



The Current Column
of 31 August 2009

**Development policy in the next
legislative term of the German
Bundestag: A Checklist**

By Prof. Dr. Dirk Messner,
Director,
German Development Institute /
Deutsches Institut für Entwicklungspolitik



Development policy in the next legislative term of the German *Bundestag*: A Checklist

Bonn, 31 August 2009. On 27 September 2009, Germany will hold federal elections for the German *Bundestag*. In its next legislative term the *Bundestag* is going to be faced with some important choices on future policy options if Germany is to continue to live up to its international responsibility – in particular towards the developing and emerging nations. The following points appear especially relevant to me: As a result of the ongoing financial crisis, globalisation has reached a critical point. It may fail, giving way to a fragmented world economy fraught with protectionism. The argument that the best course would be to start out by overcoming the present financial and economic crisis entails a risk, namely that ongoing measures designed to protect the world climate and to combat poverty and hunger could slacken as a result. What is called for are further efforts to provide support for the millions of people in developing countries who are suffering from a global crisis for which they bear no responsibility. With these points in mind, I see ten development-related challenges that need to be addressed in the coming legislative term.

(1) UN Millennium Goals

There is international consensus that the poverty-related Millennium Development Goals (MDGs) should be reached by 2015. Many developing countries are far from “on track.” In mid-2010 the next German federal government should, together with its European partners, present a strategy enumerating the countries and sectors in which additional efforts are being undertaken to provide significant contributions to coming as close as possible to reaching the MDGs. If efforts to reach the MDGs fall far short of the mark, the result could well be a pronounced and lasting loss of legitimacy for international development cooperation. The credibility of German development policy also depends on whether the phased plan on increasing development investments already pledged by the German federal government is in fact implemented.

(2) Global systemic risks

Global systemic risks, including e.g. international financial market instability, the climate change threatening the stability of the Earth system, failing states, transboundary pandemics, or the fragility of world-spanning infrastructures, may destabilise our globally networked world. Developing countries are especially vulnerable to the effects of global systemic risks. The next German federal government should elaborate a concept designed to come to grips with central global systemic risks. The global governance initiatives needed for the purpose should be worked out in cooperation with developing countries. In a globally networked world, one thing that would prove helpful in working out solutions in step with globalisation would be a 360-degree field of vision that enabled us to gather together, at once, experiences from Europe and the OECD countries, Asia, Africa, and Latin America. The challenge posed by global change cannot be met without closer cooperation with the developing countries.

(3) Scarcity of strategic goods

Development policy must come up with adequate responses to scarcities of strategic goods. “Peak soil, water, oil, atmosphere” threaten to undermine the development chances of many poor countries. In analogy to the MDGs, which define development goals at the country level, efforts should be undertaken to formulate a set of the most important “global development goals” geared to protecting the foundations on which the existence of mankind, and its most vulnerable groups in particular, rest. Among these concerns are, for example, worldwide conservation of the agricultural land needed to feed the world; measures to limit global warming to 2 degrees; binding quantitative commitments on raising the shares of renewable energies used in world energy generation; clear-cut limits to the destruction of global forests and ecosystems.



(4) Development strategies

Development models need to be reconfigured. To name a few examples: Under the conditions of rising world population, climate change, and adaptation of the nutritional patterns of emerging countries to the land-intensive nutritional habits of the industrialised countries and the growing demand there for bioenergy, food security policies and agricultural strategies need to be reassessed and radically strengthened with a view to alleviating and averting food crises.

Not only the industrialised countries, the majority of developing countries too need to switch without delay to low-carbon development paths, because, by mid-century, worldwide greenhouse gas emissions need to be capped at a level of roughly 1.5 tons: Even today, China emits close to 5 tons; but the rule of thumb for other emerging and developing countries like Chile, Thailand, Mexico, Peru, India, Syria, and Morocco is and remains: to rapidly stabilise and reduce greenhouse gas emissions and to largely decarbonise economies by the year 2050.

