



Development Cooperation in 2020?

DEVELOPMENT COOPERATION IN 2020?

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What trends and forces are shaping the future of development cooperation in 2020? To answer this question HIVA, Research Institute for Work and Society, launched a scenario planning process in which experts, policy makers, opinion makers and practitioners from within the development sector and beyond participated. This research report summarises the different trends and forces identified as key drivers of change, it presents three possible scenarios for the future, and it puts forward a set of implications these scenarios raise for the different actors in development cooperation. With a strong participatory process at the core of this research, the aim is not only to better frame the current challenges for development and development practice, but also to invite and stimulate different development actors to an open and informed debate on key issues for development and development cooperation.

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Preface

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Development Cooperation in 2020 is the first research project of the 11.11.11 Research Chair on Development Cooperation. Is development cooperation able to reinvent itself and improve its contribution to the struggle for sustainable development in an increasingly complex and fast-changing context? To help answer this question HIVA's Research Chair performs research on development (cooperation), with special attention for civil society and its role in development. Established in April 2011, this chair is a unique cooperation between the academic world and Belgian NGOs. The chair is assumed by HIVA, the Research Institute for Work and Society with a 35 year track record of research that combines scientific quality with social relevance. The chair was donated by 11.11.11, the umbrella organisation of Flemish North-South organisations which combines forces of over 70 member organisations and 340 volunteer groups, all making their stand for a just world without poverty. This research has been made possible by their decision to invest in independent scientific research on development cooperation.

Due to its participatory and creative nature, this research project would not have been possible without the inspiration, input and feedback of numerous experts, policy makers, opinion makers and practitioners from within the development sector and beyond. Different phases of this research also benefitted from the guidance and facilitation of experts from NormannPartners, an international strategy consultancy firm. We are all those involved very grateful for their contributions and would like to thank them for the time, energy and insights they invested in this research project.

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Introduction

Development cooperation today is set in an increasingly complex and fast-changing global context. International balances of power are shifting, economic prospects are highly uncertain, new development actors are coming to the fore, and the developmental challenges are becoming ever more complex. At the same time scrutiny of development practice and policy, and contemplation and debate on the overall goals, tools and actors in development cooperation has deepened over the past decade. In such a challenging setting, different actors in development cooperation struggle to take a firm hold of the risks and the opportunities that lay ahead in their struggle for a just and sustainable global development. To support them in facing this challenge, the main objective of this research project is to provide development actors with a better understanding of the major trends that are shaping the global development landscape. But in the face of fast-paced change and high uncertainty, mapping the trends that are reshaping the field of development cooperation is only part of the work. What is equally important is to offer ways to cope with the fast-changing and uncertain environment, and to engage in an open debate on whatever questions this complex state of play raises.

To meet this dual objective the research project has taken shape as a scenario planning exercise. During the past six months, step by step, a participatory scenario planning process has been undertaken with a mix of experts, practitioners, policy makers and opinion makers. The research resulted in the development of three scenarios of what the context for development cooperation could look like in 2020 as well as a set of findings and implications on what this could mean for different actors in development. An important advantage of the scenario planning approach has been that it took this research from being a research *project* to being a *process* in which different actors in development cooperation have been involved and have already laid out the foundations for a more open and diverse debate on development cooperation. Giving a state of play of the research outcomes, this report primarily aims to be an incitement and base for further debate. In that sense the eventual value of this research will be determined by its success at offering different development actors a framework to analyse the development context and detect important trends as well as a steppingstone for continued and deeper debate - within and across organisations - on these challenges and their implications.

The first chapter introduces scenario planning as an instrument to research the future, and clarifies how this was applied in this specific research endeavour. The second chapter introduces 15 drivers of change for global development, which form the groundwork for the scenario planning exercise. Subsequently, in chapter 3 the three scenarios developed together with stakeholders are laid out. Chapter 4 summarises the common findings that emerge from the scenarios and offers a reflection on what they imply for different development actors. Chapter 5 lines up and briefly analyses a wide range of strategies that different people have put forward as answers to the current situation. The report concludes with an overview of the people that participated in the scenario planning research, as well as with a literature overview of differing analyses on current development challenges and a range of strategies to deal with them.

1 Researching the future

The dual aim of the research was to map the different trends that are shaping the global development landscape of 2020 as well as to offer a tool to better cope with the high uncertainty on how this landscape will evolve in the next decade. As one of the prominent methodologies in the field of future exploration, scenario planning has the potential to be such a tool. Its success however depends on a good understanding of what the uses and limits of scenario planning and scenarios are.

1.1 Scenario planning is about the ‘what if ...?’

Scenario planning is a tool to make flexible long-term plans in the face of future uncertainty. Scenarios should be seen as imagined narratives, or hypothetical sequences of events that convey different perspectives on how the world functions and explain how possible futures can unfold. A scenario planning will always explore multiple, alternative futures, because the point of scenario planning is not to make accurate predictions of what *will* happen. Instead the scenarios are an instrument to prepare for what *might* happen (Lundsgaard, 2008; Coates, 2000).

Thinking about and planning the future is a messy business for which predictions are the wrong concept. The goal is not more accurate predictions, but better decisions and more effective action. Scenarios allow us to better notice and track different forces of change, to rehearse different ‘what if ...?’ questions and not be blindsided when those forces of change inevitably reshape the global environment (Schwartz & Randall, 2007).

1.2 Uses of scenario planning

Scenario analysis methods were first used to support planning processes in the security arena but from the 1970s onwards they became increasingly popular in corporate settings and beyond (Lundsgaard, 2008: 1). A famous example of scenario planning is the ‘Mont Fleur’ scenario exercise undertaken in South Africa during 1991-1992, which brought together a group of prominent South-African politicians and opinion makers from across the ideological spectrum at a time of deep conflict. They agreed on four scenarios of what could happen to their country in the period of 1992 to 2002. These scenarios were broadly distributed across the country, and contributed to the development of a common vocabulary and mutual understanding of the complex nature of the crisis and of what could be good and bad outcomes. Although not a formal policy making process, it did affect the stance of different political actors at that time (Beery et al., 1997). At present scenario planning is being applied in a host of different domains that share the fundamental challenge of anticipating developments in a future that is uncertain.

There are different ways in which scenarios can be used (Schwartz & Randall, 2007; Lundsgaard, 2008: 11-12):

- in general, scenario forecasting stimulates the user to become aware of his or her own assumptions about the future and to re-examine them, an exercise that will allow thinking about the future in new ways;
- scenarios have the power to combine a complex set of elements and weave them into a coherent, systematic, comprehensive and plausible story. This makes it easier for the human brain to process the information and gain insight in a complex and highly dynamic situation;

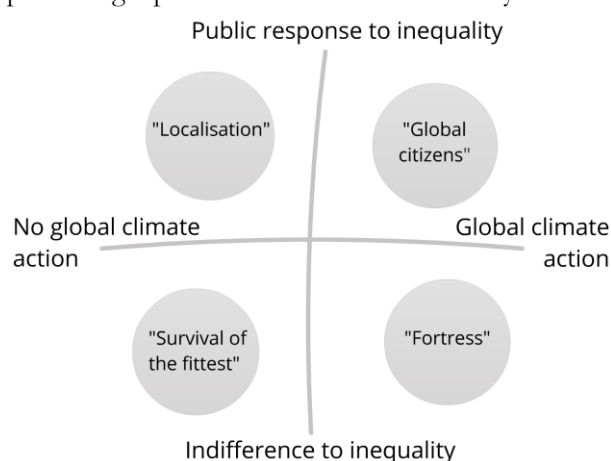
- scenarios can tell us about a possible future environment in which an institution, organisation or sector is embedded. By doing so they feed additional information into decision making processes, uncover hidden policy choices, facilitate risk assessment and management and stimulate discussion of policy choices;
- scenarios can be used to reflect on the robustness of a particular strategy or policy by integrating it into different future scenarios and evaluating and comparing the consequences in each of them;
- scenarios help the users to imagine, monitor and anticipate game-changing events. Actors that have done a scenario planning exercise are more likely to discern important trends early on, gaining time to prepare, seize the opportunities and deal with the threats;
- developing scenarios is a group process which encourages knowledge exchange and the development of a common vocabulary and a mutual understanding of key issues for the future of an organisation or sector.

1.3 Scenario planning process

Different method and processes are used in scenario planning, but most of these approaches have a set of distinct steps in common (Searce & Fulton, 2004; NCVO, 2006). The first step is to **identify and define the scope** of the scenario planning. This implies deciding upon the timeframe and on the main issue at stake. How far ahead (in years) do you want to explore the future and what question do you want to focus on?

The second step is to **map the driving forces of change**. This means identifying, defining and synthesising the variables that might be important in shaping the future. It also means differentiating between 'predetermined elements' or trends that are relatively certain over a given future timeframe, and 'critical uncertainties' that are highly unpredictable but could have a major impact on the focal issue of the scenario planning.

The third step is **building the scenarios**. This is often done by combining two drivers that are very important to the focal issue as well as highly uncertain, and positioning them on two axes that frame the poles of what seems possible in the timeframe you are dealing with. These axes form a matrix with four quadrants, each representing a possible future characterised by a different combination of the drivers' outcomes and by a catchy name. However, scenarios do not have to represent the four possibilities you get when combining two interesting drivers. It is also possible to compose scenarios by using more than two drivers, for example by selecting the most challenging scenarios out of a set of matrices (cf. 1.4.2). Once the core ingredients of each scenario are clear, they need to be translated into plausible and compelling scenario narratives.



The fourth step is to **use the scenarios to imagine and prepare for different future** outcomes. This implies reflecting on the challenges, opportunities and risks of each of the alternative futures, and considering what options and implications they would have. The patterns and insights that emerge (for each scenario and across the different scenarios) can be used as build-

ing blocks of a strategic agenda. The scenarios can also be used to test how ‘future proof’ a policy choice or course of actions is.

Ideally, developing the scenarios is complemented by **monitoring**. In this phase, different mechanisms are created to track a set of indicators that offer an indication of which scenario is unfolding. This can provide valuable information and signals on how the environment is evolving, which of the different scenario implications are becoming more pertinent and which strategies more relevant.

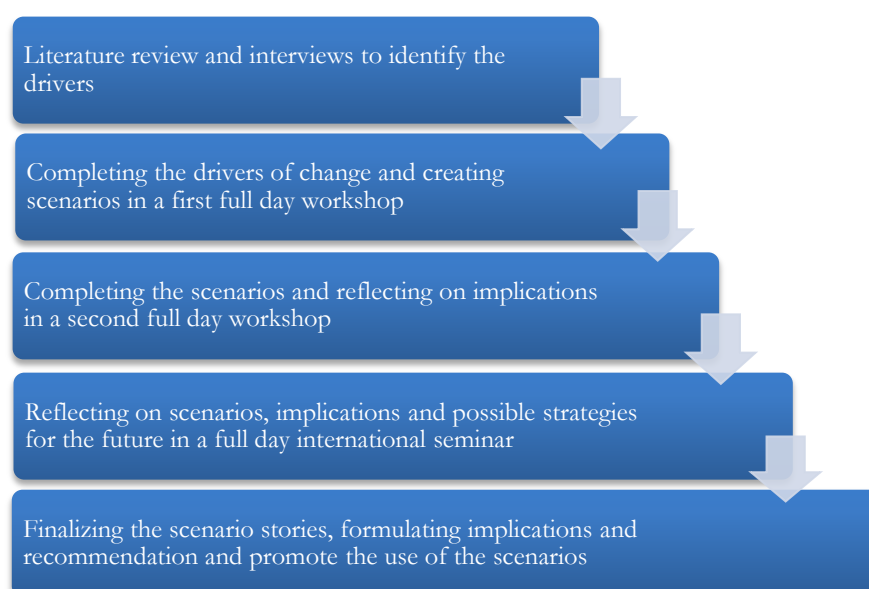
In building and using scenarios, there are some **traps** to be aware of. First of all, scenarios should be plausible but not necessarily probable, as we use them to prepare for unexpected events, not for what is most likely to happen. Secondly, scenarios that are too fact-based leave less room for speculation, innovation and conjecture, thereby limiting the future horizon. Thirdly, scenario planning is a group process and part of its success depends on involving a diverse group of scenario builders, preferably the end users, in order to have robust scenario stories as well as to build credibility and legitimacy.

Further reading

Clever step-by-step guides on how to use scenario planning in a non-profit context are "[What if? The art of scenario thinking for nonprofits](#)" by the Global Business network, and 'Tools for tomorrow. A practical guide to strategic planning for voluntary organisations' by the National Council for Voluntary Organisations. Another must when preparing a scenario planning is to study existing scenarios by other organisations or sectors, which often provide valuable insights and inspiration.

1.4 Research steps

On the whole the research process respected the step-by-step approach to scenario planning, with additional literature review and interviews as a tool to collect more information on specific drivers or to add a missing stakeholder perspective to the mix.



1.4.1 Literature review & interviews

The research started with a set of exploratory and grounding interviews, combined with literature review. A set of meetings organised by 11.11.11, the umbrella organisation of the Flemish

North-South movement, in September and October 2011, with their different stakeholder groups (private sector, trade unions, youth, volunteers, and academics) provided a first opportunity to take note of the different stakes and views on development cooperation in general and on development NGOs in particular. After this introduction, HIVA performed a set of 28 semi-structured interviews with policy makers, opinion makers, academics, practitioners and entrepreneurs in the field of development cooperation and related sectors (cf. annex 1). These interviews were designed to sound out the interviewees on what they expected to be determining trends in the field of development cooperation in the coming decade. The interviewees were also invited to comment on what according to them would be the main challenge for development cooperation, and to explain why they were feeling optimistic or pessimistic about the future of development cooperation. In a set of follow-up questions participants were then asked about their opinions on the changing role of the different actors in development cooperation - government, NGOs and CSOs, and the private sector. Based on the interviews and literature review, HIVA then compiled a first draft document, summarising the different trends that are considered 'driving forces of change' (cf. chapter 2).

1.4.2 Workshop 1 (December 13, 2011)

Workshop 1 provided the opportunity to use the insights and experience of 22 policy makers, practitioners, and experts from different backgrounds (CSOs, bilateral cooperation, private sector, university) to test and complete the selection of 15 drivers, evaluate their potential impact and uncertainty, and use them to build scenario stories. This was done step-by-step, during an intensive full-day workshop facilitated by the international strategy consultancy firm NormannPartners.

Timeline of the past - Participants received the instruction to go back in history and identify major issues or events that changed or shaped the context for development cooperation. By doing so, participants were reminded of how diverse game-changing trends and events for global development had been, as well as of how much change was actually possible in the time span of a decade.

Exploration - During a break participants could go for 'a walk' through an exposition where famous quotes, quotes from the interviewees, graphs and pictures visualising certain topics, future trends and global challenges were displayed. Participants used this time to collect their thoughts, observations, dilemmas and questions on post-its.

Presentation of the drivers - Participants were introduced to the different driving forces of change through a short presentation which gave a state of play of each driver and briefly pointed out the different directions a driver could evolve in.

Prioritising drivers - In the room 15 blank posters, each headed by one driver, were attached to the wall. Participants were asked to accommodate their post-it thoughts on the different posters. By doing so they enriched the information on what issues each driver raised. They also concluded that there were three drivers missing, and added them on additional posters. Next, participants could each cast 10 votes on the drivers they considered the most important drivers of change. The 6 most popular drivers were then selected as the base for a first set of scenarios (cf. annex 2).

Developing first level scenarios - In groups, participants decided upon the extreme outcomes or end states of two drivers by 2020. These end states became the far ends of two axes, shaping

a matrix with four quadrants each representing a totally different world in 2020. They then describe each world, brainstormed on the events that would lead up to it, created a timeline and named each scenario. When doing so they were encouraged to use the material available on the remaining drivers on the wall. By the end of the exercise there were 12 first level scenarios.

Selection and fusion of scenarios - In a next step scenarios that were too catastrophic or too rosy were excluded, but participants did not feel many of the scenarios were either of them. We therefore proceeded by integrating and fusing scenarios that resembled each other or overlapped. Three major scenarios remained.

Second level scenarios - In three groups the participants then developed the scenarios further: they described the end state (2020) at a high level, they agreed on a storyline, they identified the most important driving forces, they reflected on a system logic that would underpin the scenario and they created a timeline and a chain of events leading up to the scenario (cf. annex 2).

Workshop 1	
Input	Draft document of 15 driving forces of change Short presentation of the driving forces of change Visual material and quotes
Output	A confirmed list of drivers A set of three scenarios
Participants	22

1.4.3 Processing workshop 1

The first workshop delivered three distinct scenarios, but not without some question marks and areas that required further clarification. First of all, due to unforeseen circumstances, the composition of the participant group was marked by a clear underrepresentation of private sector and global South representatives, and more CSO representatives than originally anticipated participated. A second important point was that at the end of the workshop one of the scenarios, called 'Paradigm Shift' was criticised as being utopian and implausible (cf. annex 2). We followed-up with several additional interviews to address the limited input from the private sector and global South, and to test the Paradigm Shift scenario. This approach resulted in a lot of additional input that helped us to rephrase the Paradigm Shift scenario without changing its core idea, as well as to strengthen the stories of the two other scenarios.

1.4.4 Workshop 2 (January 17, 2012)

The three revised scenario stories served as input to the second workshop, in which the aim was to affirm and polish the scenarios as well as to reflect on the possible implications of each of the scenarios for the different actors in development. Again a step-by-step approach was taken, designed and facilitated by NormannPartners.

Presentation of the three scenarios - The second workshop started with quite some suspense, as the new, adapted versions of the scenarios were presented to their original creators through a visual presentation.

Individual reflections - In order to get an idea of the first impressions of the participants on the scenarios, a short exercise was introduced in which the participants each had to write down 3 adjectives to describe the scenario, what they liked best/most about it and who they consid-

ered to be the winners and the losers in each scenario. This information was important to find out whether the scenario stories were able to convey their key messages.

So what? - In a next step the participants, divided into three groups, rotated between three tables, each one devoted to one scenario and headed by a reporter. Taking a different scenario perspective at each table, they were asked to discuss in group: What does the scenario mean for development cooperation? How will the driving forces impact upon the situation in each scenario? How will this change the goals, actors and tools of development cooperation? After completing the exercise each group reported on the commonalities and differences between the scenarios, while the three reporters reflected on the commonalities and differences they noticed across the different groups.

