

High-Level Event of the General Assembly

“Contributions of North-South, South-South, Triangular Cooperation, and ICT for Development to the implementation of the Post-2015 Development Agenda”

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Contribution by Silvia Ribeiro, ETC Group, to the opening session

Good morning and thank you Mr. Chair for organizing these topical debates, and thank you to all the panelists for your contributions.

In my brief remarks today, I will flag some areas that require caution regarding international cooperation and technology and I also offer some concrete proposals the United Nations could consider to increase the likelihood that both international cooperation and technology will lead to sustainable development.

But in order to explore the possibilities, we need to keep in mind the context: which is a world of inequities. There are unequal power relations among multilateral organizations of the global governance system, between transnational corporations and States, between States of the North and States of the South, and within States.

There is no denying the importance of ICTs in the world today – or the need for creative partnerships. But it is also important to remember that we have gone through two global economic crises so far this century: the first was the result of the “dotcom bubble” that came from miscalculating the value of ICTs – and from profit-mongering; the second was the collapse in the banking system caused by governments’ unjustified confidence in the financial marketplace – and, again, by profit-mongering. We must be careful that the post-2015 agenda does not stimulate a comparable UN “dotcom bubble,” and we must be careful that our search for new partnerships is not misplaced in the private sector.

Both the World Bank and the IMF recognize that the gap between rich and poor at the global level is growing larger. Relying on conservative figures from the World Bank, no more than 8% of the population accounts for more than 50% of the world’s income. Other sources estimate that half the world’s wealth is held by 1% of the population.¹ For development to be economically, socially and ecologically sustainable, it must have equality as a main goal – equality between countries and within countries, and including a harmonic relationship with nature.

South-South cooperation has allowed developing countries to relate in a more horizontal way, based on a similarity of challenges and perspectives, and without conditionalities. The formation of the G77, which is celebrating its 50th year, has

been important and positive; South-South cooperation is essential at many levels and on many issues, and it must be supported, and it doesn't eliminate the need for North-South cooperation.

However, North-South cooperation is on the decline when it is most needed. ECLAC pointed out recently that only five developed countries meet their ODA commitments, and the total amount of ODA has declined for two consecutive years.² Along with the decline in public ODA, there has been an increase in the privatization of international cooperation, as evidenced by the increase in the number of public-private partnerships (PPPs), the increase in private philanthropy – which sets its own priorities, not necessarily in line with countries' needs – and, finally, as evidenced by the direct and indirect subsidies to transnational corporations for their operations in the developing world.

The increase in PPPs, including inside the UN, is in urgent need of disinterested evaluation. Over the past decade, multilateral development banks have tripled their private sector portfolios, and, since the 2007 financial crisis, development finance institutions have increased financial flows to the private sector by 200%; almost half of the aid money went to support companies based in developed countries, and only 25% to companies based in the developing world. Still worse, none of this aid reaches small and medium enterprises.³ Last week's *Economist* magazine aired the concerns of Venezuelan economist Ricardo Hausmann, now at Harvard, who has concluded that PPPs for infrastructure in Latin America have often failed and usually experienced significant cost overruns.⁴ In many cases, public-private partnerships have led to a socialization of costs and a privatization of profits.

Innovative sources of funding for sustainable development can be important, but there must be **a binding regulatory framework and accountability mechanism** to ensure that they are not increasing inequities, further privatization, social-ecological exploitation of resources or the financialization of nature. One such innovative source of funding would be taxation of international financial transactions.

I would like to echo the demand posed by my women colleagues at an earlier debate in this series to establish a **binding multilateral instrument for transnational corporations at the UN, with the goal of protecting peoples against human rights abuses and environmental destruction perpetrated by private actors.**⁵ The UN at one time had a similar body until it was dismantled in 1993.

