

# 50 years of development cooperation – retrospect and prospects

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## Background

As so many things of life, also development cooperation (DC) can be considered in completely different ways, at completely different levels. This is because development (D), cooperation (C), and even more “DC” are very complex fields with manifold and conflicting interests of the parties involved. They are so complex that their consideration is likely to provoke quite controversial views and discussions. Nevertheless, such a consideration is attempted here, and it is tried to present the essential issues to show the adequate “centres of gravity”, – in order to evoke critical thought and discussion.

The present consideration distinguishes between

- the evident and official DC, carried out by Governmental Organisations (GOs), by Non-GOs (NGOs) and by other economic actors (private sector companies...),
- the semi-official, evident, more or less political cooperation and action – with, very often, rather negative concomitants and impacts,
- and hidden parts of DC – comparable to a “hidden agenda” vs. an official agenda.

Visualised, DC could be presented as an iceberg, where

- would correspond to the tip of the iceberg (official part of DC),
- would present the level just under water, still visible (semi-official)
- would correspond to the largest and invisible part of the iceberg, the “hidden iceberg” – HI

These three levels of the iceberg are closely linked to each other. There is a more or less “humanitarian” tip, there is the “semi-official” part which results from the neo-liberal policy objectives of the North Western countries, very often conflicting with the approach of the “tip”, and there is the hidden part, where these neo-liberal policy objectives are implemented with illegal methods (see below). The HI is, as in the case

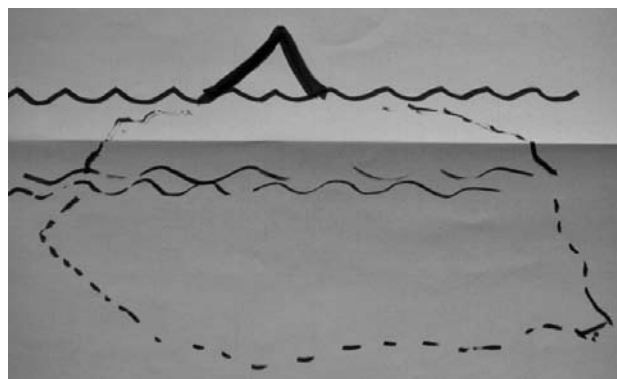


Figure 1: The three levels of the iceberg

of the real iceberg, the largest part and the one with the most significant impact, often negative impact. The aspects of DC relevant for the tip of the iceberg are heavily influenced by the other (lower) two levels of the iceberg – not in a mono-causal but rather in a network-like type of interaction.

Subsequently, these three levels (and their interactions) are discussed in a chronological consideration.

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## I The beginning of DC (from Bretton Woods to the end of the 70s)

The term DC – development cooperation – became relevant only after the colonial era. After the 2nd World War until the beginning of the 1960s, most former colonies (re)gained independence, and the so called „developing countries“ were founded. Accordingly, since the 60s, DC became an issue. The 60s were called “the 1st Development Decade”, the 70s – “the 2nd Development Decade” etc.

The geopolitical guidelines had already been defined at the famous “Bretton Woods Conference” in 1944 (or “United Nations Monetary and Financial Conference”), where the foundation of The World Bank<sup>2</sup> (WB) and the International Monetary Fund<sup>3</sup> (IMF) were decided and the World Trade Organisation (WTO) was aimed at. The decision makers were then representatives of the – later – so called “First World”. They were strongly influenced by the American CFR (Council on Foreign Relations), as Korten<sup>4</sup> explains in his publication<sup>5</sup> (see box).

**And Korten explains further:** “The structure and ideology of the existing Bretton Woods (BW) system is geared to an ever-continuing expansion of economic output – economic growth – and to the integration of national economies into a seamless global economy. The consequence is to intensify competition for already overstressed environmental space. In a “full world”, this intensified competition accelerates destruction of the regenerative capacities of the ecosystem on which we and future generations depend; it crowds out all forms of life not needed for immediate

human consumption purposes; and it increases competition between rich and poor for control of ecological resources. In a free market – which responds only to money, not needs – the rich win this competition every time....

