

Sustainable development and a renewed role for the State in the Arab region

The economies of the Arab region have been driven by a growth model that neglects development objectives and peoples' economic and social rights. The Rio+20 process offers an opportunity to reignite discussion around sustainable development, initiated in 1992, and reinforce the drive to reform development paradigms and adopt coherent strategies to revive productive sectors and capacities. It is essential to ensure that the goal of a "green economy" is not used to repackage and promote the same old economic and social models that have failed to serve people's rights.

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For the last three decades, the economies of Arab countries have been constructed around an approach that prioritizes a model of growth that neglects development objectives and peoples' economic and social rights. Policy makers have prioritized integration in the global economy through trade and investment liberalization, borrowing, expansion for privatization deals and public-private partnerships, overall economic deregulation, and over-focus on macro-economic stability². The political powers and ruling groups gave up the project of the state as a major actor in promoting and shaping a developmental project for their countries. The lines between political ruling elites and economic powers dwindled, while in fact they re-enforced each other. Concurrently, national productive capacities have been marginalized along with the national development project generally, which includes addressing inequalities, empowering people through employment generation and wages, and establishing comprehensive rights-based social plans³. Accordingly, we saw countries achieve economic growth, while poverty, unemployment, and inequities were on the rise. This further weakened these countries, increasing their dependence on food imports, and exacerbating their vulnerability to external shocks. Accordingly, we saw these countries achieve economic growth, while poverty, unemployment, and inequities were on the rise.

The limits of such an approach were laid bare during the people's revolutions in the Arab region. Indeed, economic and social policies defined from the top-down and to serve the interest of the privileged few have often only been exacerbating inequalities, poverty, and

unemployment. Economic growth numbers have been overstated by oil-exports, without proper re-distribution policies and mechanisms for local empowerment.

Nowadays, it is evident that developing countries, including Arab countries, need to move away from their exclusive focus on economic growth, towards increased emphasis on establishing a development project based on a broader "rights-based" perspective. It is evident that the process of rolling back governments' role in economic and social matters need re-consideration, in order to arrive at an effective balance between the role of the state as a regulator and facilitator and the role of the market stakeholders. Such rethinking of the role of the state, the market, and economic policy making in general is crucial to the processes of sustainable development, which integrates three interlinked pillars of environmental, economic, and social policies.

This paper will shed light on these challenges within the context of the changes seen in the Arab region as a result of the peoples' revolutions and uprisings that swept across the region since the end of 2010. It will highlight the road from the Earth Summit (1992) to Rio+20 and the challenges to sustainable development in the Arab region and the need for rethinking the role of the state, including discussing the concept of the 'Green Economy' and the viability of public-private partnerships. Moreover, the paper will look at the need for revitalizing global partnerships for sustainable development.

From the Earth Summit to Rio+20

The Earth Summit held in 1992 stated that achieving sustainable development strongly depends on the relations between three core pillars: the environment, the economy, and social policies. On one hand, it underlined the importance of adopting different consumption and productive patterns, and on the other hand strengthening the international cooperation based on the core principle of "common but differential responsibility". Eight years later the Millennium Declaration reaffirmed the importance of global partnership for development.

The Agenda 21⁴, as one of the main outcomes of the Earth Summit (1992) highlighted the nexus

between sustainable development and democratic governance in order to protect human rights, to foster and protect citizenship, and to build the state of rights and the rule of law. The Arab peoples' revolutions and uprisings reflect such interlink between sustainable development, democratic governance, and freedom.

Moreover, Agenda 21 and the Millennium Declaration explicitly confirmed the link between sustainable development and peace and security, as prerequisite to guarantee economic and social rights. Yet, the Arab region continues to witness wars, crisis and conflicts, resulting from the persistent violation of international law and the inability to implement agreed international resolutions. Indeed, it is obvious that a just and sustainable peace in the Arab region cannot be achieved unless the right of the Palestinian people to self-determination is respected.