Understanding the scenarios - A final exercise was aimed at increasing the participants 'feel' for and understanding of the different scenarios. This was done through role playing. Participants were welcomed to the 7th High Level Forum on Aid Effectiveness, taking place in Brussels on 7th of September 2020, and devoted to the topic 'What is the future of development cooperation?'. They each received an invitation specifying in what capacity they were participating. Some of the representatives present: the head of Third World Network, the minister of development cooperation of the Netherlands, the director general of UNDP, the chair of SS-Gate (Chinese development agency), the chair of OECD/DAC, head of EMEA of Proctor & Gamble, the head of African Affairs at the WTO, an editor of Al Jazeera, head of Business Europe, the programme manager of TATA Foundation. Again the different groups rotated from one scenario to the other, each time discussing what their priorities were, who their collaborators were and what had changed compared to the previous scenario.

Lessons Learned - At the end of the day each participant reflected briefly on the main lessons or ideas he/she took home from the workshop, followed by a plenary discussion on the course of the day, the relation between the scenarios and the weaknesses and strengths in the process and the scenario stories.

Workshop 2	
Input	Three one pager scenario stories
Output	An individual comment of all participants on the scenario stories Audio records and workshop notes on implications of each of the scenarios
Participants	18

1.4.5 International seminar (February 16, 2012)

Through previous research rounds we mapped different drivers of change, developed scenarios for development cooperation in 2020 and collected information on what the implications of these scenarios would be for the different actors in development. Each time we created the opportunity to present and discuss the research output, before continuing to build on it. The international seminar, organised in Leuven on February 16, was another such opportunity. During this seminar we presented the preliminary research results to a multi-stakeholder audience of 140 participants and speakers. The objective of the seminar was to share the research results in order to inspire ongoing strategic planning processes in the sector of development cooperation on the one hand as well as to present all participants with an open invitation to give feedback on the preliminary research results or to become involved in the debate on the future of development cooperation.

2 The world at large: driving forces of change

This chapter provides an overview of 15 drivers of change, which have been selected for their plausible impact on development cooperation in 2020. While it is impossible to predict how exactly they will play out, this section explores briefly how each of them might affect development cooperation and global development in general. The choice of drivers is based on a literature review of similar scenario planning exercises and a range of research reports on various topics of development, as well as on interviews with 28 experts/practitioners during phase 1 of this research (cf. annex 1).

The 15 drivers we selected as having a plausible impact on global development by 2020 are:

1. global development in a multipolar world?
2. expanding financial crisis?
3. runaway climate change?
4. saved by technology?
5. more poor in middle income countries (MICs) and West?
6. the growing scarcity of (natural) resources?
7. the public response to growing inequality?
8. the state in the shadow of other actors?
9. civil society under threat?
10. the private sector pushed onto the development agenda?
11. the proliferation and diversification of development actors?
12. impact of migration on North and South?
13. power shift to the local level?
14. an expanding instrumentarium to work for development?
15. unbalanced demographic growth?

In the following section each of drivers is presented, the implications for global development explored, and enriched with quotes from the interviews from phase one of the research, or with quotes from relevant authors.



Different points of view

“For a long time, the idea was that the whole world required our model, our type of social security, health system and education. That idea is flying totally into pieces. We are no longer ‘the’ norm for all things.”

“The power relationship between traditional donors and developing countries has changed enormously, especially in Africa.”

“There are emerging economies but there is no longer (global) leadership, so the problem is, we are confronted with challenges that are global while there is no global government or leadership.”

“We talk about things in our Greek democratic arena, and have to work towards consensus. But the Chinese do it, remarkably, and Brazil also. In many areas they are looking at the things systemically or holistically. They are actors that we are gazing at.”

“China will have a major impact in the next 12 years. The regime will, however, have a harder time maintaining the level of discipline in the system, and the increasing amount of people in the middle class will lead to upheaval in the way the system is governed.”

“Emerging regions will redraw the power balances in the world and the way we do development and international cooperation, not only in terms of North-South, but in all directions. The question is whether a paternalistic concept such as ‘aid’, will survive.”

2.1 Global development in a multipolar world?

Are the emerging economies re-shaping our world economically, politically, and socially?

While many Western countries are struggling to shake off a severe financial and economical crisis, a range of emerging economies (China, India, Brazil, Russia, South Africa, ...) are challenging existing international power balances economically, politically and socially.

Since the end of the cold war, observers have put forward the idea that we are moving towards a multipolar world. Over the last decade, this process has accelerated significantly. The spectacular economic growth of countries such as China, India and Brazil is changing the international financial and economic status-quo. Goldman Sachs predicts that the BRIC countries will account for one third of the global economy by 2020. The role China plays in bailing out Europe and the US, both struggling with a severe debt crisis, is only one sign of the changing economic constellation. This economical shift also translates into a changing balance of political powers at the international level, shown for example by the increased visibility of the G20, the growing pressure for reform in pivotal global governance institutions such as IMF and UN, or by the central role of emerging economies in ongoing international policy processes (e.g. UN climate negotiations - Durban 2011, High Level Forum on Aid Effectiveness - Busan 2011). The rise of these new economic powers also means that established views on how society should be organised and which development models should be promoted at home and in the South, are being challenged, including regarding aspects such as democracy, human rights and the role of the state.

Critical reports emerged over the last few years about the sustainability of the growth path of the BRIC countries, but most current studies suggest that the BRIC countries will continue their growth path over the next decade. How fast and how strong the emerging economies will continue to emerge remains to be seen. Also uncertain is how this will impact on the existing global governance institutions or to what extent a multipolar international system would be more conflict-prone. In combination with the uncertainty on the depth of the financial crisis in the West, these issues raise the question of whether we are entering an era of new global partnerships to combat global development challenges, or whether we will see a multipolar version of the Cold War?



2.2 Expanding financial crisis?

Where will the financial crisis and economic malaise lead us?

The financial crisis in Western countries lingers on and has many repercussions. It caused a broad economic malaise, wreaked havoc in the EU's financial health and raises fundamental questions about the financial markets. Will it trigger more regulation and European integration, or should we expect business-as-usual? Are we heading for a

global economic melt-down? And how does 'development' happen in such an uncertain setting?

What started off as a mortgage crisis in the United States (2007), quickly spread to the rest of the world through interdependent financial markets. As banks in the US, Europe and Asia got into troubles, so did business. The global economic downturn was felt in Europe from 2008 onwards. Governments responded with a bank bailout totalling around 2,000 billion euro in the EU alone, stricter regulation on bank supervision and several European aid and recovery plans. When in 2009 the first economic recovery was being felt, a new problem arose: the euro debt crisis. The massive public debt in Greece and several other European countries undermined the confidence in the euro and was the beginning of a downward spiral of raising interests and more debt. Whether the austerity measures and internal EU solidarity will break this spiral, and what the final political repercussion of the crisis for the EU will be, remains to be seen.

In the meanwhile, resistance against the austerity policy in some countries, as well as against contributions to inter-European solidarity in other countries, is growing significantly. The economic turmoil of recent years also raises fundamental questions about the interdependent and poorly regulated financial markets and translates into increasing support for a transaction tax. It is also often cited as one of several symptoms of a much wider systemic crisis of the dominant neoliberal development model. The rise of the emerging economies on the one hand, and how the economic situation as well as the political responses (in particular the EU integration agenda) will unfold on the other hand, will determine which actors will be calling the shots in the global development debate, as well as the kind of development models that will be propagated.

Different points of view

“An important factor is the implication of the current crisis in West-Europe for the future concept and mandate of the state. Since development cooperation is mostly about ODA, which means public funds, this will have major repercussions.”

“In times of economic crisis people tend to ‘shut down’, and focus on their own problems first before thinking about the rest of the world. (...) NGOs will be under terrible financial pressure, and it will not be over quickly.”

“We always give crisis a negative connotation. We should think: ‘It’s crisis! Yeej!’ It might be the beginning of something better. And this system is not that great that we don’t want it to change, right? EU in crisis? The EU we had wasn’t working anyway. Wall street in crisis? Let us kick their ass. It was about time!”

“It raises the question whether the global economy will be reformed. Will we get a regulatory system and international taxation between now and 2020? I think it will be hard for there not to be. But will it be done for people and planet or for corporations?”

“Insecurity is a worry across different income streams, especially for small NGOs who are very vulnerable to these changes in government and public appeal. (...) I would not be surprised if there are a lot of mergers. I would hope so, because there are too many NGOs.”

“An important trend is that the grab culture in the financial sector is being questioned. It questions a fundamental assumption in our capitalist sector: who grabs most, is rewarded. May be we need a different system that rewards the ones that creates most added value. We are questioning several fundamental assumptions. We don’t have a choice.” “The world is too small and economy too big.”

“You always need checks and balances. A system that controls itself, will always corrupt in the end. There needs to be a party that has the mandate and authority to supervise. But it does not mean NGOs should take this task.”

Different points of view

“One of the big issues that will change the needs on the ground: climate change and its impact on the agricultural climate and food insecurity.”

“On the environment side we are clearly hitting a tipping point and it will create a cascade through whole supply chains.”

“Climate change is an issue of development and not just of development cooperation. Due to the lack of funds to cover climate adaptation and mitigation, the demands caused by climate change will become an important aspect of development cooperation, even though in principle climate finance should stay separate from development cooperation.”

“The climate crisis is a very confusing trend. It is an unpredictable thing, used for all kinds of purposes.”

“Both in the North and the South, organisations will focus on climate change more and more, but it remains unclear how separated the funds will be (from development cooperation). They (organisations) follow what the market has to offer, and their new focus will be at the cost of other themes, without a thorough reflection underlying that shift.”

“Our development cooperation seems to be detached from national interests: we show solidarity but no real engagement. Believe me, it will change when the first climate refugees arrive. And they will.”

2.3 Runaway climate change

How will climate change (policy) affect global development?

Warnings for the major negative impact of climate change on human development, especially in the global South, are manifold. In the mean time bottom-up climate action - although on the rise - remains marginal, and the top-down quest for a global climate policy is running far behind the facts.

Weak climate pledges put our world on an emissions pathway that leads us to an average temperature rise of 3°C to 3,5°C by 2100. According to the UN Environment Programme (UNEP) the current pledges mean that by 2020 we will be at least 6 billion tons of emission reductions short of keeping global warming below the 2°C threshold for ‘dangerous climate change’. That is about the equivalent of the annual US emissions (UNEP, 2011). And the International Energy Agency (IEA) predicts that unless there is a ‘bold change’ of policy direction in the next 5 years, the world will be locked into an insecure, insufficient and high carbon energy system (IEA, 2011). While science is getting more precise in its predictions of what will happen then (more heat waves, more drought, stronger storms and rising sea levels), uncertainties remain about the intensity and the timing of the effects of climate change. But it is clear they will pose a grave threat to ecosystems and human societies worldwide. The climate summit in Durban (2011) confirmed once again that the political will to take bold steps is missing. The lack of a sense of urgency contrasts strongly with the scientifically backed claims that time is running out.

How bad will it get, and how fast will it get bad? Impacts of climate change on food security, water availability, coastal regions and small island states, health issues and disaster occurrence will definitely shape the context of development and development cooperation. But also climate policy, or the lack of, has the potential to change crucial parameters in development thinking and development cooperation. Whatever happens, climate change (policy) will surely affect the agenda, actors, funds and funding channels in development (cooperation). But how?



2.4 Saved by 'technology'?

How will technological innovations change development (cooperation)?

Although incredibly hard to predict, technological innovations have the potential to determine future challenges and opportunities for development. The role of social media in the Arab Spring, and the endless applications of mobile phones in Africa (banking, farming, ...), are clear examples, but also in other domains 'inventions' could change the future of development (cooperation).



About 40 years ago computers connected in a network communicated for the first time with each other. Around the same time the first mobile phone was invented. Both inventions set the stage for a communication revolution, which worldwide led to

4.6 billion mobile phone subscriptions and 2.1 billion internet users by 2010, of which 75% uses social media (ITU, 2011). These technological innovations dramatically reshaped the way people communicated at a global level, and have extensive consequences for how we interact, for how we organise our economies and for how we exchange ideas. With the internet and wireless technology set to overtake traditional media, we have a chance to build a more egalitarian communication system, levelling access to information worldwide. Observers indicate that we moved from an era of increased connectivity to one of hyper-connectivity, where two-way and instant interaction between citizens and the state, or clients and business becomes a reality. This could have huge implications for organising and mobilising people, whether it be for a noble or a bad cause (e.g. terrorism). It also raises concern on how to protect against privacy violation, internet crime and cyber terrorism.

Communication is but one aspect of the technological endeavour. Maybe a breakthrough in renewable energy production or in carbon capture and storage is just around the corner? Maybe a portable digital translator will help us transcend Babylonian language hurdles? And what about the possible impact of innovations in weapons technology or medical science? The potential of technology to change our world is beyond imagination, which often leads to people either believing it will solve everything, or people stressing we should not count on it at all. The repercussions for development cooperation are often underestimated. They not only touch upon the possibilities for interaction, connection, participation, mobility and organisation, but also affect the lives of people and the development needs directly.

Different points of view

“10, 15 years ago nobody would have predicted that a major factor in development in Africa would be the mobile phone. Pastoralists now call each other when they have found a good grazing spot, women can check market prices in neighboring villages or cities.”

“Technology. It affects all of us directly, even the poorest people. But then, how do we use it to galvanise some kind of global movement? (...) What will happen (with social media and internet)? May be it ends up being closed down, and becomes the purview of the elite?”

“This presents huge possibilities. For example in the field of human rights. Or look at the Arab Spring: social media allow you to tap into a global structure right away. Before, this would have taken years of mobilisation!”

“We can not stop the communication revolution. We need to be aware of it and organise differently. People, our public now expects to interact with you. It means we don't have control over everything and it forces me to become a twitterer: I now have to think of interesting things to say several times a day.”

“Social media give us some technological possibilities, but you also get the feeling that we are drowning in more and more communication channels. Being present in all these different channels comes at a cost for the quality of the message we bring there.”

“We are heading for a WikiLeaks periode. It will force us to change the way we think about and deal with confidentiality, internal documents, transparency and whistle blowers.”

“Development without internet would be the equivalent of industrialisation without electricity in the industrial era. This is why the often heard statement concerning the need to start with 'the real problems' of the Third World' - meaning health, education, water, electricity and the like - before coming to the internet, reveal a profound misunderstanding of the issues of development” (Castells, 2001).

Different points of view

“It’s time to focus on poor people - instead of on the poor countries.”

“We need a much more nuanced approach. We need to think about where is wealth and where is poverty. Poverty is not something that happens in Malawi. It happens everywhere. It is a much more global phenomenon.”

“In view of the growth path of the Middle Income Countries, we can expect that in 30 years time all the poor are back in Africa.”

“50 years ago, you had the developed countries and the developing countries. Now it is one big continuum.”

“We need an approach that looks at poor people, wherever they live, and focuses on new partnerships between governments based on shared responsibility and accountability to the poor.”

“Is development still about poverty or rather about inequality?”

“Current programs do not take into account globalisation sufficiently. The decompartmentalisation and the adaptation to new realities are progressing very slowly. For example, subsidy programmes consider the eastern part of East Europe not to be a developing area. Even NGOs with a long tradition in poverty don’t, because marketing-wise it doesn’t ‘score’ well. The same goes for connecting the ‘third world movement’ with our own ‘fourth world’. It would bring the problems too close to home, and this is considered bad for organisations’ image.”

2.5 More poor in MICs and West?

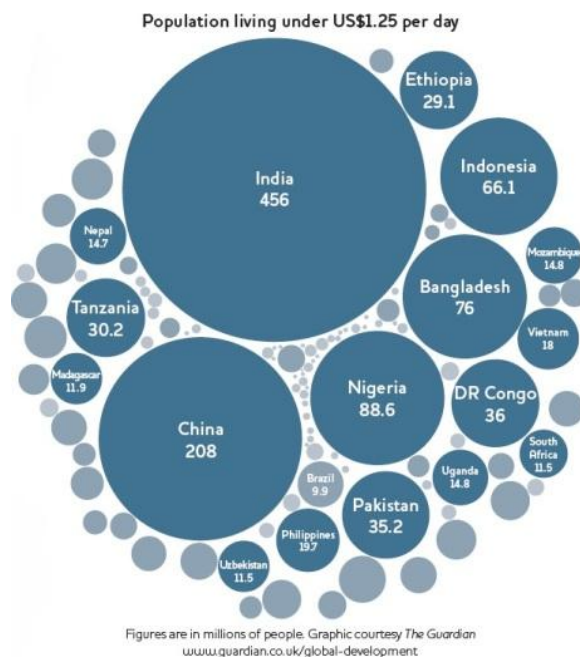
Will the ‘new bottom billion’ change the way we look at poverty?

The majority of the poor no longer live in the poorest countries, but in Middle Income Countries (MICs). And also in ‘the West’ the number of poor is on the rise. This new reality is hard to combine with the traditional divide between North and South or rich countries and poor countries. If development is about poverty, what are the implications for development cooperation?

In 1990, 93% of the world’s poor lived in low income countries (LIC). In 2011, more than 70% of the world’s poor live in middle income countries, and most of them in stable and non-fragile countries (Sumner, 2011). Even within the European Union (EU), the economic strong holders are experiencing the most worrying trends: the UK has the EU’s

highest level of relative poverty and income inequality, and child poverty is particularly on the rise in Germany (OECD, 2011). The ‘bottom billion’ no longer lives in low income countries, and poverty doesn’t seem to respect our neatly drawn lines between rich and poor countries. What does this mean for development cooperation, traditionally focused on the poorest countries?

The EU announced in 2011 that, in line with its differentiation policy, 19 middle income countries would no longer receive bilateral aid grants. Instead they would benefit from new forms of partnerships. Consequently, when countries get promoted from LIC to MIC, the growing amount of poor within them may lose out. Many other fundamental questions arise: Are the tools we are using to map the needs matching the complexity of poverty? It adds up to a fundamental questioning of the usefulness of the North/South divide, the adequacy of the current development policies, and the relevance of international resource transfers as main traditional aid instruments, since some countries could increasingly use domestic resources to fight poverty.

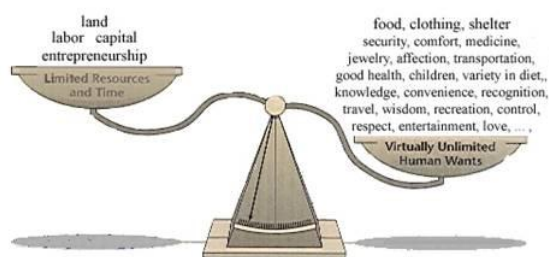


2.6 The growing scarcity of (natural) resources?

Are we reaching our limits and will we have to buckle up?

It has been stated time and again: the natural resources we depend on are limited. Our current use of many of them is considered unsustainable, but global consumption as well as global population continue to grow. Yet 'running out of things' is not the only worry. The unequal access to and use of natural resources is a second major concern.