The market cannot deal with questions relating to the appropriate scale of economic activity. There are no price signals indicating that the poor are going hungry because they have been forced off their lands; nor is there any price signal to tell polluters that too much CO<sub>2</sub> is being released into the air, or that toxins should not be dumped into soils or waters.

Steeped in market ideology and highly responsive to corporate interests, the BW institutions have demonstrated little capacity to give more than lip service either to environmental concerns or to the needs of the poor. Rather, their efforts have de facto centred on ensuring that people with money have full access to whatever resources remain – with little regard to the broader consequences.”

**And he also postulates:** “A new Bretton Woods meeting to update the international system would serve as a significant and visionary need – if its participants were to accept that economic growth is no longer a valid public policy priority. Indeed, whether the global economy grows or shrinks is largely irrelevant. Having crossed the threshold to a full world, the appropriate is whether the available planetary resources are being used in ways that

1. meet the basic needs of all people,
2. maintain biodiversity, and
3. ensure the sustained availability of comparable resource flow to future generations.

Our present economic system fails on all three counts. ... It is well established in economic theory and practice that markets allocate resources efficiently only when markets are competitive and when firms pay for the social and environmental impact of their activity – that is, when they internalize costs of their production. This requires that governments set and enforce rules that make cost internalization happen, and, since successful firms invariably grow larger and more monopolistic, governments regularly step in to break them up and restore competition.”

<sup>2</sup> ... with always an American as president...

<sup>3</sup> ...with always a European as president...

<sup>4</sup> David Korten formerly worked in Asia for USAID and the Ford Foundation's development programmes. He has emerged as one of the world's clearest critics of the economic philosophies that drive our system. Below are parts of David Korten's keynote address at the 1994 convention of the Environmental Grantmakers Association of America, held at the Mt. Washington Hotel in Bretton Woods, on the 50th anniversary of the famous „Bretton Woods conference“ (1944)

<sup>5</sup> Korten, David: *The Failures of Bretton Woods*, in Mander, Jerry, and Edward Goldsmith: *The Case against the Global Economy and for a Turn Toward the Local*, Berkeley 1996.

### The Failures of Bretton Woods

.... At the UN Monetary and Financial Conference 1944 ...the economic leaders who gathered at this hotel were looking beyond the end of the war with hopes for a world united in peace through prosperity. Their specific goal was to create the institutions that would promote that vision.

**New institutions** were indeed created there. Since that time, **they have shaped and controlled the world's economic activity.**

However, the plans for these institutions ... go back further, ... to the US „Council on Foreign Relations“, ... an incubator of leaders and ideas unified in their vision of a global economy dominated by US corporate interests. The members of this group assessed early on that, at minimum, the **US national interest required free access to the markets and raw materials of the Western Hemisphere, the Far East, and the British Empire...**

Subsequently, at Bretton Woods: Henry Morgenthau, then US Secretary of Treasury and president of the conference, explained the goals of the conference, i.e. ....„creation of a dynamic world economy in which the peoples of every nation will be able to realize their potentialities in peace and enjoy increasingly the fruits of material progress on **an earth infinitely blessed with natural riches...**“. He called on participants to embrace the „elementary economic axiom... **that prosperity has no fixed limits.** It is not a finite substance to be diminished by division”.

Thus Morgenthau set forth one of several underlying assumptions of the economic paradigm that guided the work of the architects of the Bretton Woods system. Many of these assumptions were reasonably valid, but two of the most important were deeply flawed. The first erroneous assumption is that economic growth and enhanced world trade would benefit everyone. The second is that economic growth would not be constrained by the limits of the planet.

... as we look back 50 years later: Economic growth has expanded fivefold, international trade has expanded by roughly 12 times.....**Yet, tragically, while these institutions have met their goals, they have failed their purpose. The world has more poor people today than ever before. We have an acceleration gap between the rich and the poor... And the planet's ecosystems are deteriorating at an alarming rate.**

... the human economy is embedded and dependent on the natural ecosystems of our planet. Until the present moment in history, however, the scale of our economic activity relative to the scale of the ecosystems have been small enough, so that in both, economic theory and practice, we could, up to a point, ignore this fundamental fact. Now, however, we ... have filled up the environmental space of the planet, ... we live in a **“full world”**.

