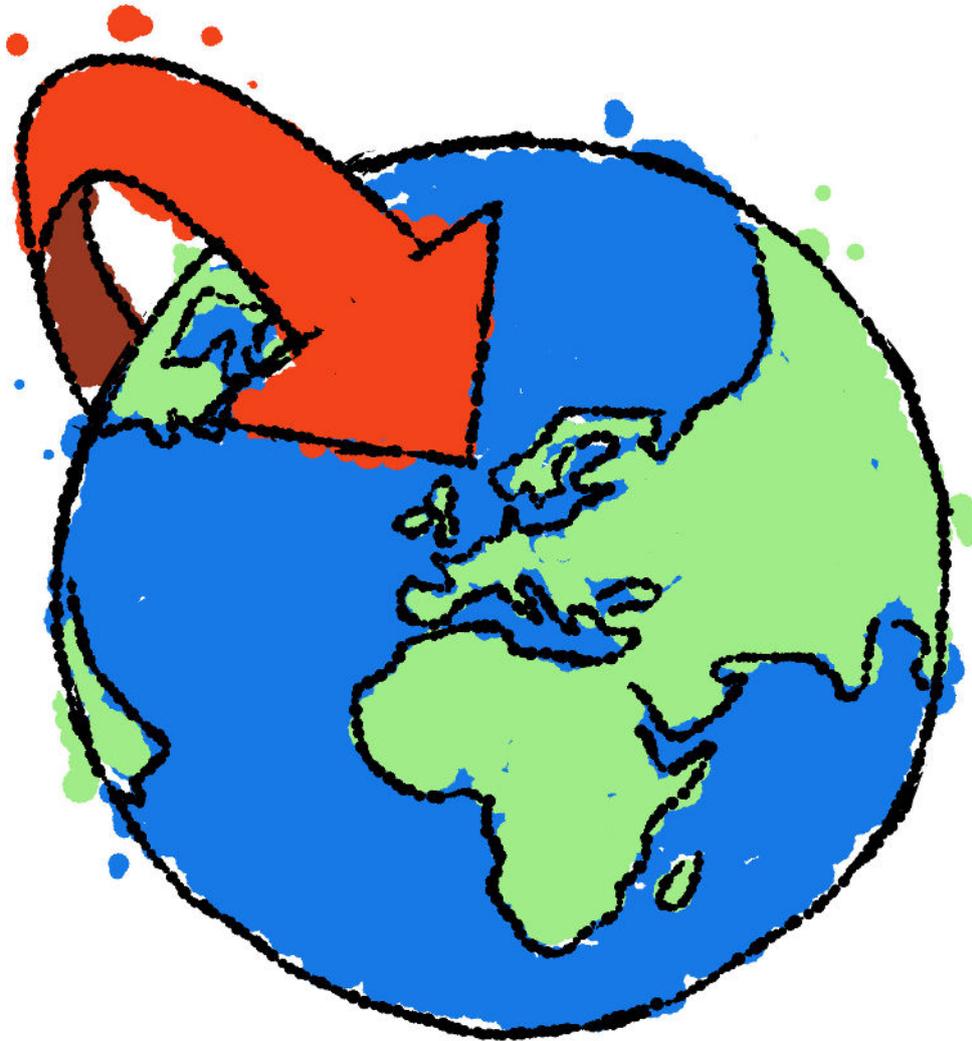


Changing the Game: EU Development Policy for Sustainable Equality



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“Development’ doesn’t only entail the acquisition of material things, although everyone should have enough to live with dignity and without fear of starvation or becoming homeless. Instead, it is a means of achieving a quality of live that is sustainable, and of allowing the expression of the full range of creativity and humanity.”

Wangari Maathai

Founder of the Green Belt Movement in Kenya and Nobel Peace Prize Laureate

The UN Sustainable Development Goals

In September 2015, 189 countries signed up to the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. These goals, which are broken down into 169 precise and quantitatively measurable sub-goals, describe a new global order, based on multilateralism, democratic governance and strong public institutions to deliver an economy of shared prosperity in an unprecedented, socially and environmentally sustainable model of human development.