SCARCITY



With world population, world economy and the detrimental impacts of climate change all increasing, key assets such as energy, water, forests, land and biodiversity are becoming scarcer. Competition between different land uses - for food, feed, fuel, habitation or conservation - is increasing.

Water demand is already above sustainable levels, but is projected to increase with up to 50% by 2025 (Rosegrant et al., 2002). Humanity today uses the equivalent of 1.4 planets to provide the resources we use and to absorb our waste. At this rate we will need two planets by the middle of the century, at the latest (Done, 2011; MEA, 2005). Accessing fossil fuel supplies is becoming harder. Consequently competition and prices are on the rise. Scarcity is not just a given, it is also a political construct, shaped by power relations at all levels, from the local to the global village. It therefore is as much a consequence of finite resources as it is the result of the distribution of the access to and income of resources.

Resource scarcity affects development at many levels. Food and fuel price spikes affect the most vulnerable disproportionately hard, and resource scarcity is a key factor determining the capabilities of people everywhere. Resource scarcity is considered to be a cause for conflict, making it not only a development issue but also a security issue. It presents us with a nod of interconnected challenges, and it triggers different responses. Will it lead to resource nationalism (with nationalisation of farms and oil field for example) or will a belief in the hail of a free market for resources prevail? Will countries and companies secure their access to resources by buying up land, or by investing in long term relationships with local suppliers and producers? Will scarcity be a driving force for increased efficiency? Will it be a catalyst for collective international action, or for competition and conflict? And finally, it also triggers a more fundamental debate about how sustainable it is to put economic growth at the core of our interpretation of development.

Different points of view

“A crucial question is the distribution of resources. It is not just about economics. Do we accept an end to growth? Do we accept that we need to better redistribute the resources we have? Do we recognise that part of the world is abusing others' resources? Do we consume less? Are we prepared to change the way we do things?”

“In a supply constraint world, there is a real imperative to invest in agriculture, in Africa, and even with small scale producers.”

“We need the global trade to distribute the risk and increase the interdependency.”

“If scarcity and economic uncertainty continue, in 10 years time, trade will have shifted from grabbing and short term contracts, to a trade based on long term relationships with the producers, and with an underlying conviction that 'I can grow only if you are doing well'.”

“By 2050 economic growth has tripled. Either we've solved it by then, or it doesn't matter anymore because we've dropped some nuclear bombs and only 100 million people are left on the planet.”

Different points of view

“There is an incredible ability to create wealth, and a total inability to distribute the wealth in ways that maximise the potential of the whole system.”

“Rising inequality will in the end trigger mass mobilisation. And because it is more and more becoming a universal issue it provides a unifying agenda to rally on.”

“If we talk about global economic justice, tax is going to become big. Making sure international cooperation, financial institutions, super rich and the church are paying their tax. These are issues that will become more political, because they affect everybody and the people are getting angry about it.”

“If we are serious about a world which is much more equal, just and equitable, than gender inequality is the issue we have to tackle.”

“An important trend is questioning the grab culture in the financial sector. It questions a fundamental assumption in our capitalist sector: who grabs most, is rewarded. Maybe we need a different system that rewards the one that creates most added value. We are questioning several fundamental assumptions. We don't have a choice. The world is too small and economy too big.”

2.7 The public response to growing inequality?

Will inequality be answered by a public outcry or by increasing entrenchment?

Inequality, between the rich and the poor as well as between men and women, remains a constant feature of global development, and is even on the rise. The political as well as the public response to this global challenge remains unpredictable.



While measuring inequality is hampered by methodological challenges, the claim still stands that the gap between rich and poor, both within and between countries, is growing bigger, including in OECD countries (OECD, 2011). The 2011 World Development Report, on its turn, stresses the link between inequality and conflict, a major obstacle for development (World bank, 2011). The Occupy movement has been one of the public responses to the current situation. The success of populist parties in Western Europe is explained as another response by people that are insecure about the future. However, inequality continues to have many faces. Also between men and women inequality remains a burning issue. Intimate partner violence is the most common violence women are confronted with. This means, to put it bluntly, that women are safer on the streets than in their own living room. Although countries are taking steps towards gender equality, discrimination and violence remain firmly rooted in cultures around the world. Are the current development models capable of addressing the many faces of inequality (limited access to health care and education, (gender) discrimination, ...)? Will inequality trigger a public outcry and mass mobilisation, forcing political action? Or will both public and the political class give in to a protectionist reflex?

2.8 The private sector pushed onto the development agenda?

Is the rise of the private sector on the development agenda pushing a development model that prioritises growth before redistribution?

A range of drivers are pushing business solidly on the development agenda. Some large-scale initiatives around sustainability and responsible business by multi-nationals, together with the emergence of very powerful corporate foundations have made a range of observers and policymakers euphoric about the potential of the private sector. Others question the developmental potential of the private sector, especially its ability to deal with the 'prisoner's dilemma'.



Thinking about development and development cooperation has been characterised by a succession of paradigms in which a differing division of labour between the market, the state and civil society has been a main element. Currently seven important drivers are seen to trigger a renewed interest for the role of the private sector in development: (1) the financial crisis and the possible implementation of alternative financing mechanisms that might mobilise private sector funds for development, (2) the prevailing assumption amongst policy makers in government and the private

sector that business would be good (or even better) at delivering on aid effectiveness, (3) the expected impact of climate change on global food supply chains as incentive for investment in sustainable business models, (4) the central role private sector plays in the development strategies of some emerging economies (e.g. China), (5) external pressure from watchdog NGOs, trade unions and media to improve the social and ecological business practices, (6) the political preferences by right wing governments in a number of European countries for a larger role of the market in the governance of aid, and (7) the emergence of new attitudes towards entrepreneurship and its role in society, visible in the attention for social entrepreneurship, inclusive business, corporate social responsibility (CSR). One can observe that especially Western governments are actively calling for inclusive partnerships for development (Busan, 2011), in which public-private partnerships are expected to play an important role. But also the work of corporate philanthropic foundations and the issuing of sustainability labels is gaining momentum. Two important questions can be brought forward. First, to what extent are we witnessing private sector strategies that go beyond philanthropic activities and in which social and ecological sustainability become part of the core-business model? Secondly, the debate is biased towards Western companies and MNCs. Where does the private sector in the South come in?

Different points of view

“As a consequence of the scarcity and changing power relations, companies are trying to safeguard their own production. This results in a trend to look in a very business-like way to sustainability... It's no longer about sustainability because it is 'the right thing to do', or because it's good PR and saves energy, but rather because of absolute necessity. (...) So, suddenly industry is running much faster than the NGOs, but with a different value-system: NGOs because they see a victim, a firm because their producers need to be able to deliver... This scares NGOs, because their previous image of 'business as an enemy' is no longer correct.”

“There are many well minded, open-minded people in companies, but they face a prisoner's dilemma, being responsible creates disadvantages to those who externalise the costs. Most of the voluntary (certification) mechanisms come from rather dodgy companies, mostly big, with a very good and secure market position, even monopoly. They can afford such voluntary initiatives.”

“There is an obvious contradiction between developmental aims and for-profit aims. How to marry them? Look at the mining sector, the pharmaceutical sector, ... they are not reliable partners for us. In addition, it is only about multi-national cooperations (MNC), not about the domestic private sector, cooperatives, ... Should we use aid money to serve the MNCs?”

“So I'm not against investment in the private sector, but investing in a private sector that actually feeds people, enforces human rights and is based on a real analysis of what is going on and not just a western idea of what private sector should look like.”

Different points of view

“A few weeks ago, the director of (a large Dutch NGO) was asked to ring the bell of the Euronext Stock Exchange, it probably had to do with the corporate programmes they are exploring. I heard that he felt strange when he left the building afterwards, and suddenly saw the tents of the Occupy movement in front of the building.”

“Another thing that is really shaping our sector at the moment, is international NGOs flocking to business as the only answer to poverty. (...) On the other hand, I was at the CIVICUS assembly 2 months ago, ... and their big conclusion was that every NGO type of organisation that is not really supporting a people's movements has no role to play, they are not part of the solution, but of the problem. (...) And that's almost like a pattern of life in a living system: you go from less organised to more organised, it moves to the centre (becomes mainstream), and eventually it dies at the centre ... then eventually it has to separate again, it needs to differentiate again.”

“NGOs should stick to their traditional role more. Not just in developing countries, but also in Europe. I was part of it for 10 years, and during that time I have mostly ‘cooperated with government’. I should have been much more critical. If we continue on this road, we no longer are organisations that look at things critically, we will just be developing the programmes of the government. And we should have worked more in the Netherlands. Poverty is growing here as well, and we need to connect to story of poverty here and poverty there.”

“Clear that any NGO needs to try and find a balanced and diverse set of income streams to avoid any major independence. It is not only sound financial management but it is also sound political management.”

2.9 Is civil society under threat?

Is civil society more and more under threat worldwide, and are Western NGOs entering into a midlife crisis?

In a growing group of countries (Israel, Brazil, Ethiopia, Cambodia, South Africa, Russia, Zimbabwe, ...) new legislation for civil society organisations (CSO) is curtailing the freedom of CSOs, and cutting them off from foreign funding. At the same time, after the golden 1980s and 1990s, where NGOs were seen as the big alternative for failing states and bilateral cooperation, Western NGOs are now less central in the development debate, receive more criticism, and changing realities in their working environment might trigger a search for new identities.

In their annual overview of the state of civil society worldwide, CIVICUS maps trends in the way governments and other actors are dealing with civil society in their countries. While previous decades have been characterised by what has been



described as an ‘associational revolution’, in recent years civil society space is shrinking worldwide. In many Southern countries, restrictive legislation is used to control and obstruct the activities of ‘difficult’ CSOs. Often new legislation is introduced in response to individual cases of corruption in CSOs. On the other hand, platforms such as CIVICUS, international trade union structures, and international human rights organisations are benefitting from improved access to the internet, even in very remote areas.

At the same time, Western NGOs are facing a more hostile funding environment in some European countries. Apart from a small group of very large international NGOs (Oxfam, Plan, etc.), many national NGOs are predicting hard times to come. We see three main drivers for this trend: (1) the proliferation of the many new actors in development (4th pillar in the North and new CSOs in the South) has sharpened the question what distinguishes and is the added value of NGOs compared to these new groups, (2) Western NGOs have been well-funded by government over the last decades, which has had a number of perverse side-effects, according to many observers, and (3) a range of typical NGO principles and practices have become mainstream in the sector, raising questions about their unique selling proposition.

2.10 Is the state again in the shadow of other actors?

While ODA budgets continued to rise up to 2010, due to the financial crisis and aid-fatigue, governmental aid made a dip in 2011 and is expected to see further shrinking budgets in a range of countries. And while a number of global challenges require concerted efforts and more multilateralism, a growing group of Western countries is re-nationalising its aid and avoiding risks in an attempt to increase visibility and satisfy growing accountability demands at home. The new inclusive Global Partnership for Effective Development Cooperation (Busan, 2011) attempts to revive earlier commitments and embraces new aid players (emerging countries, private sector, ...), but many questions remain about the interests and motives of all parties to harmonise their activities. Are we therefore seeing the end of internationalisation of aid, and an increase of bilateral aid in view of the own national interests?



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Since 2008, a deepening financial and economical crisis in OECD-DAC countries is translating itself in aid budget cuts in some countries (e.g. Netherlands, Italy, Belgium, ...), and expectations are that more countries will follow. New financial commitments for other development challenges, such as climate change, are therefore partly off-set by cuts in traditional aid budgets. Earlier attempts to harmonise the work of the European bilaterals via the EU-Code of Conduct, are proving fruitless with large EU countries taking unilateral decisions about the countries and themes they engage with. Perverse side-effects of the accountability agenda and fear for the lack of public support for aid, push bilateral agencies to make their own efforts more visible and engage in ‘flag-planting’, and limit the involvement in risk full settings or complex programmes. In fact, a range of global development challenges, such as climate change, migration, security and inequality, require exactly the opposite, but observers conclude that bilateral aid is moving away from this. In addition, coordinating with emerging donors, such as the BRIC countries, proves to be challenging because of the lack of incentives for them and the beneficiary countries to enter into trilateral partnerships. Some observers question the feasibility and relevance of large scale and concerted global development plans, calling it the equivalent of Communist economic planning of the 1970s and 1980s. With the huge proliferation of actors and development goals and instruments, the question comes up if more systemic or market-oriented approaches to planning and implementation should be sought for?

Different points of view

“In the beginning of the millennium we witnessed a gigantic voluntary effort to mobilise, focus, rationalise, and streamline aid. This was especially focused on the bilateral aid. (...) Now we have moved from a new era which promised generous and focused aid to something that has totally exploded, the Christmas tree of development cooperation, with no unifying intellectual think force. (...) Also conceptually, the system (Paris Declaration) is under strong pressure, with questions around each of the 5 principles, (...) Regarding harmonisation, even before the ink of the EU code of conduct was dry, already several EU countries (e.g. UK, Netherlands) were cheating: pulling away from fragile states, away from risky regions, and themes, re-nationalising the development agenda in view of the own national interests, while the essence of harmonisation was internationalisation.”

“The whole aid industry is a machine that wants to do ‘things’, and because it’s impossible to measure the effects of these ‘things’, the absolute focus is on expenditure, spending as much money as possible. (...) This should be replaced by a government, which tries to encourage cooperation, between trade unions, universities, civil society, ministries. (...)”

“Taxation is a major issue, in large parts of Africa, but also in Greece. There are tremendous capital flows around countries that never make a contribution to the system. Not donor contributions will make major difference, but how to manage these capital flows to make them stay in the country.”

2.11 The proliferation and diversification of development actors?

In which ways do the growing number and variety of new development actors in developing economies, emerging and developed economies challenge the traditional development field?

The proliferation and diversification of actors is apparent on different levels in the North, as in the South. The growth of bilateral and multilateral actors is well-documented. Also, the work of the emerging economies in the developing economies is gaining attention. The number of philanthropic and other non-state development actors is less studied and increasingly becoming more diverse. How this will impact on the methods and approaches of the existing development actors is not clear yet.

In the North, the development sector is characterised by the increase of sub national and regional donors (regional governments, as well as provinces and municipalities). At the same time, there is the emergence of donors outside of what Develtere has termed the existing three pillars of development aid (Develtere, 2005). The 'new entries' into development aid are less clearly identified, delineated and analysed. A number of new actors have been singled out as major new entries: private philanthropic organisations (incl. large US-foundations, such as the Gates Foundation, as well as individuals) and similarly philanthrocapitalist initiatives, enterprises, faith-based organisations, for instance Muslim-based organisations, private initiatives as translation of the Dutch 'particuliere initiatieven', trade unions, cooperatives and farmers movements, and so on. But the single newest element, whether in fact or in perception, is for sure the increased presence of some of the emerging economies, such as China's, India's and Brazil's economic activities - investment, trade and aid alike - in both Africa, Asia and Latin-America. The BRIC countries are only the most visible part of a much larger group of emerging actors, ranging from the new EU member states, countries such as Turkey, to the Arab countries. Development cooperation has traditionally been the playing field of governments, multilateral institutions and established development NGOs. What will be the consequences of the proliferation and diversification of these new actors for traditional players? Will it increase competition or/and is there a potential for the creation of new partnerships and new approaches to development cooperation?

Different points of view

“You cannot leave global problems to small players. They are irrelevant.”

“Funders (Bill & Melinda, USAID) make a big difference, the big pools of money push where companies will invest.”

“The group of new donors (the fourth pillar) is like loose sand.”

“How can you make private charities to subscribe the principles of Paris or of Istanbul. What is their accountability?”

“As long as the fourth pillar is showing the level of amateurism and small scale-like as it does now, it is not very useful. However, we should build long term partnerships with them.”

“We need to work with 'counterparts'. What Africa needs are Unizos. They really need better representation and assistance of business and industry. Our environmental movement, our youth movement, our trade unions, they are all good models which we should export to other countries. Instead of asking Oxfam to build a women's rights movement. Is not their job.”

“For me, development cooperation is about cooperating for development. That can also be corporations or governments working together. It is not the sole right of the Oxfams in this world.”

“There are many small NGOs in Belgium. It is a good thing for public support and mobilisation possibilities. I think our NGOs are locally embedded well compared to other European countries. On the down side: 90% of these NGO's are amateurs and the sector is characterised by a lack of innovation and evolution.”

Different points of view

“City centers are becoming increasingly Muslim. In due time there will be organisations active here from the countries of origin - and this is the best way forward.”

“The potential impact of Islam is an important theme. They have the same traditions as ours (e.g. Ramadan collection of gifts), but there is almost no cooperation with ‘our’ NGOs.”

“The Belgian civil society is very white - especially in Flanders.”

2.12 Impact of migration on North and South?

What are the implications of migration from the South on processes of development?

Migration is a growing reality in the South and the North, often attributed to inequality in society. Although the general public tends to over-estimate actual migrant numbers, in some regions migration is changing the social fabric of society. In that sense, it is often portrayed as a problem, especially in Western cities. Studies show a much more nuanced picture with, at the same time, an enormous positive development potential, and on the other hand significant social and cultural challenges.

The growing influence of migration on development is, first of all, tangible in the countries of origin (e.g. positively through remittances, but also negatively in terms of loss of capacity). In the last decades, the proportion of people from



Asian, African or Latin American descent in the total population of Northern countries has increased. There has been much debate about the potential role that these communities can, do, should or should not play within the development of their countries of origin. According to figures of the World Bank, official migrant remittances to the South amount to more than 300 billion USD, making it a financial flow several times higher than the global ODA. In addition, in several countries migrants have formed development organisations and are urging to be recognised as a development actor. Migrants have brought new ideas, methods and approaches to development cooperation. These changing realities in the North and the South challenge the development community, both in terms of the financial flows they represent, as in the impact they have on activities and strategies. In the new host countries, immigration is changing the nature of civil society and the way it organises itself socially and culturally. The development community is struggling to reach out to these migrant communities and fails to connect to their interests. How will migrant communities change the views about development and in which way can traditional development actors reach out or collaborate with migrant communities and their organisations, remain unanswered questions.

2.13 Power shift to the local level?

Will the increasing emphasis on the role of local governments in developing countries lead us to a globalised, but decentralised world?

Decentralisation is far from being just an administrative process: it is all about power and the process of interaction of all actors involved, including actors in development cooperation. Over the past two decades, many developing countries have entered into processes of decentralisation. Considering the centralised character of governance in many Southern States, this is a major shift.