There are no longer any prospects for developing and emerging countries to close the prosperity gap on the industrialised countries on the basis of fossil-energy-driven growth, because any such course would lead inevitably to dangerous climate change. Education, technology, and knowledge partnerships will need to rank higher on the agenda of development policy if we are to succeed in securing the existential foundations on which human civilisation is based (water, food, energy). Investments in efforts to strengthen democracy need to be further increased to ensure that progress in development actually reaches the people concerned. In addition, development policy needs to learn lessons from the efforts undertaken in the past decade to stabilise weak states: What has worked, what has not?

(5) Climate protection

The UN Climate Conference set to take place in Copenhagen in December 2009 is an event of very special relevance from the standpoint of development policy. Only if the conference manages to make a breakthrough towards a world economy not driven by fossil energies will the project of worldwide poverty reduction have any chances of success. If the world summit on the future of the Earth system should fail, development policy will have no choice but to prepare for more poverty, environmental disasters, conflicts, and migration.

(6) Anchor countries

German development policy has placed on its agenda the special needs involved in cooperation with anchor countries like China, India, Thailand, Malaysia, and South Africa, underlining the significant role they play for global development. The German government now needs to take measures to strengthen and deepen German policies towards these strategically important countries. The mainly transatlantic G8 world is a thing of the past; the time has come to develop new partner networks.

(7) Multilateral development agencies

Growing global interdependencies will inevitably mean a growing need for multilateral policy approaches. However, the multilateral development agencies often lack a good reputation, and this has led to a resurgence of short-sighted calls for "German solutions." What is called for here is a strategic view of the multilateral development agencies, one conducive to efforts to play an effective role in reforming them. Here Germany is in possession of constructive policy potentials – and many productive reforms could be initiated in the basis of concerted European efforts.

(8) European Union

A new G2 appears to be emerging within the growingly important G20: The US and China are set to become the central actors of global development. Europe will be able to realise its claim to the role of a global player only if the EU member states pool and focus their strengths - a fact that has long been recognised in trade and monetary policy, whereas, when it comes to development policy, the



EU continues to be dogged by particularism and an at times bewildering jumble of positions that are, if at all, no more than roughly aligned. The next German federal government should call, loudly and clearly, for a distinctly more “compact” European development policy.

(9) Fragmentation of German development policy

In recent years German development policy has tended to be rather concerned with its own affairs. The core of the problem must be seen in a now outmoded fragmentation of different forms of financial, technical, and personnel cooperation. Here all of the arguments are already on the table. The time has come to make the decisions needed to be able to concentrate on the tasks actually at hand.

(10) Criticism of German development policy

There is much public criticism of German development policy. Its usefulness is often questioned. Two things are important here: For one, it is essential to continue to expand efforts designed to review the effectiveness of development cooperation: The keywords here are clear-cut goals, fair partnership, performance reviews, and evaluation. While development cooperation in the broader sense is often more than difficult in countries with poor governance, humanitarian aid and support for actors of change continue to be an important factor.

On the other hand, though, the critical debate on development cooperation is in need of fairness and realism. Development investments are often risky investments. Attempts to stabilise fragile states may fail, democracy promotion simply takes time, too much money can often weaken the initiative of elites in developing countries; and yet considerable resources are needed to improve the precarious situation of the over one billion people presently living in absolute poverty and to conserve the foundations of our global civilisation. Those who have good proposals, who can point to the better solutions, would be well advised to formulate them, instead of seeking refuge in cynical criticism of development cooperation. Development policy is no better off here in Germany than health policy, employment policy, or innovation policy. Difficult problems can be solved, but there are no simple or optimal solutions, experiments may fail, powerful interests may generate unintended effects. This is why constructive criticism is important, while flippant rejections of international cooperation remain irresponsible.

And a parting thought: The German government has invested some 100 billion Euro to rescue the Hypo Real Estate (HRE) financial corporation, roughly the same amount that all of the industrialised countries together spend per year on international development cooperation in an effort to improve the living conditions of the world’s poorest people and to protect the world’s vital natural resources. The HRE is seen as “system-relevant,” and there is no conceivable reason why the most vulnerable groups of world society should not be seen in the very same light.



By Prof. Dr. Dirk Messner,
German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).