“The Changing Development Paradigm”

An ACT Alliance Discussion paper

Approved by ACT Executive Committee, January 2013

Preamble: Theological reflections

The ACT Alliance was formed with the vision that the ACT Alliance, united in the common task for Christians to manifest God’s unconditional love for all people, works towards a world community where all God’s creation lives with dignity, justice, peace and full respect for human rights and the environment. This vision reflects a theological understanding of who we are as an ACT Alliance, and determines how we do our work.

The ACT Alliance has therefore committed itself to core values that are grounded in our Christian faith and which guide our humanitarian, development and advocacy work. Believing that all people are created in the image of God, we act in ways that respect the dignity, uniqueness and intrinsic worth and human rights of all, responding to human suffering irrespective of race, gender, belief, nationality, ethnicity or political persuasion. We promote a participatory and inclusive approach and guard against the abuse of power. Because we believe that God stands with the poor and oppressed we speak out and act against those conditions, structures and systems which increase vulnerability and perpetuate poverty, injustice and destruction of the environment. We understand that the church is called to work towards a reconciled human community and we believe that this witness is more clearly communicated to the world when we work together. Because we affirm that the earth and all it contains are God’s gifts, given out of love and care for all created beings, we act in ways that respect and protect the environment. And, because we recognize that all we have and are come as gracious gifts from God, we strive to be good stewards of our gifts and responsibilities, and act in ways that are of the highest integrity and are accountable to all.

These commitments apply to all of the work of the ACT Alliance. This includes our analysis of the rapidly and radically changing context in which we work. It is in times of rapid change or disruption that we risk losing sight of these commitments that guide our work. At the same time it is precisely during such times of change and disruption that these commitments provide clarity and guidance. As the alliance considers the many factors of the changing development paradigm which are described in this paper, and as together we seek ways to respond, it is our intention that these commitments will both guide and be reflected in our analysis, our strategies for moving forward, and our actions.
1. Introduction

Development thinking and practice is changing fundamentally, interalia as a result of the current financial crisis and changing global and geopolitical trends: the rise of emerging economies, South-South cooperation, a multipolar world order, changing technology and communication patterns, new roles of the churches in societies, interreligious challenges and opportunities, changing consumption patterns and lifestyle, growing inequalities and climate change.

This paper is written from an ACT value-based perspective, where people are at the heart of it all. The changing development context has numerous impacts for people living in poverty. Most of these changes are unequally affecting the most vulnerable. The changing development context, with tight aid budgets among traditional OECD countries and in many places of the world, shrinking space for civil society, also means civil society organisations (CSOs) are left weakened. At the same time a multipolar world provides opportunities for regional and global alliances of CSOs.

The writing of this paper was coordinated by the ACT Advisory Group on Development Policy and Practice (DPPG). The DPPG received input from several advisory groups of ACT interalia the Advisory Group on Advocacy (AGA), the Advisory Group on Humanitarian Policy and Practice (HPPG), the Advisory Group on Climate Change Advocacy (AGCCA), the Rights in Development Community of Practice, the World Council of Churches and inputs from the ACT regional consultations. This paper also recognises the significant work that has been done over many years by the World Council of Churches on faith and economy, and its current conversations on theological perspectives on diakonia in the twenty-first century. The ACT discussion on the changing development paradigm is enriched by the challenges and insights of these important conversations.

This paper is not a position paper nor does it claim ACT consensus on the issues discussed herein. Rather, it aims to kickstart a discussion within the ACT Alliance on the changing development. It highlights some of the key processes influencing the current development discourse at international and regional levels. It also gives information on how ACT is participating in some of these processes, as well as identifying strategic platforms and networks necessary to influence the development processes. This paper also poses some key questions for further discussions at ACT member, forum and regional consultations levels. A final report will be consolidated in 2014 to be ready for the ACT Assembly following the last regional consultation in 2014.

2. Key context influencing the current development discourse

2.1. Contextual analysis

2.1.1 New and sustainable development goals, “Beyond 2015”

2015 will be a defining year for international policy on development and the environment. Not only have international leaders agreed to negotiate a new global climate agreement by 2015, but also the Millennium Development Goals (MDGs) expire in 2015, and discussions are already ongoing on what might replace them. MDGs are the longest standing paradigm that has ever emerged in development thinking. The goals have provided a framework for international aid over the last ten years and have attracted criticism as well as support. But what will happen after 2015, when the MDG deadline runs out?

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1 At the September 2010 MDG Summit, UN Member States initiated steps towards advancing the development agenda beyond 2015, and following that, Secretary-General Ban Ki-moon established a UN System Task Team to coordinate preparations for beyond 2015 and to support the work of the High-level Panel that the Secretary-General has appointed to advise him on the post-2015 agenda.
There is some consensus – but also a great deal of disagreement on the post-2015 framework. What is sure is that the post-2015 agenda will in one way or another reflect new development challenges and will be linked to the outcome of “Rio+20” - the UN Conference on Sustainable Development that took place in June 2012 in Rio de Janeiro, Brazil. Further, there is considerable agreement that ending poverty as defined by the current MDGs is a priority for the next fifteen years, and consensus that this should form part of the post-2015 agreement, though the precise targets and indicators required are by no means agreed. There is already a decision, following “Rio + 20”, to include an element of environmental goals in a new post-2015 agreement. But as of today there are a number of options for a post-2015 agreement, of varying degrees of ambition: How broad should a post-2015 agenda be, and how deeply should it go into the different factors which drive poverty and development? This is the heart of the current stage of the debate on post-2015. How this debate is resolved depends ultimately on how the political consensus develops and what turns out to be possible.

A new agreement will be addressing a poverty and development context that is both similar and different to that of the 1990s when the MDGs were drawn up. Since 2000, there has been clear progress on all of the MDG targets at a global level, although Africa and South Asia have made the slowest progress on most targets. Within countries, aggregate improvements have in some cases masked growing inequalities, with particular groups such as ethnic minorities and those living in very remote areas often the most excluded from progress. A new agreement will inherit these continuing trends.

A new agreement will also have to tackle some new characteristics of poverty: where climate change and other shocks are making progress increasingly uncertain, where urbanisation, migration and demographic change offer both opportunity and threat, where growth is becoming less effective at reducing poverty in many regions, and where the majority of people living in poverty now reside in middle income countries. In this context, new thinking about poverty has expanded our understanding of how people living in poverty themselves define their situation. The global political climate of 2015 is likely to be very different to that of the 1990s. Economic and climatic shocks have increased global risk and insecurity, making cooperation more important. However, the impact of these shocks at national levels has tended to force politicians to look inward and to close down the space for decision makers to make the policy compromises necessary for collective action. The exception is aid spending, which has held up well to date. At the same time, the emerging economies have changed the face of multilateralism, shifting the locus of power from small groups such as the G8 to the G20, and making their voices heard in negotiations on trade and climate change.

The continuous striving for improvements in material welfare is threatening to surpass the limits of the natural resource base unless there is a radical shift towards more sustainable patterns of consumption and production and resource use, both in the global South and in the global North. Persistent inequalities and struggles over scarce resources are among key determinants of situations of conflict, hunger, insecurity and violence, which in turn are key factors that hold back human development and efforts to achieve sustainable development. Business as usual thus cannot be an option when new and sustainable development goals are negotiated. Transformative change is needed. As the challenges are highly interdependent, a new, more holistic approach is needed to address them. The MDGs have had the effect of mobilising aid funds, and of directing aid towards particular sectors such as primary education. They have also been used as an advocacy tool in both global and national contexts. The MDGs have also been criticised for the lack of participation involved in their formulation, lack of specific commitments for rich countries, and for neglecting key areas of importance for development.
2.1.2 The Post-Busan Development Agenda

At the Busan High Level Forum on Aid Effectiveness (HLF4) global development leaders reviewed progress in improving the impact and value for money of development aid, and made new commitments with the intention to further ensure that aid helps reduce poverty. It also discussed how to maintain the relevance of the aid effectiveness agenda in the context of the evolving development landscape. One might claim the agreement from the HLF4 was an expression of new geopolitical realities.

What was the outcome of Busan? The agreement reached at Busan on 1 December 2011 is intended to expand the commitments of the ‘Paris Declaration of 2005’\(^2\) to accommodate new actors and contexts. In particular it attempts to broaden the application of Paris Principles beyond aid to “development cooperation”; it defines how Paris Principles are intended to apply to new actors and contexts, such as emerging donors, fragile states, transparency issues and the private sector; and, for the first time, civil society organizations were included in formal negotiations as development stakeholders in their own right.

The forum culminated in the signing of the Busan Partnership for Effective Development Co-operation by ministers of developed and developing nations, emerging economies, providers of South-South and triangular co-operation and civil society. The title itself of the Busan outcome document – The Busan Partnership for Effective Development Co-operation puts aid effectiveness in the broader context of development effectiveness.

What now? The new partnership shifts the focus from a technical aid effectiveness agenda towards a new development effectiveness agenda that is more inclusive, more political, and focused on results as rights based development outcomes rather than aid delivery. The Busan document also engages strongly in promoting a rights based enabling environment for civil society and endorses the Civil Society Organizations’ Istanbul Principles. Hence, the Busan outcome document is full of great language, carefully arranged to meet the needs of all these different interests. Language aside, the true strength of the Paris Declaration was the fact that the governments that agreed to it agreed to publicly measure their progress on its implementation.

The Busan agreement abolishes the Working Party on Aid Effectiveness and in its place will be a new “Global Partnership for Effective Development Cooperation”, to be supported by the Organisation for Economic Cooperation and Development (OECD) and the United Nations Development Programme (UNDP). The implementation of Busan will take place through a series of ‘building blocks’ which are described as “voluntary, practical and actionable game-changers in the global dialogue on aid and development effectiveness.” Busan marks a shift in the global governance of development cooperation from consensus in the Development Assistance Committee (DAC) to the ‘variable geometry’ of building blocks. The declaration highlights the “opportunities presented by diverse approaches to development cooperation”. There are new commitments for all donors on transparency, and the declaration calls for “a selective and relevant set of indicators and targets through which we will monitor progress”. But beyond exposing their behavior to public scrutiny, there is little else to which donors have specifically committed. This evolution of the architecture for the global governance of development cooperation towards progress by more flexible coalitions of the willing has obvious parallels with the direction in which the global governance of climate change is also moving.