The first environmental limits that we have confronted and possibly exceeded are not the limits of the non renewable resource exploitation ... but rather the limits to renewable resources and to the environment's sink functions – its **ability to absorb our wastes.** These are limits related to the loss of soils, fisheries, forests, and water; to the absorption of CO2 emissions...

Other authors came with their analyses to results quite similar to David Korten's conclusions: Teresa Hayter<sup>6</sup>, e.g., made an analysis of the IMF, The World Bank, USAID as well as two other development banks already in the 70s, with the result that these banks are eventually beneficial for the “1st World people”, but do not fulfil the expected results for the 3rd World countries. Brigitte Erler<sup>7</sup> found in the mid 1980s, that the projects “made the rich richer and the poor poorer”, ... “development aid is doing harm to those who should benefit from it, whole countries as well as individuals, and it should therefore be stopped immediately”.

<sup>6</sup> Hayter, Teresa: *Aid as Imperialism*, London 1972.

<sup>7</sup> Erler, Brigitte: *Tödliche Hilfe (Mortal Aid)*, Freiburg 1985.

Outstanding in Korten's analysis is the link which he shows, i.e. the link between “classical” economics and “economic” behaviour, free market approach with growth and globalisation, on the one hand, and the rapid depletion of our planet and its resources as well as the increasing gap between rich and poor, on the other hand. He shows very clearly that the prevailing approach (free market – growth – globalisation) is a manifestation of an unsustainable development path. In fact, from the beginning of development cooperation, a neo-liberal framework was explicitly or implicitly agreed (among the representatives of the “1st World!”). Nowadays, as we have reached the limits of the carrying capacity of our planet, this approach is even less acceptable than it was at the time of the analyses of critics like Teresa Hayter and Brigitte Erler.

## The iceberg and its backgrounds

After independence of the former colonies in the 50s and 60s, the development cooperation used “classical” methods and instruments known so far from the “1st World” and the former colonies, - in order to achieve classical “1st World” objectives. However, these objectives were usually very vague.

Agricultural and technical approaches were introduced into development cooperation as they had been used previously in the Northern hemisphere and the colonies, - without being questioned.

The people in the 3rd World countries were – without being asked – (mis)planned by the development experts to become plantation workers and the like, were transferred out of their villages into “labour lines” which had nothing to do with their traditional way of living<sup>8</sup>.

This kind of treatment of the people as „economic tools“ was a consequent continuation of the previous approach of the colonial powers towards the locals. A situation confirming that approach by the colonials was also reported by Barack Obama’s Granny, as presented in his first book<sup>9</sup>.

In the spirit of Bretton Woods, the two lead institutions of the international development cooperation and the international financial system (The World Bank – IBRD and the International Monetary Fund – IMF) institutionalised a market-oriented, neo-liberal approach in development cooperation and eventually in the world-wide economic and financial system (-> Globalization).

The “poor” recipient countries had hardly any choice: either they accepted this neo-liberal development path, or they were pushed to follow it. The donor countries equally followed this approach, partly agreeing, partly not questioning, and simply applying it.

<sup>8</sup> However, this questionable approach was also applied by 3rd World country leaders: Among others, by Mao, in an adapted way by Nyerere (see e.g. Nyerere, Julius K.: *Freedom and Socialism – Uhuru na Ujamaa*, Dar Es Salam 1968), in Algeria with its “villages socialistes” and in Ethiopia with the “peasants’ associations” and related “modern villages”.

<sup>9</sup> Obama, Barack: *Dreams from y Father*, NY 1995.

But: No rule without exception: a very small number of developing countries „dared“ their own development path, in most cases a socialist approach, inspired by and in cooperation with socialist countries – such as Cuba, Algeria, Ethiopia, (North) Vietnam. This approach was supported by the fact that Cold War took largely place on the back of the developing countries.

