The Negotiation Landscape: Countries

By Mary Gilbert, QEW Representative to the UN

Years ago at a morning briefing for NGOs, a naïve newcomer asked, "Why don’t you just take the UN position?" Experienced people stared. The week before, the Secretary General had made a sensible statement and she wondered why we didn’t all just get on board. I too had once thought the UN was both powerful and monolithic, able to issue decrees. The explanation I gave her later included some of what I write here.

The UN is neither powerful nor monolithic. It is weak because there are no mechanisms to require compliance even on matters to which all nations have agreed. And it’s as monolithic as gravel, with nations looking out for number one.

Over the last decade there have been changes in the roles of national governments, in finance, economy and trade, and in conceptions of the global commons. Language and assumptions that were valid just a few years back no longer fit. Amid this chaos of redefinition poor nations are trying to find their ways to prosperity.

Some countries at the UN vote alone, but most vote in coalitions. There is a hodge-podge of poorer countries called the Group of 77 (G77) with a wide and often conflicting array of concerns who vote in a bloc because singly they would have little or no power. Even together they have very little power. A few in the G77 have become richer by GDP standards and are now referred to as the BRICS: Brazil, Russia, India, China, and South Africa. Despite the GDP-measured financial growth in these countries, the poverty gap is wider than before. There is no trickle-down. Growing inequality has reached dangerous levels.

National Autonomy and Vitality

All countries in the G77 want financial health. In 1986 the General Assembly (GA) approved a Declaration on the Right to Development. Although the planet cannot support continuing economic growth, poor countries desperately need vibrant, healthy economies. We can all picture such economies, flushed with bustling local businesses, self-sufficient in growing food, educating all their children, providing health care, and so on. At this point 49 countries are identified as LDCs (Least Developed Countries) and almost half of them are in "special circumstances," like the SIDS (Small Island Developing States), the LLDCs (Land Locked Developing Countries), and others. Thirty-nine are also considered Heavily Indebted Poor Countries (HIPC).

Countries all talk about “inclusive growth,” meaning any economic system changes should "lift (the poor) out of poverty." The question is how to get there from here. G77 countries see participation in international trade as necessary and want unfair trade barriers removed. However there are no examples of this participation benefitting the poor. The opposite is the rule.

Have you met TINA? This concept introduced by Margaret Thatcher stands for “There Is No Alternative,” and it refers to the dominance of WTO-style trade policy. Although countries want unfair trade barriers removed and to participate in international trade, most don’t want to cede their functional sovereignty to corporate rule. TINA has a loud voice, but work on the post-2015 agenda, including establishing the SDGs, is providing forums where alternatives like setting up trade treaties and loan systems with neighboring countries, are being broached and discussed.

Everyone acknowledges that a mix of the following four sources will be necessary for getting out of grinding poverty:

- Private investment – this is the easiest source, but countries (or at least their delegates) see the great cost in autonomy their nations have to pay.
Public funding – this is preferred. Public funding comes from tax revenue, which needs those thriving local and national economies. The big question is how to get from here to there. A lot of "capacity building" is desperately needed: infrastructure, schools, electricity, special training, etc. That takes money.

Aid – ODA stands for Official Development Aid, country to country. Wealthy countries agreed in 1970 to put 0.7 percent of their GNP into foreign aid. The Scandinavian countries have been giving up to 0.99 percent and the UK has just voted to give 0.7 percent. No other well-off countries are meeting their commitment. The US is the lowest of 21 listed countries, giving only 0.19 percent. Canada gives 0.32 percent. Poor countries would rather have national vitality than rely on donor mechanisms, but ODA is still very important. ODA dropped precipitously with the impact of the global slump, and poor nations felt it.

Loans – The G77 countries want to avoid loans. Up to now, loans from the World Bank (WB) have required what is politely called "internal restructuring," which involves cutting public programs drastically, which decreases the tax base and sucks vitality out of the local economy. The WB says it has new, much more lenient policies for loans. Meanwhile, what is called "sovereign debt overhang" severely cripples struggling countries, and "vulture funds" hamper debt-structuring efforts. A suggestion was made that the UN coordinate management of these debts.

The question is, how will all this be worked out?

What is happening puts me in mind of a siege. Necessities on the level of food and water are needed inside a walled city that is beset by a big army. The big army can provide these things or allow the city folk to get them, but won’t unless the city capitulates. Stay tuned.

Links & Definitions

- Difference between GDP and GNP  
  http://www.diffen.com/difference/GDP_vs_GNP
- HIPC Heavily Indebted Poor Countries (HIPC) are a group of 39 developing countries with high levels of poverty and debt overhang which are eligible for special assistance from the International Monetary Fund (IMF) and the World Bank. http://en.wikipedia.org/wiki/Heavily_Indebted_Poor_Countries
- LDC’s http://en.wikipedia.org/wiki/Least_developed_country#Current_LDCs
- SDG’s – This refers to a set of global goals that will take effect in Sept. 2015.
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