Some other trends from Busan and beyond:

- ‘The results agenda’. This is a separate “building block” post Busan, and the content in this “building block” is said to be on how the development system can do a better job of identifying

relevant results, and how to avoid the risk that a focus on results leads to misallocation of money, for example away from longer term and institutional changes towards short-term and easy to measure results.

- Mutual accountability. There seems to be less focus on ‘mutual accountability’ between donors and developing countries, and more attention to accountability of donors to their taxpayers and of aid-recipient governments to their own citizens in their use of aid.

- More talk about the private sector. The Busan meeting hosted a lot of meetings focusing on the private sector and its role in development. Some claim this was mainly discussions between governments, development finance institutions, and some government affairs and corporate social responsibility representatives of firms from industrialised countries.

- It is hard to tell what the future will look like on the “development effectiveness agenda”. The impact of the Busan Partnership largely depends on the follow up process, which is yet to be agreed in all its details.

2.1.3 Trade and the Doha Development Round

The World Trade Organisation (WTO) Doha development round negotiations have come to a halt. While European Union (EU) officials keep affirming that sooner or later negotiators will have to get back to the multilateral trade negotiation table, they argue that for this to happen political conditions need to be created that are currently not in place. A conclusion on trade facilitation on its own is doubtful, and progress will not be possible unless trade issues are part of a bigger deal for which a broader political framework is needed. So far, there is little enthusiasm.

Multilateral trade is in a crisis. Without prospects of increasing market access by way of ongoing multilateral trade negotiations, the WTO looses parts of its function and thus clout as an international institution. Implementation and trade monitoring, dispute settlement and capacity building without ongoing trade negotiations may weaken the WTO substantially as an institution. The crisis facing the WTO has now seen an increase in bilateral investment treaties (BITs) and free trade agreements (FTAs). The growing confusion brings a number of problems. Most poor countries lack negotiation capacity, bargaining power and expertise. Compatibility of differing trade regimes are not ensured. Preference erosion is on the increase. Concessions made in BITs and FTAs further weaken prospects of any multilateral round of trade negotiations. The new complexity of bilateral, regional and international trade negotiations makes transparency, citizen’s involvement and scrutiny more challenging. Bilateralism may result in locking in traditional asymmetric trade flows and is competing with regional market building which has more to offer in terms of pro-poor trade than integration into the global economy.

In 2012, the global trends show a boost of protectionist measures with tariff increases up to WTO bound levels by for example BRICS countries, but also by Japan and developing countries. The use of tariff increase is a simple and straight forward way of trade protection measures that developing countries can easily use – and for which they are blamed for by developed industries. In contrast, a conclusion of the DDR in 2008 would have meant a ceiling of applied tariff levels for all (developing) countries. However, developed countries like the EU and the US don’t need tariff protection as they have a wired range of financial support measures and policy instruments like trade and non-trade barriers, import licensing, quality and food safety standards, fixed ad valorem taxes, sanitary and phytosanitary measures (SPS), hygiene regulations, classification regulations, epidemic preventions, private standards, etc., to protect themselves and to remain competitive.

Intellectual Property Rights (IPR) is key to highly specialized economies and private corporate sector on which much of the profit making and even survival may depend. In particular for the EU, an open economy with little minerals to offer, IPRs are the Achilles’ heel. However, current IPR is biased in favour of high
returns for private investment and risks to lock-in (high-tech) solutions that may be one-sided and unsustainable. Strict IPRs are in conflict with innovation and in contrast with approaches like open source and open data that promote citizens involvement, democratisation of research policies, and the global commons.

The impact of human rights (HR) law on current existing jurisprudence in WTO dispute settlements is insufficient. Environmental law and world trade law are also sometimes in conflict. A first step to change is to make conflict between different legal regimes like trade and human rights explicit and to start a process of self-reflection on the part of each legal regime. The role and limits of institutions such as the Human Rights Council and the WTO Appellate Body need to be evaluated to become more precise and be put in a larger context of the role of the state. The current WTO jurisprudence and its views on the obligations of states under the International Covenant of Economic, Social and Cultural Rights seem to be rather archaic and over-simplified.

The WTO vision of food security is outdated in times of resource and supply scarcity and climate change. Relying on the international trade for food security puts poor countries at risk of volatile food prices and uncertainty of supply. The current trend of ever increasing food bills for Least Developed Countries (LDCs) need to be reversed. The vicious cycle of relying on trade and therefore providing less or no support to own farmers and therefore becoming ever more dependent on trade must be broken. Current indicators of efficiency, productivity, and economics of scale neglect negative social and environmental externalities and are obsolete. Food systems must become more resilient and diverse, more sustainable and equitable, more local and less dependent on trade.

3. Changing Global Development Context: key politics and processes

3.1 Global trends and Geopolitics

3.1.1. Geopolitics

During the past couple of decades, the world has witnessed an intensified process of globalisation. This process can be described as the widening scope, deepening impact and speeding up of inter-regional flows and interaction within all realms of social life, from the economic to the ecological, from the cultural to the criminal. This systemic inter-connectedness creates powerful forces of both convergence and divergence, limiting state action as well as creating new possibilities.

Globalisation is accompanied by a growing gap between those who are rich and those living in poverty. Markets are globalising but redistribution policies are not. Globalisation unites and divides; the strong are becoming stronger and the weak weaker as the benefits of globalisation accrue to a minority of the world’s peoples whilst poverty and social exclusion continue to increase.

Due to the rise of the BRICS (Brazil, Russia, India, China and South Africa) and other ‘emerging economies’, the world’s previously hegemonic order is changing into a multi polar order. The BRICS and some of the other emerging economies have designed their own development cooperation policies outside of the context of the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC), adding to the increasing importance of South-South linkages. At the same time, however, the majority of people living in poverty now live in middle-income countries, implying that inequality will become increasingly relevant to those seeking to challenge poverty.

Parallel to this trend is a structural shift in the organisation and exercise of economic and political power. In a globalising world, power is no longer solely organised and exercised on a local, national or international scale but increasingly acquires a transnational, regional or even global dimension. Nation-states are
increasingly unable to effectively control economic forces. The classical correspondence between the state, power and territory is being disrupted.

Obviously, these developments present a serious challenge to sovereign statehood. The supremacy of nation-states over what occurs within their territories is increasingly compromised by the expanding jurisdiction of institutions of international governance and international law. The territorially based concept of sovereignty is being displaced by a new regime with a power locus which is still diffuse. For many countries in the South, this is nothing new as they have, for centuries, experienced limits to their sovereignty. Other countries have to get used to the fact that there are now effective constraints on state intervention and re-distribution policies. In compromising the principle of self-governance, globalisation strikes at the essence of democracy and people’s participation.

Globalisation is not yet bringing about the end of the nation-state – or the end of politics for that matter – but is transforming the conditions of state action and democracy. Governing is becoming a more complex and volatile process. The reconfiguration of public and private power (due to privatisation and deregulation), the altered capacities and roles of the state, as well as the complexities of governing modern societies, have contributed to a paradigmatic shift from government to governance in which the state plays a strategic but not necessarily the dominant role.

Under these conditions, territorial democracy is undermined. The same development, however, has inspired new democratic energies and solidarity and advocacy networks. People are increasingly organising and mobilising across national boundaries in pursuit of particular interests and trying to bring governments and international agencies to account. This explosion of ‘citizen diplomacy’ constitutes the rudiments of a transnational civil society, of which we hope the ACT Alliance will be an active part.

3.1.2. Economic Globalisation and Financial and Economic Crisis

3.1.2.1 Economic Globalisation

Advances in science and communication technologies, combined with neoliberal marked-led ideology have considerably changed the world since the Second World War. Integration of national economies through cross-border investment, trade and free financial flow, known as economic globalisation, resulted in increased interdependence within the so-called “global Village”. Capital, products and services are now mobile, and ideas and values too. Expressed in the famous statement of Sir Shridath Ramphal: “Never before have so many people had so much in common, but never before have the things that divide them been so obvious.”

Especially in the last 20 years, the pace of changes in the global economy has increased dramatically, both quantitatively and qualitatively. This can be illustrated by comparing some economic key figures. Within the period of the last two decades, the world Gross Domestic Product (GDP) nearly doubled while the volume of world trade expanded by a factor of four. It is instructive to note that South-South trade multiplied by more than 10 times during the same period. At first glance, this is good news for world citizens: the average per capita income increased because of the simple fact that world population “only” grew from 5.5 billion to 7 billion. And, as the hyper-globalists often underline, the global South and East seems to have caught up considerably in economic terms.

Reality, however, shows a different picture: the recent globalisation wave has produced few winners and many losers. The world’s super rich and new middle-classes in emerging economies are among the winners of globalisation. Furthermore, what distinguishes present economic relations from the past is the shift of power from States to multinationals. According to most estimates, multinational corporations now account
for more than 50 per cent of world trade. More and more, borderless worldwide business and global finance are in the position to define the rules of the global game while nation states are losing their function as autonomous actors of securing wealth, human rights and environmental standards. With the exception of the big global power economies, states have no other option than to accept the global market forces.

There is however no reason to become resigned. We are now living in a multipolar world. This might make international consensus building and ‘global governance’ difficult. On the other hand this provides the opportunity for social movements, civil society groups, trade unions, fairtrade movement, and faith-based organisation to raise their voices. In all world regions there are life concepts to which the basic needs of people are central, not just the monetary needs of the Homo Economicus. This includes, not least, the rich fund of orientation knowledge provided by religious traditions and indigenous worldviews. We are aware of many examples in all world regions of community management of the so-called commons based on a commitment to sustainability and therefore having little to do with profit maximization or the market logic.

