

EU Development Policy

Building a viable future for all

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in advance of Informal Development Ministers' Meeting

With reference to the Green Paper on inclusive growth and discussions on reforming the EU development policy, Eurostep would like to highlight some specific expectations for the outcome of the development policy debate.

Background

Recent events in Tunisia, Egypt and other countries in the Arab world illustrate the critical importance of development strategies addressing social, economic and political inequalities within today's increasingly inter connected world. The continued existence of poverty, social exclusion and inequality constitute a major contributor to local, regional and global insecurity which can only be effectively countered by tackling these inequalities. This emphasises the importance of ensuring that the EU's development policy, and its objectives, are placed at the centre of the EU's cooperation with all developing countries, as required by the Treaties of the European Union. This has implications: EU external actions which impact on developing countries must support development objectives.

The importance of actively addressing inequalities was clearly understood when European integration began over 60 years ago. The principles of social, economic and political inclusion remain core values of the European Union today. They also provide an important basis for the EU's development policies – underscored by the Treaties of the European Union and defined by the European Consensus for Development. Since extreme poverty persists and inequality has been growing in many parts of the world - despite a 60 per cent increase in the world's Gross Domestic Product (GDP) since 1992 - the current review of the EU's orientation towards development is an important opportunity to reflect further on how the objectives and principles of development policy can be effectively achieved.

One clear conclusion widely recognised is that economic growth is not an end in itself. In too many instances, such growth has exacerbated inequalities. A viable, dynamic economy may be crucial, but this must also be ecologically and environmentally sustainable. Scientific evidence indicates only too graphically that economic models of the past have pushed resource-use far beyond the limits of sustainability with potentially disastrous consequences. The increasing

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frequency of crises and shocks visibly emphasise this reality. Inevitably, these have a disproportionate impact on sections of society that are living in poverty. That there is an urgent need to take action to mitigate the consequences of past practice may be widely recognised, but doing so has proved far from easy. Not doing so will only exacerbate existing inequalities – economic, social and political.

Review of EU's development policy

It is against this backdrop that the review of the EU's development policy is taking place and the new multiannual financial framework will be defined. The outcome of the review and the future budget and financial instruments for EU development cooperation will need to demonstrate how these crucial issues are addressed.

The policy framework, not just within countries but also internationally, is critically important for promoting social, economic and political inclusiveness, especially for poorer and marginalised sections of society and in particular for women. The EU therefore needs to ensure that the international policy framework is revised to enable development strategies to be implemented in accordance with development policy objectives.

The EU's obligations towards developing countries are clearly set out in the Lisbon Treaty. The recognition in the Green paper that economic growth must be both sustainable as well as economically and socially inclusive is a crucial tenet not only for national development strategies, but for the global community as a whole. This should be elaborated further recognising that social justice is a right, and is fully reflected as such within the EU's development policy.

The support given by the EU in the MDG review last year to establishing an internationally recognised social protection floor is one step in that direction. It is crucially important that future development policy and practice includes clearly defined parameters and indicators of what constitutes sustainability and inclusiveness. These should be used for measuring the impact of future policies and their implementation, but also as references in the planning and preparation of actions associated with future cooperation policies and strategies.

Expectations for the outcome of the development policy debate:

1. **Inclusivity.** Since people should be the beneficiaries of all development strategies, the principle of inclusion is fundamental. This has not been the reality for too many people and particularly not for women. A reform of development approaches is needed. People are the most important resource of any country or society. They drive development. ***Strategies that fail to deliver for people and communities ultimately cannot work since the potential contributions from society will not be realised. Inequality fosters division and conflict, and leads to insecurity.***

Inclusion takes many forms – social, economic, political, cultural. These are closely related and to a large extent mutually re-enforcing. Promoting inclusion will not be achieved - even within a growing economy - without clear strategies which address the different aspects of exclusion including gender-related exclusion.

Failure to adequately invest in the potential of people and to recognise the specific roles of women not only contravenes universal and EU principles, values and commitments but also constrains the implementation of sustainable development strategies. Investing in people – in their health, education and overall well being - is fundamental to offering people the chance to take control of their own lives and effectively participate in society. The absence of such investment reduces opportunities and increases the likelihood of marginalisation and impoverishment. Chances of employment or other activity to help them out of poverty are diminished, reducing their own opportunities to make the investment necessary that could lead to a better future for their children.

The establishment of an international social protection floor, which the EU supports¹, is an important step in enabling social rights to be realised. It is an active translation of the EU's own principals and values as enshrined in the Treaties and a reflection of Europe's internal approaches to tackling poverty, inequality and social inclusion. This connection and the consistency between implementation of principles and values inside and outside its borders must inform Europe's approaches towards policy discussion and decision making in relation to the UN, G20, IMF, World Bank, etc.

2. **Sustainability.** As a global community we are living beyond the world's ecological means. This is almost universally accepted. It is also true that the advanced economies, including the EU, consume a disproportionate amount of resources. Efforts to bring the use of the world's resources back to a sustainable level will require many changes in the way societies function, not least those that consume more than their "share". That this impacts on the design of development strategies is self evident. The recognition that development models can draw on technological advances that use the earth's limited resources more efficiently is important. However, the use of those resources for economic development needs to remain within the limits of sustainability. This can only be credible if the EU and other advanced economies are clearly perceived to be applying the same principle towards their own societies' activities and economies.

The priority given to renewable energy in the green paper recognises the central importance of energy in development. Emphasis must be given to accessibility of appropriate energy by those sectors of developing country populations that are currently excluded. The majority of those populations live in rural communities with no prospect of being connected to national energy grids, even if they could afford to pay. Decentralised sources of renewable energy are indispensable for any inclusive development strategy. Investment is needed in micro hydro energy, biogas generation, and other schemes designed to provide affordable local energy needs. Meeting basic energy needs of rural communities is vitally important.

¹ See UN GA MDG outcome document, 17 December 2010 (A/65/L.1) agreement on universal access to social services and the provision of a social protection floor stated in the outcome document of the UN MDG review summit 2010 (paragraph 23 (F) and 51) can help to illustrate the importance of a coherent approach.

Building a viable future for all

The *European Consensus on development* remains a good basis for the EU's cooperation with developing countries. In principal it binds member states to a common EU development agenda. The world has seen significant changes since the consensus came into effect and these changes need to be reflected in the EU's approach to development. This must address the international policy framework that defines the space in which national development strategies can operate, as much as the national strategies themselves.

The role of civil society and other non-state actors in achieving the necessary transformations is recognised. They enable an active response by citizens and promote diverse means of ensuring transparency and accountability. Their engagement with national and regional authorities towards establishing and implementing national development strategies helps ensure these have the support of all national stakeholders. National ownership of development strategies will only be a reality when this is achieved. This requires the continued legitimisation of the role of all stakeholders, including civil society organisations.

The credibility of the EU in the wider world is strongly related to how consistent its development cooperation efforts are with its principles and values. Credibility also rests on pursuing a sustainable development model within – and outside - the EU, which will enable those principles be fully realised within an overall approach to sustainability of the planet on which we all depend.

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