

# POST PANDEMIC RECOVERY, SOUTH ASIA AND DEVELOPMENT EFFECTIVENESS



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## Global Outlook

Right now we are in a series of crises, or rather lunging from one crisis to another, to put it more appropriately. Biggest challenge before the humanity right now is the lack of vaccines and vaccine equity in the world. All of us are vaccinated and boosted but one-third of humanity is yet to take the first shot. Majority of the countries in Africa (and some in Asia too viz. Afghanistan) have less than 10% full vaccination rates. Countries like Burundi, Chad and DRC etc. have less than 1% full vaccination rates. This is despite the fact that an RNA hub has been set up in South Africa and Pfizer have an understanding with the government of Kenya to expedite vaccine manufacturing for Africa. The response to vaccine inequity have been awfully short of what is required or what should have happened. Rich countries provided some crumbs from their table to poor countries in the form of shots they hoarded earlier. The global governance fails to understand that this inequity cannot be resolved in a *“charity based approach.”*

Even the WTO MC 12 which took place recently could address this crisis appropriately despite making several efforts to get vaccines and therapeutics out of TRIPS for one and half years. MC ended up only making vaccines patent free, but not therapeutics, diagnostics, treatment and ancillaries patent free. The greed of the rich countries and vaccine manufacturers defeated the need of poor countries and people. This is a moral failure for entire humanity.

We are almost on the brink of a big global economic crisis. Many of the LICs and LMICs have been facing huge debt crisis even before the pandemic. It has risen exponentially due to additional borrowings to overcome the pandemic. More than 60 LICs and LMICs are spending more

on debt service than on health. They have a public debt to the tune of 55-60% of their GDP and have no fiscal or policy space for manoeuvring so that they can try to recover from the pandemic. Much trumpeted DSSI only helped 48/73 LICs to suspend their debt (approx. USD 13 Billion) for five years; still they ended up paying 3 times more in the debt service. Common Framework have been poorer in addressing debt crisis so that only three countries have signed up till now. High income countries (or OECD) is making much noise on the fact that China has surpassed WBG as largest donor for the developing countries since 2000. However, if you look at all debts put together (bilateral/multilateral and commercial lending) China owns only 16% of the debt, more than 50% is owed only to the G7 countries due to the influence they wield at multilateral institutions and the IFIs. This clearly shows global asymmetry in power relations and that the countries that we are talking about have very little power when in leveraging the situation. All debt sustainability efforts have pitifully failed in considering critical “*debt cancellation*” and to bring private lenders on board to whom these countries owe six times more as compared to bilateral donors.

As a matter of fact, the colonialism continues unabated long past withdrawal of flags and masts of these rich countries. The global north is still hugely dependant on the global south for their economic well being. A recent study very clearly puts down that the global north appropriated more than USD 230 Billions in the period through 2000-2010 through pricing differential in international trade, and by undervaluing soil, natural resources, labour and energy in the international trade.

Global impact of war on Ukraine will alone push more than a quarter billion people in extreme poverty. However, there is hardly any committed global response. West has hardly done anything than condemning Russia and reglorifying the NATO. The war has deepened the food, fuel and finance crisis all over the world.

Last but not the least, climate crisis. Recent IPCC and WMO reports more the warning of the crisis starker. Now there is 50% probability of 1.5 degrees target being breached within the next three years only. This probability was 0% in 2015. This means that we are ever close to

breaching 1.5 degrees target and hurtling into the deeper crisis. Millions of people are at frontline of this battle every day. More than 20 million people are being displaced every year since 2008. Africa has lost one-third of its agricultural growth productivity in the last four decades. Half of the humanity is facing water scarcity for at least a month in a year. We have only three years left to salvage the 1.5 degrees target, for which emissions must reduce by 45% by 2030. But rather than deep short term cuts, all big emitters are planning NZ targets. It's a party now pay later for them. However, another kind of party has already begun for them. Last week (July 10-16) more than 500 persons perished in heatstroke in Spain as temperature touched 42 degrees in many places in the country. UK declared national emergency / Red Alert as temperature soared past 40 degrees last week. Half of the EU zone is in the danger of drought. Many countries in Europe including Portugal, Spain, France, Italy, Romania are seeing record heatwaves. US too, is not far from this scenario.