3.1.2.2 Impact of the crisis on the global South

Triggered by the US subprime mortgage crisis and the bankruptcy of Lehman Brothers, the global financial and economic crises of 2008 affected all world regions and countries. In the meantime, many economies seem to have recovered from the deep recession, while the aftermath of the crisis is still perceptible in others. This includes many countries classified as poor by the World Bank. Action Aid estimates the price the global South has to pay for the global crisis is about US $400 billion. This is mainly due to the decline of raw commodities prices, a significant reduction of both official aid and migrants’ remittances, and last but not least stagnating foreign direct investments. Evidence suggests that countries that open their markets have been hardest hit by the crisis, while countries that have mainly used domestic resources have proven considerably less vulnerable or have even merged as winners from the global economic crisis. Integration in global markets is all risk with an uncertain benefit, particularly in difficult times.

But what are the effects on the daily lives of women, men and children in the regions most affected by the economic crisis? Unfortunately, the official statistics telling the realities of people’s lives are rare, except probably the Gini index indicating a rise of income inequality in many nations as a direct consequence of the global crisis. Research close to the people by institutions like Oxfam found many instances of households and communities heavily affected through loss of jobs or rising prices of food and basic services. But there are also stories of solidarity within communities of sharing food, goods or money. This also gives rise to the dimension of people’s vulnerability and resilience. Managing risks and volatility is an increasingly important element of all initiatives to fight poverty as important as strengthening the voice of people living in poverty.

3.1.3. Private Sector

The private sector has since early 1990s increasingly taken on a public role, stepping in where states have failed to provide global public goods or meet global needs adequately. Some states have made it a policy of encouraging or yielding more authority and power to the private sector (promoting reliance on unregulated “market forces”) and less to the public sector for which they have been responsible. This is not to say that the “traditional” actors of international politics, states, their governments and the inter-governmental bodies, are no longer occupying an important part in (global) governance, but they have to (voluntarily or involuntarily) share the stage with other actors and cooperate with them directly or in new institutions of transnational governance.

Companies have always been a part of development, for good or for ill. They are in many areas part of the problem (human rights violations, natural resource depletion, etc.), but can also be part of the solution
Civil society promoting corporate social responsibility (CSR) uses the tools of screening of investments, shareholder advocacy and community investing, calling corporations to ensure that people are treated fairly and with dignity and to create sustainable communities, dialogue with corporations and their associations, or even (if necessary) strategic litigation (i.e. trying to build a track record for holding corporations accountable for corporate misconduct). Important aspects of corporate social responsibility are:

- Better business practices - bearing more fully the wider social and environmental costs of what companies produce, hiring without discrimination, ensuring that financial institutions find new ways of providing low-income people with assistance and services that do not sacrifice the most vulnerable for the sake of economic efficiency and profit;
- Environment – ensuring justice for creation, including business leadership for the health and safety of workers, consumers, and the environment as well as responsible environmental actions and policies;
- Health Care – equitable access to health care, domestically and internationally, cooperation with public health efforts including preventing and combating infectious diseases, establishing and implementing standards internationally, and offering accessible drug treatments to people in developing countries;
- Human Rights - accountability and informal and formal codes of conduct on human rights, employee training about the codes and measuring their compliance with them; and
- Violence - addressing issues of violence, including reporting, establishing, and disclosing of policies and procedures that would address the variety of aspects of violence in all its forms: physical, sexual, psychological, economic, and social, both internationally and domestically.

The private sector will be a necessary part for the solution of global challenges. Civil society is well-advised to continue a dual strategy of engagement (where possible) and confrontation (where necessary). The bottom line for ACT’s demands towards the private sector should be that business is expected to follow a “do no harm” approach, with the respective human rights and environmental impact assessments prior to business activities. ACT should argue for regulation to be in place, both directly towards companies (as outlined in the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" endorsed by the UN Human Rights Council in 2011) as well as indirectly through states’ extraterritorial obligation to respect, protect and fulfil human rights. The latter means that states must make sure the activities of "their" companies are adequately regulated.

This would mean that ACT considers private sector power to lie both in the headquarters of the companies in question as well as in the governments of their “host” and “origin” states. Additionally, the role of business associations may be relevant. Finally, actors such as the World Economic Forum (WEF) and Business20 (B20) may increase in importance, for example, if the latter is making recommendations to the G20 on economy, business, and sustainability and possibly having a role in monitoring progress.

3.1.4. Emerging economies and South-South development cooperation

3.1.4.1 Emerging economies: new global actors

In the last decade the emerging economies, especially the BRICs (Brazil, Russia, India and China), but also countries as South Africa, Indonesia and Mexico have gained importance in economic, social and political terms and can be considered new global actors. The BRICs are challenging the world order and contributing to a new international equilibrium. The four countries together have nearly a quarter of the territory and almost a third of the world population. They are considered continental economies and are growing at a fast rate above the average. The BRICs, except Russia, faced the crisis of 2008 better than the developed countries. They occupy or compete to occupy a regional hegemonic position and design their diplomatic or economic power outside their regions. But there are huge differences between the BRICs regarding the
contexts and the geopolitical challenges in their respective regions. China and India compete over the regional hegemony and regarding security in the Middle East and Africa. Brazil assumed the leadership of the process of regional integration in Latin America in a practical way, and regarding energy Brazil is self-sufficient. The BRICs have established important economic relations; China is the largest trading partner of Brazil, surpassing the United States. Brazil is one of the largest food producers and exports commodities, especially to China. China also has tripled its trade with India and Russia.

The four countries have played an important role in diplomatic initiatives related to the reorganization of the international economic order, for example, the creation of the G20 in the framework of the multilateral negotiations of the World Trade Organisation (WTO) and the capacity of South-South articulation in the International Monetary Fund and the United Nations. Another point of interest is the role of the emerging countries in the mitigation of conflict and instability in their region, notably the key peace-keeping role of South Africa in Burundi, and the UN peacekeeping force in Haiti under the command of Brazil. The BRICs have increased their economic presence and international collaboration with Africa. The emerging countries have the domain over important natural resources, such as the rainforest in Indonesia and the control of most of the water resources and biodiversity of the Amazon of Brazil. This makes them important actors regarding climate change.

3.1.4.2 South-South development cooperation

The South-South cooperation (SSC) has increased significantly in the last decade, mainly from the emerging countries towards their region and towards the poorest nations, especially in Africa. This cooperation has taken several forms. There has been an increase in exports from the BRICs towards developing countries. At the same time new mechanisms of dialogue and consultation have been created, such as the India-Brazil-South Africa Dialogue Forum (IBSA). IBSA is a coordinating mechanism established in June 2003 amongst the three emerging countries, all multiethnic and multicultural democracies, to deepen their cooperation and cooperation with less developed countries. Also regional South-South blocs have been formed, such as the Union of South American Nations (UNASUR).

The SSC encompasses financial assistance, trade, investment and technical cooperation. Emerging economies may already provide about $15 billion in aid each year. The activities defined by Development Assistance Committee (DAC) as “cooperation” now also have new important contributors. The World Bank estimates that China was responsible for US$7 billion in infrastructure projects in Africa in 2006.

On the one hand the rise of SSC can result in even more splintered official development assistance, uncoordinated and untransparent. Greater transparency in resource flows would help citizens in recipient countries to hold both governments and donors to account. There is a risk that the conditionalities of old donors will be replaced by the conditionalities of new donors. The Least Developed Countries (LDCs) may become the battleground in “wars” of scarcity for oil, gas, minerals, timber and other natural resources.

On the other hand SSC opens new opportunities and challenges. SSC tends to be driven by mutual economic and commercial linkages and has a greater emphasis on technical cooperation and knowledge transfer. An important consequence of the expansion of SSC is an attempt to promote South-South learning

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6 South-South Cooperation. The Same Old Game or a New Paradigm? Poverty in Focus. IPC-IG/UNDP, n.20, 2010.
with regard to social policies and programmes, centred on the transfer of “best-practice” programmes.\(^7\)

India, Brasil and South-Africa (IBSA) share technology, for example on biofuels, energy and climate change as well as on revenue services systems, but they also created a development fund.\(^8\) Brazil’s experiences with social transfers for people living in poverty, especially *Bolsa Família*, a large-scale conditional cash transfer programme and its experience with participatory democratic processes have been implemented in several countries in the region and serve as an example around the world. The fact of being a receiver could make the country a better donor.\(^9\) In this respect it is also important to strengthen the South-South Cooperation between non-governmental organisations. The social transformation taking place in Brazil and Latin America is a consequence of decades of work of organizations of civil society in building democracy and social justice and continues to depend upon them. The SSC between NGOs offers the opportunity for mutual learning processes regarding successful development experiences.\(^10\)

### 3.1.4.3 Huge disparities of living standard of people in emerging economies

The emerging economies have known high economic growth rates for the last decade. But increased economic growth does not necessarily benefit all groups; it often means increased inequality. The emerging economies are classified as Middle Income Countries (MIC). Still the majority of the people living in poverty reside in MICs: 60 percent live in five populous middle-income countries, Brazil, China, India, Indonesia and Pakistan.

Inequality is a key cause of extreme poverty, as some people and groups are systematically excluded from accessing opportunities, in order to live a life they have reason to value. Inequality in income distribution and between groups, for instance regarding gender and ethnicity, is hindering development. According to the World Bank in countries with low economic inequality, one per cent of growth will have a bigger impact on poverty reduction than countries with high economic inequality.\(^11\) Inequality in income distribution often goes along with inequality in other “spaces”, such as different aspects of the quality of life, including education, health and longevity. Inequality may also erode social cohesion.\(^12\) Latin America and the Caribbean (LAC) is the region with the highest level of income inequality in the world. At the same time it is a region with a high level of human rights violations, violence and crime. The region concentrates about 27 percent of the world’s homicides, whereas it only counts for 8.5 percent of the world’s population.

“In order to reverse this vicious cycle (of inequality), the support of the political and social stakeholders must be enlisted. In this connection, what is important is not only the legitimacy of the State but also the inclusion in this coalition of stakeholders that have great symbolic prestige in society and are supportive of equality, such as grassroots religious associations, philanthropic organizations, social communicators, solidarity foundations, and trade unions.”\(^13\) To face the challenge to overcome poverty, it is necessary to address inequality in the development agenda.

