



Sovereignty and Development in the Post 2015 Agenda

Session: Key Challenges for the Post 2015 Agenda

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What Goals for post-2015 Development?

MAE, IDDR and FERDI and IDGMI

Questions to ponder

- Sovereignty—Shifting terrain and dangerous undertows?
- The MDG and Sovereignty –then and now
- Challenges for Sovereignty and Development in the Post 2015 Agenda

Sovereignty—Shifting terrain and dangerous under tow?

The ‘Unbundling’ of Sovereignty (Krasner 1999).

- Sovereign rights versus Sovereign responsibility and capacity (Chandler 2005).
- ‘Westphalian/ Vattelien sovereignty’, i.e., self-government or political autonomy → to a more functional and instrumental notion of sovereignty:
 ‘domestic sovereignty’, ‘International sovereignty’--
(Ghani, Lockhart and Carnahan, *the Sovereignty gap*)
- Sovereignty as ‘variable capacity’ (Stephen Krasner *Sovereignty: Organized Hypocrisy*)

Sovereignty Unbundled

- 1980s: decades of conditionality and structural adjustment
- 1990s: decade of humanitarian intervention
- 2000s: post conditionality regime (Graham Harrison), MDG/ R2P/ 'variable sovereignty'

→ Overall effect/outcome?

Rich and powerful Off-load responsibility for policy decisions & at the same time loss of policy space for developing countries..>UN, IFIs-NGO-ization of governance in poor developing countries (Chandlers)

- Post 2015 ???

Sovereignty Unbundled

- 1980s & 1990 'sucking-out of state capacity'. Core state functions have been taken over by UN agencies, international institutions and international NGOs, undermining the legitimacy and authority of many developing countries. ...'*coercive powers of conditionality given to international financial institutions which imposed fiscal regimes cutting the state's role in the economy and service provision*' (Chandler) .
- 2000s: Post conditionality (Graham Harrison)-- where the influence 'of external donors integrate itself as part of the state itself', through direct involvement in policy-making committees

MDGs, Sovereignty and Development

The UN Millennium Development Goals (MDG) project, following and extending the 'country ownership' approach of the interventionist Poverty Reduction Strategies, requires that states engage in far reaching governance reform and open up every area of domestic policy-making to international scrutiny and involvement. The 'responsibilities' or 'leadership' or 'ownership' lie with the domestic state but their partners (or joint 'stakeholders') ... decide the policies. Chandler 2005.

Who's Sovereign now?

Informal and operational hierarchy of states:

- 1. Certainly for so-called 'failed states' or those under varied notions of 'protectorate ship,' sovereignty is a challenge. For these state sovereignty seems to be thought of as 'variable capacity, ...that can be weakened or strengthened or other, not as an indivisible right?
- 2. For those states where external regulation is the dominant and pervasive over-riding characteristics, then then sovereignty is RESPONSIBILITY. Responsibility, not unambiguous freedom to assert self-government. So traditional sovereignty is undermined.

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- 3. For some states, and it may be the same states as 1. and 2, above: international legal sovereignty may be the order of the day: the repackaging of external policy prescription as ‘partnership’ or ‘country ownership’ and the voluntary contract of formally equal partners. This is de jure sovereignty in fact limited capacity to self-government.
- The rest of the states in developing countries continue to function in traditional mode and framework of the UN, outside of the evolving conceptualization of ‘state crafting’ or ‘state building’. See for example, the BRICs.
- But all people are entitled to live in states empowered with the right of full self governance.

The core of Sovereignty

The IR literature as noted by Easterly shows that: States without the capacity for self-government will always be weak and lacking in legitimate authority

Core elements of sovereignty as discussed by Chandler and others are of the utmost imperative:

- The Westphalian notion of sovereignty which is the foundation of the UN and essential to the Right to development: self-government or political autonomy
- constitutional independence. It is a legal concept which is unconditional and indivisible.
- The state is the a supreme authority within its

Post 2015....