The **official instruments**, more or less preset by the lead institutions, comprised the economic (E) and financial (F) analyses, in addition to the conventional agricultural and technical planning. The ultimate criterion whether a development project should be financed or not was the economic analysis, based on the world market and world market prices. Due to shadow pricing, the value of local labour was usually 0 or close to 0. The agricultural production, however, was calculated via shadow pricing to yield the highest monetary returns thanks to returns in foreign currency<sup>10</sup>.

The following two essential axioms of these analyses (E and F) are diametrically opposed to the requirements of sustainable development:

- the overvaluation of „now“ and the near future, the devaluation towards zero of the middle to far future,
- the exclusion and thus stabilisation of the externalisation of social and environmental costs.

That means: profit maximisation to the detriment of man, environment, and future. This approach, boosted by the “Bretton Woods system”, yields the results which we have now on our planet<sup>11</sup>.

In addition to the above mentioned approaches in section a) of the iceberg, the targets for GDP-growth

<sup>10</sup> Usually, the local currency of developing countries was estimated to have a significantly lower real value than indicated by the official exchange rate. The local currencies were in most cases “protected” via foreign exchange control measures: limited amounts of foreign currency was allowed to be brought in, none or very little to be taken out of the country, every exchange had to take place in an official bank and had to be certified...

<sup>11</sup> This approach might be (and may have been) justified to a certain degree in case of indefinite availability of resources (especially of the resource “the environment’s sink functions – its ability to absorb our wastes” and the internalisation of all costs.

were fixed for the 1st two Development Decades, for the 2nd Development Decade even a per-capita-GDP growth target was set. Beyond that, the 70s (2nd development decade) were marked by the „Basic Needs“ issue and debate. Fulfilling the „Basic Needs“ was now considered as necessary condition for development – in addition to growth. It had turned out that a certain growth had been achieved in developing countries so far. Yet, the „trickle-down“ and redistribution effects which were expected to accompany growth automatically, had failed to appear<sup>12</sup>.

Furthermore, the donor countries agreed during the 2nd Decade on an „input target“. The industrialised/OECD countries decided to make available annually 0.7% of their GDP<sup>13</sup> for development cooperation. Altogether, these first decades of development cooperation were project oriented and authoritarian. Larger, more strategic settings were hardly conceived and considered by the „project people“. Most of the development plans produced in a large number of developing countries were of very little strategic value: they were usually lists of projects. The recipient countries had just a very limited say.

Also the sections b) of the iceberg (just still visible, „semi-official“) and c), the „hidden iceberg“ played already during the 1st Development Decade an important role, fully in the spirit of Bretton Woods.

A few examples for the „semi-official section“ b) are:

- Corruption was (is) used in project work (especially in the acquisition and initial phase) as well as in the more decisive, political field; laying the foundation for an evil (induced evil) which is considered by many insiders as the major obstacle to development. The elites of the developing countries are considered to be corrupt, a large part of „development money“ does never reach its destination or target group, but ends up rather on

Swiss numbered accounts. In the donor countries, this „instrument“ was for a long time legal, was considered as „peccadillo“, the corruption expenditures were officially tax-deductible<sup>14</sup>.

- Exportation of cheap, subsidised agricultural produce from the OECD-countries to developing countries as well as food aid from northern excess production in projects used as „Food for Work“, uncritically and with disastrous consequences. Motivation and incentives for local food production were further undermined. Beyond that, local eating habits were changed and geared towards consumption of food aid products, towards imported food (e.g. wheat instead of sorghum), thus increasing the dependence from the North. The problem of a decrease in self-sufficiency and increase of dependence on the North<sup>15</sup> still continues for many developing countries<sup>16</sup>, exacerbated by other factors like population growth and, last but not least, climate change.