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\(^7\) Ibid.
3.1.5. Changing Aid Concepts

3.1.5.1. Diversification of actors, instruments and delivery mechanisms

Recent years have seen an increase in the number of actors providing various types of development assistance, coupled with new types of modalities, channels and partnerships for development.

Non-OECD DAC members, like the BRICS and other middle income countries, emerged on the international aid scene even if they are reluctant to describe their cooperation in terms of donor-recipient relationships but consider themselves as engaging in partnerships of mutual benefit within the framework of South-South Cooperation (SSC). Some of these countries like India, China, Russia or the Arab states are not really new donors but their participation and influence in the development debate is recent. The impact of aid providers outside the DAC lies in the way in which they transform international and multilateral development cooperation by contributing new ideas and modalities, as well as increasing the options available to partner countries. Typically, their aid comes with fewer (if any) political and policy conditionalities and is not subject to the principles and commitments of the Paris Declaration in the area of aid effectiveness. At this stage, only preliminary discussions have taken place on the possibility to put in place triangular cooperation models for example between the European Union, China and Africa.

On traditional DAC donors’ side, in the light of declining aid budgets, governments are looking for new ways to finance development. Increasingly the focus is falling on financing mechanisms where reduced Overseas Development Assistance (ODA) serves as ‘capital base’ to leverage additional resources from the private sector. As a result, ODA flows to the private sector have been growing rapidly in recent years, albeit remaining a relatively small share of the total – around 2%.14

The blending of public (grants and loans) and private finance takes two main forms, the public-private partnership mechanisms and the catalytic mechanisms.15 Public-private partnership mechanisms use public funds to leverage or mobilize private finance in support of public service delivery and other public functions, such as risk management. Catalytic mechanisms, on the other hand, involve public support for creating and developing private markets, often by reducing risk of private entry or facilitating private investment through direct foreign investments such as European Investment Bank (EIB) and the World Bank’s International Finance Corporation (IFC).

Budget support to recipient governments, at a time viewed (by the EU) as the most effective way of delivering aid, is now subject to strengthened conditionalities and will probably decrease at the benefit of regional investment facilities aiming at attracting DFIs and private resources for big infrastructures.

Private philanthropic donors are also playing an increasingly important role, working on international development issues through a range of mechanisms: as direct operators, in partnership with governments, and with international non governmental organizations and civil society organizations as grant-givers and partners. Some estimate that total private philanthropy for development now accounts for roughly the same as ‘programmable aid’ from official donors at around $56-75 billion annually16. Because the agendas

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16 Figures on private philanthropy are unreliable, as they have to be collected from numerous sources. In some instances, private philanthropy may be overestimated: for example, it includes the time of volunteer workers. In other cases, it may be underestimated. A Brookings study of private aid to education (van Fleet, 2011) suggests that actual
of private philanthropy have come together with those of ODA agencies, thanks to a convergence around support for the MDGs, it now seems that private philanthropies can be considered more as substitutes for official agencies. They provide similar services in many cases, but from an independent private sector funding base (ODI 2012). Independence of private philanthropy is subject to serious concerns regarding its accountability and influence on public policies both in recipient and donor countries.

In the area of civil society, a broader range of actors, beyond traditional development non-governmental organizations are now supported by donors and more resources are directly accessible to civil society organizations (CSOs) in developing countries. The cooperation between NGOs and CSOs and private actors through multi-actors Public Private Partnerships (PPPs) or through bilateral partnerships is also on the rise. New forms of citizens’ mobilization based on modern Information and Communication Technologies (ICTS) are emerging and both donors and traditional NGOs have still to find ways to cooperate with and support these new informal forms of civic action as illustrated during the ‘Arab spring’. New forms of protests emphasised the modelling of alternate ways of working, such as processes of direct democracy, rather than the making of specific and negotiable demands and challenging conventional models of advocacy. The sustainability of both the new and existing civil society actors may lie in new forms of coalition-building, and communities of ideas and practice, which blend and respect the strengths of different actors. At the same time, in the last two years, traditional civil society organisations have also demonstrated their capacity and willingness to put in place global representative structures (like the Open Forum) and to collectively debate and define their roles and identify principles for their action while joining forces in influencing international debates (Civil Society Partnership for Development Effectiveness, Beyond 2015 campaign, etc...).

3.1.5.2. Growing scepticism about the effectiveness of aid as an instrument of promoting development

There is a general shared assumption that aid alone will not solve the problems of development. This undeniable fact bears both positive and negative elements. On the positive side is the growing awareness and recognition, at least in the development spheres, that policy coherence for development is a pre-condition for sustainable, redistributive and fair development processes to take place. Decisions and negotiations in the areas of trade, agriculture, energy, security, finance or climate have a huge impact on development prospects and the rights and opportunities of people living in poverty around the globe and may promote or undermine development cooperation outcomes.

On the more negative side is the assumption that economic growth is the motor of development and that the only way to fight poverty is to promote economic activity and the private sector. Aid becomes a tool to support the development of local private sector and to help governments promote a good business climate, to facilitate and secure private investments in developing countries and if necessary, to manage inequalities and vulnerability through safety nets and humanitarian aid programmes.

On the aid effectiveness front, managing for results is the area that attracts most attention and action by the donor community. It has prompted in-depth reforms in the management of grants and in donors’ relationships with civil society, transferring to their contractual partners the responsibility of improving the outcome of the cooperation while donors themselves have done little to progress in improving alignment and harmonisation, accountability, coordination and joint programming of aid.

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funds being made available for this sector are double the amount included in the Center for Global Philanthropy calculations.

17 Civicus paper: Citizens in action 2011; protest as process in the year of dissent (State of civil society 2011)
Quicker and more visible results also means focusing on fewer countries, sectors and processes and reducing transaction costs. It explains the changes observed in aid geography with a majority of European donors reducing the number of priority countries and turning their back to Latin America while at the same time, the EU is signing new free trade agreements with countries and sub-regions of the continent. In the future EU intends to stop its bilateral aid to 19 countries of Asia and Latin America and to focus its cooperation on a maximum of 3 priority sectors per country, amongst which EC would favour energy, agriculture and governance.

3.1.5.3 Old aid concepts are obsolete

The fight against poverty is still at the core of the debates on aid in particular in the context of the post 2015 debate. Social protection, reducing inequalities, enabling civil society action or raising domestic resources through tax reform are gaining momentum in the development discourse. There is little evidence however that these concerns and concepts are converted into aid policies and practice. The new aid paradigm centred on economic growth leaves little space for human and social development or environment sustainability and many recipient governments have embraced the new growth mantra and buried their national development strategies to replace them by growth strategies. In Africa in particular, in a context of difficult and slow regional integration and weak social accountability, donor countries, including the BRICS, have no difficulty to convince their partners in governments and business that exporting raw material and attracting foreign investments is the only way for them to develop their economy.

3.1.5.4 Aid volumes

The volume of Overseas Development Assistance (ODA) from rich countries of the Development Assistance Committee (DAC) fell almost 3% to $133.5bn in 2011, equivalent to 0.31% of their aggregate gross national income (GNI).

Out of 23 DAC donors, 16 cut their aid. The largest falls were seen in Greece and Spain as a direct result of the crisis, followed by Austria and Belgium, due to reduced debt forgiveness grants. Japanese aid also fell significantly after a big rise in 2010. Only Sweden, Norway, Luxembourg, Denmark and the Netherlands still provided aid over and above the UN target of 0.7% of donor country GNI. New budget cuts are expected in the Netherlands in 2012 which might definitely take them out of the 0.7% club. According to the UN MDG gap taskforce report\(^\text{18}\), ODA is expected to stagnate between 2013 and 2015, reflecting the delayed impact of the global economic crisis on donor country budgets, leaving a gap of $167bn.

In parallel to ODA cuts or stagnation, we observe a broadening of the scope of expenditures included in ODA with a growing number of donors counting Official Climate Assistance, debt relief and refugee and student costs in donor countries as ODA. Some of them are also arguing to include costs related to stabilising weak states, UN peace operations, civil and military cooperation and the training of police and other non-military security organs, as long as this primarily serves economic development and welfare. The OECD DAC has decided however not to review the ODA definition until after 2015.

Volumes from the BRICS and other non DAC members are difficult to assess and analyses of figures change as reporting gets more sophisticated and/or transparent. Emerging economies may already provide about $15 billion in aid (or aid-like flows) each year and could provide over $50 billion by 2025\(^\text{19}\). It is relatively


low compared to total ODA from DAC members, although in certain sectors or countries they can constitute the main share of assistance.

In the past, many international non-governmental organisations (INGOs) operated as conduits and implementers of government-funded programmes, but today they are more independent. In the United States, member organisations of Interaction, an alliance of US-based NGOs, report that, in regard to the main source of INGO transfers, where they had relied on official aid for 70% of their operations 20 years ago, today they raise 70% of their budget from private sources\textsuperscript{20}. In the EU, official donors are still a major source of co-financing for NGOs and CSOs. The total value of European Commission (EC) grants in 2011 amounted 1.42 billion Euros or 11% of EC ODA.

More recently, internet-based platforms such as www.kiva.org, www.globalgiving.org and www.givedirectly.org have been taking scalable approaches to provide funding to people living in poverty identified by local partners with minimal overhead leakage.

### 3.2. Trends on Culture, Human Rights and Religion

#### 3.2.1 Demographic trends

According to the United Nations Population Fund, the world population currently stands at seven (7) billion people. It is expected to hit 10.1 billion by 2100, reaching 9.3 billion by the middle of this century. Essentially all of the growth will take place in less developed countries and will be predominately among the poorest populations in urban areas.

Between 2011 and 2100, the population of high-fertility countries, which includes most of sub-Saharan Africa, is projected to triple, passing from 1.2 billion to 4.2 billion. During the same period, the population of intermediate-fertility countries, such as the United States, Mexico and India, will increase by 26 per cent, while that of low-fertility countries, which includes most of Europe, China and Australia, will decline by about 20 per cent.\textsuperscript{21}

This world of 7 billion people is rapidly growing older. In less than 10 years, more than one billion people will be 60 or older. Population aging, which results from lower fertility and longer survival, is actually a triumph of development, yet it also presents many challenges\textsuperscript{22}. The challenge is to naturally embrace old age as an achievement and to recognise their human skills as an asset in the growth of mature, fully integrated humane societies.