Decentralisation means that power - or a portion of power - will be exercised at a more local or regional level. It means a transfer of resources and a shift in the decision-making process. This is why decentralisation is often associated with governance, democratisation and increased participation. These reasons,

in combination with an ongoing belief in the subsidiary principle, has made the development community actively support decentralisation processes in low income countries. From a development aid perspective, decentralisation has many implications. Working in the context of decentralisation requires complex and multi-level approaches. In some Latin American countries, the idea of the independent 'city state' is put forward as an alternative to nationally steered development. How can development actors support dynamics at a very local level, while avoiding a project-based type governance and role substitution? How to deal with a weakly capacitated local government, while recognising and fostering its regulation role? How can bilateral and multilateral agencies combine interventions at local/regional levels, while fostering replicability and equity over the long-term? How to combine support of local dynamics and a presence at the national level since political will, policies and legislation are determining factors in decentralisation processes?

Different points of view

"Often NGOs don't 'get' the functioning and the politics of local governments, they don't see their role and work alongside them. Local governments should learn to dialogue with civil society, in order to lobby together at the national level. Sometimes they will be opponents, other times they will be allies, but local governments need to learn to give civil society some space, and we have not reached that point yet."

"In some countries, investment in local development is very important because multilateral and bilateral development cooperation only benefits the elite. In countries with weak government structures, this is a big problem."

"Local governments will become an important actor in development cooperation. Not because of financial reasons, but because of the expertise they have to offer. The challenge is to make NGOs and local governments (in North and South) work together to get a win-win."

"There is the tendency to focus on the in-country level as the best level for development cooperation to work on; everything needs to go through the own institutional framework of the country. And also many aid budgets are being decentralised, for example in the EU, with embassies managing aid budgets. What will be left for European NGOs to do?"

Different points of view

“Aid is a small financial flow, and issues such as climate financing, natural resources, etc., that’s what it is about for developing countries. These issues are really important.”

“The instruments used by this expanding array of actors to achieve a broader range of policy objectives have themselves mushroomed, in the wake of innovations in mainstream financial markets.” (Severino et al., 2009)

2.14 An expanding instrumentarium to work for development?

Does the expansion of the instrumentarium lead to the blurring between aid and development?

The time has passed that most development related interventions go through the three traditional channels of bilateral, multilateral, and NGOs. In 2010, official ODA was estimated to count for only 13% of the total financial flows that go to developing countries (compared to 70% in the 1960s). Well known examples of new instruments are related to the ‘certification revolution’ (fair trade labels), remittances, win-win financing in the Chinese way, quasi-taxation mechanisms (taxes on air tickets), climate financing, 4th pillar activities, As a consequence, the ‘socialisation’ of development and international cooperation work means that a large part of the efforts are happening outside the traditional actors, structures and procedures. It is unclear what the consequences are of the blurring between aid and other development related activities (trade, investment, private initiatives).

Severino et al. (2009) identify 4 main trends in the instrumentarium that is emerging over the last decade: (1) from discrete to continuous financing (acknowledging that a number of needs cannot be addressed with one-off injection of resources), (2) new financial instruments to scale up aid (e.g. investment funds),

(3) the quest for systemic effects (e.g. vertical funds that address specific health or agricultural issues), (4) the fading barrier between public and private solidarity (e.g. more structured types of remittances). While providing new and powerful opportunities for development, at the same time many of these new mechanisms are much less monitored, the impact and quality is unknown, the actors involved are often not part of broader accountability mechanisms (e.g. large foundations), and there is hardly a debate about what constitutes good practice. This trend is impacting in many ways on development and traditional development cooperation, but it is yet unclear whether it means that traditional forms will dissolve into an amalgam of ‘socialised’ and uncoordinated development activities, or whether there will be an integration of these new forms into an overall development agenda.



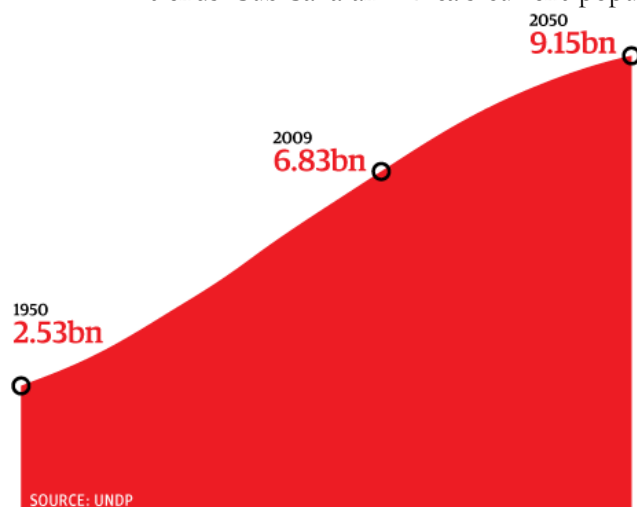
2.15 Unbalanced demographic growth?

Is the rising world population causing more pressure on the poorest regions?

In 2011, the world population grew to 7 billion, and is predicted to continue to grow to 9 billion by 2050. With unchanged public policies, Africa is bound to double its population by that time. However, at the core of the issue lays a problem of inequality with only 7% of the population, living in rich countries, responsible for more than half of the global emissions.

In a few decades global fertility rates have dropped from five or six children for an average woman to about 2.6 today. Research is uniformly finding that lower birth rates are appearing as a side effect of better education (especially for girls), access to reproductive health services, and decreasing children mortality rates. At the same time, the global fertility rates are not sustainable in view of the existing consumption patterns in Western countries, and changing consumption patterns in the emerging economies. Natural resources are becoming more and more under strain.

The issue is complicated by the prognoses that the steady population growth at the global level, hides much more radical regional trends. Sub-Saharan Africa's current population, at 856 million, is



little more than Europe's and a fifth of Asia's. By 2050 it could be almost three times Europe's and by 2100 might even be three-quarters of the size of Asia. By any measure, Africa is by far the fastest growing continent. At the same time many countries with de-

clining birth rates (Western countries, China, ...) are challenged by the effects of an aging population putting pressure on their social security as well as on the productive work force. Unbalanced demographic growth is expected to lead to more inequality; more climate change; a further expansion of cities in developing countries; growing conflicts over water, land, and other resources; and massive migration flows worldwide. In this way, population growth is an important component of the systemic challenges that the world is confronted with.

Different points of view

“Labour will be back on the agenda because of huge demographic shifts, which is a massive trend. They affect employment and access to decent work. A big factor in the current unrest in Europe and the Arab World, is youth unemployment.”

“The poor will always be the losers, especially the poor in new urban areas. They'll be confronted with high food and energy prices, inflation, no employment and climate disasters.”

“Inequality is at the heart of the problem, whether the split is between the 99% majority and the 1% minority in whose interests the financial system operates, or the 7% representing half the world's emissions and the rest.” (Andrew Simms, UK Guardian)

“Mobility of people is growing. And it is becoming a necessity: look at the population density in some places and the open space in others. We will see mass migration like before. We can hardly imagine it anymore, but it is going to happen again. People will move to a place where they can maintain themselves.”

“The growing middle class in many developing countries has the key for the development of the people at the bottom. They mirror themselves with the class above them, and they dissociate themselves from the class below them. European NGOs might be investing in the education of children in the slums, while the local middle class drives them off the roads. There's a lot that needs to be done there.”

2.16 Concluding remarks

The review of previous scenario planning exercises revealed that it is useful to reflect about and anticipate on important upcoming challenges and opportunities, while at the same time, history teaches us that over the course of just one decade unexpected trends can appear on the radar of global development. Notorious examples are the importance for global development of the security agenda after 9/11, the financial and economic crisis of the developed economies starting from 2007-2008, the extreme and steady growth of the emerging economies and their increased presence in developing countries since 2004, etc. When reviewing the study material, it became apparent how previous studies (understandably) missed out or miss-assessed the likeliness of some of these important trends. This illustrates how strongly our assessments of the current and future situation is affected by current events. This research can therefore only be seen as an ongoing exercise in reflecting about what is happening around us, often coloured by the sequence of events that happen around us right now.

3 Three scenarios for the future

Scenario 1: lonely neighbours

What does 2020 look like?

New year 2020 sets off in a divided world. The power and influence of different international and multilateral governance structures has eroded over the years. Policy choices are made at a regional level, where blocks of geographically clustered countries set the new geopolitical scene. Politics within each of the regional blocks lead their own life, determined by the political and economic stronghold in whose influence sphere they are situated. In Latin-America Brazil sets the trend, in Asia China, India and Indonesia each head their own influence sphere, in the Middle East, Turkey and Iran vie for power, a European block is lead by Germany, and USA's influence sphere shrunk to North-America. As cross-border problems continue to affect the welfare and well-being of citizens everywhere, the regional blocks developed their own approach to address them. Policy choices go all the way from repression, dictatorship and resource depletion to people's democracy and the protection of the rights of mother earth. Economic relations between the blocks continue but are shaped, more than in the past, by competition and protectionism in some areas. Energy resources and arable land are crucial geopolitical assets and the rivalry to access them, especially in Africa, frequently escalates in conflict. Despite the regional policies to address them, global challenges are not addressed adequately and worsen. This is also explained by the fact that international media houses are increasingly instrumentalised by powerful - often regional - economical blocks. The general public is slowly brainwashed through 'name and shame' communication about other regions. By 2020, conflict and global problems are reaching their peak at enormous social and environmental costs. An overall crisis is setting in, with escalating conflict and food- and water scarcity as main drivers. This might force the multipolar world into reaction. Either one block will stand up as a new global leader, or the crisis will force the different blocks to some sort of global co-operation after all.

*A multipolar
divided world,
where global
challenges are left
unchecked.*

How did we get there?

2012 to 2015 - A time of increasing globalisation and interdependence ended abruptly when tool after tool in international/multilateral policy making started to fail: we witnessed a succession of failed climate summits; a rush for natural resources at the bottom of the South pole, ignoring previous international agreements; the failure of the MDG's; the revocation of international commitments for responsible mining, fisheries and large scale land acquisition; the sidelining of the UN and a dramatic drop in funds for international institutions, ... The growing influence of emerging economies fundamentally challenged both the content of the international/global policy processes as well as the constellations of the different multilateral institutions in which these policy processes occurred. On top of that the growing resource scarcity made countries more aware of their national, geostrategic interests and less prepared to compromise. Global governance, already struggling with inertia at the negotiation tables, was not up for the chal-

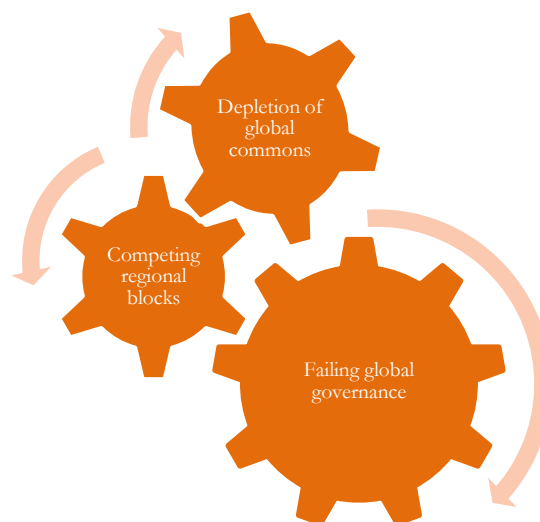
lenge. One after the other international agreement was revoked and countries withdrew from ongoing policy making processes.

The failure of global governance, in a time when cross-border environmental, health, security and social challenges were deepening, triggered a strong nationalist and partly protectionist reflex. Countries first relapsed into realpolitik driven by national interest. They then started to regroup at the regional level, pushed by the need to address cross-border problems and pulled by the influence of regional economic and political powers. The world was reorganised into a world of regional blocks. Latin-American countries clustered around Brazil, the North-American countries aligned with the USA. The European block was head by Germany. In 2015 Turkey declined membership to the EU, competing with Iran for influence in the Middle East. In Asia, China, India and Indonesia each struggle to extend their influence sphere. Where regional alliances used to be mitigated by economic and political ties and affiliations between countries from different regions or continents, political relations became mainly restricted to the intra- and inter-regional block level.

2015 to 2020 - Different blocks attempted to address their problems each in their own way, developing specific and very different socio-economical systems and models. The different regional blocks co-exist like lonely neighbours: they protect their back yards and don't meddle with each other's internal affairs. Any exchanges are shaped by the rules of market. They also have neighbours' quarrels, as they compete for influence and access to natural resources. Although rich in natural resources, no African country was strong enough to extent its influence sphere over the entire African continent. Some African countries aligned with other regional blocks, while others were left to fend for themselves. As a consequence Africa has become the battle ground for the inter-block competition over natural resources. Proxy wars between blocks are fought on African soil, while the inter-block economic relations are hindered by protectionism and trade wars. Since the different blocks largely gave up on global policy making and fell back on the regional level to address cross border problems, global challenges were not addressed in an adequate way. The depletion of the global commons continued. Dangerous climate change has become unavoidable and the impacts are already being felt in whole world, especially in Africa. Resource scarcity is at an unprecedented height, and so is competition for natural resources.

Development cooperation in 2020

Government is an influential actor in development cooperation. Loose international agreements mean a decline in binding commitments, and leave room to set a development policy at the regional level. In this regional policymaking process it will be decided whether development cooperation becomes an important or a marginal domain in regional policy. Where it does take hold, intraregional solidarity and cooperation becomes the norm. The intraregional agenda setting holds risk and opportunities for government actors. As for the remaining interregional development



cooperation, the pressure for a policy determined by geopolitics and characterised by conditionalities related to access to resources and security issues will be high.

Private sector's adaptive capacities are put to the test: on the one hand varying regional policies put limits to the free market and set region-specific rules, on the other hand there is less international regulation. Multinational and transnational business is the one actor whose policies can affect the global level. Opportunism is tempting, and the heightened competition puts pressure on corporate social responsibility, but the increasing resource scarcity also poses a real threat. A crucial question is whether business, while adapting to the fragmented and competitive playing field, can bypass government inertia and take initiatives that address global unsustainability.

Civil society is mostly divided by the regional boundaries. Most international movements and interest groups, such as international trade unions, environmental organisations or social movements experienced increased polarisation. Since politics' as well as the public's focus is now mostly regional, civil society is too. Lobbying and advocacy happen at regional institutions, on regional political agendas and driven by regional values and norms. CSO partnerships are on a more equal base, and CSOs in general are locally rooted, but they also tend to have a very limited (regional) scope. Global networks trying to push for global governance still exist, mostly as online transregional networks, but are the underdog. A crucial challenge for civil society is to counter the sphere of fear and defend positive universal values such as solidarity and human rights. They will need to find new channels and images to communicate this message. An important question for all actors is how to reinforce African countries in this survival of the fittest. An even bigger question for all actors is how to restore confidence in global governance.

What makes this scenario happen?

Resource scarcity and depletion of global commons - Our current use of many natural resources (e.g. minerals, fossil fuels, water, forests) and global commons (e.g. atmospheric space, oceans) is considered unsustainable, but global consumption as well as global population continue to grow. This results in the intensification of several crises such as the climate crisis, the water crisis, the food crisis, the biodiversity crisis, volatile commodity prices and expected peak oil.

Emergence of 'strong' countries - A range of emerging economies (China, India, Brazil, Russia, South-Africa) are challenging existence power balances economically, politically and socially. This is the onset of a multipolar world.

Failure of international agreements and global governance - Due to (1) the inertia in different international and multilateral institutions concerned with global policy making; (2) the challenge presented by the emergence of BRIC and other countries to the legitimacy of these institutions; (3) the - by resource scarcity - increasingly polarised geopolitical interests, international agreements and multilateral policy making, fails. Countries withdraw from existing international agreements and ongoing policy making processes.

Sub-global block forming - Reacting to the lost momentum in global governance and the increasing global challenges, countries at first show a nationalist reflex and subsequently start to cluster into regional blocks. Each of these regional blocks has one or two strongholds: countries with the strongest economic and geo-strategic position that manifest themselves as the leaders of the regional block. Other countries within the regional block, either voluntary or forced, align

with the strongholds. Since Africa doesn't have a real stronghold, it becomes fragmented when different countries align with other regional blocks.

Development of regional solutions - As countries first fall back on national interest and subsequently reorient towards the regional level, different regional blocks also develop a specific socio-economic and political system. These systems can be very diverse between blocks. While in some cases they may be very oppressive or without any consideration for social or environmental problems, in other blocks they can be very socially inclusive, democratic or environmental friendly. Yet, since any policy is limited to the regional level, they don't add up to an adequate global policy addressing global environmental problems, social unbalances or other global issues.

Inter-block competition and economic conflict - Different regional blocks compete with each other for access to natural resources. Since Africa remains a weak block and has large resource supplies, it becomes an important battle ground for this competition. The competition for resources and influence can result in trade wars and local military conflict.

Scenario 2: paradigm shift

What does 2020 look like?

New year 2020 is celebrated in a world that is marked by diversion and contestation. We live in a crises stricken world, but gradually new openings emerge. An instable financial and economic system, protracted food- and water crises in developing countries and the swelling ranks of environmental refugees demonstrate daily that the dominant economic and political structures are faltering. 'More of the same' is not considered an answer. There is a strong awareness that we need to change the way we do things. A growing number of people, communities, politicians, companies, organisations, intellectuals feel empowered to experiment with ways to divert human development onto a more sustainable route. Most experiment at the local level, some at the global level. Western agents of change are challenged by reformers in the emerging economies and developing countries, as they too look for alternatives but come up with radically different ones. Challenging and innovative ideas and practices put pressure on the political and economic establishment, but they are diverse, all rooted in and shaped by their own interests and local reality. There is no common understanding on how to reach sustainable development. There is no master plan. A synergy into one consensus idea for an alternative socio-economic and political model is far off. Instead many different visions, forces and interests - from progressive to reactionary - contest each other and are engaged in an ongoing power struggle. The heat is on, but forces that protect the status-quo remain dominant.

A diversity of actors challenges the economic and political establishment and experiments with alternatives.

How did we get there?

2012 to 2015 - The financial crisis did hurt. And it wasn't over quickly. Malpractice in financial markets wasn't addressed adequately and EU politicians mishandled the euro crisis. The economic damage was compounded by an excessively embrace of short-term budgetary austerity. The economic stagnation became ever more tangible in the daily lives of ordinary citizens worldwide. So did the environmental pressure: the inhabitants of the fast-growing cities every-

where endured increasing air pollution and water scarcity, acute food- and security crises continued to plague sub-Saharan countries and more extreme weather conditions are felt everywhere. Emerging economies and many developing countries managed a sustained economic growth, but mainly the elites are able to cash in on it. As income disparity and inequality between and within states increased, so did the indignation about the fact that the weaker shoulders were forced to bear the heaviest burden. Fundamental questions about the long term viability of the dominant model obsessed with growth, consumption and power politics got growing support. Yet global summits to address environmental challenges or strive for sustainable development and poverty eradication did not deliver. The failure of Rio 2012 did not get much public attention. And despite the IPCC's unprecedented pessimistic report on dangerous climate change, COP20 was a fiasco.