As to the largest (hidden) part of the iceberg (c), (some) donor countries started massive activities already before and during the 1st Development Decade. Important examples for these activities are:

- On project level: establishment of dependencies, by the use of „Economic Hit Men“<sup>17</sup>
- On higher levels by the establishment/safeguard of the sphere of influence (Cold War) and the establishment/safeguard of the access to resources, (example: Iran, petrol – already in the 50s).

<sup>12</sup> See e.g.: Seers, D.: *Planning Context and the Forms of Planning. Paper prepared for the Bellagio Working Party on Planning Models for Income Distribution and Employment, 1973*; Chenery, H. et al: *Redistribution with Growth, Washington 1974*.

<sup>13</sup> This target has been reconfirmed for the Millennium Development Goals, now using GNI (Gross National Income).

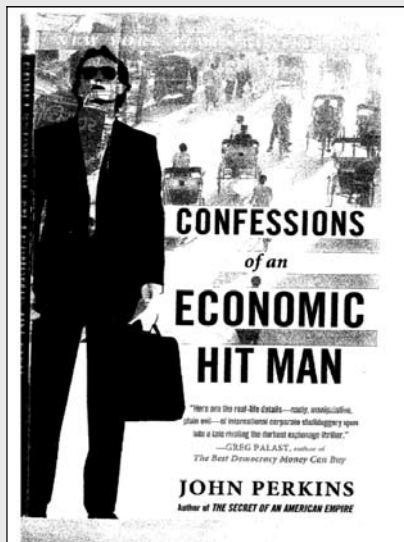
<sup>14</sup> see [www.transparency.org](http://www.transparency.org)

<sup>15</sup> „The North“ nowadays including China, which was previously considered as developing country by many superficial observers.

<sup>16</sup> Sub-Saharan Africa, e.g., which was still self-sufficient in food production during the 1960s, has become a net importer in the 1990s, with increasing tendency.

<sup>17</sup> Perkins, John: *Confessions of an Economic Hitman, New York 2006*.

This approach has been and still is being applied nowadays. Perkins describes that the different “tools” for this approach are applied according to a special order: first the EHM are sent in. If they are not successful, the jackals (secret services)<sup>18</sup> follow and may eventually be followed by soldiers and military intervention (recent example: the Iraq war).



*Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the US Agency for International Development (USAID), and other foreign “aid” organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet’s natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They plan a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization.*

*I should know. I was an EHM. John Perkins*

Perkins’ book was never officially contested.

<sup>18</sup> I wrote that in 1982, as the beginning of a book with the working title „Conscience of an Economic Hit Man”. The book was dedicated to the presidents of two countries, men who had been my clients, whom I respected and thought of as kindred spirits – Jaime Roldós, president of Ecuador, and Omar Torrijos, president of Panama. Both had just died in fiery crashes. Their deaths were not accidental. They were assassinated because they opposed that fraternity of corporate, government and banking heads whose goal is global empire. We EHMs failed to bring Roldós and Torrijos around, and the other type of hit men, the CIA-sanctioned jackals who were always right behind us, stepped in.

## 2 Third and Fourth Development Decades (1980-90, 1990-2000)

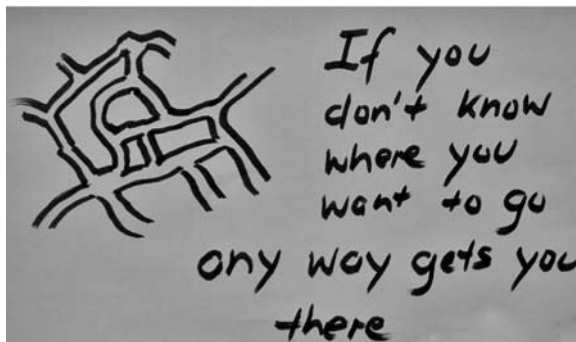
End of the 70s, beginning of the 80s, disillusionment with regard to development cooperation took place. A significant part of the development projects was a failure<sup>19</sup>. The overall economic and structural development of the Third World countries was also not satisfactory according to the judgement of the donor countries. After independence, the “inherited” colonial bureaucracies had been blown up, often within development cooperation, and had not achieved significant efficiency. Rural exodus, haphazard urbanisation and emergence or growth of slums out of control, the gap between rich and poor increased within the countries as well as between countries, etc.