- MDG as starting point; but future cannot be prisoner of the past (Deepak Nayyar): learn from MDG experience.
- MDG: simple, qualitative targets: good intention, inspiring but no process for achievement
- MDG did not deal with inequality
- MDG did not serve development
- Look at point of juncture and difference now and then: financial crisis, climate change crisis

Post 2015 and the challenges for Sovereignty and sustainable development

best summed up by **Eveline Herfkens** The UN Secretary General's Executive Coordinator for the Millennium Development Goals Campaign *November 2003*

- *To make globalization work, what we need is stronger governments. We need the pendulum to swing back away from the neo-liberal ideologies towards the acknowledgment that, in a globalized world, we need strong and more effective States*
- *Trade rules set by rich countries destroy livelihoods in developing countries, while protecting special interests of rich countries.*

- *What happened in Cancun was a disaster because the Doha Development Round promised, for the first time in the international trading system, that poor countries would not be just beggars at the feast. Still nothing has been delivered on the „development“ agenda because rich countries dominate the World Trade Organization (WTO), particularly the European Commission and the United States.*
- *Policies in rich countries have tremendous damaging impact on poor countries.*

- *Discussions about „good governance“ should seriously take into account the responsibility of rich countries to make their policies more pro-development and they should consider the implications of their domestic and trade policies on poor countries, ensuring „globalization benefits all“, as they promised in the Millennium Declaration*

The way forward for sovereignty and sustainable development with Equity:

Move beyond simplistic effort to obscure the issue of the clash of rights and redefining (as state capacity) and undermining

Focus on ensuring the policy space and flexibility for developing country states.

- The current approach has tended to focus on internal matter of administrative assistance for **‘good governance’** or **‘institutional capacity-building’**. **Without addressing the structural issues of global economic governance**
- **Move beyond simplistic notion of achieving static goals (MDGs, SDGs?) outside of the Development Imperative.**

National context and sovereignty.

The overall framework is Development (industrialization, reducing gaps—income, productivity, technological) catching up; a process of convergence between rich and poor countries)

The ultimate goal and starting point is development

- Developmental role of the state; beyond caretaker/night watchman role assumed by some governments
- Emphasis of the role and sovereignty of the state (relative to the market and international forces);
- 'governments accountable to people, markets are not' (Nayyar)

International context

International context need to be re-shaped to be pro-development: Partnership for development (Goal 8) failed on many levels; too much unfinished business: aid flowed but key policy determinants did not shift:

- unfair and imbalance trade rules--failed Doha development agenda,
- Emerging constraints on policy space and threats to sovereignty: International Investment Agreements/BITs—with Investor State Dispute Settlements provision (ISDS)/Debt restructuring,
- inadequately funded climate protection and developed countries climate obligations.

International context

- Focus on reducing vulnerability and increase adaptation and resilience; support for sustainable development and low carbon pathway,
- Not kicking away the ladder that others have used to pursue development

Macroeconomic and financial policies to be reshaped for sustainable development:

- Short term countercyclical monetary and fiscal policy
- Pro-employment focused of policies and pro-poor process of growth
- Long term development planning (economic growth with human development--integral part of finance and

International Context

- Many governments are being sued under ISDS by corporations for exercising their right to regulate and to protect public health and the environment. This is having a chill effect on governments regulations.
 - Germany sued with regard to stopping coal fired plants and decision to cease nuclear plant operations
 - Peru ---the Renco case toxic poisoning by mining company
 - Australian and Uruguay regarding tobacco regulation (Philip Morris)
 - Secretive tribunals are granting corporation access to government treasury and assets by expansive and inconsistent interpretation of 'fair and equitable treatment' and 'indirect expropriation'

International Context

Many other governments being exposed to ISDS suits or threats of such: Canada, India, Indonesia, Ecuador, Bolivia, Argentina...

- imbalance in global governance over focus on
- performance criteria for developing countries relative to developed countries (Climate change & trade).

International context

- Poverty reduction and Social goals (including gender equality and women's empowerment) integral and part of development
- Public investment in environmentally friendly infrastructure
- Ultimately, not just about balancing a set of economic, social and environmental goals, but how do we share prosperity? Noleen Heyzer, UNESCAP.
- We cannot solve climate crisis without addressing this.

Environment, climate change & Development

- Emissions-GDP link; the challenge of change BAU in Rich countries with capacity and income much less in poor countries
- Adaptation, resilience, poverty-job-growth nexus
- What constraints different groups of countries.
- Inter temporal time preference between rich and poor countries and moving beyond static discounting.
- We know what is required: Means of implementation.
- Problem in Climate change negotiations... CBDR & equity: Durban Platform, Kyoto Protocol, Loss and Damage mechanism.

Environment, cc and development

- Response measures and their consequences for development
- Technology transfer and Intellectual property rights.

Reference

- David Chandler (2005). International State-Building: Beyond Conditionality, Beyond Sovereignty