The lack of a concerted effort to save the planet deepened the sense of powerlessness and indifference but also triggered rebellion in a positive sense. With inequality deepening and resource scarcity and climate change impacts on the rise, a true sense of urgency to address local problems is felt at community level. At this level, experiments with grassroots democracy, local governance, replacing transactional economy by gifting, self-reliance, communal self-care, etc., popped up in more and more places. They all addressed different needs and were rooted in very different contexts, but had in common that citizens started to take matters into their own hands. In parallel, online communities such as avaaz.org become increasingly powerful in connecting like-minded people across the planet, and mobilise them for different causes. In addition, high level academics and CEOs also started developing alternative models to analyze and organise their world. Patagonia's 2011 campaign 'Don't buy this jacket' may have raised eyebrows but soon after, pioneering companies such as Unilever and M&S applied even stealthier strategies to shift consumer demand towards sustainability. Several leading retailers made cradle-to-cradle product design their core business and multinationals' CEOs addressed their shareholder conferences with the message that investing in sustainable supply chains is a prerequisite for the health of the company, although they disagree on what a sustainable supply chain would be. Methodologies and theories in the field of system thinking, transitional management and new leadership - such as Spiral Dynamics, Transitional Management, social entrepreneurship, new social movements, ... - were further developed and circulated. Academic institutions offering sustainability leadership training became increasingly popular. Stronger lobbying for sustainable development resulted in several policy breakthroughs, with governments for example investing more in local renewable energy and energy efficiency. Change trickles down in concepts, business models and politics.

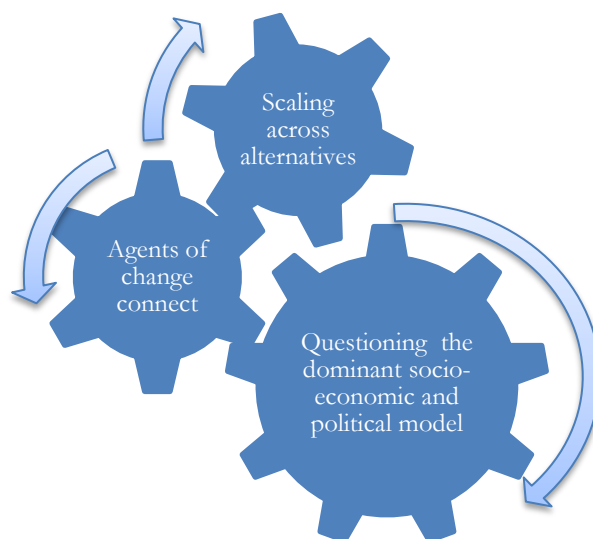
2015 to 2020 - Gradually these islands and agents of change spread across sectors and regions, started to connect to and interact more with each other. In part this was driven by the continued communication revolution, propelled by wide internet access and social media. The new and growing middle classes in emerging countries were another important driver. Although adamant about their right to development and to consumption, they were also more influenced by abstract values, looking for innovation and more concerned with the future of their children. The deepening inequality and grave environmental costs surrounding them prompted their search for a more sustainable lifestyle. Some success stories at a local level were applied at larger scales. But scaling across proved to be a much more powerful process, as successful local efforts moved trans-locally through networks of relationships, to become reinvented in and adapted to a different place and context.

The political and economical establishment is under more and more pressure of the growing 'niches of change'. But these are fiercely opposed by forces preserving the status quo. At the same time they are also divided, as the reality they are rooted in, their views and ideas, and their

power and influence differ profoundly. There is no alternative, there are many, and they all vie for influence.

Development cooperation in 2020

The proliferation of development actors and agendas has seriously shaken up development cooperation. **Governmental actors** are in a difficult position because of the competition between the needs and opportunities at national/local level and the need for international solidarity. A decrease in ODA, the decreasing tolerance of emerging countries towards outside interference in national policy and the rise of a hypercritical and capricious civil society pushes government towards an extremely cautious and pragmatic development cooperation policy. Bilateral donors are reluctant to give direct support to civil society actors. The pressure to choose for safe and politically neutral interventions is high. Government risks becoming the only actor, besides some purely charitable organisations, to get stuck in ‘old school’ development cooperation. This would mean they become the least influential actor in the burgeoning field of international development solidarity.



The rise of new and old **civil society** actors everywhere brings a whole range of new actors, with very different and conflicting backgrounds, to the fore. Government subsidies decreased, cheap communication technologies became widely available, and organisations in the global South became stronger and more rooted in local communities and local values. This makes partnerships more equal, but it also makes finding the right partner more important and more difficult. Organisations in the global South take on a bigger role in setting the development agenda - and demand of their counterparts in industrialised countries that they address the unsustainable development model at home.

For **private sector** actors the main challenge is to overcome the prisoner's dilemma that prevents many of them to be a ‘first mover’. Growing resource scarcity and the slow cultural shift caused by increasing citizen's action are slowly changing the stakes in this prisoner's dilemma. There is a growing divide: on the one side private sector actors that are reinventing themselves to become ‘winners’ in a context of resource crisis and shifting cultural values, on the other side private sector actors that remain stuck in unsustainable business models and fight for status-quo. With the growing number of experimental ideas and practices, there is also a bigger demand for innovation and a big potential to forge cross-sectoral alliances.

To benefit from the lessons learned in experiments and initiatives elsewhere and to lobby successfully in defence of (one of the many) ideas or issues, networking and entering into alliances is crucial all actors.

What makes this scenario happen?

Increasing social, economic and ecological costs - Financial instability, increasing inequality, depletion of natural resources, food and water scarcity, the biodiversity crisis, and the climate crisis demonstrate the limits of the current consumption driven and growth driven economic model in ways that become tangible for more and more people. This serves as an important impetus to question the sustainability of the dominant socio-economic and political model.

New methodologies and inspirational leaders - New methodologies are changing the way we think, analyze, interact and cooperate. Some offer a different approach to take into account the growing complexity and interdependence of societal, political and economic systems. Others present innovative views on how we can bring about change. Across all societal sectors - from politics to industry to the academic world - pioneers experiment with and push for alternative views and practices and emerge as inspirational leaders.

Questioning the dominant model - The increasing economic, ecological and social costs are perceived as the symptoms of a fundamental system crisis. Aided by new methodologies and preceded by a growing number of inspirational pioneers more and more people start questioning the sustainability of the dominant socio-economic and political system. Their critique is not uniform but shaped by different regional or sectorial settings.

Local alternatives and good practices - The system critique triggers individuals, companies, governments, academics, and communities to experiment with alternative values and ways of organising society, politics and economy, be at a local level. This results in a growing number of 'good practices' that provide inspiration for others.

Middle classes chose engagement - Middle class especially in emerging economies grows. Pushed by the strongly felt ecological, economic and social costs, they increasingly become a critical voice pushing for a different approach.

Agents of change connect - Aided by new methodologies that stress the importance of inclusiveness, participation and connection, as well as pushed by the continuing communication revolution, pioneers increasingly connect to and interact with each other. Although not organised in a global structure, this triggers a complex growing web of connected agents of change exchanging information, knowledge and inspiration.

Upscale and scale across - Connections between agents of change as well as the increasing pressure from growing middle classes in emerging countries set the scene for learning processes, scaling up and scaling across: in some cases local alternatives and good practices will be used as a model and applied at a larger scale, more often successful local efforts will move trans-locally through networks of relationships, to become reinvented in and adapted to a different place and context.

Scenario 3: cold green

Environmental challenges are addressed but at a large social cost.

What does 2020 look like?

New year 2020 is celebrated in a world with a prospect of sustainability, but only in ecological terms. Natural disasters combined with economic instability finally raised enough political will and public support to address global environmental problems. Strong international environmental regulation is now in place and implemented successfully. Climate change is largely under control, the scarcity of water, land and energy resources is still a reality but manageable. Yet these successes have come at a grave cost. They do not respect the right to development in developing countries, and they do not take into account the disproportionate effects the policy measures have on the poor. Therefore a number of perverse side-effects of the green policies have resulted in a lack of progress for the excluded in society, in developing countries, the West, and in the emerging economies. As a result, the relative power of the 'haves' continues to rise, while the 'have-nots' continue to be pushed to the margins. Development cooperation is instrumentalised for the sake of the CO₂ reduction obsession of governments in the West and the BRIC countries. By 2020, inequality is becoming unsustainable and African countries, who are instrumental in keeping climate change in check and producing green energy (for the EU), start looking for ways to join forces and challenge the power balance.

How did we get there?

2012 to 2015 - The shift towards green policies and practices was triggered by extreme weather conditions and subsequent flooding in Western Europe and China in 2013-2014, re-enforced by a range of other events. The combination of the tangible effects of climate change, a deepening financial and economical crisis, and the effects of fuel poverty, brought a sense of urgency in the thinking about ecological sustainability. The general public in Western and BRIC countries started worrying about the loss of welfare and wanted drastic answers. In response, populist-nationalist parties co-opted green thinking in the core of their political strategies. Big infrastructure works, green investments in public transport, housing and office buildings, and massive awareness raising campaigns resulted in significantly lower carbon exhaust.

At the international level, an unusual coalition of the EU and China lobbied heavily and successfully within the World Trade Organization (WTO) for very strict eco-regulation, resulting in new eco-labels that are binding and monitored through stringent norms by the International Organization for Standardization (ISO). This new regulation, in combination with technological breakthroughs in manufacturing and transport, and a growing sense of the impact of scarcity of natural resources, triggered a fundamental shift in the incentive system for business internationally. It became not only rewarding, but necessary to invest drastically in eco-friendly production and transport systems. The middle classes in BRIC countries continue to grow, but, except for Brazil, inequality continues to increase.

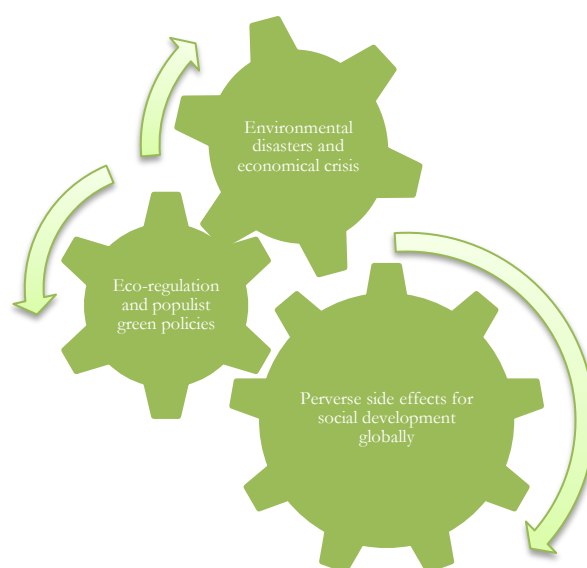
2015 to 2020 - Because of six different mechanisms, these green strategies became a source of inequality rather than a catalyst for human development: (1) a global Matthew effect: rich and BRIC countries did long term investments in expensive green technology and infrastructure and made their production systems more efficient, self-reliant and effective. The poorest countries and regions did not have the funds, nor the technological skills to do the same. Consequently, the eco-centered regulations became a structural disadvantage for the poorest countries; (2) bio-

eco tandem: the marriage of bio- and eco-thinking resulted in systems that strongly benefit local food and local products. They provided the moral arguments for lower CO₂ production and shorter transport chains. This happened at the expense of agriculture imports and consumer goods from developing countries; (3) geo-engineering: several countries started experimenting with geo-engineering techniques to stabilise the global climate. They range from Chinese experiments with increasing rainfall artificially, unsafe experiments with carbon capture and storage, and a drastic increase of programmes for Reducing Emissions from Deforestation and Forest Degradation (REDD) to curb deforestation and degradation. However, these approaches ended-up benefiting mainly Western and BRIC countries, and REDD turned out to systematically violate the rights of indigenous peoples; (4) certifying poverty: sustainability and fair trade certification became very popular, but unfortunately limited to ‘certifying poverty’. The eco-labels and social labels focus dominantly on ecological issues and quality control. Except for the training of staff and the improvement of general labour conditions (e.g. safety at work), nothing structurally changes to wage levels in developing countries; (5) an important part of the development NGOs is tamed by providing excessive funding for ecological service-delivery programmes, at the expense of advocacy and lobby work; (6) Africa as green supplier for Europe: North Africa is used to produce green energy, which only benefits Europe and some North African countries.

Inequality became stronger, but is also increasingly challenged. African governments start to organise themselves to form a counter power against the problematic situation. New cartels of solar and hydro power producers emerge. The pressure to change the power balance grows ...

Development cooperation in 2020

Different actors involved in development still pay lip service to a broad interpretation of sustainable development, but in practice their focus is strongly on the ecological aspect. The obsession with CO₂ reduction also impacts heavily on development cooperation. **Governmental** aid is oriented towards programmes which focus on green farming, producing according to eco-standards, strengthening the state to monitor international eco-standards. These programmes are increasingly implemented through public-private partnerships, and market-driven forms of cooperation between private business and charity. This is fuelled by the strong focus on results-based aid and the focus on quick wins (e.g. vaccinations).



A renewed investment in family planning programmes in Africa to decrease birth rates can also be witnessed. A significant part of the aid funds are invested in awareness raising campaigns in Western and BRIC countries themselves, focusing on the importance of a low carbon life, lower consumption patterns, buying and producing locally. Other funds are oriented towards developing countries that are either important sources of CO₂ emissions, or that suffer significantly under climate change.

Also the **private sector** orients itself to the new reality, however fair trade certification is often reduced to the monitoring of eco-standards, with rather weak financial and social working conditions.

Many **CSOs** are also incorporated in this system by excessive funding for green development programmes. Funding to trade unions, watchdog and policy-advocacy CSOs is reduced for two main reasons: (1) populist governments want to avoid destabilising the fragile economic and fiscal situation worldwide, and (2) with the growth of South-South cooperation and growing importance of financial flows outside the aid system, developing countries became more assertive and allergic towards aid with political conditionalities (governance, human rights, democracy). However, a number of CSO groups continue to push the social dimension on the agenda, supported by new communication technologies, organised through coalitions, and partnering with social movements and trade unions.

What makes this scenario happen?

Strict international eco-regulation - Driven by an increase in extreme weather conditions and rising public pressure to address environmental challenges, strong international environmental regulation is put in place. Especially the WTO takes a strong position, imposing very demanding eco-regulations and labels - and de facto excluding products from heavily polluting industries of the poorest countries from Western and emerging markets.

Eco-imperative for business - Scarcity, technological breakthroughs and strong eco-regulation all increase the (financial) attractiveness for Western and emerging economies' business to produce more ecologically.

National and regional interest prevail - Populist governments implement managerial/technocratic/techno-totalitarian policies with a focus on national interests, and with development cooperation policies that prioritise ecological sustainability, addressing technical needs (in health and agriculture), and only deal with social change symbolically.

Matthew effect at global scale - The long term investments that are required for the expensive green technology/infrastructure are initially only feasible for rich and BRIC countries. As a result, they build a competitive advantage with a production system that is eco-certified, and more efficient and self-reliant than that of most developing countries.

Marriage of bio and eco-thinking results in local food/products first - The merging of eco- and bio-thinking results in strong moral arguments for lower CO2 production and shorter transport chains at the expense of agriculture imports and consumer goods from African countries

Sustainability and fair trade labelling limited to 'certifying poverty' - the eco and social labels focus dominantly on ecological issues and quality issues. Except for the training of staff and the improvement of general labour conditions (safety at work), nothing structurally changes to wage levels in developing countries.

Africa is green supplier for Europe - Huge solar energy plants only benefit Europe and North Africa.

Geo-engineering - Authorities employ geo-engineering techniques to stabilise the global climate. Extensive use of techniques, such as rainfall stimulation, carbon capture and storage, and REDD programmes result in lower global CO₂ exhaust in the short term, but the long term effects are unclear and poor countries are benefiting much less than industrial countries.

Comparison of the three scenarios

	Cold green	Lonely neighbours	Paradigm shift
Main storyline	Environmental challenges are addressed but at a large social cost	A multipolar divided world, where global challenges are left unchecked	A diversity of actors challenges the economic and political establishment and experiments with alternatives
Participants described it as ...	Realistic Exclusive Technocratic Depressing Unsustainable Unequal	Realistic Conflict prone Anti-globalist Disconnected Happening Dangerous	Realistic Creative Resilient Chaotic Scattered Inspiring
Critical uncertainties	Excessive environmental pressure & effective global eco-regulation	Failing global governance, a multipolar world & increasing resource scarcity	Expanding financial crisis, increasing resource scarcity and an active public response to growing inequality
Driving actor	Private sector Government	Government	Civil society
Winners	A new world elite; eco-business; regions vulnerable to climate change; everyone affected by environmental problems	Emerging economies; regional strongholds; multinationals	Global movements; local communities; corporations aiming for sustainability
Losers	Everyone affected by inequality, especially the poorest people and developing countries; informal economy	International organisations; everyone affected by cross-border problems; regionally disempowered countries; African continent	Conservative political and economic actors
Risks	Increasing inequality; unsustainable due to exclusion and social injustice; repression	Unabated global problems; economic and resource conflict; instrumentalised media and limited access to information; climate of fear	Chaotic and divided context; difficulties in agenda setting; increased confrontation; progressive and reactionary movements neutralising each other
Opportunities	Strong environmental awareness; strong push for innovation; local production and consumption; funds for 'green' projects; a stepping stone to sustainable development?	Opportunity for socially just en environmentally sustainable policy at regional level; more imbedded and involved in local context; possibility to disconnect from deregulated free market	People-driven and empowering; innovations in new partnerships (more equal partnerships, cross-sectoral partnerships); stepping stone to sustainable development?
Challenges	Giving a voice to the excluded; poverty relief; fight for social justice on the international agenda; resisting instrumentalisation of eco-funding and regulation	Restore confidence in global governance; bridge regional differences; fight for global public goods	Making connections and building networks; scaling up good practices; agreeing on common agendas; building a new paradigm?

4 Emerging findings and implications

When developing and contemplating the scenarios, different findings and implications emerge, some valid across the spectrum of actors, others concerning a specific actor. They sum up the insights gathered during interviews, two workshops and an international seminar with policy makers, practitioners and academics, and subsequently complemented, refined and extended with material from other sources. They are not presented here as formal findings and recommendations but as food for thought, as observations, questions and propositions on which the different actors in development cooperation can discuss and act upon.