## **South Asian outlook**

Coming to south Asia, home for 1.7 billion people and home to most poor, hungry and malnourished. Democracies have existed beside, majoritarianism, militarism and monarchy in the region. India and Sri Lanka have been old democracies but now we see political institutions which sustained democracy becoming cypher. It would not be inappropriate to say that South Asia has become a shallow theatre of democracy. The sub region has been extremely divided. While India choses a foreign policy in line with the imperialist west, China, Sri Lanka and Nepal are more leaned towards imperial China. The geopolitical complexities have forced "*bilateralism*" on the South Asian countries rather than brining them together in a collective spirit of multilateralism. Cultural ethane nationalism and contempt of political institutions have been major challenges in the region. The AUKUS, Quad and the Indo Pacific Economic Forum etc. are newer tools in cementing western imperialism in the region.

The region has been continuously backsliding on human rights for the last 15 years. We see that in all the countries there is a fierce attack

on the right of freedom of expression, association and assembly. All the countries have recently brought out harrowing laws severely curtailing the freedoms which have been guaranteed in the constitutions. As far as CSOs are concerned, they face impediments in all the countries in registration, functioning, accessing resources etc. and are subject to additional constraints in their work. FCRA in India, Digital Security Act in Bangladesh, Amendments in Criminal Procedure Code in Nepal empowers the state to ride over the constitutional protection to basic freedoms with impunity. The state also used the covid 19 context as an opportunity to further curtail civic freedoms of citizens and political dissent.

South Asia countries must take a lesson from what we are witnessing taking place in Sri Lanka. Sri Lanka achieved higher HDI despite low energy consumptions and have been on the sound footing as regards South Asian countries are concerned. But then the rot begun. The recent boom was based on flawed fundamentals. Seeds of this were sown in 2000s itself. Mahinda Rajapakshe started this mega infrastructure projects. Growth did increase but on an unsustainable path. Trade fell from 89% in 2000 to 49% in 2010. High spending and higher borrowings continued despite shrinking economy due to decreasing trade and due to huge shortfall in earning from tourism. External debt continued to rise to the tune of 119% of the GDP in 2021. The Consumer Price Index (CPI) inflation soared to 29% in SL, 13% in Pakistan, 7.8% in India, 7.3% in Nepal and 6.3% in Bangladesh, severely hurting poorest people in these countries.

Other countries in the region too and especially Pakistan are hugely dependent on the IMF for their foreign reserves correction and therefore, in the stranglehold of the IMF austerity measures and other conditionalities. Pakistan has 23 arrangements with the IMF, followed by 16 with Sri Lanka, 12 for Bangladesh, 8 for Nepal and 7 for India.

The economic or trade cooperation in the region and has very little to offer. Regional institutions like SAARC have become moribund and geopolitical tensions hardly allow an atmosphere of collaboration and cooperation.

As regards climate change, the sub region is highly vulnerable. Bangladesh, India, Pakistan and Afghanistan are among the top 20 most affected countries. In coastal areas we are reaching hard limits of adaptation, which means no amount of finance, technology or policy measures can avoid losses now. Severe heatwaves in India and Pakistan reduced wheat yield by at least 10%. 750 million in South Asia are affected at least by one natural disaster in past two decades. Loss and damage projected in South Asia by 2050 is around \$ 518 billion which might increase to \$ 1 trillion by 2100. Floods cause loss of around \$10 B every year in India. In 2019 alone more than 100 persons died and around 1.8 million were displaced due to floods in India. Amphan (2020) created a L&D of \$ 14 B and displaced around 25 million each in India and Bangladesh. As against this devastation, what is the global response to L&D. Art.8 of the Paris Agreement denies any kind of compensation or liability for L&D on the industrialized countries. Glasgow only promised to have talks on L&D later. No one agreed to give money except Wallonia region (Belgium, 1 M Euro), Scotland (1 M Pound) and CIF (3 M USD). The bigger problems include unscientific approach to the Net Zero, biased reporting by science, as even gold standard reports of the IPCC are biased, political compromise and shifts baseline with every report, insists on reducing emissions from today (all countries to reduce), CBDR is a forgotten history, as is reference to pre 2020 commitments of big polluters.