Whereas women on average are having fewer children than they were in the 1960s, the population numbers continue to grow. The number of the young and the old is increasing more than ever before. In some of the poorest countries, high fertility rates hamper development and perpetuate poverty. On the other hand in some of the richest countries, low fertility rates and too few people entering the job market are raising concerns about prospects for sustained economic growth and about the viability of social security systems. While labour shortages threaten to retard the economies of some of the industrialized countries, unemployed would-be migrants in developing countries are finding more and more national borders closed to them and the expertise they may have to offer. And while progress is being made in reducing extreme poverty, gaps between rich and those living in poverty are widening almost everywhere\textsuperscript{23}.

\textsuperscript{20} From Worthington and Pipa, 2011 in ODI report (2012)
\textsuperscript{21} State of the World population 2011. UNFPA
\textsuperscript{22} http://7billionactions.org/
\textsuperscript{23} State of World population 2011. - UNFPA
3.2.2  Changing technology and communication patterns

The volume of communication is increasing, and not just by phone. Internet based communication models are now more distinct. Their market share is growing daily over the traditional telecommunication means. Social networking media such as twitter, face book are increasingly molding the communication culture. The challenge is not just in understanding the technology, but also the unfolding fundamental shifts in human social and communication behaviour, and how business is conducted in this environment.

Advocacy actions are now done much faster, the Arab spring being an example of how social media was used to move information very fast and to mobilise many people within short spaces of time. There is also an expanded use of new technologies in community development, for example the use of satellite phones in remote areas for community health projects, and in large and complex humanitarian responses.

Technology is defining new culture at work places. Virtual distributed teams can now work together across space, time and even organisational boundaries to increase the availability of scarce skills, reduce travel costs, and relocations. The use of phone, skype, video conferencing, teleconferencing, mobile technologies and the internet help team members to handle project tasks virtually.

Mass communication is no longer mainly one-way but two-way and more interactive with wider audiences than before. The new technologies are enabling audiences to speak and participate themselves.

A challenge for the current discourse on post MDGs is how ICTs can aid the achievement of the MDGs and why infrastructure investment in ICTs at national and organisational level is important.

3.2.3  Civil society: Shrinking space/enabling environment for civil society

Over the past thirty years, the importance of the work that human rights defenders (HRD) and civil society organizations (CSOs) carry out has been increasingly recognized by states and international actors. The work of HRD has been recognized in the UN Declaration on Human Rights Defenders (from 1998) and the right to freedom of peaceful assembly and association that guarantees CSOs action has been recognized in a resolution passed by the UN Human Rights Council in 2010. Furthermore in Accra, Ghana, at the High Level Forum on Aid Effectiveness (2008), 160 governments recognized CSOs as development actors in their own right playing a crucial role in promoting transparency and accountability.

Despite these important developments CSOs and HRD are increasingly facing shrinking political and operational space in their daily work on the ground. ACT Alliance has documented policies and practices in a number of countries which currently restrict and threaten the space for citizen and civil society action.

The difficulties and hurdles CSOs are experiencing differ from country to country but range from administrative harassment, restrictive legislation, negative labelling and stigmatization of civil society actors in efforts to delegitimize their demands, and direct prosecution and intimidation. Further, ACT members and their partners report arbitrary detention, torture, and extrajudicial killings of critical civil society voices. NGO laws are being introduced in a number of countries where ACT Alliance is active. These laws effectively curtail the rights of citizens and others to participate in their own development, through

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25 Changing the Communication Culture of Distributed Teams in a World Where Communication is Neither Perfect nor Complete. Peter Weimann1, Christian Hinz1, Elsje Scott2 and Michael Pollock2, 1Beuth-Hochschule Berlin, Germany, 2University of Cape Town, South Africa)

inter alia burdensome administrative procedure or funding restrictions. These restrictions appear to have disproportional impact on advocacy organisations and HRD, especially those working to promote minority rights or justice in natural resource management, thereby contributing to increased discrimination and exclusion of already marginalized groups. In one country alone where a number of ACT Alliance members work, 17 organisations have had to change their focus and exclude human rights issues from their programmes due to a restrictive NGO law. All these phenomena are observed in states with different backgrounds, including both authoritarian states and formal democracies.

In order to challenge these restrictions and difficulties states and CSOs have engaged in a discussion on what constitutes an enabling environment, looking at what conditions are necessary for CSOs to be able to fulfil their role as development actors contributing to the protection of human rights, development and mitigating climate change and other development issues. It is important to remember that ensuring an enabling environment is a long term commitment on behalf of states where a large amount of trust and dialogue is required. NGO laws should be in keeping with international human rights standards. Provisions under the International Covenant on Civil and Political Rights and the UN Declaration on Human Rights Defenders should be explicitly mentioned in this regard.

3.2.4 Addressing root causes of persistent poverty

Inequalities are the key cause of extreme poverty. In order to eradicate poverty we must work on the systematic and structural factors that deprive women and men of their dignity, rights and entitlements. By empowering vulnerable right holders and holding duty bearers accountable a rights based approach aims at transforming the structures with the end to grant entitlements and thus sustainable livelihoods for all. A rights-based approach strengthens and complements other strategies in development cooperation, such as strengthening capacities of local partners. It stimulates analysis and reflection on the causes of rights violations and entitlement failures and allows for a more precise description of roles, obligations and responsibilities of the different actors in the development process. A rights-based gender inclusive approach also provides a solid framework for addressing social institutions and social norms that discriminates and excludes people based on social identities such as gender, sexual orientation, class, age, race, caste, religion etc. It provides mechanisms for reducing the accountability gap that in most countries works against people living in poverty. From a faith-based perspective, our long-standing commitment to development with justice strongly supports such a rights-based approach. However, certain essential issues need a stronger and more structured commitment. In particular, we must provide space for internal analysis and self-empowering learning processes that are fundamental for ownership and for the ability to devise and implement effective rights-based strategies at the local and national levels. Poverty and social exclusion have international, regional, national and local dimensions. There is little hope for change unless we commit ourselves to consolidated collaborative action, linking to these levels. Rights-based strategies hold great potential as a powerful tool for empowerment aimed at political, social and economic transformation. However, unless we adapt our current policies and practices to its principles and challenge unequal power relationships that underlie poverty, we will fall short of addressing the issues of institutionalized poverty and social exclusion confronting the world.

3.2.5 Interreligious challenges and opportunities. Changing role of the churches in societies

Religious plurality is a global phenomenon today and there isn’t perhaps any society that is not affected both by its richness as well as challenges. Furthermore, whether because of large scale multi-directional movements of people across the world or through the revolutionary changes in communication technology, there is a greater awareness of this reality and of various religious traditions, of course, both with the possibilities of distortion and clarification.
However, the world is also confronted with the challenge of assertion of religious identities, often unfortunately aggressive, both in the struggles for identity and justice as well as for power, politics and resources. Some religious communities tend to assert their own versions of society and impose norms and restrictions on others, resulting in the discrimination and marginalization of the minority communities. Besides this, exploitative economic and political structures and policies continue to press religious establishments, identities, and communities into service to fortify and legitimize themselves and in the process the unabated violence against many vulnerable communities and the violation of justice and human rights.

In certain contexts, some religious right-wing groups with militant ideologies seem to act like moral police, unleashing terror on those who differ, resisting progressive change, and suppressing expressions of basic rights and freedom.

While these remain the challenges, what is heartening to note is that the majority of any religious community are moderate and tolerant towards diversity and people of other faiths. For example, in many places in the vast and diverse Asia, people have always and continue to negotiate partnerships and allegiances for common good. Relationships turned violent when religious identities, not religions as such, were misused to create hatred and suspicion. This points towards the instrumentality of religious identities, often for negative reasons.

While interfaith dialogue has remained so far an activity among religious leaders and scholars, of late, there have also been initiatives both at the larger and local levels addressing issues of communal peace and harmony, environmental protection, human rights, etc. Here is a new opportune time for religious communities to resolve to use their religious identities and traditions in very concrete ways as instruments of progressive change and common good.

Many religious communities today in many parts of the world are involved in charitable and humanitarian service, often with a genuine desire to help and support the poorest of people living in poverty. In a world that is increasingly driven by the ruthless logic of the survival of the fittest, religious communities have the responsibility to ensure that the human community is not driven by ruthless greed for power, wealth and resources and blatant exploitation of the weak and the vulnerable. Such a progressive value-based presence is the need of the hour and religious communities can make a significant contribution to enabling a more just and peaceful world.

It is against this background of increasing plurality as well as the possibilities, where we need to see the role of the state and the role of churches. The demographics and membership of so-called mainline, traditional churches are changing radically as is the influence of churches in society. Their public space is gradually shrinking and in many places they have none at all. There are also many churches existing as fragmented minority communities, sometimes in hostile contexts, opting for purely religious, communal purposes. The ones that are growing in numbers are often not those who seem inclined towards interreligious cooperation and partnership, even if some of them are socially conscientised.

But these challenges too need to be seen and approached as new opportunities for Christian witness. If Christian witness includes working for a better world or for a new world of justice, peace and life for all, Christian discipleship must inspire partnerships including working with nontraditional partners for the sake of God’s mission.

### 3.2.6 Changing consumption patterns, life style and questioning of development

The world is slowly growing conscious that development is not tantamount to catch-up development of so-called underdeveloped regions. In the crisis-ridden global village, “development” is increasingly taking place everywhere. There is notably a link between consumption and production patterns of rich regions and the
economic development (or not) of regions consuming less. This is so because economic development and growth cannot be dissociated from consumption of natural resources. The latter is limited and by extension so is growth and, ultimately, economic development too. This is all the more true if the international community is seeking for sustainable development. In this case the world has only a finite amount of both growth and economic development measured in GDP available and for distribution.