4.1 For all development actors

Emerging finding 1

The surge of new players in and outside ODA, and the growing complexity of development problems fundamentally challenge existing practices - The scenario stories describe futures which are either characterised by the fragmentation of development agendas and actors across regions and sectors ('Lonely Neighbours' and 'Paradigm Shift'), or by a reductionist interpretation of sustainable development ('Cold Green'). Traditional development actors seem ill-prepared for a situation where there is no comprehensive or unifying agenda to rally on, and where the growing complexity makes it much harder to do long term planning and find leverage points for change. Especially, the following two broad trends are causing this new situation:

- (1) ***the extreme proliferation of development actors, agendas, and financial flows, increasingly outside traditional ODA*** - This makes it impossible to set-up ambitious planning and coordination efforts, because there is no single actor or group of actors inside or outside the ODA system, on the donor side or on the receiving end, who has legitimate control or even influence over the functioning of the others;
- (2) ***the increase of 'thick' problems and shocks*** - Edwards (2011) argues that climate change, globalisation, scarcity, the multipolar nature of governance, and the fact that all these issues are interconnected, means that problems are getting 'thicker', that is complex, politicised and unpredictable. For similar reasons, expectations are that there will be an increase in ecological, economical, and political shocks (Evans, 2010). All this means that strategies have to be adjusted continuously according to the changing realities;

Implications

There is an urgent need to rethink the way development can be supported and development cooperation can be organised - Traditional, isolated aid programmes increasingly risk being eclipsed or overrun by the growing impact of a number of global challenges, other non-aid flows, and the activities of other development actors. In response, we need to explore different ways of designing and coordinating multi-stakeholder efforts, in respect of the systemic and complex nature of development:

- **going beyond 'thin solutions'** - Addressing 'thick problems' requires bridging the gap between more simple technical/one-dimensional programmes ('thin solutions'),¹ and linking them with more structural/political causes for underdevelopment (Michael Edwards, 2011);
 - **centralised planning and coordination of development cooperation becomes less and less relevant** - There is a need to explore new forms of cooperation/partnerships away from centralised bureaucratic control. Centrally coordinated, detailed planning lacks flexibility, requiring too much time and effort each time adjustments need to be made. In addition, attempts to coordinate in a centralised way risk breeding more bureaucratic systems with high transaction costs. Purely market-oriented approaches might increase efficiency and encourage competition, but do not necessarily create an enabling environment for cooperation and dialogue;
 - **being serious about experimentation** - Several authors argue that much more experimenting needs to be done, because often the solutions for 'thick' problems are not known at the start, and need to be negotiated and re-negotiated with stakeholders. Experimentation involves exploring systematically what works and what doesn't, and stopping practices that do not lead to improvement;
 - **adjusting to the fast-changing realities requires development actors that 'are ready' and 'talk about resilience'** - With shocks as the key drivers of change, development actors need to be ready with concrete ideas to take advantage of the political opportunities these shocks create. At the same time they also need to reduce the vulnerability and strengthen the resilience of the poor to help them face these shocks (Alex Evans, 2011).
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Emerging finding 2

Relevance of traditional North-South framing decreases - Three groups of trends question the traditional framing of developmental problems in terms of the 'North-South divide', and the focus on 'bringing development' to the South. First of all, the futures described in the scenarios are heavily determined by the impact of global development problems, such as climate change, scarcity of resources, and rising inequality. For these problems, responses need to be global and comprehensive, and definitely go beyond transfers of resources and expertise from North to South. A second group comprises a combination of trends which result in ODA transfers dwarfing against other flows coming from domestic resources, South-South cooperation and trade, and other international flows (remittances, ...). They build on to the changing nature of poverty in the South, for example, due to the fact that the number of low income countries (LICs) will most likely continue to decrease in the coming decade² (however with little improvement for inequality in Africa and some other regions). This goes hand in hand with a steady decrease of aid dependency of most developing countries, with, on top of that, an expected stagnation or even decrease in ODA budgets, and the entry of new types of cooperation and resources (South-South). In this context, North-South aid transfers, while already small compared to other flows in many LICs, will become even less central than before in terms of sheer volumes. A third trend relates to the fact that the majority of the poor now live in middle income countries (MICs), such as China and India, countries which have access to domestic resources for redistribution and poverty reduction.

¹ Thick solutions (Edwards, 2011) aim to address the structural and multi-dimensional causes of poverty and inequality. While thin solutions for the improvement to access to capital might focus on microfinance and small business development, thick solutions will expand this to more political and structural causes, for example, in the area of land rights and social division, altering patterns of ownership, environmental implications, ... This is discussed further in chapter 5.

² Estimates are that at least half of the 68 countries currently eligible for concessional World Bank lending (under the IDA - the International Development Association) will move to middle income status by 2025 (Sumner-blog, March 2011).

Implications

Future development strategies need to take into account the growing number of global development problems, and acknowledge the limited role ODA can play in terms of transfer of resources - This situation demands for modesty in the ambitions, but also a more strategic use of ODA, for example in view of the mobilisation of other resources:

- **redistribution instead of poverty reduction?** - The growing availability of domestic resources can justify strategies which move away from traditional North-South transfers towards the mobilisation of local resources, both in emerging and developing economies. Governmental actors and CSOs could focus their efforts more on advocacy work in view of strengthening local tax systems, good governance, regulation of private sector, etc.;
 - **however, a strong 'redistribution agenda' could be an alibi for an externalisation of responsibilities in the developed economies** - In view of the economic crisis and the growing critical stance of the general public, Western governments might be tempted to push hard for a more systematic use of domestic resources in the South (redistribution), and gear ODA strategies towards this objective. This would also take away some of the pressure to translate the global development problems into a reform agenda (fair shares, CO2 compensation, etc.) in developed economies;
 - **and Southern governments can be expected to become more critical for politically oriented aid and conditionalities** (Sumner, blog March 2011) - This is due to the decrease of aid dependency, and the growing freedom of choice between emerging donors. Political conditionalities and political aid (in terms of good governance, democratisation, human rights, ...) can therefore be expected to face more resistance in the future. Similarly, politically sensitive aid to reach out to the poor in MICs is likely to become more contested because of the growing economic, social and political power of the MICs. This trend might go hand in hand with LICs and MICs pushing less for traditional aid transfers, and more for equal trade relationships and fair shares compensation;
 - **a large part of the remaining LICs will be fragile and conflict-affected states** - This requires more contextual and broad responses, with a growing role of regional actors.
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Emerging finding 3

Three trends going largely under the radar of the development community - The following three global trends are changing the face of development, but are not picked up systematically in the development community:

- **urbanisation becomes a growing reality** - The urban population in developing and emerging economies is increasing fast and has overtaken the rural population in 2007. By 2020, a significant majority of the global population is expected to live in urban areas. Traditionally, the development community has focused more on rural communities than on growing cities, the latter often portrayed as unwelcome side effects of unbalanced economic growth;
- **demographic growth is unbalanced** - UN agencies are predicting a population increase from 7 billion in 2012 to 9 billion by 2050. Often the discussion on the development challenges this imposes, focuses on whether the planet can sustain - and feed - so many people. But underlying issues, such as the unbalanced nature of the demographic growth and the challenges this entails, are neglected. Africa is expected to double its population by 2050, requiring an unprecedented growth in jobs, infrastructure, and services. In developed economies, on the other hand, aging populations put pressure on the productive workforce and social welfare systems, and unsustainable consumption patterns there continue to surpass the ecological limits of the planet;
- **signs of geoengineering and technocratic scenarios for climate change emerge** - Powerful economic actors (e.g. Bill Gates Foundation) are advocating for geoengineering solutions to climate change, while at the same time many solutions seem to be limited to addressing technocratic issues of sustainability, not addressing some of the root causes of global inequality.

Implications

Bringing forgotten topics on the radar.

The question is how the development agenda can be brought more into line with these developments:

- **developing appropriate strategies for urban populations** - What is the role of the development community in dealing with urban challenges and what can strategies look like, including linking up with existing movements and decentralised government structures?
 - **efforts towards more and decent jobs** - The growing population puts the need for the creation of decent jobs and labour mobility strongly on the agenda;
 - **avoiding the temptation of the cold green scenario** - The development community has the responsibility to make sure that climate change policies are not reduced to mitigation and technological solutions.
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4.2 Private sector

Emerging finding 4

Private sector features prominently in the 2020 scenarios, exposing structural weaknesses in the current framing of the debate - In the analysis of the driving forces of change (cf. 2.8), seven factors were identified that imply a re-newed interest for the role of the private sector in development.³ This is also reflected in the scenarios, where business emerges as a powerful actor, however, with varying roles and motives towards sustainability. Part of the business community plays a positive role in 'Paradigm Shift' and 'Lonely Neighbours' by fully endorsing the sustainability agenda, and building coalitions with other actors. Others abuse the lack of global and local regulatory frameworks and remain caught in unsustainable practices. In 'Cold Green', the business community makes a spectacular shift towards more ecological business models in Western and emerging economies, but allows itself to be co-opted by populist governments, completely failing in social objectives.

The scenarios expose a number of weaknesses in the current framing of the debate on the role of private sector actors in development. Firstly, the diversity of the private sector and what this means for their motives and interests for engaging with development issues, is hardly taken into account. The debate is biased towards the role of Western and multinational corporations (MNCs). Secondly, there exist no shared policy frameworks or even a shared language providing common ground for role division, goal-setting, and/or cooperation between for-profit and non-profit development actors. Finally, obscurity remains on how private sector actors themselves see their role and responsibilities in fostering development.⁴

3 The role of the private sector is pre-eminently an example of the blurring borders between development in general on the one hand and development cooperation on the other hand. While some private sector initiatives (CSR support to NGOs, for example) fall well within what generally would be viewed as development cooperation, others (such as the certification of supply chains) have elements of development cooperation (e.g. setting up fair trade projects) and development (e.g. making parts of production or trade schemes sustainable).

4 Studies show, for example, that reputation management remains the key driver for engaging in CSR, questioning the extent to which CSR has been fully internalised in large parts of the business community.

Implications

The debate on the role of the private sector in development cooperation needs to be developed further:

- **both business and CSOs are caught in their respective silos, missing the development of a shared language, clarity around role division, and opportunities for cooperation** - Simultaneous but separate debates within different stakeholder groups (CSOs/ business) on the role and practices of the private sector in development will not do. Companies need to become more aware of and involved in the ongoing debate in CSO and governmental circles on the potential role of business in development, also to avoid unrealistic expectations and assumptions. Different actors should look for ways to cut across sectors and for-profit/non-profit boundaries, and become involved in each other's debates, strategic discussions and policy processes. This is crucial for the development of a common language, and a prerequisite for role division and successfully experimenting with new partnerships and hybrid organisational forms (e.g. social entrepreneurship, ...);
 - **putting the Southern private sector into the debate** - The debate about the role of the private sector has been biased towards the role of Western companies and especially Multinational Corporations (MNCs), questioning the actual credibility of the debate. While win-win thinking can have a role, the development of the Southern private sector should be put forward more actively.
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Emerging finding 5

The lack of regulatory frameworks, the short time horizon, and the slow uptake of new partnership and business models are limiting the developmental potential of business - Increased business involvement in development holds different opportunities, for knowledge transfers, new partnerships, and resource mobilisation amongst others. But throughout the scenarios significant challenges emerge. Besides the need to participate in a joint debate and develop a common language with other actors in development (cf. finding 4), the inherent nature of the private sector as development actor is under discussion. The prisoner's dilemma, which prescribes that being responsible in terms of sustainability creates disadvantages compared to those who externalise the costs, remains a key hurdle for a wide introduction of responsible business.

The scenarios point at the importance of regulatory frameworks at local, national and international level to steer and monitor business' progress towards sustainable business models. They also point at the lack of long-term thinking in a large part of the business community, threatening their own future survival in the face of climate change, scarcity, and growing inequality. Finally, only in the 'Cold Green' scenario business manages to scale-up its efforts drastically pushed by strict international eco-standards. In none of the scenarios, business manages to develop a critical mass of new partnerships with non-profit actors, or mainstream sustainable business models.

Implications

The conditions under which business practices inherently add to an environmentally sound and socially just development need to be explored and put to the test. The scenarios point at the importance of at least three factors:

- **moving from corporate social responsibility to corporate social accountability and beyond** - A growing role of the private sector as an actor in development cooperation needs to be counterbalanced with the development of stronger trade unions to defend the decent work agenda; capacitated Southern governments and international governance structures to make sure business contributes to tax income and respects sustainability measures; and with a responsive CSO community that can monitor the practices of local and international industry. These forces are crucial in order to complement a voluntary corporate social responsibility approach with a regulatory approach enforcing transparency and accountability;
 - **expanding the time horizon** - The scenarios point at the relevance of continuing to trigger debates about the long-term interests of business in view of climate change, scarcity, and inequality. While short-term interests of business might deviate from those of other stakeholders, focussing on the long-term impact can form the basis for converging agendas with civil society actors;
 - **invest in expertise on and experiment with new business models and new partnerships** - Companies as well as other development actors need to build expertise on the different (existing and upcoming) trends and models that operationalise the inclusion of social and ecological sustainability in the core-business of business. This kind of capacity building should be aimed at stimulating experiments with new partnerships between private and non-private actors, and supporting the integration of sustainable development in the core-business of private actors. At the same time, different actors should be critical of the extent in which partners effectively end-up integrating sustainable development in their core-business, this in order to avoid disappointing partnerships or instrumentalisation or co-optation by more opportunistic actors.
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4.3 Governmental and multilateral actors

Emerging finding 6

The return of pragmatics and national interest in development cooperation - The different scenarios point at several factors that push for a pragmatic and opportunistic approach to development. The economic crisis, the heightened scrutiny towards public spending and the conservative political reflex are likely to continue to affect the budgets as well as the mandates of bilateral agencies and force them towards national interest and win-win driven approaches to development cooperation. Agenda setting at the multilateral level, and the functioning of global governance institutions risk being affected for the same reasons, even further complicated by the rise of emerging economies. At this level as well, a strong push for a limited and pragmatic development agenda shows up in all three scenarios. Whether the focus lies on green growth, on access to natural resources and security issues, or on technocratic development initiatives ('thin' solutions), in the future bilateral and multilateral cooperation agencies could get less room to take a holistic approach to development.

Implications

Bilateral as well as multilateral actors in development risk being forced into a defensive position, in which they need to affirm their relevance:

- **bilateral agencies will likely be confronted with a difficult dilemma** - A push for a limited and pragmatic development agenda would restrict their mandate to work towards 'thick' solutions (Edwards, 2011) in contradiction with the increasing complexity of development challenges. This will weigh heavily on their ability to remain a relevant development actor. They could choose to give in to the pressures of massive proliferation of actors and budget cuts and specialise in technocratic development cooperation in order to boost efficiency. Being strong players in this specific field could make them complementary to other development actors, and therefore relevant. Or they could choose to specialise in connecting different development actors, and promoting cross-fertilisation and cross-sectoral partnerships. Specialising in this niche could also boost their relevance, but might be difficult to combine with their principal role as regulator;
 - **multilateral development and governance organisations will have to restore trust** - The failure of global governance institutions to come up with a just and coherent answer to a set of interlinked global challenges puts them in the uncomfortable position of being questioned and instrumentalised. Restoring confidence and trust in global governance institutions will be a challenge for all development actors.
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4.3.1 Emerging finding 7

Government is redefining its relations to other development actors and risks toning down its regulatory role in the process - The continued proliferation of development actors is a recurring trend in the different drivers and scenarios, triggering a redefinition by government actors of their relationships with private sector, private foundations and civil society actors. In the face of growing critique on the lack of success of development cooperation and backed by the assumption that private sector would be better at delivering on aid effectiveness, governments look at companies as a new force for more effective development action. Yet, the motivations to work with and expectations about the role of private companies are unclear and often not verified. The same goes for the government's overtures to private foundations, which often wield large budgets at low bureaucratic costs. The relationship with civil society on the other hand runs the risk of being complicated by subsidy cuts and government attempts to control and instrumentalise. Overall, the process of shaping government's relationships with other development actors might be significantly influenced by the very critical public and media attitude towards development cooperation and the demands for increased effectiveness and more visible results.

Implications

It is important to ensure that the relations between government, private actors and civil society are defined based on a thorough reflection and debate on the role of the state, taking into account that:

- **balancing facilitation and cooperation versus regulation of business practices** - A facilitation of and cooperation with business actors in the context of development, at the expense of the regulatory role of the government, could undermine the efforts to increase transparency and accountability in business practices and would weaken the incentives for sustainable business;
 - **caution is needed in view of the lack of accountability and democratic ownership in private foundations** - Private foundations often wield large budgets at a low bureaucratic costs, not hindered by the typically slow responses of democratic or participatory governance structures. Because of their scale and power of influence, this democratic deficit is becoming problematic and requires monitoring of government and civil society;
 - **instrumentalising CSOs could further hamper their ability to formulate 'thick' solutions⁵** - A development agenda that is driven by national interests and security issues, could translate into putting CSOs in sub-contracting and service delivery roles. This risks pushing CSOs to become more commercial and competitive, and focus on charity or 'thin' solutions in search for governments funds.
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4.4 Civil society actors

Emerging finding 8

Making connections and redefining partnerships gains importance and puts external relations in a different light - The scenarios point to the strengthening of civil society organisations and movements (e.g. faith based CSOs) in the South and especially in Middle Income Countries (MICs). This goes hand in hand with the adoption of stronger identities, a more critical stance towards Western development models and values, an increasing presence of South-South contacts between CSOs, and the emergence of different types of new social movements (such as alter-activism amongst young global justice activists). Another common threat across the scenarios is the crucial importance of the growing middle class in emerging economies as a swing vote in development policy. This is supported by research that indicates that once the middle class reaches a critical level and becomes an important group in the political arena, it tends to support or at least tolerate 'the kind of social and other distributive policies that are good for them but turn out to be good for the poor' (Sumner, 2011). Finally, whether it is because of the emergence of new actors or the changing identities of existing ones, the marginalisation of voices of the poor, or the untapped potential of an array of grassroots initiatives, all scenarios emphasise the need for making more and better connections across territorial, societal and sectoral borders.

⁵ Thick solutions (Edwards, 2011) aim to address the structural and multi-dimensional causes of poverty and inequality. Thin solutions are simpler and more technical/one-dimensional approaches. While thin solutions, which in general get easier access to capital, might focus on microfinance and small business development, thick solutions will expand this to more political and structural causes, for example in the area of land rights and social division, altering patterns of ownership, environmental implications, ... This is discussed further in chapter 5 and annex 3.

