VIETNAM: Average temperature rose by about 0.5 - 0.7°C between 1958 and 2007 while the sea level rose by 20 cm.

THAILAND: Nearly 74,640 hectares of mangrove forest have been used for aquaculture fishery, in particular shrimp farms.

TANZANIA: In order for the district of Chamwino can satisfy its basic needs 63,501,000 kg of food are required, while the realized production for 2008/09 was only 12,178,000 kg.

SLOVENIA: 25% of young people not in the formal education system are unemployed.

PANAMA: In 1970 70% of the country was under forest cover but by 2011 this had been reduced to around 35%.

NIGERIA: Almost 350,000 hectares of arable land are being lost annually to the advancing desert.

ITALIA: Currently at risk are 68% of its terrestrial vertebrates, 66% of its birds, 64% of its mammals and 88% of its freshwater fish.

HONDURAS: The murder rate in 2010 was 77.5 per 100,000 inhabitants.

GUATEMALA: The deforestation rate is around 82,000 ha per year. If exploitation continues at this level, all the country's native forests will have been wiped out by 2040.

ERITREA: All adults, male and female, up to the age of 45 are subject to what amounts to slavery.

ECUADOR: The exploitation of copper deposits at Mirador will generate at least 326 million tons of waste, which is equivalent to four hills like El Panecillo in Quito or the volume of all the rubbish collected in Guayaquil for the next 405 years.

CANADA: One in three Aboriginal and racialized people in Canada live in poverty. One in four people with disabilities, immigrants, and female single-parents in Canada live in poverty.

CAMBODIA: 64% of mothers and girls are reducing their food intake in order to leave more to the other members of the family.

BURMA: During the construction of the Yadana gas pipeline, Government soldiers and proxy military groups providing security forced civilians to cut down trees, serve as porters, and build military infrastructure. Those who refused were beaten, raped, tortured and killed.

AZERBAIJAN: In many cases the Soviet era oil industry created huge petroleum lakes which literally destroyed all of the biomass around them.

ARGENTINA: In the period 1998 to 2006 around 250,000 hectares per year disappeared, which is a rate of one hectare every two minutes.

BCI: With carbon dioxide emissions at three tons per capita a year, Costa Rica and Uruguay have managed to lower their infant mortality to the same level of a country that emits twenty tons a year: the United States.

GENDER: Feminist economics has shown that over 50% of all work hours is unpaid.

Download the full version of this report or order printed copies from: www.socialwatch.org

Social Watch is an international network of citizens' organizations in the struggle to eradicate poverty and the causes of poverty, to end all forms of discrimination and racism, to ensure an equitable distribution of wealth and the realization of human rights. We are committed to peace, social, economic, environment and gender justice, and we emphasize the right of all people not to be poor.

Social Watch holds governments, the UN system and international organizations accountable for the fulfilment of national, regional and international commitments to eradicate poverty.

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