The agenda was signed by the 28 EU Member States and by the European Commission (represented by its first Vice-President, Frans Timmermans, and its High Representative for Foreign Affairs, Federica Mogherini), the latter constituting a very important political gesture: the European Union’s executive branch committed itself

to implement the SDGs in the EU's governance, policies and tools and in allocating financial resources.

The Agenda 2030 applies thus to all continents, and also to the relations between them.

If taken seriously, the UN Agenda for Sustainable Development can become a powerful instrument to radically change the world, toward a much better, just and sustainable future. No one has understood the urgency to transform and reinvent the world better than our young generation, significant parts of which have taken to the streets of many EU cities in the last months and have voted for a progressive ecological renewal of Europe in the 2019 European Parliament elections.

For the European Union, such a progressive renewal would mean transforming our economic model to foster greater social justice, the respect of planetary boundaries, the fight against the looming climate disaster and new patterns of production and consumption. During the last two years, the S&D Group in the European Parliament devoted an immense amount of political will and energy to the launch of the [Progressive Society initiative](#), which is designed to put the fight against all forms of inequalities at the centre of our political action, break policy silos and design a new Europe that overcomes austerity to renew its promise of shared prosperity and eternal peace.

Yet to achieve this, the European Union must respect, apply and implement the Agenda 2030 also in its external relations, in international agreements including trade agreements, and in development cooperation and aid. In development policy in particular, only the fight against extreme poverty and inequalities will ensure the success of all our efforts to comply with the 2030 Agenda's economic, social and environmental goals.

Why equality matters for sustainable development

In 2017, the European institutions and Member States signed a new European Consensus on Development. This shared vision frames the future of EU development cooperation around the achievement of the SDGs. The new consensus pledges to leave no one behind by focusing on policies and measures that recognise the fight against poverty and inequalities as an overarching priority, including through

universal health care, school and preschool quality education, climate transformation and just transition, corporate social responsibility, the fight against corruption and many more.

If leaving no one behind is the goal, inequality in all its dimensions – economic, social, gender, ethnic, racial, territorial – is the central obstacle the Agenda 2030 seeks to overcome, in the global North and South alike. Related counter-measures must therefore be a central element of state-of-the-art development policy.

Focusing development aid, policies and tools on the fight against inequalities improves the well-being of people, the health of our planet and economic capabilities, which, in turn, fosters inclusion and helps talents, skills and sustainable innovations to emerge. A fairer society generates social cohesion and more democracy, which is not the case when the focus is put solely on economic growth, as numerous empirical studies show. Notably, these include analyses presented by the World Bank and the International Monetary Fund, which have undergone an intellectual shift towards a more just, and therefore more efficient and sustainable, economic model that is based on the notion of human well-being, which is, for instance, taken into account in the World Bank's Human Capital Index.

What is more, the same studies find that addressing inequalities does in fact reinforce economic efficiency and growth. With the economic case made, it becomes clear that the paradigm shift towards a model of sustainable development that puts the fight against inequalities front and centre is an entirely political matter that must no longer be put on the backburner.

What Europe can do better

The European Union and its Member States comprise the world's biggest donor of development aid. In recent years, though, Europe could have done a lot more to use its weight in the world in order to better orient aid and development policy to implement the SDGs. More generally, international development policy has lost ground in terms of political attention in Europe. The 2007 economic crisis and its consequences, including the focus on policy aimed at promoting austerity, drastically decreasing public expenditure and diminishing the role of public institutions, has pushed development cooperation to the bottom of the political agenda in Europe.