Development is not only about climate justice but also about resource justice. In the run-up of the Rio+20 conferences, Herman Daly coined the telling phrase: "We have many problems but only one solution: economic growth." If we follow this thought through, all it means is that worlds’ leaders are meeting the global challenges with limited and increasingly scarce resources. Moreover, this reflects nothing other than a perception of development which is synonymous with growing consumption and accumulation of capital, explicitly excluding values like human dignity, ecological sustainability, honesty or social justice. In the global South as well an in the global North more and more voices are calling for a radical rethinking of the neoliberal “paradigm of consumptionomics”, affirming the wholeness of life, embedded in community relationship and being based on a lifestyle of solidarity, justice and inclusion. The world religions and the ecumenical movement in particular are well placed to strengthen changes in thinking and acting, in politics, business and civil societies, and at global and local levels.

3.2 Climate Change and Resource Trends

The current development paradigm is based on growth and increased consumption. This kind of development has a worrying impact on our climate, access to natural resources, including water, with potentially huge consequences for people and livelihoods. The path to a future, where all people have equal rights to development and access to resources, must be built on sustainability. Consequently sustainable development must become a core of ACT advocacy work, ensuring that the development promoted also gives better possibilities for future generations.

To address the transformation from one development paradigm to another, changes need to take place on all levels. The link to local level, and those communities which are directly affected by negative effects of the current emissions, pollution and mismanagement of resources, is crucial. However, as many of these challenges only can be tackled globally, an international perspective is also needed. This gives the ACT alliance a potential added value. With the base on local communities, faith groups and organisations, and a global network of sister agencies and partners, the potential for effective advocacy is significant.

For effective advocacy to take place, it must be focused. The focus must be linked, and relevant, to local and national levels, as well as focused on relevant global processes. In that way relations and alliances can be built with other stakeholders, opening up for concrete advocacy action and change. Currently the United Nations Framework Convention on Climate Change (UNFCCC) is a key process related to climate change. However, there are also several other processes such as the G20 and Major Economies Forum (MEF), which also may be relevant. Both the Sustainable Development Goals (SDGs) and the Millenium Development Goals (MDGs) processes may become key areas to follow, if the ACT alliance should make a difference.

It takes time to build up competence, capacity, contacts and networks, and it is therefore fundamental to develop long term advocacy strategies, considering both global and national processes, such as elections, conflicts, global agreements etc.

The ACT Advisory Group on Climate Change Advocacy (AGCCA) is a good example of the ongoing ACT advocacy work, with a clear strategy, a strong focus on capacity building and mobilization of ACT members on different levels, as well as concrete advocacy initiatives implemented, coordinated and facilitated by the advisory group.
3.3 Humanitarian Aid and Development

The need for humanitarian action has been increasing rapidly due to a dramatic increase in numbers of vulnerable people, high frequency and scale of disasters and the inability of fragile states to be back on the path of development. All current trends suggest that more people, particularly in developing countries, will be affected by humanitarian emergencies in the coming decades. Over the ten years from 2000 to 2009, more than 2.2 billion people worldwide were affected by 4,484 natural disasters. These disasters killed close to 840,000 people and cost at least US$891 billion in economic damage.\(^27\) By 2015, climate related disasters, such as floods, famines and droughts are predicted to affect an average of over 375 million people every year.\(^28\) The pattern of emergencies will also change in the coming decades due to fast urbanization. By 2030, over 61% of the world’s population will live in urban areas, mostly in low and middle income nations.\(^29\) The concentration of populations in urban areas will change the nature of many humanitarian disasters.

In 2011, an estimated 4.3 million people were newly displaced due to conflict or persecution. More than 800,000 people were displaced as refugees across international borders, the highest number in more than a decade. Another 3.5 million people were newly displaced within the borders of their countries, a 20 per cent increase from 2010.\(^30\) By the end of 2011 the total population under the United Nations High Commission for Refugees’s responsibility numbered 35.4 million persons including refugees, stateless persons and those displaced within their own country.

While all the trends suggest the dramatic increase in the frequency and scale of disasters with increasing number of affected populations, there is also an overwhelming consensus among humanitarian actors that the humanitarian space is shrinking. Particularly since 11 September 2001, the humanitarian sector is used by the politically dominant and resource rich governments to further their political and security objectives. Moreover in the south governments claim more sovereignty and use this to effectively bar access to humanitarian aid for people in need.

While the disasters largely impact low and middle income countries, the humanitarian system appears to be predominantly a construct of those countries which are least impacted by them and might represent interests, values and behaviours that may be distrusted, challenged or rejected by local populations and/or their governments. The bulk of the largest NGOs are from North America and Western Europe, and 16 of the largest donors (providing over 90% of official humanitarian assistance) are all Western, with the exception of Japan.\(^31\) These agencies often command considerable power in weaker states and might undermine the sovereignty of the state. A disproportionate share of international humanitarian funding and other resources are concentrated in the hands of a core group of UN agencies and international NGOs. This in turn creates a dominant international humanitarian discourse, defines and legitimises the role of key agencies and ultimately determines the terms of reference and ‘rules of the game’ that define the system. These agencies reinforce the institutional structure such as Inter Agency Standing Committee (IASC), the UN clusters and humanitarian country teams. While helping to improve performance and professionalism, these institutional developments also risk marginalizing, excluding or obscuring the numerous other actors and networks that are involved in humanitarian action, but which are not explicitly recognized as established, legitimate or equal humanitarian actors by the international humanitarian establishment. These include local and national government and civil society organizations, small Western-based and

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27 Spending where it should count – Global Humanitarian Assistance
28 (Oxfam (2009), The right to survive.
29 UNHABITAT
30 UNHCR Global Trends 2011
31 Humanitarian space : trends and issues - HPG
national NGOs, religious and diaspora networks and organizations, international for-profit contractors, local private sector actors and peacekeeping and other international military actors.

A summary of trends in the context we work in:

<table>
<thead>
<tr>
<th>Numbers:</th>
<th>Law, rights, space, politicization:</th>
<th>Actors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• changing displacement patterns possibly in massive numbers</td>
<td>• decreasing observance of International Humanitarian Law, including humanitarian principles</td>
<td>• increasing number of new donors with their own political agendas</td>
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<tr>
<td>• increasing numbers creates new challenges to emergency operations e.g. because of climate change and the scramble for natural resources</td>
<td>• increasing restriction of humanitarian space by affected/host governments and decreasing willingness of affected host governments to admit that crisis is happening/grant access to victims</td>
<td>• increasing demand for public-private partnerships</td>
</tr>
<tr>
<td>• increasing need to assist survivors in urban settings</td>
<td>• maintaining humanitarian principles ↔ increasing role of military, private security and civil protection</td>
<td>• increasing involvement of private business/for-profit companies</td>
</tr>
<tr>
<td>• more chronic/repetitive needs situations in complex emergencies/fragile states</td>
<td>• worsened security conditions</td>
<td>• more armed nonstate actors</td>
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<td></td>
<td>• more human rights actors</td>
<td>• direct engagement of public via instant media coverage</td>
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<td></td>
<td>• criminalisation of aid (e.g. in war on terror)</td>
<td>• increasing complexity of coordination between actors</td>
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<tr>
<th>Finance:</th>
<th>Quality demand:</th>
<th>Miscellaneous:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• increasing budget cuts</td>
<td>• increasing administrative burden</td>
<td>• increased recognition of potential lifesaving cost-benefit of Disaster Risk Reduction (DRR)</td>
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<tr>
<td>• global financial crises</td>
<td>• aid effectiveness debate</td>
<td>• increasing focus on fragile states amongst donors and UN</td>
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<tr>
<td>• increasing donor fatigue</td>
<td>• increased level of accountability and transparency demanded by donors</td>
<td>• reviewed focus on Linking Relief Rehabilitation and Development (LRRD)/transition</td>
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<tr>
<td>• questioning of NGOs’ added value</td>
<td>• increasing demand for innovation</td>
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<td>• mobilizing funding for conflicts becoming increasingly difficult</td>
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4. Regional Trends: Regional context and Issues

4.1 Africa

Unlike Western Europe where the development agenda is relatively consistent in nature, Africa development is unique and very different. While Asia started on the same footing with most African countries that had gained political independence between 1960 and 1970 the difference has been that Asia as observed by Johnson(1982) in Meyns and Musamba (2010) took on ‘market conforming methods of state intervention .i.e. a capitalist development state’. This suggests a mix of state direction and free market enterprise whereas Africa has mostly pursued a socialist and strong state enterprise control where development is supposed to be influenced by protected parastatals that are quasi-government as is the case for Zimbabwe. As a result, world market forces controlled mainly by capitalists have marginalised such countries resulting in failing economies that perpetuated massive poverty and forcing such countries to...
reluctantly implement unsustainable structural adjustment programmes. A few exceptions in Africa have been countries like Botswana. In discussing this rather broad subject on development paradigms, the focus will look at a few contextual issues that relate to governance, the economy, climate change, HIV and AIDS, gender and social exclusion, culture for economic development, integration.

A number of countries notably South Africa, Mozambique, Ghana, Botswana, Zambia, Malawi, Tanzania, Ethiopia have made great strides in the governance domain by embracing rule of law, free market enterprises, reforming institutions and allowing for political pluralism. This has given confidence to foreign direct investment which remains critical for Africa as with it comes cash injection into the economy over and above bringing into the host country new technology and interventions that will influence competitive growth and employment. Manufacturing in these countries has greatly been influenced by governance which in the process has promulgated friendlier laws. In mitigating droughts, Africa has embarked on drought tolerant seeds and now is implementing conservation agriculture farming practices. Some countries have also tried to increase agriculture production by engaging farmers in contract farming where farmers grow for a defined market. Africa has also engaged Chinese companies on massive dam construction and irrigation development programmes. The same can be seen for roads, airports and other infrastructure.

Africa has also invested heavily in human resource development, but unfortunately most of the skills have tended to be more readily used in Europe more than Africa itself because of improved economic prospects, attractive life styles and better human rights observance in Europe.

South Africa has embarked on integration where civil society has been active in advocacy issues, a development which might sideline it from other would-be similar production capacities like Brazil, Russia, India and China (BRIC). The challenge has been massive strikes that have an effect on the economy and protection of key infrastructure. Advocacy remains necessary for Africa so as to improve the protection of rights.