Challenges to sustainable development in the Arab region rethinking: the role of the State

The Economic and Social Commission for Western Asia (ESCWA), League of Arab States (LAS), and the United Nations Environment Program (UNEP), have identified a series of challenges facing processes of sustainable development in the Arab region in a reference paper entitled "Green Economy in the Arab Region: Overall Concept and Available Option"⁵. According to the paper, these challenges include political challenges and shortcomings, aggravating water scarcity, challenges of the energy sector, food security threats, climate changes and extreme weather events, un-sustainable consumption and production patterns as well as the population growth and youth bulge⁶. The paper proposes the concept of 'Green Economy' as a pathway and solution to secure the process of sustainable development in the Arab region, where "transition offers a full set of social and economic strategies, means and tools which could be selectively used by decision makers in the Arab countries"⁷. The paper proposes that such

1 This paper is based on the submission by the Arab NGO Network for Development to the UN consultation for preparation of zero draft of the outcome document, available at: <www.uncsd2012.org/rio20/index.php?menu=115>, and on the outcomes recommendations of the regional convening organized by the Arab NGO Network for Development in Cairo (May 2011) and entitled: Towards a new social contract: Declaration of key principles by civil society organizations in the Arab region, <www.annd.org>.

2 These are part of the package of neo-liberal policy reforms that came to be known as the Washington Consensus, see: <www.cid.harvard.edu/cidtrade/issues/washington.html>.

3 See: The report entitled "Development Challenges in the Arab States: A Human Development Approach", by the United Nations Development Program and League of Arab States (December 2009).

4 Agenda 21 is a comprehensive plan of action to be taken globally, nationally and locally, and was adopted by more than 178 Governments at the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil, 3 to 14 June 1992. For more information, please visit: <<http://www.un.org/esa/dsd/agenda21/>>

5 See: <css.escwa.org.lb/sdspd/1570/PaperEn.pdf>.

6 "Green Economy in the Arab Region: Overall Concept and Available Option" (May 2011); paper by Economic and Social Commission for Western Asia (ESCWA), League of Arab States (LAS), and the United Nations Environment Program (UNEP).

7 *Ibid.* p.12; available at <css.escwa.org.lb/sdspd/1570/PaperEn.pdf>.

“pathway” would be achieved through a strategy of “Growing the Green” (increasing investment in Green sectors and increase demand of green goods) and “Greening the Brown” (restructure existing sectors to be more environmental friendly). According to the paper, the success of such strategy depends on “Public Private Partnerships”⁸.

At a historic moment like the one that many Arab countries are currently passing through, it is very important to ensure that the concept of ‘Green Economy’ is not used to repackage and promote the same economic and social models that failed under previous regimes to serve people’s economic and social rights.

Unpacking the ‘Green Economy’ concept

The concept of the ‘Green Economy’, which is taking center place in the process of the Rio+20 Summit, should be approached solely within the context of accepted and consensual definitions and principles of ‘Sustainable Development’ set in the 1992 Rio Summit. The concept of ‘Sustainable Development’, as it emerged from the 1992 UN conference in Rio, had a comprehensive agenda, which extends “beyond environmental agreements but are rather legally binding agreements that requires development paradigm shifts in accordance with the principle of common but differentiated responsibilities, that is based on equity and the historical responsibility of developed countries”⁹. Since then, however, the concept has been shrinking as the political commitment towards sustainable development diminished as well. In the meantime, new processes emerged and claimed to have the same spirit of Agenda 21.

Given this context, there is a need to ensure that the ‘Green Economy’ concept does not become a step backwards from the initial commitments under Agenda 21, even as it strives to encompass a new approach to presenting the global sustainability problematic. This cannot be achieved without a wider understanding of sustainable development, which encompasses a revision of the overall production and consumption trends in the world today, and to which rights, equity, fairness, and common but differentiated responsibilities remain central. This would necessitate re-orienting investment, trade, and finance policies to focus on these objectives, including harnessing regional cooperation on these fronts towards increasing production and demand at the national and regional levels.