At the same time, European foreign policy, despite the significant efforts by some isolated national and European actors during the last term of the European Commission (in particular the EU High Representative for Foreign Affairs, Mogherini, and the Development Commissioner, Neven Mimica) has been oriented towards security, defence, border control and the fight against migration. Here, Europe missed an opportunity to complement its role as donor with efforts to create partnerships that serve to build a new global lasting, peaceful, sustainable and multilateral order and to take responsibility as a global leader in times when others, such as the United States under President Trump, vacate this role. The reconstitution of the European Commission following the 2019 European elections marks an important moment in this respect – as it represents a chance to rectify this as much as it could also lead to a solidification or even aggravation of a misguided course.

All of this while more than 700 million people around the world, many of them children, live in extreme poverty – half of them in sub-Saharan Africa. What a waste! As Pope Francis has repeatedly put it. “how can we live in such a world that produces not only material waste, but also human waste?”

We need to put in place progressive alliances in Europe and worldwide to radically shift away from this unworthy, unsustainable paradigm that threatens humanity and the planet as a whole. We need to implement, urgently, a set of radical game changers.

The European Union must spearhead such a radical change by focusing its policies, programmes and tools for development cooperation and aid towards fighting inequalities. Incidentally, as mentioned before, SDG 10 (reducing inequalities) is inevitably linked to SDG 1 (eradicating poverty). In fighting inequalities, in particular economic inequalities, and focusing on the most deprived groups in a given society or country, poverty is eradicated at the same time. The society as a whole will be empowered and will become the master of its own destiny, while at the same time embracing social and economic development and innovation.

There are two complementary ways to fight inequality when designing cooperation and aid programmes.

The first modality consists of sectoral policies that foster opportunities and outcomes for more than one generation: housing, sanitation, education, health and social safety

nets, among others with a special focus on gender equality (SDG 5). Such measures have been proven to be effective in reducing inequalities in a number of countries, in particular in Latin America, without harming economic efficiency and growth.

Mexico serves as a case in point in this respect. In 1998 there were 11.1 million Mexicans in extreme poverty. Following the Chiapas revolts in the early 1990s, governments targeted the bottom 40% of the population with measures such as the very successful conditional cash transfers which, inter alia, provide incentives for school enrolment or access to health services (notably for the emancipation of women). The result is stunning: in 2016, the population living in extreme poverty had gone down to 3.2 million.

But there is a second, complementary and very effective mainstreaming path. It consists of a paradigm shift: the recognition of the fact that virtually any policy might contribute to reduce inequalities or, on the contrary, to increase them. Infrastructure investments, climate action, economic reforms, land distribution can all have dramatically different effects on the most deprived part of the population, in particular in developing countries, depending on the concrete policies that are applied.

What the European institutions (the European Commission and the European Parliament in particular) need are reliable tools, empirical instruments and a methodology to also assess 'ex ante' whether development cooperation instruments address inequalities or not, and whether they ultimately serve to honour Europe's shared commitment to implement the SDGs, in particular SDG 10, in its development policies.

The responsibility to ensure such an anticipatory approach lies first and foremost with the European Commission's Directorate General (DG) DEVCO, where some interest in the matter of inequality seems evident. In June 2019, just weeks from the end of the Juncker Commission's mandate, the DG published a Working Paper exploring possible avenues of action to mainstream the objective of curbing inequalities across EU development policies. Next to an upgrade of the DEVCO toolbox to include more measures and instruments with proven effectiveness in the fight against inequality, the idea of developing methodologies to evaluate the inequality impact of development projects – laudably – is being considered by the DG. For the time being, such processes seem to remain on a rather theoretical level. What is needed, though, is a process that builds on these first steps to develop concrete

and ready-to-use methodologies that help address inequalities in development policies. Such instruments must be capable of giving detailed guidance in the development of policies that target the bottom of a given population and put particular emphasis on the work of the European Commission's delegations 'in the field' and their cooperation with governments, civil society and focus groups that serve to evaluate any possible programme and action in light of SDG 10 on the reduction of inequalities.