The formulation of poverty reduction strategies relating and mainstreaming gender, mainly in Zimbabwe, has muted the idea of a women’s council where all women might participate in a social scheme that would be supported by legislation. Plans are that businesses should in future give a 30% quota to women, 50% parliamentary representation and 50% executive positions.

Africa continues to promote cultural tourism as a development agenda. The current thinking in Africa is that all resources, minerals and timber be processed for value addition before selling in order to create jobs and stimulate growth.

Africa has accepted that HIV/AIDS is a development agenda, and most countries are involved in mitigation through financing measures e.g. through AIDS levies paid by formally employed workers.

4.2 Asia

Asia and the Pacific is home to more than half the world's population, and at a time of widespread financial uncertainty and economic slowdown the world is turning to the region as a source of global economic growth. Between 1990 and 2009 the region reduced the proportion of extreme poverty, people living on less than $1.25 per day, from 50 percent to 22 percent. At the same time the middle class (defining a middle class income as $2 - $20 per capita per day) rose from 21 to 56 percent of the region’s population and the share of Asia/Pacific developing countries in global greenhouse gas emissions increased from 23 percent in 1990 to about 32 percent in 2005, only 4 percentage points lower than that of OECD countries. This share is expected to increase rapidly in view of high economic growth, continued urbanization,
changing life styles, and the consequent higher demand for energy in the future.\textsuperscript{32} Still, nearly 900 million people live in poverty and more than 70% of people lacking access to basic sanitation, nearly 70% of underweight children, and 67% of the extreme poor live in Asia and the Pacific. This situation of both over- and under-consumption is compounded by geographic exposure and climate-sensitive livelihoods.

Most of the large urban areas in the region are located in flood-prone river basins, near coastlines or areas highly vulnerable to seismic activity. With continuing urbanization this puts ever more people at risk, as well as increasing the potential economic losses. Particularly people living in poverty will face numerous and complex impacts from climate change such as change in precipitation, extreme weather events, drought, floods and sea-level rise. REDD+ (Reducing Emissions from Deforestation and Forest Degradation), with a potential financial flow of US$ 30 billion annually, could generate considerable financing for developing countries in Asia and the Pacific. Some are private sector initiatives; other publicly funded involving both bilateral and multilateral donors. The government of Norway has signed an agreement with Indonesia to reduce emissions from deforestation and forest degradation and pledged US$ 1 billion based on Indonesia’s performance.\textsuperscript{33} There are risks that benefits will be captured by elites or that forest-dependent communities will not have their voices heard in decision-making processes, and could lose access to land and resources. Beneficiary rights might be questioned where land tenure is uncertain, informal or contested.

In the region there are already various conflicts over land, water, and forests. At the same time there is a deteriorating security situation in the region which is marked by political unrest, a rise in fundamentalism, communal violence, civil war and an increasing polarization since 9/11. Aid workers are no longer seen as neutral, they are seen as (government/foreign) agents. All this is contributing to the shrinking space for civil society. Conflicts also tend to spread quicker nowadays due to the spread of social media which goes hand in hand with the spread of mobile communications (India has more mobile phones than toilets). There is rising inequality between, and within, countries in the region, and increasing disparities as the rising incomes of the new middle class create a widening gap between them and the chronic poor in urban slums and remote rural areas. Rising inequality does not mean that the rich are getting richer and people living in poverty are getting poorer; it means that the rich are getting richer faster and people living in poverty are missing out on most of this rising prosperity. Middle Income Country (MIC) status means reduced aid while the majority of people living in poverty reside in MICs: 60 percent of the global population surviving on less than $ 1.25 a day lives in five populous middle-income countries, four of which are located in the Asia/Pacific region: China, India, Indonesia and Pakistan. This also means leaving people living in poverty such as mountain dwellers, delta communities, islanders, indigenous and tribal peoples and people living in poverty in urban areas marginalized. The reduction in aid means CSOs who were recipients of some of that aid are left weakened. Development in Asia/Pacific has cross-border dimensions: development challenges are no longer confined within geographic spaces. Instead there has been an increase in irregular migration, refugees and internally displaced people, and issues of people smuggling, human trafficking and other related transnational crimes.

4.3 Latin America and Caribbean

Latin America and the Caribbean (LAC) is the world’s most unequal region. Inequality is high and persistent and is one of the main challenges of the region. Ten of the 15 countries with the largest gap between rich and people living in poverty are in this region. Inequality between groups, regarding gender, ethnic and


\textsuperscript{33} idem, p.107.
race differences, also impact on poverty and human development. In the region, there are more than 50 million indigenous people and 120 million of African descent, representing about 33% of the total population of the region. The poverty levels of these groups are manifestly higher than those for the population of European descent.\(^{34}\) This expresses itself especially in a larger share of these groups lacking access to sanitation and clean water, decent health services, decent housing and education. Recently there have been advances in social achievements, especially through specific governmental programmes and social spending, combined with economic growth, this resulted in a decrease in poverty and a slightly decline in inequality. However it is unclear whether the decreasing trend in inequality will be sustainable over time.

Inequality is also at the root of human rights violations (economic, social and cultural rights as well as civil and political rights and environmental rights). The increase in violence and crime in Latin America and the Caribbean erodes the foundation of the democratic processes in the region and imposes high social, economic and cultural costs. The region is home to 8.5 percent of the world’s population, yet it concentrates about 27 percent of the world’s homicides.\(^{35}\) The region features the phenomenon of militarization and the resulting conflicts, the influence of drug trafficking and the structures that conceal it; the political crisis due to coups or attempted coups that affect democracy, the increase of violence against youth and indigenous peoples (especially in their struggle to defend their territory), threats to human rights advocates and the criminalisation of social movements and NGOs, resulting in a shrinking space for civil society actors.\(^{36}\)

Another critical feature is the social and environmental injustice and its consequent conflicts, based on an economic model which combines the concentration of economic and political power with the indiscriminate extraction of natural resources. This development model, based on a high consumption level of energy, is causing destruction of forests, depletion of soils, water contamination, pollution of coasts and the exploitation of mineral resources at an unsustainable rate. In this context we also are alert to the climate change and its devastating effects especially in vulnerable areas, unequally affecting the most vulnerable.\(^{37}\)

Positive factors in the region are the South-South cooperation, opportunities for advocacy towards governments and multilateral agencies, successful experiences based on transformative development, joint development work in sustainable disaster risk management, the adoption of a rights-based approach by organizations in the region and the possibility of extending the action of the churches.\(^{38}\)

In this context it is important to broaden the discussion on the development paradigm, based on the knowledge, experiences and practices from Latin America and the Caribbean. The concept of social and solidarity economy refers to forms of production and exchange that aim to satisfy human needs, build resilience and expand human capabilities through social relations based on cooperation and solidarity, promoting social and environmental protection and cultural diversity. The concept of “\textit{Buen Vivir}” (well living), comes from ancestral knowledge of the indigenous people and advocates for a full and sustainable

\(^{34}\) \textit{Informe Regional sobre Desarrollo Humano para América Latina y el Caribe 2010 Actuar sobre el futuro: romper la transmisión intergeneracional de la desigualdad}. San José: UNDP, 2010, p.25.


\(^{37}\) Idem.

\(^{38}\) Idem.
life for social and natural beings, restoring harmony and mutual respect, incorporating an intercultural approach.\textsuperscript{39}

5. Implications and recommendation for ACT

5.1 Where is ACT in the debate?

There is an ongoing shift in the way governments and the international community discuss and promote international aid and development. As a global alliance ACT must ensure it shifts to the right direction. Throughout the last two decades there has been enormous economic developments in many parts of the world. The growth achieved by many poor countries means that they can now afford better public services for their citizens. They have jointly succeeded in cutting the number of children dying before the age of five by half, and life expectancy is significantly increased. At the same time we know that development is irregular. In Sub-Saharan Africa, the number of people living in poverty has remained unchanged since 1981.

Unchecked globalization and profit driven economic growth are failing the world’s poor and the planet. Inequalities have grown at all levels, between and within regions, countries and communities, between men and women, and have triggered multiple crises of food, fuel, finance and climate that still remain unresolved. 1.2 billion people – 70 per cent of them women and girls – still live in extreme poverty. The inequality gap between the world’s richest and the world’s poorest continues to grow wider - thirty per cent of the world’s wealth and resources are in the hands of 0.5 per cent of its population.\textsuperscript{40} Inequality is a key cause of extreme poverty. To eradicate poverty inequality must be addressed.

The transformation from one development paradigm to another takes place on all levels. On the local level, in the communities which are directly affected by negative effects of the current development paradigm based on economic growth, globalization and climate change. On the international level, to coordinate advocacy for effective policy change. Linking the local level with national, regional and international perspective, gives the ACT alliance a potential added value. With the base on local communities, faith groups and organisations, and a global network of sister agencies and partners, the potential for effective advocacy is great.

The strength of the ACT Alliance is its presence at the grassroots level and at the various policy levels. There are few organisations and networks with such an advantage. The work of the ACT Alliance has a value-based perspective, where people are at the centre. The core values are currently found in the ACT founding document, and the strategic plan but also in document describing the ACT’s understanding of transformational development.

The regional ACT consultations held in 2012, in Latin America and the Caribbean and in Asia and the Pacific have highlighted the impacts on people living in poverty caused by the changing developments in the regional and global context. The changing development context unequally affects the most vulnerable. Asia and the Pacific is home to more than half of the world’s population, with nearly 900 million of people living in poverty and more than 70% of people lacking access to basic sanitation and nearly 70% of the underweight children living in this region. People living with poverty face numerous and complex impacts from climate change. There has been an increase of irregular migration, refugees and internally displaced

\textsuperscript{39} Idem

\textsuperscript{40} Draft CPDE Paper, September 2012.
people, as well as in human trafficking and transnational crimes. Development has cross-border dimensions. Latin America and the Caribbean (LAC) is the world’s most unequal region. Inequality is hindering development and is at the same time a consequence and is at the roots of human rights violations. The increase in violence erodes the foundation of the democratic processes. The region features the phenomenon of militarization, the influence of drug trafficking, the increase of violence against youth and indigenous peoples as well as the criminalisation of social movements and CSOs, resulting in a shrinking space for civil society actors. In both regions, the majority of the people living in poverty now live in Middle Income Countries (MICs), implying that inequality will become increasingly relevant to those seeking to challenge poverty. The regional consultations planned for 2013 in Europe and in 2014 in Africa and North America certainly will highlight others as well as several of the same aspects in these regions.