Technology, of course, is another important component of cooperation. ICTs can be used to increase democracy and access to information, but they can also be used to the opposite end. According to the International Telecommunications Union, for example, 61% of the global population doesn't use the Internet. Of the users, 77% are in the developed world. While in Africa only 16% can access the Internet, in North America 78% of the population can. When gender and disability are taken into account, the disparity increases notably. Shirley Malcom of the US National

Academy of Sciences recently told attendees of a seminar organized by the UNCTAD Commission on Science and Technology that, in 1985, 35% of the trainees in ICTs in the United States were women, but that figure has dropped to 18%. Sporadic access to the Internet can further distort the picture because those with unreliable access are more likely to give up in frustration, although they are technically considered to be “online.”

But being online isn't an end in itself. ICTs can have negative socio-economic impacts, including violations of human rights, such as the recent example of governments invading the privacy of millions of individuals and governments – at an estimated rate of 20 billion phone calls and email messages daily;⁶ these examples emphasize the urgent need to establish democratic governance of ICTs, and the need to strengthen South-South cooperation in this area.

“Algo-trading,” -using electronic platforms that enter high-frequency stock trades based on algorithms and often initiated automatically, without human intervention, is widely used by investment banks, hedge funds, pension and mutual funds. Two so-called “flash-crashes” at the New York Stock Exchange were caused by automated orders gone awry – as if the crises provoked by conventional financial speculators weren't enough.

The attempt to establish laws to compel the enforcement of exclusive intellectual property rights (IPR) related to the Internet, software and content is a grave step in the wrong direction. IPRs need to be critically evaluated as growing evidence shows that in every field, and particularly in the technology arena, IPRs are discouraging, instead of stimulating, innovation, while increasing global inequity.

Contrary to the widespread opinion that the private sector is the leading force in technology innovation, a study published in 2011⁷ showed that fundamental research and creative guidance from governments and public sector research have been critical to some of the most important technological developments since World War II: Smartphones would not exist without the military technologies that also built the Internet, GPS and voice-activated assistants. The US government bankrolled the so-called entrepreneurs of Silicon Valley, while public universities constructed the touchscreen and HTML.

ICTs and other technologies *can contribute* to a more socially and ecologically fair and sustainable development. But they are not a panacea, and they raise many issues, including issues related to ownership and social, cultural, economic, environmental, health, gender and other impacts.

The promoters of a technology, particularly one with high profit potential, are not in the best position to evaluate its societal benefits.

A technology facilitation mechanism (TFM), as has been discussed as an important component of the post 2015-development agenda, could address some of the present global inequities, as well as offer a new avenue for North-South, South-South and triangular cooperation. But the **TFM should include**, as an integral component, **a multilateral, democratic, participatory technology assessment mechanism**, which can offer, particularly to countries in the South, a rigorous evaluation of the potential risks and benefits of a technology, independent of the interests of those promoting the technology.

The developed world, especially Europe, has recognized the need for and is building this kind of technology assessment capacity, but there are virtually no such public institutions in countries of the global South.

Without this multilateral capacity for independent evaluation, technology transfer could become another way of subsidizing transnational corporations sales and profits, securing monopoly over their technologies while facilitating their entrance into wider markets in the developing world.

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¹ For example, Oxfam International, *Working for the Few: Political capture and economic inequality*, January 2014.

² Bhumika Muchala, Third World Network, contribution to the debate “The Role of Partnerships in the Implementation of the Post-2015 Development Agenda,” 9 April 2014.

³ Ibid.

⁴ Anon., “The PPP traffic jam. The need for a return of government as road-builder,” *The Economist*, 17 May 2014: <http://www.economist.com/news/americas/21602213-need-return-government-road-builder-ppp-traffic-jam>.

⁵ Nicole Bidegain, DAWN, contribution to the debate “The Role of Partnerships in the Implementation of the Post-2015 Development Agenda,” 9 April 2014.

⁶ Anon., “The Snowden leaks: Peering into the darkness. Glenn Greenwald peels back the curtain,” *The Economist*, 17 May 2014: <http://www.economist.com/news/books-and-arts/21602184-glenn-greenwald-peels-back-curtain-peering-darkness>.

⁷ Mariana Mazzucato, *The Entrepreneurial State*, DEMOS, 2011.