Climate action in developing countries as a social lever

An example that can also pave the way to a more socially sustainable development for the whole globe would be for the European Union to pay attention and take a close look at its contribution towards ecologically transformative aid aimed at averting the looming climate disaster and fostering a more sustainable economic modernisation in developing countries. Of course this must go hand in hand with decisive action in Europe. After all, we must not forget that Europe is itself responsible for 10% of global CO₂ emissions – surpassed only by China (27%) and the US (15%). What is equally true, though, in Europe and worldwide, is that the most deprived and poorest populations are often those who are the most exposed to the consequences of climate disasters in developing countries. Just think about agriculture, rising food prices and the spreading of deadly diseases like malaria.

The specific way in which transformative and mitigation policies are designed in the face of the climate crisis (measuring their impact 'ex ante') will either increase or reduce inequalities. According to the World Bank, up to 122 million more people may be affected by extreme poverty in the absence of meaningful policy interventions to protect the most vulnerable populations against adverse climate conditions. But there are positive examples all over the world of how we should act, too. Europe must build on such examples of best practice and redefine its own tools and thereby manifest its commitment to a more balanced and peaceful way of living that involves all of us on this, our planet.

However, we must not forget the role of the private sector in development cooperation either. In this respect, Europe needs new governance mechanisms to follow up on the current EU External Investment Plan, also to orient incoming private investments in the direction of a new agenda that builds on the UNSDGs, in particular in fields such as food and agriculture, clean and renewable energy, digital economy

and innovation. Such policies should be complemented by regulations in the host countries that ensure foreign investments contribute to the objective of sustainable development. Where the European Union possesses instruments to support and enable the build-up of related capacity in partner countries, for instance as part of EU trade policy, these should be used.

In short then: Europe must be at the spearhead of a Global Green New Deal, one that pursues the objective of environmental protection in a way that elevates the poor and thus uses the ecological transformation as a social lever that leads to the active emancipation of people and continents.

A closer and more effective relation amongst progressive forces not only in the EU but also across the Atlantic is therefore indispensable for the months to come.

Another way to look at migration in the countries of origin

It is a shame, but not a surprise, that the populist mantra of extreme right forces is “let us help migrants in their countries of origin” while the governments they represent constantly reduce development aid. Similarly, conservatives look set to try their hardest to divert development aid funds by making access to such resources conditional on action to stop migration flows. In many ways, it thus seems as if the ideological fight over the dogma of austerity has entered the external dimension of EU policy, with the political right arguing for the concentration of ever fewer funds on an ever narrower set of political priorities. Against this backdrop, the European Parliament must ensure that the EU budget for external action, especially the Neighbourhood, Development and International Cooperation Instrument, prioritises investments, development and democracy and of course the fight against inequalities and the implementation of the SDGs, instead of focusing narrowly on border management.

While going way beyond and achieving much more than the control of migratory movements, the fight against inequalities is the unique game changer to curb uncontrolled migration effectively. People flee wars, climate disasters and negative social and economic conditions. The best way to curb the exodus, which is really painful for those forced to leave their countries against their will, is to provide better places to grow, work, live and prosper, in a sustainable way.

Indeed, the idea of focusing on [sustainable equality](#) and 'mainstreaming' the fight against inequalities in development cooperation operations follows the precise objective of tackling the root causes of migration in any policy intervention we, as Europe, stage in developing countries. We have to improve the effectiveness of our action, but we cannot and must not change the focus of it.

We certainly must do more to push partners into sound policies and full commitment by engaging them in purposeful dialogue; make budget support outcome oriented, create indicators for results, transfer knowledge, strengthen governance, involve the population and civil society organisations, and be truthful with partners (which implies changing European behavioural patterns in many areas, as underlined later on). In other words, what Europe needs to do is supplement its role as an aid donor with a clear political partnership that serves to build a new, sustainable, global economic and social model.

But the most important methodological shift has still to come. The European Commission must be equipped with a new set of tools to assess and measure – constantly – the effect of a given policy on the population at the bottom of the economic and social ladder.

The role of progressive forces in the European Parliament is to achieve a lasting change in development policies during the new mandate

The European Parliament should consider the fight against inequalities as an overarching priority in achieving the SDGs in development countries.