The international development institutions and the donors’ community found two answers to this:

1. In all three sections of the iceberg, the World Bank and the IMF cooperated together with the American president Reagan („Washington-Consensus“). They put the recipient countries under pressure with the so called Structural Adjustment Programmes<sup>20</sup>. Under a SAP a country had to open its markets and a free market economy. This resulted in soaring prices, particularly for basic foodstuff, led to riots, and eventually to further impoverishment of the countries concerned.
2. In the field of Technical Cooperation, the donors’ community chose a different approach, fully in the tip of the iceberg. An analysis of several hundred development projects showed that the objectives and the related structures of the projects were vaguely or not defined (USAID). It was evident, that under such conditions no positive impact (which??) could be achieved. As a consequence, USAID introduced a systematic planning and management method which causally links problems and objectives. These structures are used as basis to develop a project according to a systematic approach which is summarised in a 4x4 matrix, the „Logical Framework“.

<sup>19</sup> Depending on the assessment approach and author, up to 60% failure are mentioned.

<sup>20</sup> For the basic ideas, see e.g.: Chenery, H. et al: *Structural Change and Development Policy*, Washington 1979.



During the 4th Development Decade came up the well justified tendency to move from the „small-project-approach“ to rather comprehensive programmes with more relevance for impact achievement.

The „Earth Summit“ (UN Conference on Environment and Development, Rio 1992) fell into that same period with an approach fitting into the tip of the iceberg. The major concepts emerging from that conference are „sustainable development“ and the „AGENDA 21“. This concept illuminated that so far no path for sustainable development has been found. It also showed that the OECD countries were equally „developing countries“<sup>21</sup>, and it gave first hints towards „a convergence of the systems“. In this spirit, methods applied so far especially in the „Developing World“ were used now equally in AGENDA-21-processes in the so called „1st World“.

Corruption, so far having been in section (b) of the iceberg was eventually criminalised in the 90s, thanks to the newly created NGO „Transparency International“ and thus moved in the picture of the iceberg to section (c), the hidden part. Unfortunately, some important players in development cooperation slumbered away this fact (some governments, some consulting firms and transnational corporations such as SIEMENS).

### 3 Turn of the Millennium and Millennium Development Goals

At the turn of the millennium and in preparation of the Millennium Summit (2000 in UN HQ, New York) and of the „Rio+10“ Summit (2002 in Johannesburg) a working group was established, comprising UN, World Bank, OECD and others. Completely new in development cooperation and world politics, they defined a system of goals, the „Millennium Development Goals“. The ultimate goal was securing the future of mankind globally. As a consequence, four programmatic fields of action were defined:

- peace, security and disarmament
- development and poverty eradication
- protecting our common environment
- human rights, democracy and good governance

with the following goals (quantified via 18 targets)

- 1: Eradicate extreme poverty and hunger
- 2: Achieve universal primary education
- 3: Promote gender equality and empower women
- 4: Reduce child mortality
- 5: Improve maternal health
- 6: Combat HIV/AIDS, malaria, and other diseases
- 7: Ensure environmental sustainability
- 8: Develop a global partnership for development

All member countries of the UN have agreed to achieve these goals by 2015. At present it appears unrealistic that the Millennium Goals could still be achieved by 2015, as originally foreseen. In many fields the situation is even deteriorating.

New about the present situation is that we are evidently „one world“, not a „Third“ and a „First“: And that **We are all in the same boat** and that **We are in very deep water**. But although the necessary know-how, the methods and instruments are available, short-term selfishness and greed seem to continue and let the water getting deeper and deeper. Nevertheless an attempt is made here to outline prospects, possible perspectives for that „one world“.