Implications

The changing civil society fabric in the South and the need to cut across silos and extend cross-border connections has implications for the interpretation of external relations by all actors, but especially for civil society actors for who a deepening role as partner, broker, and networker could become a cornerstone for (internal and external) agenda setting and political work:

- **strategies to engage with civil society in the MICs** - With the expected withdrawal of governmental aid to MICs, CSOs should develop strategies on how to engage with civil society (and other actors) in MICs, but expect serious resistance for civil society strengthening work with governments in MICs being increasingly wary of external influences;
 - **working for/in more equal partnerships** - Due to the expected decrease in CSO funding and the stronger CSO community in the South, the relationship between Southern and Western CSOs can be expected to become more complex. Western concepts of civil society might be challenged more systematically, and more conflicting views about development can become apparent. At the same time this can form the basis for more equal partnerships and coalitions, allowing (or forcing) Western CSOs to set agendas, discourses and strategies increasingly based on Southern perspectives;
 - **taking up the role of networker and broker** - Despite the fact that the political and budgetary setting is discouraging political work and non-output driven processes, civil society actors should take into account the strong arguments for scaling up their role as networker and broker. Making or maintaining strong connections, with civil society actors in other silos or with changing or upcoming actors at home and elsewhere, could be a prerequisite for agenda setting at the global level, and for the formulation of credible, legitimate and comprehensive responses to the system crisis. Also, investing in networking and brokering between groups of different social and economic backgrounds, and helping them to build alliances could be crucial in mobilising the power of middle classes in support of sustainable development.
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Emerging finding 9

The quest for alternative development models - In the different scenarios the systemic nature of current crises features prominently, with the financial crisis, climate change, resource scarcity and growing inequality leading to the current neo-liberal growth model being questioned globally. At the same time alternative models are often still small-scale or formulate only a partial response and the public and political support for them is very limited.

Implications

Explore alternative development models - Inspiration and building blocks for alternative models can be found across a wide spectrum of disciplines, trends and mechanisms such as social economy, social entrepreneurship, a social protection floor, labour mobility, the no-growth movement, transition thinking, etc. The implication that all development actors need to 'be ready' (cfr. finding 1) could mean for civil society actors that they need to take up the challenge to bring these ingredients together in comprehensive and credible alternatives that can be put forward when a political window of opportunities opens up. To ensure legitimacy, public support and robustness of civil society alternatives to the current political and socio-economic model, grounding them in Southern civil society and across civil society disciplines (cf. finding 8) would be crucial.

5 An overview of strategies for the future

In development literature, wider academic circles, and amongst policy makers and practitioners various responses to deal with the multitude of development challenges have been suggested, all approaching the issue from different backgrounds and angles. Underneath, we provide a (non-exhaustive) overview of these strategies. Some fit into the existing development cooperation paradigm (the Busan declaration, etc.), others are totally out of the box thinking (transition thinking, charter cities, ...). A brief but more detailed description of each strategy is included in annex 3. The strategies are classified depending on which of the following objectives they primarily focus on, without ignoring the fact that several strategies address two or three of these objectives:

- technical improvements and the governance of aid;
- reducing inequality and poverty;
- strengthening economic growth;
- protecting global public goods.

The sequence in the list does not correspond with any evaluation of their relative importance or support. Some of the strategies in this list received very broad international media attention (such as the work by Duflo and Banerjee on Randomised Control Trials, and the vertical funds), other strategies are promoted heavily within specific sub-sectors of the development community (such as the ‘fair shares’ idea in the NGO community).

Focused on reducing inequality & poverty	Focused on economic growth	Focused on technical improvements & governance of aid	Focused on global public goods
Social Protection Floor	Social entrepreneurship and social economy	Randomised Control Trials	Sustainable development goals
South-South cooperation in social domains	South-South cooperation as win-win	Power of new technologies	No-growth scenarios (transition thinking)
Vertical funds	‘Catalytic aid’ in support of economic growth	‘Thick’ solutions	Geoengineering
Power of new social movements	New types of financing aid & development	Experimentation and adaptation	‘Fair shares’ - approach
Responding to the poor in MICs	Labour mobility	Busan declaration (2011)	
Working for the growing urban population	Charter cities	Convergence economy	
‘Catalytic aid’ as decreasing inequality and aid dependency			
The Dutch proposal for NGOs			

In the past, development strategies were often categorised in two groups, that is the extent to which they focus on *reducing poverty* versus a focus on *contributing to economic growth*. In this way, starting from the 1950s, development cooperation was influenced by different paradigms, each time stressing either the economic objectives (Structural Adjustment Programmes, ...), or the social objectives of aid (community development, MDGs, ...). Over the last decades, at least two additional groups of strategies have gained more prominence. Since the 1990s, there has been a lot of attention for *technical improvements*, such as the role of new technology, more efficient delivery modes (through vertical funds, micro financing, etc). More recently, this is taking shape as the promotion of specific research methods (Randomised Control trials), and of ICT and other

technologies (mobile phones, ...). In the same period, the development community has been strongly focused on the *governance of aid*, for example through the High Level Forum meetings (Paris, Accra, Busan), but also in view of the growing recognition of the impact of complexity on governance issues (e.g. the need to work towards ‘thick’ solutions, experimentation, and a convergence economy).

Overall, the last decade has seen the emergence of a paradox between strategies that focus on making aid more effective and efficient and those that broaden the debate from ‘aid’ to ‘development’, and being more responsive to the complexity of social change. For example, in the latter group, the emergence of new global challenges has been translated in a fourth category of responses, geared towards *protecting global public goods* (e.g. through sustainable development goals, no-growth thinking, and geoengineering). Also the growing attention for *inequality* instead of poverty reduction can be seen as coming from that angle. As indicated in earlier chapters, the increased attention for efficient modes of delivery has been one of the drivers to focus much more on the role of *private sector in development*. One area where synergetic effects have led to spectacular results is where technological innovations have been utilised in large scale national welfare programmes (for example in the Bolsa Familia programmes in Brazil).

All in all, it is clear that there is no convergence of strategies around key ideas or concepts, probably even less so than in the past (MDGs). While in the thinking about environmental issues, large parts of the discussions are centered around key concepts such as ‘green economy’ versus ‘no-growth’ and ‘transition thinking’, the same is not happening in the debate on global development issues. The debates and the strategies put forward remain rather fragmented, probably a reflection of the proliferation of actors and agendas.

6 Final remarks

The scenarios and the subsequent analysis of common threads throughout the, scenarios lay the foundation for a comprehensive yet flexible framework that can be used by development actors in the analysis of future trends, opportunities and challenges as well as in the development of future visions and strategies. This means a lot of work still needs to be done. The findings and implications that emerged from the scenarios have been formulated at a general actor level. Further reflection and debate on what this means for each individual organisation and for its relations with other organisations or development actors, is needed. At the same time, the core idea of scenario planning and the main starting point of this scenario planning exercise is the very dynamic and fast-changing nature of the current and future development context. Together, this implies that fine-tuning and customising the scenarios as well as confronting them with and incorporating and translating them into organisations' visions and strategies should in fact be a continuous exercise. This research project and report offers development actors a startkit to analyse and monitor the complex development context, with the aim of facilitating and triggering a continuation, deepening and translation of future exploration within different organisations working towards more resilience.

annex 1 Participants in the scenario planning

Interviews (September 1st 2011 – February 1st 2012)

Bodo Ellmers, Eurodad

Bogdan Vanden Berghe, general secretary of 11.11.11, Coalition of the Flemish North-South Movement

Carl Michiels, director of the Belgian Development Agency (BTC)

Chris Alden, co-head at the Africa International Affairs Programme at London School of Economics (LSE)

Chris Claes, co-ordinator sustainable agriculture and chain development at Vredeseilanden

David Lewis, professor of Social Policy and Development at London School of Economics (LSE)

Don Seville, co-director at Sustainable Food Lab, USA

Fred Carden, director of the Evaluation Unit at International Development Research Centre (IDRC), Canada

Freya Rondelez, coordinator of the 11.11.11 field office Latin America, Peru

Geert Phlix, consultant and business manager ACE Europe, consultancy firm for European and international cooperation

Hans Bruyninckx, director of HIVA, Research Institute for Work and Society and chairman of BBL, Flemish umbrella organisation for the environment

Inge Overmeer, algemeen secretaris of Corporate Funding Program (CFP)

Jack van Ham, former director of ICCO and current chairman of the Liliane Foundation

James Taylor, practitioner and former director at Community Development resource Association (CDRA), South Africa

Jan Dereymaeker, network coordinator of the Trade Union Development Cooperation Network (ITUC/TUDCN)

Jan Wyckaert, external relations and strategic advisor at Vredeseilanden

Jian Junbo, assistant professor of the Institute of International Studies at Fudan University, Shanghai, China, and current academic visitor at London School of Economics and Political Science (LSE)

Joanna Maycock, head of Europe at ActionAid

Jospeh Francis, human rights activist and director of the Centre for Legal Aid Assistance and Settlement (CLAAS), Pakistan

Lau Schulpen, researcher and lecturer at the Centre for International Development Issues Nijmegen (CIDIN)

Lucas Simons, director NewForesight and SCOPEinsight and Young Global Leader 2011 at the World Economic Forum

Marc Broere, chief editor of Vice Versa and Lokaal Mondiaal

Marcus Leroy, former diplomat for the Belgian Development Cooperation and at the Permanent Mission of Belgium to the United Nations in New York

Matthieu Vanhove, director at CERA and chairman of the National Council for Cooperatives

Michael van Lieshout, co-founder and future explorer at Pantopicon

Olivier Consolo, director of CONCORD, the European Confederation of Development and Relief NGOs

Patrick Develtere, chairman of ACW, the umbrella organisation of Christian workers' organisations and professor at the University of Leuven

Peter Wollaert, former director of KAURI, Belgian meeting point for global sustainable action

Rudy De Meyer, adjunct-director of 11.11.11, Coalition of the Flemish North-South Movement

Selma Zijlstra, editor and producer at Vice Versa

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annex 2 Research details

It goes without saying that this kind of research design - with a range of interviews, two full-day workshops, and a full-day seminar - produces a wealth of valuable research material. In this annex, we summarise the principal outputs of the different research steps.

Drivers shaping the future

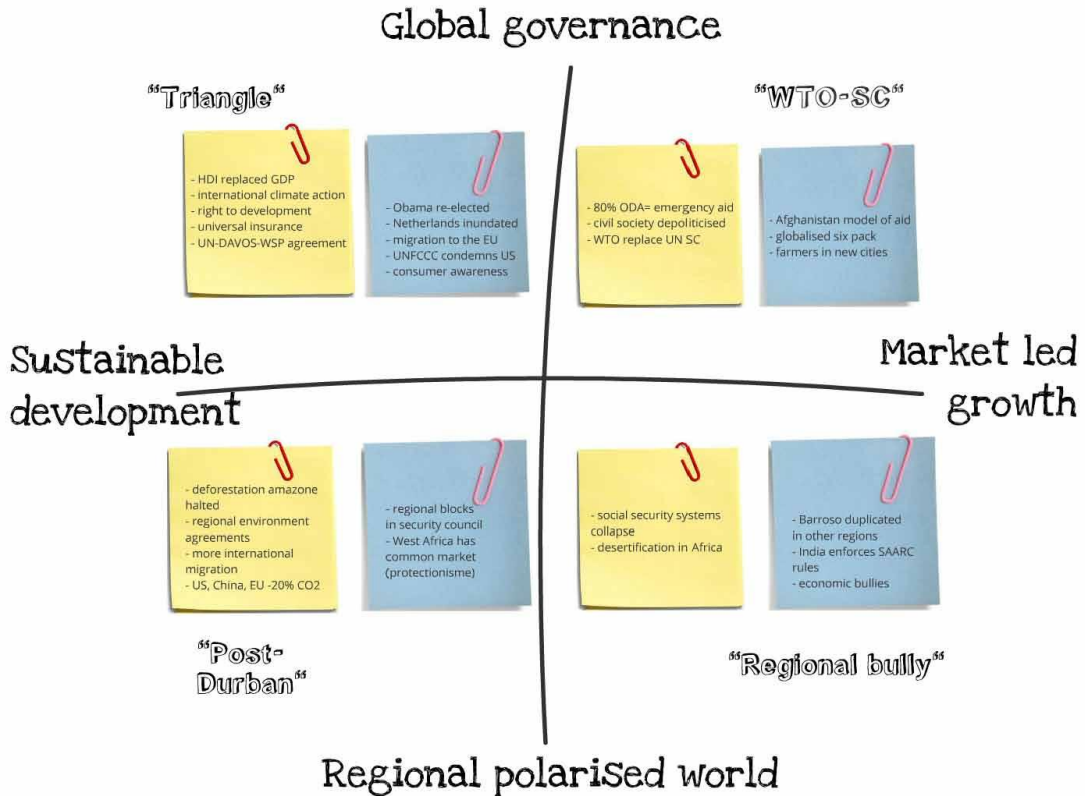
In workshop 1 participants were presented with a preliminary list of drivers of change, based on literature review and interviews. They were then invited to complete the list with drivers they felt were missing and to vote on which drivers they considered most important. In this exercise three additional drivers came up: 'a new economic model?', 'girl power?' and 'shifting the debate?'

Driver	Votes
Global development in a multipolar world?	31
A new economic model?	30
Changing relationships within and between state/civil society/private sector	29
The public response to growing inequality?	25
Runaway climate change?	23
The growing scarcity of (natural) resources?	20
Expanding financial crisis?	14
Impact of migration on North and South?	13
Power shift to the local level?	8
The proliferation and diversification of non-state actors in donor countries	7
Shifting the debate	7
More poor in MICs and West	4
Girl power?	4
Saved by 'technology'?	3
Unbalanced demographic growth?	2
An expanding instrumentarium to work for development	-

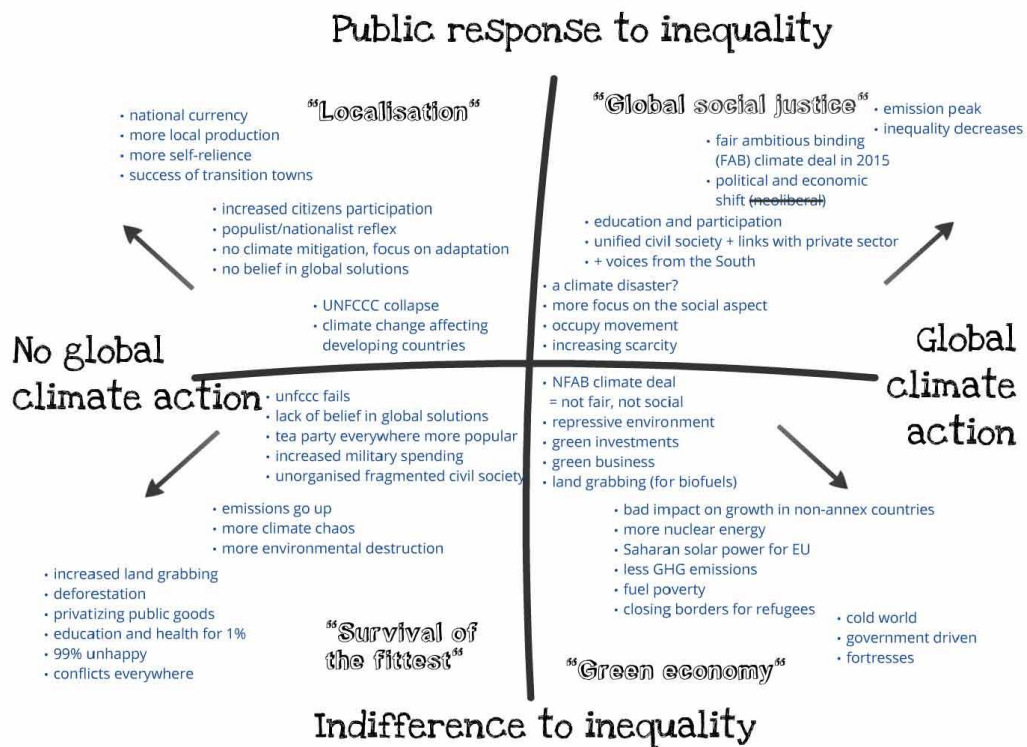
Intermediary step: twelve scenarios for 2020

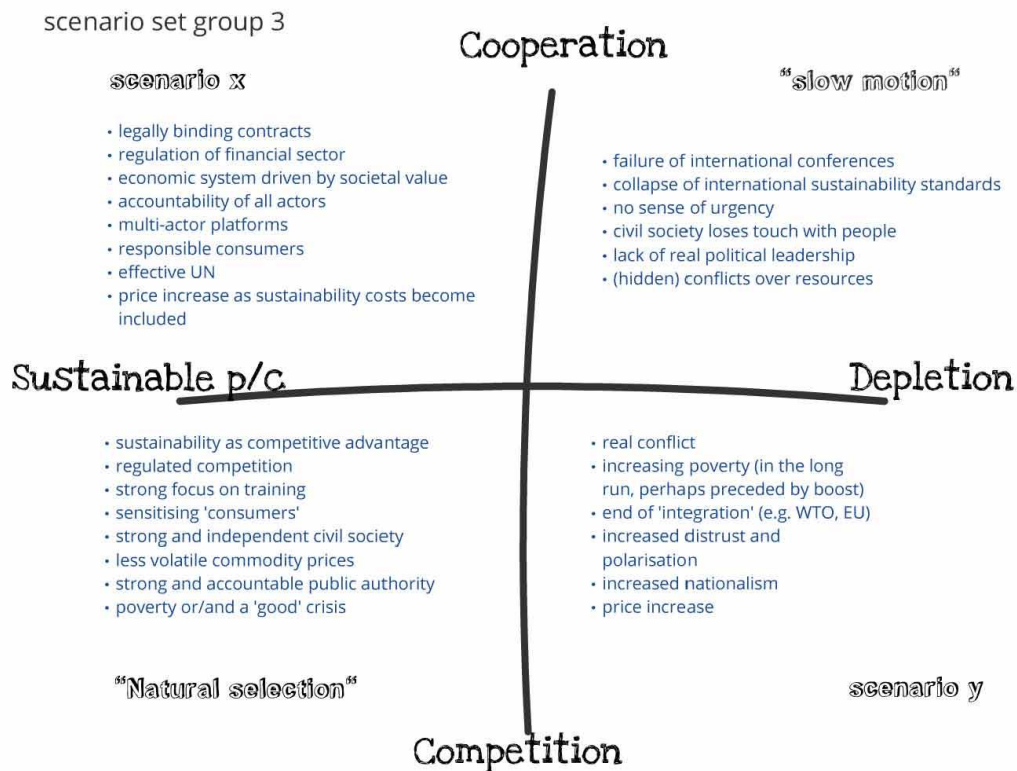
A crucial intermediary step was taken in workshop 1 when the participants, divided in three groups, worked out a scenario matrix based on two uncertain but influential drivers. This resulted in a total of twelve scenarios which are visualised in the diagrams below. The axes represent the two poles in which a specific driver could evolve. Each quadrant then represents one scenario and contains comments on the characteristics of this scenario or on what kind of events have led to this scenario.