The world’s extreme concentration of wealth and power is closely connected to the challenge of fighting poverty. In this perspective, governments, business, organisations, churches and consumers in affluent parts of the world have the power and resources, and thus the obligation and opportunity to fight poverty and promote basic human rights for all.

One of the keys to sustainable development and the eradication of poverty is the management of our shared natural resources.

The final document of the LAC Consultation emphasizes the importance to broaden the discussion on the development paradigm, based on the knowledge, experiences and practices of the local communities and indigenous people, affirming the wholeness of live, embedded in community relationship and being based on a lifestyle of solidarity, justice and inclusion. The world religions and the ecumenical movement in particular are well placed to strengthen changes in thinking and acting, in politics, business and civil societies, and at global and local levels.

For the ACT Alliance to make a difference, we hope ACT will take an active part in the new solidarity and advocacy networks and that ACT will be an active actor in the process of the changing development paradigm.

5.2. Identify strategic platforms and networks to influence the development processes

The hegemonic order is changing into a multi polar order. Power acquires a transnational, regional or even global dimension. At the same time new solidarity and advocacy networks across national boundaries have emerged, trying to bring governments and international agencies to account, leading up to a transnational civil society. ACT is participating in several of these processes.

Following we identify several of the strategic platforms and networks to influence the development processes, and where we recommend that ACT should strengthen and consolidate its role to ensure the shifts are going to the right direction.

We recommend that ACT should focus on civil society coalitions but also participate in the official processes of the intergovernmental structures, for instance of the United Nations.

**CSO Partnership for Development Effectiveness (CPDE):**

As a result of the Busan High Level Forum on Aid Effectiveness (HLF4) a new Global Partnership for Effective Development Cooperation (GPEDC) will be formed, supported by the OECD and UNDP. The civil society organisations have merged two processes on development effectiveness, the Open Forum platform and the BetterAid platform, into the CSO Partnership for Development Effectiveness (CPDE). The CPDE is an open platform that unites CSOs from around the world, to pursue a transformative agenda for development, informed by a rights-based approach to development effectiveness that prioritizes women’s
rights, decent work, sustainability and improved livelihoods for people living in poverty. It also aims to protect and deepen policy gains made in Paris, Accra and Busan, and to continue to advance development effectiveness in policy and practice, in particular as it relates to the accountability of governments, but also to improve the effectiveness and realisation of an enabling environment for civil society as independent actors.\textsuperscript{41} ACT participates actively in the CPDE, represented by the AGDPP and AGA, to influence the development paradigm, the concept of development effectiveness as well as the GPEDC. A challenge is to make this process reach community and grassroots organizations in all the regions where ACT is active.

Post 2015 MDG process & post 2015 Hygo Framework of Action:
In 2015 the Millennium Development Goals (MDGs) will expire. The goals have provided a framework for international aid over the last decade. The post-2015 agenda will reflect new development challenges and will be linked to the outcome of “Rio+20”, the UN Conference on Sustainable Development, to include an element of environmental goals. ACT is participating in the civil society coalition, Beyond 2015. ACT is also advocating and participating in the official UN process regarding the Post-2015 Global Development Agenda. Several contributions from ACT have been submitted to the Global Thematic Consultations, as the paper: “We all want a future: Addressing Inequality in the Post-2015 Global Development Agenda”. Participation in the thematic consultations and the regional consultations is stimulated by AGA (ACT Advisory group on advocacy).

With the current Hygo Framework of Action which focuses on Disaster Risk Reduction expiring in 2015, the ACT advisory group on humanitarian policy and practice is engaging with processes being facilitated by the United Nations International Strategy for Disaster Risk Reduction (UNISDR) to input into a new framework that would replace the current one.

Climate Change Processes:
ACT participates in the civil society coalition for climate change, the Climate Action Network (CAN) and also participates and advocates regarding the United Nations Framework Convention on Climate Change (UNFCC), which is a key process related to climate change. The ongoing advocacy work of ACT on this subject is coordinated by the ACT advisory group on climate change (AGCCA).

South-South Cooperation and regional cooperation:
The South-South Cooperation (SSC) has increased significantly in the last decade, especially from the emerging countries and the so called BRICS (Brazil, Russia, India, China and South Africa), in their region and towards the poorest nations. New mechanisms of dialogue have been created, such as the India-Brazil-South Africa Dialogue Forum (IBSA). Also regional South-South blocs have been formed, such as the Union of South American Nations (UNASUR – Quito), the Association of Southeast Asian Nations (ASEAN – Jakarta) and the African Union (Addis Ababa). These regional blocs as well as the new mechanisms of dialogue of SSC are important platforms to influence the development processes and the changing development paradigm. A global and a regional participation should be articulated to address the official processes of the intergovernmental structures, but also to promote the SSC between CSOs, which offers the opportunity for mutual learning processes regarding successful development experiences. The national and regional forums of ACT should be the main actors to map the regional platforms and to articulate the participation in these processes. Therefore a strengthening of the national and regional forums of ACT would be necessary.

Interreligious challenges and opportunities
Recognising that the WCC has a long history of interreligious dialogue, the changing development paradigm presents new opportunities for working in concrete ways, including in advocacy, between and across faith lines. ACT recognises the importance of Interreligious challenges and opportunities related to humanitarian

\textsuperscript{41} Idem.
and development work. For example the ACT Alliance protection community of practice and other ACT members have been instrumental in leading discussions in the UNHCR on the role of faith in protection of refugees, asylum seekers, displaced and uprooted persons among others.

**Private sector and trade:**
The UN Human Rights Council and especially its work on business and human rights are crucial for ACT to be part of these processes. The WTO discussions and especially the preference for Bilateral Investment Treaties and creation of free trade zones are central to ACT. The work of the UNCTAD in promoting economic justice for least developed countries is crucial for ACT to follow. The fact that all the institutions mentioned here are based in Geneva where the ACT secretariat is based would make it easier for ACT to have such an interface.

**Shrinking space/Enabling environment:**
ACT’s work on advocacy with the UN through the New York Office including the UN Human Rights Council, engagement in post-Busan processes on effective development and other national and regional bodies is crucial. Members of ACT and its partner organisations are experiencing in many countries that through state repression and legislative changes their political space to work is shrinking. This development occurs despite the increasing role, that NGOs are given in the Busan process and has been documented with several examples in the ACT publication on Shrinking Political Space. ACT should follow up on this work and develop tools to give its members and their partner organisations access to protection in a situation of danger. Furthermore ACT should continue its lobbying effort together with other actors like CIDSE, to sensitise governments and UN-mechanism to the situation of shrinking political space and document examples of mechanism to create an enabling space for civil society.

**National and regional bodies:**
ACT members through national and regional forums can engage with regional institutions working on issues discussed in this paper as well as context specific issues, especially for regional specific issues.

5.3. **Key questions for further discussions**

The above mentioned platforms and networks regarding the development process, development effectiveness, post-2015 development goals, climate change, South-South Cooperation and interreligious challenges and opportunities, also constitute some of the main key issues for further discussion regarding the changing development paradigm. A great deal of work has already been done, including by the World Council of Churches in analyzing and addressing these issues which continue to challenge all in the ecumenical movement, including the ACT Alliance.

Hereby we highlight some key questions for further discussion.

How can the ACT Alliance become an actor for real change for people living in poverty and oppressed communities and people in the changing development context? Is the current belief in the market paradigm the best option? Is money the only value for wealth and prosperity?

Is there an answer to the beyond growth paradigm? This paradigm is now being challenged due to planetary boundaries. Reflection is needed regarding processes of decoupling growth from the use of natural resources.

As mentioned before the majority of people living in poverty, about 60 percent of the global population surviving on less than $ 1,25 a day, live in Middle Income Countries (MICs). The people in the emerging
Economies face huge inequalities. But the MIC status means reduced aid. The huge disparities of living standards of people in emerging economies are a question for further discussion.

Further reflection is needed on key principles/the floor/non-negotiable when it comes to the ideal development. For example, it is unacceptable to ACT for people to live below the poverty datum line/or for people to die of hunger when there is enough food to feed everyone in the world, or enough resources to ensure the availability of food for every human being. The floor/non-negotiable set the baseline below which we cannot fall, but above which we can build.

Another key issue is to broaden the discussion on the development paradigm, and to reflect on good concepts of life: for example, “Ubuntu” philosophy and “Buen Vivir”.

The regional consultations planned for 2013 in Europe and Africa and North America in 2014 continue to be important forums to contribute to the discussion on the changing development paradigm from a regional perspective.

The main aim of this paper is to contribute to a debate and discussions within ACT Alliance on the changing development paradigm, with a proposal to result in a major report in 2014, with inputs and insights from the regional consultations and supported by ACT’s experiences on the ‘changing development paradigm’ in the communities where ACT works. A possibility for ACT is to accompany a documentary/short film from the ACT projects that are promoting the development paradigm we would like to see which can be used to enhance and advance our understanding of development within the changing context. This would be a good audio-visual way of a depicting “the changing development paradigm” and how it is impacting the communities in which we are part of.

The changing development paradigm offers threats and opportunities: the multipolar world provides opportunities for social movements, civil society groups, trade unions, fair trade movements and faith based organisations to create and strengthen regional and global alliances, for joint advocacy and demanding and implementing processes of change. In this context it is important to broaden the discussion on the development paradigm, based on the knowledge, experiences and practices from the organisations. One feature of the newly emerging paradigm seems to be/should be that we are moving out of the ‘aid mode’ towards genuine international cooperation. Since ACT is based in all corners of the world, we are well placed to show how we are embodying this shift towards cooperation between equals (rather than aid from donors to recipients).