Such an approach is crucial in terms of working towards recovering from the current financial and economic global crises, including restoring growth in the employment markets and generation of decent jobs, as well as the stability in the markets of basic products. Indeed, divergence from the path of sustainable development and the commitments

previously undertaken is contributing to weakening the global economy as a whole. These concerns need to be addressed while taking into consideration the urgency of the situation that the world sustainability faces as well as the differentiated responsibilities and capacities in the current context, both globally between developed and developing countries and nationally among the well endowed and the marginalized and impoverished communities.

Such an approach is crucial as well in the context of the Arab region, where the peoples’ revolutions quest a renewed role of the state that integrates a rethinking of development models. This is crucial for the sustainability of the democratic processes into the future.

Why “Public-Private-Partnerships” (PPPs) are not the right answer?

Within this context, there is a need for unpacking the concept of “Public-Private-Partnerships” (PPPs) and evaluating the development benefits from experiences in this area. Far too often, PPPs tend to be nothing but disguised privatization or concession measures, especially where legal and institutional frameworks are weak. With no valid consensus on what they constitute, PPPs face very uncertain results and can hinge on economic processes, social rights, and sustainable development objectives. This is especially significant at the time when PPPs are being promoted in countries where corruption and mismanagement are clearly evident. For example, during the past decades, various Arab countries have witnessed vast instances of transfer of public assets into private ownership, of concessions on the exploitation of natural resources, and of attribution of public service contracts to private firms that have been implemented with very little accountability. Indeed, the recent upheavals in the Arab region have shed light on rampant corruption in privatization deals and PPPs’ processes that have benefited a small number of individuals while depriving the majority of the population, all while degrading the quality of services offered and raising prices. The situation becomes even more difficult when the private companies are foreign, as they are often unaccountable to the national judiciary system.

The problem is that these agreements give private actors the advantages of state monopolies, while their objectives are limited to making profit, rather than serving the public good. Instances of failure have had tragic social and economic results even in developed countries. Accordingly, discussing possibilities for undertaking PPPs necessitate a proper discussion of mechanisms to ensure transparency, accountability measures, strong regulatory measures and capacities, as well as strong counter-part governmental institutions.

Rethinking the role of the State in sustainable development

Policy approaches that extend beyond mere economic growth towards tackling sustainable development necessitate rethinking the role of the state in sustainable development processes. Sustainable

development is central to sustaining balanced and long-term economic growth, which is rooted in peoples’ economic and social rights. It includes tackling the model of growth, including how growth is achieved and the purposes it is geared towards, and the place of rights within this model.

Securing economic and social rights have been one of the authentic and central goals of the peoples’ revolutions in the Arab region and a natural and fundamental complement to civil and political rights. Such goals necessitate that policies extend beyond growth and income to tackle the realization of equal wealth distribution.

Within this context, the state has two functions including a role as regulator of production forces and market relations and the protector of national interests as well as the guarantor and upholder of the rights of vulnerable groups. It is the state’s responsibility to ensure equitable offer and access to quality services such as transportation, health, education, energy, water, housing, as well as social protection, and all social and economic rights. It is the state’s responsibility to guarantee the balance and well-connectedness between the three pillars of sustainable development, including economic, social, and environmental policies. Moreover, it is the state’s responsibility to ensure multi-stakeholder democratic and participatory processes for sustainable development policy-making, in which the voices of civil society groups representing multiplicity of communities at the national level are ensured a place.

Furthermore, rethinking the role of the state necessitates re-establishing the role of strengthened institutions that operate within intra-thematic and intraregional coordination and cooperation, with a focus on participatory processes and governance. Institutions should be empowered to focus on promoting sustainable development through a balanced integration of its economic, social and environmental dimensions that is not beholden to “donor-defined” agendas. This will rest on strengthened governmental institutions that are transparent and accountable to key multi-stakeholders.

Revitalizing global partnerships for sustainable development

The global economy already suffers from production and consumption patterns that unsustainably exploit natural resources, leading to serious environmental and ecological problems and exacerbating inequalities among the peoples of the world. Such plunder remains dominant today, and problems such as climate change, soil degradation, and water scarcity emerged as global threats to biodiversity, food sovereignty and security, the livelihoods of various communities around the world, and overall right to development. Within this context, processes of sustainable development necessitate rethinking water and energy policies, food and agricultural policies, as well as environmental policies starting from the national level to the regional and global.