<sup>21</sup> See, e.g., *Dritte Welt Haus Bielefeld et al.: Entwicklungsland Deutschland (Developing Country Germany), Wuppertal 1997.*

## Possible Perspectives and Outlook

The world is now not at a „turning point“ but in a “turning period”. Unique for mankind, very rapid changes are happening in many crucial areas of life, partly interlinked, such as:

1. Climate change (most critical, largely man-made) due to excessive use of fossil carbon products mainly by the industrialised and threshold countries (USA, China, EU) with the consequence that the developing countries suffer most;
2. Radical globalisation, deregulation and easy accessibility of commodity and financial markets,
  - caused mainly by neo-liberal faith of nearly all politicians (after the collapse of the Soviet Union) in the spirit of Bretton Woods’ unrealistic belief in quantitative “growth” in a limited world,
  - accelerated by information technology and the world wide web which allow the transfer of virtual commodities and money of nearly any amount at any moment from everywhere in the world,
  - putting in question states and governments due to the ever growing power multi-/ transnational companies and banks,
  - with social and ecological standards downgraded to decreasing levels;
3. Previously upheld forms of organisation and government such as democracy, being considered as a North-Western “export model” which proves in more and more cases to be not adequate and not universally applicable<sup>22</sup>, and being partly “replaced” by multinational corporations with very special, non-sustainable approaches towards their clients worldwide<sup>23, 24</sup>.

<sup>22</sup> *In many developing countries, this model does not fit and does not work, last example; Afghanistan*

<sup>23</sup> *Such as Monsanto (see e.g. Marie-Monique Robin: Mit Gift und Genen /with poison and genes – The World According to Monsanto, DVD 2009).*

<sup>24</sup> *See also, e.g.: Shiva, Vananda and Radha Holla-Bhar: Piracy by Patent – The Case of the Neem Tree, in (Ed.) Mander, Jerry and Edward Goldsmith: The Case Against the Global Economy, Berkeley – London 1996.*

## Ad 1. Climate Change

This situation is overriding any aspects of development cooperation known so far. The so-called “developed” (and threshold) countries have eaten up within the last 50 – 100 years a large part of the fossil carbon reserves, and even worse, have nearly swallowed the waste absorption capacity (above all: green house gases, GHG) of our atmosphere.

At present the world community (leaders) is discussing how the increase in (average) temperature on the globe may be kept at less than 2°. Would the increase be more than 1.5° many of the small islands and highly populated coastal areas would be drowned by rising sea levels, people in the order of 1 billion would be forced to migrate and find new areas for settlement and living, and a large range of ecosystems will disappear. That means, unprecedented threads to inhabitants of these areas and subsequent migration streams will occur, four fifth or less of the planet’s population will have to accommodate one fifth or more...

## Ad 2. Radical globalisation

This issue again is very complex. But the reader’s attention should be drawn to three aspects with special relevance for development:

- The globalisation and its neo-liberal roots have led so far to the application of ineffective instruments, in the battle against global warming. In the international discussion the approach of carbon trading, which is very much questioned by critical observers, is considered as THE solution by the majority of the stakeholders. This instrument is very complex and some weak points are given here as example<sup>25</sup> (see box)

The drive to expand carbon markets is being accompanied by the development of more complex carbon products deploying a variety of derivative and hedge fund techniques.<sup>6</sup> These are structures similar to those that contributed to the financial crisis. Like many derivatives, the new carbon commodities are difficult or impossible to value accurately and may well lead to a new ‘bubble’ whose bursting would have disastrous results? Even

<sup>25</sup> *Dag Hammerskjöld Foundation/ Gilbertson, Tamra and Oscar Reyes: Carbon Trading – How it works and why it fails, Uppsala 2009.*

- The globalisation and its neo-liberal roots have allowed multinational companies to gain incredible power. For farmers in developing countries as well as in the rest of the world, the transnational agribusiness plays a very destructive role, oppressing them with seed patents, GMO (genetically modified organisms) and thus putting at risk biodiversity.
- “Economic growth”, understood as quantitative and short term growth is considered as THE solution to all economic crisis issues. However, experts have understood since a long time that we cannot afford anymore this type of growth with high resource and energy consumption<sup>26</sup>.