## **Aid and Development Effectiveness context**

We need to analyse the outlook above the aid and development effectiveness context. We see that despite all the talk about aid, development, sustainability and rights, all of these ideals are far from being realised in the region.

Development effectiveness put simply, means degree of success or failure of development. To better understand the context of development effectiveness let's take a step back to understand its origins.

In the post WWII era, the USA became the biggest donor and the biggest champion of democracy and development. The cold war aid

was underlined by 4 objectives, (i) defence or military objective (making donee countries military partners, (ii) economic objective (developing a global trade framework which will ultimately benefit the USA, (iii) political objective (ostensibly supporting freedom and democracy but in reality suppressing rise of communism/socialism, and (iv) humanitarian (aid for natural and other calamities, which remained last and most marginal objective). Post cold war, high income countries could free themselves from cold war political imperatives and could deploy their capital (and conditionalities) more freely to the best of their interests. It is in this background and rising discontent with the “aid” that in the 1990s more debate on the aid effectiveness began to surface. Though the quantum of aid remained small but their impacts were more pernicious. Both donor as well as receiving countries became more keen to deploy aid to more meaningful impacts. The conversation quickly started to move from aid to development. The first Conference on Financing for Development in Monterrey, Mexico resulted in Monterrey Consensus (2002), which agreed to increase aid but also acknowledged that aid alone was not enough. Majority of the countries converged on better utilisation and effectiveness also to facilitate achievement of the Millennium Development Goals (MDGs) agreed upon in a process largely driven by the United Nations without much consultation and therefore, largely missing the systemic reasons and drivers of poverty, underdevelopment, environmental degradation and inequality. Four High Level Forum under the aegis of the UN followed; Rome (2003), Paris (2005) Accra (2008) and Busan (2011). However, over these Conferences the dominant global agenda shifted from “aid to development.” Paris Declaration (2005) laid down five important principles of ownership, alignment, harmonisation, managing development results and mutual accountability in development cooperation. Busan mandated “*Global Partnership of Effective Development Cooperation*” (GPEDC) which was set up in 2012.

However, CSOs who have been participating in development discourse since 1990s were not fully convinced with the GPEDC and the role of CSOs in development. Therefore, in response to the GPEDC they set up CPDE, CSOs Partnership of Development Effectiveness in 2012. CPDE is a “*multistakeholder vehicle for driving development effectiveness to maximise the effectiveness of all forms of cooperation for development for the*



*shared benefits of people, planet and prosperity and peace.”* (CPDE). CPDE laid down eight principles for effective development cooperation known as Istanbul principles and including, (I) human rights and social justice, (ii) gender equality and equity, (iii) peoples empowerment, democratic ownership and participation, (iv) environmental sustainability, (v) transparency and accountability, (vi) equitable partnership and solidarity, (vii) knowledge sharing and commitment to mutual learning, and (viii) commitment to realise positive sustainable change.

## **Conclusion**

The Istanbul principles apply to the CSOs in two contexts, one, it relates to the external environment in which we interact with the state and the government (Advocacy, policy change, mobilising and developing solidarity with development actors), and second, the internal environment in which we shape our (CSO) governance, principles, policies and action. In the internal context it lays down sort of good governance principles for the CSOs. However, Istanbul principles too have also received its share of criticisms, not laying due emphasis on economic justice, being one of the most prominent one. While promoting CSO Development Effectiveness, our task is also to continue to put in under constant scrutiny to make it a dynamic tool in development cooperation. And therefore, I started the discussion with the global development challenges (traditional as well as emerging ones) to put an enabling framework for discussion on the state of development.

I leave you with few moot questions we must try to answer during the next few days. Whether the efforts to address global development deficits fundamentally change our exploitative relations with nature? Whether it address the power relations in the society and the way interaction takes place between the state and the citizens or the communities? Whether it strengthens the accountability mechanism in the favour of the rights bearers? Whether it's transformative enough to respond to the calls of science to reverse climate crisis, biodiversity loss, pollution and environmental degradation that threatens humanity and the planet

with the extinction? If you cannot answer all or any of these questions in the affirmative, we need a deeper exploration of development and development effectiveness.

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