This situation is made all the more dangerous because of weakly managed unsustainable energy

8 “Green Economy in the Arab Region: Overall Concept and Available Option” (May 2011); p.13.

9 Third World Network; submission to the UN consultation on zero draft for Rio+20 outcome document; <www.unccd2012.org/rio20/index.php?page=view&type=510&nr=446&menu=20>.

policies that have only exacerbated the global threat of climate change, in addition to endangering water and food security through such technologies as first generation bio-fuels that needlessly create a competition between energy and food. Higher adaptation of environmental friendly sustainable techniques, like wind or solar energy, including public and private investment in these fields, is essential.

Furthermore, of all natural resources, water is the most strategic, and its mismanagement threatens the world's population. Energy efficiency, water security, and food security are closely intertwined and cannot be viewed separately. This issue is pressing in the arid Arab Region, where most countries' water supply depends on expensive energy-intensive processes, leading to further resource waste because of the lack of basic expertise or oversight at the regional and local levels. Resource management can only be enhanced by ensuring that access to freshwater remains a basic human right. With the basic rights of the most vulnerable secured, they can be empowered to be more resource-efficient and active contributors to the development processes, while guaranteeing local and traditional livelihoods.

Thus, it is essential to re-evaluate existing policies on water usage and energy generation, to ensure that exhaustible resources are used in a just and sustainable manner. Enhancing inter-regional investments and cooperation in this field is essential. Moreover, regional and global partnerships in these areas are crucial for any success.

A revitalized global partnership for sustainable development necessitates re-evaluation of existing trade, investment, and finance policies and agreements that contradict the concept of 'Sustainable Development'. This includes tackling the ways in which exiting trade, investment, and finance relations often favour rich-countries at the expense of poor country livelihoods and divert resources from development and rights focused objectives. For example, international trade rules should not be used as tools to limit public support directed towards developing alternative energy sources and technologies, nor for trade protectionism, nor for blocking the use of new 'environmental' technologies by developing country peoples. Such steps are core for addressing the structural imbalance of power distribution in the global economy that is tilted to privilege the few.

Besides, it is crucial to review national regulations to address the absence or weakness of policies that frame and support sustainable development, including for example national regulations around food sovereignty and security as well as regulations related to new technologies and transfer of technologies. Such revisions would help for example to address the threat to ecosystems and biodiversity posed by land degradation and water pollution. When it comes to new technologies, enforcing the "precautionary principle" is essential in order to avoid the risks and challenges posed by unproven technologies¹⁰.

Moreover, international development cooperation has an important role to play in supporting processes of sustainable development that national state and non-

state actors establish. Aid and development effectiveness, that can re-enforce and not weaken sustainable development processes, need to be de-linked from foreign policy objectives or militarization processes as well as foreign policy conditionality that skew the economic and social context to serve specific interests or orthodox economic models. Aid and development effectiveness serving sustainable development objectives necessitate a focus on democratic national ownership and meaningful and systematic participation by civil society, re-enforced by multiple accountability systems.

Conclusions

The Rio+20 process and Summit offer an important opportunity to revive the focus on sustainable development. This will reinforce the drive, initiated in 1992, towards reform of development paradigms that integrate coherent strategies for reviving productive sectors and capacities in developing countries, including agriculture and industry, along competitive niche services sectors.

Through coordination structures at the national and local levels, this process could also foster public participation in sustainable development policy formulation and implementation. Indeed, any implementation requires policies and mechanisms that ensure the involvement of local stakeholders, represented in various forms of civil society groups and constituency groups, including women, indigenous people, and people with special abilities, who are empowered to make and implement decisions that often concern them primarily. ■

10 Without clear guidance or adoption mechanisms, developing economies risk ending up as a dumping ground for polluting and unsustainable technologies, and thus subsidizing the move of the developed world towards more sustainable economies. Without proper institutions for the assessment and evaluation of technologies, the developing countries risk becoming the test bed of unproven technologies, with unexpected consequences.