### Ad 3. “Forms of organisation and government”

In order to take action in the crucial fields 1 and 2 above, accepted, powerful, transparent and equitable organisations would be necessary. Two examples are cited to show the difficult tasks to be solved:

- Equitable, fair and transparent “pollution rights” for the use of remaining absorption capacity of the atmosphere. The overwhelming part was used by three large polluters (USA, China, EU) and now the rest of the world claims its rights for an increasing standard of living, which at present is still linked to increasing pollution.
- The limitation of the exploitation of the remaining fossil carbon deposits.

The consideration of the last 50 years of development cooperation plus the actual situation show very clearly that classical development cooperation cannot continue as a kind of “business as usual”. This judgement is confirmed and strengthened by a number of Third World masterminds, such as James Shikwati<sup>27</sup>, Zakes

Mda<sup>28</sup> and Dambisa Moyo<sup>29</sup> who consider development cooperation with the label “aid” as counterproductive and claim its abolishment. Others, such as the ‘Alternative Nobel Prize’ Vananda Shiva<sup>30</sup> and the Nobel Peace Prize Winners Wangari Maathai<sup>31</sup> and Mohammad Yunus<sup>32</sup>, developed and actually implement other development approaches, different from classical development cooperation and “aid”, approaches, which have enriched development all over the world and will be elements of future One World strategies.

The upcoming challenges need rapid and effective action with new approaches, not single but multiple strategies. Possible approaches may just be traced here, such as:

- Smaller entities for governance of water, energy supply and use. Thus making positive use of more direct democratic instruments and the principle of subsidiarity, giving responsibility as far as possible to the people/groups concerned<sup>33</sup>. Parallel to the development of “smart grids” and small regional power supply approaches based on renewable energies; parallel to that “white elephant” approaches will continue and have to be handled (as the “Desertec” power project);

<sup>26</sup> E.g. *Daly, Herman E.: Sustainable Growth? No Thank You, in Mander, J. and E. Goldsmith, op. cit., Freystedt, Volker and Eric Bihl: Equilibrismus, Vienna 2005.*

<sup>27</sup> See „Der Spiegel 27/2005, p. 106: Interview with James Shikwati (Kenyan economist), Hamburg 2005; and Bernecker, K.: *Mainstream Economics versus Sustainable Development, in Rural Development News 2/2005, Lindau.*

<sup>28</sup> *Zakes Mda: Bettelnde Schriftsteller (Begging Authors), in: Eine Welt 3, September 2009, Bern.*

<sup>29</sup> *Moyo, Dambisa: Dead Aid, NY – London 2009. Dambisa Moyo is proposing, however, a quite classical approach with normal North-Western economic and growth objectives. She proposes to achieve this mainly by replacing the present development (aid) partners by others (China), by direct investment and small credit schemes.*

<sup>30</sup> *Vananda Shiva is an Indian physicist, environmentalist and activist against bio-patents and transnational agribusiness corporations.*

<sup>31</sup> *Wangari Maathai is the founder of the „Green Belt Movement“, environmentalist and vice-minister of environment in Kenya; see e.g. Ehlert, Stefan: Wangari Maathai - Mutter der Bäume (mother of the trees), Freiburg 2004.*

<sup>32</sup> *Mohammad Yunus invented micro credit systems for the poorest and founded for that purpose the „Grameen Bank“ in Bangladesh. Meanwhile, his successful approach is applied worldwide.*

<sup>33</sup> *See e.g. Norberg-Hodge, Helena: Shifting Direction: From Global Dependence to Local Interdependence, in Mander, J. and E. Goldsmith, op. cit.*

- interregional linkages between different parts of the world (North-South village and regional partnerships);
- equitable implementation of climate change mitigation and especially adaptation measures;
- promotion of qualitative and equitable welfare (instead of economic) growth;
- world ownership, management and distribution of natural resources (especially fossil carbon resources).

The complexity of these challenges is evident. It is also clear that linking of the various issues, setting priorities and completing the then developed network must be the basis for action. There remains a lot to do!

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