To do so, we must commit the new College of EU Commissioners to the mainstreaming of inequalities in development policy, also through a new inequality methodology and ex ante analyses, to ensure that the sustainable-development goal on reducing inequalities is fully achieved in partner countries. As pointed out before, the relevant Commission services possess initial elements to operationalise such policy objectives and must be committed to developing them further.

The Finnish Presidency of the European Council during the second half of 2019 constitutes another very important beacon of hope at the beginning of this current EU mandate. During the first debate in the European Parliament Committee on

Development, the socialist Minister for Development Cooperation and Foreign Trade of Finland was adamant in pointing to the fight against inequalities as a major policy challenge in implementing the UNSDGs worldwide.

We should also work out innovative scientific tools through the European Parliament (which has co-decision on development cooperation), and exert a control role on the related executive acts and actions, so as to ensure that the fight against inequalities will stay a top priority, in particular when coping with ecologically transformative policies. The European Parliament, and in particular the Development Committee, has the right to propose once per year Pilot Projects and Preparatory Actions in the EU budget. Progressive forces must cooperate with international experts in the field of development cooperation in order to propose innovative ideas that can help start implementing an inequality methodology. Organising parliamentary cooperation and field missions to assess implementation measures on the ground should be another priority for such actors.

On 27 March 2019, the European Parliament adopted the joint report on the future Neighbourhood, Development and International Cooperation Instrument 2021-27, aimed at radically overhauling the way in which the financing of the European Union's external action is organised by bringing together most of the current external financial instruments (approximately €90 billion over the seven-year period). Once in force, it will be the EU's main tool to finance development cooperation actions and to implement the EU's international commitments stemming from the 2030 Sustainable Development Goals and the Paris Climate Agreement.

We are still waiting for Member States to take a common position on the new instrument. We must mobilise at national level to obtain the most ambitious result possible and speed up transformation to ensure that appropriate amounts are allocated to reinforce independent and reliable data collection and tools to assess inequalities in developing countries.

Moreover, the Parliament should be pushed to make use of its own scientific assistance to commission analyses of the impact of a number of programmes, focusing also on that of climate change adaptation on inequalities.

EU engagement on the ground, through missions or similar activities, should be rethought and extremely well prepared in advance, making use of local EU resources to structure meetings as 'qualitative assessments': using focus groups and workshops

to enrich findings of empirical studies and investigate policy strengths and weaknesses, in order to develop proposals to address country-specific or general shortcomings.

And let us not forget the Post-Cotonou ACP-EU Agreement. In anticipation of the expiry of the Partnership and Cooperation Agreement between the EU and ACP (i.e. Africa, the Caribbean, and Pacific regions), negotiations have begun for a successor agreement. The Parliament adopted its priorities, is monitoring negotiations and will vote on its consent to the final agreement. We must exert the maximum pressure to shift focus towards a more progressive framework.

Moreover, if we want to be credible, Europe must assume responsibility and radically change its role in other, strongly interdependent policy fields: the EU must use all types of trade negotiations with the rest of the world to ensure respect for social and ecological standards worldwide, the implementation of the SDGs and the fight against inequalities, in particular. And we must double our effort to obtain a horizontal legislation on transparency, sustainability and responsibility in global value chains – in order to optimise the transformative change of responsible business conduct, notably in the fight against inequalities, the protection of the environment and biodiversity, and the fight against child labour and in favour of workers' rights.

The European Parliament must recognise and agree on the centrality of development policy for our common future, and define concrete steps for the months and years to come. In this regard, the negotiations on the EU's next Multiannual Financial Framework will be crucial. Vague promises coming from the Commission, without a financial framework that proves a clear, quantitative and qualitative commitment to the SDGs and the fight against inequalities, will not be credible. In this process, it must be a particular concern to engage in dialogue with civil society, social partners and institutions, as well as with citizens directly –also from developing countries.

Because, as is the case in Europe, only the empowerment of the people can turn the page.

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