Scenario set group 1



scenario set group 2





Stepping up the game: three plausible scenarios for 2020

Going from twelve to the final three scenarios was not an easy task. Some of the scenarios were considered too optimistic, such as the three scenarios in which global cooperation managed to address both the social and environmental global challenges by 2020 (namely 'Global social justice', 'Scenario X' and 'Triangle'). Yet, the participants also felt that these scenarios could unfold at least partially. Also, if they didn't, the global consequences would be catastrophic. Ruling them out completely therefore didn't seem appropriate. At the same time none of the twelve scenarios were considered too pessimistic to be plausible. Consequently, reducing the number of scenarios happened mainly through integration instead of selection: different scenarios that overlapped or complemented each other were integrated into one. By doing so, three main storylines emerged, giving shape to three distinctively different yet plausible scenarios. A summary of these original scenario stories, as they were presented by the participants, is given below.

Paradigm shift

"The paradigm shift scenario brings us to living and having an economic model that is within the ecological limits but also benefits people and society. (...) The reason why we think that this scenario is realistic is because more and more people realise that the current model is not benefitting people and the planet. People start to believe that we have to go towards a systemic deep shift, rather than operating on smaller changes within the system. (...) What needs to happen in order for this scenario to come true is that civil society starts creating critical

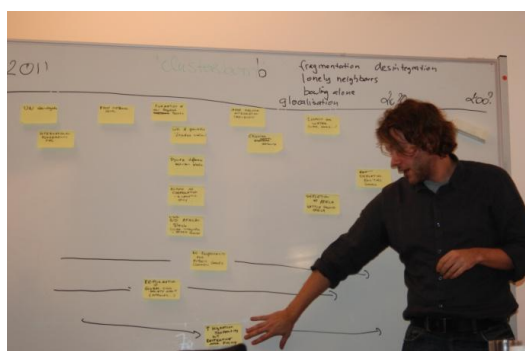
connections between actors that want a different model and starts to develop something like a global citizen movement, where all across the world people work towards that paradigm shift. This means that these people connect with change agents everywhere in society, not only in civil society but also in business and in government. (...) Ultimately this leads to a shift from the current model where we are, with a focus on national interest, economic interest, consumerist materialism towards a global citizen's model, where we believe in global solutions, and can also live simpler lifestyles within the ecological limits. (...) This will not come true by 2020, but by then we can say that we really are on our way towards that new paradigm. There is global consciousness that we need to develop that new model, and we're no longer in a trajectory exclusively based on economic growth. (...)”



On this scenario several critiques were voiced. One was the lack of credible factors that would make this scenario happen. How can the discussion within the environmental and development movement on the need for a deep paradigm shift, and what is going on on grass root level, be strengthened and become part of a common movement? Will the current synergy of different crises be able to incite the necessary awareness and sense of urgency? What factors will make civil society coalesce around a few issues, connect with private actors? An important driver will definitely be connecting agents of change, which would also demand organisational change as organisations need to start working outside silo's and take a more systematic approach in their analyses.

Lonely Neighbours

“What happens in Lonely Neighbours is that the United Nations fail to take up its responsibility, or to take action, and disintegrates more or less over the next years. Also different international agreements fail. In first instance we see countries fall back onto themselves, and you have more discussions on the national level. Later you get the formation of new regional blocks and some regional blocks stay in existence, like the EU. (...) Within each of these blocks you have one or two powerful leaders, who would be the driving force of that block, and a lot of inequality in the blocks themselves. At the same time there are also big power differences between the blocks in terms of political and economic power. You almost don't have any cooperation between the blocks, only on the economic level. (...) Africa can have also some blocks or one block, but it is very weak. Certain parts of Africa might be linked to other regional blocks such as North Africa to the Middle East. Between the blocks there is not so much cooperation, but within the blocks themselves you see more integration creating regional stability, keeping in mind that each block is different. (...) So you have different political and economic systems within these blocks. In a next stage you have kind of almost a clash of civilisations, with conflicts about resources such as water. Also Africa, which is weak in any case, is becoming the battle ground. You have a fight between blocks over natural resources in Africa,



it can be by forcing agreements or by having political power in Africa. At the same time there is continued depletion of natural resources. (...) So within the blocks the political situations might improve, but in general environment is going to waste. This is quite a negative story. But at the same time you have different movements within countries and blocks, and we think that there might be also counter movements within civil society, like Indignados or alter-globalist movements etc., who try to be a counter force to what is happening on the economic/global level. But they don't have so much power. (...) At the end, what you have is a lot of economic conflict, even military conflicts. (...) Economic conflict, which might even escalate in military conflict, and resource depletion in the end would lead to such destruction that either concerted cooperation is such a necessity that the blocks would be forced to cooperate, or that one of the blocks kind of wins the battle and becomes the new hegemonic power. But that would not be in 2020! (...)'

Cold Green

"In the scenario Cold Green we have made progress on sustainable production and consumption, and climate regulation, but not on the fight against inequality. So, at least this scenario is a partial success: it is going to be green. But, it is also going to be cold and very unequal since nothing is being done on that part. (...) It is only a partial success, being positive on the eco-part but not successful in terms of social development. The reason for that probably will be that the public and political pressure is much more due to the urgency on the eco-level than on the social part. This scenario is really crisis driven. Departure point is the climate crisis, financial crisis, food crisis, and everything. (...) We will be very spoiled in the next ten years with disasters. Some of the actors will react in a way that will lead us to at least this partial success. Parts of the market will develop in green business. Maybe broad, maybe just a niche, but to a certain extent some market actors will develop different market behaviour. (...) I think the crisis driven aspect is fairly euro-centric. But there may be lessons learned from other regions, e.g. will the Chinese combine the growth with greening the economy? (...) You may also have some regional blocks where decision making on some difficult points will be easier than at national level, because you mix it into a regional compromise. And there may be some new commercial blocks, like solar power or hydro power cartels, just as you have today with oil and other commodities. (...) We also come up with events and trends that could provide leverage for some of these developments. On the global level the UN are in terms of binding power fairly weak. But still we should use them. But it cannot be reached without more ecological or sustainability standards in other fora where decisions are taken place such as WTO or the G20 or whatever. (...) A constant factor is that some of the low income countries and people may be victims of the success of eco. We also thought that, unless it starts getting income from their own natural resources, Africa might become the battle field for a new cold war between the old powers and the new ones, over the natural resources of Africa. (...) It would, in my view, already be a big success. Still, the question remains: is it possible to have this eco-success without at least some redistribution of the wealth? And if you think that this is what could happen, one of the major challenges is how you make the link with the fight against inequality. Especially if you think that the two are in a more than artificially way linked to each other. But maybe that is a division of labour. How do you get at least this success is already an important question. Because you won't get there without any form of huge regulation."



International Seminar (16th of February)

At an international seminar in Leuven on the 16th of February 2012 we shared the preliminary results of the research project with 140 stakeholders from civil society, government and private sector. The set-up was two-fold: in the morning session we presented the different scenarios. This was followed by a keynote speech by Ben Ramalingam (independent consultant, IDS visiting fellow) on scenario planning and its use in building resilience in global development. The afternoon was devoted to the discussion of the implications of the three scenarios and possible strategies for the future, in order to deepen the understanding of what these different scenarios would mean for the practice of different groups of development actors.

annex 3 Overview of strategies for the future

Focused on technical improvements & governance of aid/development

Systematically researching what works and what doesn't through Randomised Control Trials (Duflo & Banerjee) - In their publication 'Poor Economics', MIT researchers Duflo and Banerjee (2011) make a case for much more systematic research about poverty and the strategies to combat poverty, especially through research approaches that have been copied from the health sector. They give specific examples of insights into - mainly technical - projects in health, agriculture, and education that made it possible to examine what works best in a given context.

Power of new technologies (range of authors) - There is a long tradition in the development sector of research on how certain technologies in communication, bio engineering, health, nano-science, etc., and the growing opportunities to create synergetic effects between them, have the potential to bring about significant improvements in the lives of people. The explosion of the use of mobile phones in Africa is a well known example in this field.

'Thick' problems requiring 'thick' solutions (Michael Edwards, 2011) - In a recent publication for the Dutch NGO HIVOS, Michael Edwards argues that many development programmes only provide 'thin solutions' to development problems that can, actually, increasingly be labelled as 'thick'. Thin solutions are "fixated on speed, growth, numbers and material success; dominated by technology and other magic bullets; framed by a philosophy that reduces human values to the competitive culture of the market; and unsustainable economies" (Edwards, 2011). The fact that solutions are getting thinner is attributed to a number of technocratic drivers in development. At the same time, because of climate change, globalisation, scarcity, the multipolar nature of governance, and the fact that all these issues are interconnected, problems are getting 'thicker', that is complex, politicised and unpredictable. Edwards (2011) sees a role for NGOs in bridging the gap between 'thin' and 'thick' solutions, and makes suggestions on how this can be done.

Experimenting (trial and error), rather than grant planning (Dave Snowden, Jim Harford, John Kay, Ben Ramalingam) - These authors are very critical about the relevance of centralised and detailed planning efforts to deal with present day development challenges, such as climate change. Harford (2011) makes the link with the failure of the Soviet Union, and the obsession of the communist system with planning. Complexity has to be dealt with by 'trial and error' approach, though experimental pilots, strong monitoring of what works and what doesn't early on in the process, and 'killing' the failures. That involves becoming more adaptive, decentralisation and "become comfortable with the chaos of different local approaches and the awkwardness of dissent from junior staff" (Harford, 2011).

Busan (2011) - After the Paris Declaration (2005) and the Accra Agenda for Action (2008), North-South cooperation remains the main form of cooperation in the Busan Declaration (2011), but the overall Aid Architecture has evolved, especially in view of the fact that a number of emerging economies have become providers of aid. Important elements of the new paradigm are: all actors are expected to form an integral part of a 'new and more inclusive development agenda', in which each actor (incl. private sector, civil society and other actors) participate on the basis of common goals, shared principles and differential commitments. New forms of

cooperation include cooperation amongst countries at different stages in their development (many MICs), South-South cooperation, triangular cooperation, and new forms of Public Private Partnerships. The Paris Declaration principles (2005) have been reconfirmed and extended in certain areas: democratic ownership, focus on results, inclusive development partnerships, transparency and accountability to each other, and predictability.

Convergence economy - Consultancy groups (Accenture) and researchers linked with the business community, have been putting forward the idea of cross-sector convergence in terms of issues, interests and solutions for global development problems. They build on the increasingly strategic engagement of corporations with development issues, and the importance of multi-stakeholder alliances. Examples of successful partnerships between NGOs and private sector actors, and the emergence of more hybrid organisational forms (related to social entrepreneurship and social economy) are brought forward as examples of innovative ways of addressing comprehensive challenges.

Focused on reducing inequality & poverty

Social protection floor (ILO) - The 'social protection floor' is a basic set of social rights, services and facilities that every person should enjoy worldwide. The United Nations suggest that a social protection floor could consist of two main elements that help to realise human rights: (1) services (geographical and financial access to essential services such as water and sanitation, health and education); (2) transfers (a basic set of essential social transfers, in cash or in kind), to provide minimum income security and access to essential services, including health care. There is growing support by leading UN agencies, trade unions, academics, and amongst policy makers for this strategy.

South-South cooperation based on successful social programmes in countries such as Brazil and India - There is a growing recognition that countries which have recently moved from a status as developing economy to emerging economy could be better placed to assist other developing countries to make progress in social domains than developed economies. A well known example is the successful Conditional Cash Transfer programmes (Bolsa Familia and Bolsa Escola in Brazil), of which variations are now implemented in at least 15 other countries.

Vertical funds to address specific health, environmental or agricultural problems (GFATM, GAVI alliance, GEF, ...) - The number of vertical/global funds to address specific challenges has risen significantly since the beginning of this millennium. While some of the well known funds have run into financial problems, such as the Global Fund to Fight Aids, TB, and Malaria (GFATM), overall many of these funds have acquired huge budgets to implement their programmes, often bigger than the UN agencies that work in that domain. Some of the powerful foundations have co-imitated and channelled significant funds through them. These funds are put forward by their promoters as more efficient deliverers of development than the traditional actors, at the same time they attracted criticism of by-passing local structures, and distorting line ministries in developing countries by focusing on only one issue. They are expected to thrive in the current context, where demonstrating results is becoming one of the main criteria for funding.

The power of new social movements (Occupy, Alter-activism, Arab spring, Avaaz.org, ...) - Over the last years, we've seen a growing group of citizens organising themselves in different ways in response to growing inequality in response to the observation that financial and political

power is increasingly concentrated amongst small groups of elites. In a range of very visible cases, these groups have managed to bring about change in their societies, although often incomplete and with mixed outcomes. While often very loosely organised, with no or distributed leadership, existing development organisations find it difficult to work together with them. However, in view of the finding that power is not only shifting from governments to supranational levels, but also outwards to ‘citizens, bloggers, NGOs, business, social movements’ (Evans, 2010), the question is no longer if traditional CSOs should work together with them, but rather how they can work together much more intensively in coalitions, networks, etc.

Strategies to respond to the fact that more than 70% of the poor living in MICs:

- *working for redistribution* - It is likely that bilateral actors and the INGOs and other CSOs will respond to this situation by working on equity and governance issues in these countries, in other words improving domestic tax systems and redistributive policies. It could involve strengthening trade unions, and watchdogs in MICs. However, Sumner (2011) highlights that MICs are more likely to want/allow only ‘coherent development policies on remittances and migration, trade preferences, and climate negotiations and financing, as well as tax havens’. That means that policy coherence could become more important as a way to address both the concerns of emerging economies and developed economies;
- *power of the new middle class in emerging economies* (Birdsall et al., Palma, Kharas, Sumner) - Research from Birdsall et al. (2010) shows that a number of emerging economies in Latin America, which have seen a growing middle class, have voted social-democratic regimes in power, and these have been found to be more effective in reducing inequality. This is interpreted by some researchers as an indication that once the middle class reaches a critical level and becomes an important group in the political arena, it tends to support or at least tolerate ‘the kind of social and other distributive policies that are good for them but turn out to be good for the poor’ (Sumner, 2011). It provides an argument for more networking and brokering between groups of different social and economic backgrounds, and helping them to build alliances in that way (Duncan, 2011).

Acknowledge the expected growth of the urban population - The urban population has increased dramatically over the last decades worldwide, but is expected to rise even more dramatically, compared to the rural population, in the coming decades. This reality is largely ignored by many traditional development actors, while it asks for different policies, strategies, and alliances as much of what is being done up to now.

‘Catalytic aid’ as decreasing aid dependency (Sumner, 2011) - Sumner analysis a range of strategies to make aid more catalytic in terms of redistribution and aid dependency. It comes down to ‘shifting the tax burden from the middle classes in the North towards the new middle classes in the South, for example through:

- building domestic tax systems;
- addressing capital flight;
- hiring corporate lawyers with aid money - to get better deals for low income countries negotiating natural resource contracts with international companies (as supported by Norway’s aid programme in Latin America);
- anything else that led to an increase in domestically available resources - which is potentially a whole range of stuff (see here and ActionAid’s ideas here).’ (Sumner, 2011)

Make NGOs focus on developed countries and let fourth pillar actors cooperate with the South (The Netherlands) - The Dutch government is in the process of making drastic changes

to the longstanding tradition of supporting Dutch NGOs for their development work in the South. A range of arguments are put forward to argue that Dutch NGOs should focus mainly on awareness raising and lobby and advocacy work in the Netherlands. Civil society cooperation with the South is suggested to be done through the work of 'private initiatives' (or 'fourth pillar organisations'), on the basis of money that is raised 'on the street', and through direct support to Southern civil society organisations.

Focused on economic growth

Social entrepreneurship and social economy - Social economy initiatives and social entrepreneurship have been put forward by a range of authors and organisations as a way of combining both the power of private sector development, while at the same time optimising the social development potential of it. These strategies cover a very wide group of actors/initiatives, ranging from those that can be seen as primarily social initiatives with an economic dimension to them (as part of the social economy) to those where the for-profit aspect is central, but with social dimensions added to them (as in social entrepreneurship). In the US and the UK, social entrepreneurship is brought forward more often, while in parts of continental Europe, there is more attention for social economy initiatives.

South-South cooperation as win-win - Interest has grown in the way some emerging economies are organising their international cooperation strategies, with China as the best known example. In the Chinese approach, traditional aid is largely integrated in an overall strategy of building trade and investment relations. In addition, Chinese companies play a central role in the win-win approach, being responsible for the actual implementation of infrastructure works, often part of a deal in exchange of minerals or other resources.

'Catalytic aid' in support of economic growth in developing countries - In the 4th High Level Forum in Busan, private sector development was once again recognised as an important driver of development. In this perspective of inclusive partnerships, aid should be designed in such ways that it is done more through and for the private sector in North and South. In the chapter on the drivers of change, we listed seven drivers that explain the increased interest in this actor. Favourite strategies in this area are Public Private Partnerships, corporate social responsibility, types of win-win cooperation, and certification schemes. Win-win types of cooperation have gained interest partly because of the practices of the Chinese in this area. Finally, certification (fair trade and other schemes) has become an important instrument to integrate sustainability considerations in the business practices of a growing number of business sectors.

New types of financing aid and development (Severino & Ray, 2009) - Severino and Ray build on the idea of a triple revolution in aid in terms of goals, players and instruments. The evolving set of instruments is a direct consequence of the broadening of the goals (climate change, security, migration, ...) and the new players. They list a range of instruments that have only rather recently entered on the aid scene, such as 'taxation or quasi-taxation mechanisms (such as airline ticket taxes); increased investment in risk capital; increased tapping in the financial market toolkit (such as the International Finance Facility, insurance mechanisms, guarantee schemes, Advanced Market Commitments, special bond issues); new aid channels such as the 'vertical' global funds and programs; countercyclical/contingent lending instruments. This has serious consequences on how we define ODA, and the way aid should be governed.

Labour mobility as strong driver of development (Lant Pritchett, Harvard Kennedy School)
- Comparative research shows that labour mobility, for example by citizens from developing

countries to developed countries or emerging economies, often has more economic benefits for the individual and the developing countries (for example, through remittances) than many development programmes can bring. Authors, such as Lance Pritchett (2009), argue that we should give up approaching development as something that should be brought to a country. Instead, history has shown, according to their analysis, that labour mobility is a much more effective way of redistribution and financial development.

Changing the unit of analysis: from the national level to cities and regions (Charter cities) - Part of the development policies over the last decades have been focussing on decentralising relevant parts of national powers to regional and sub-regional level. History has shown the power of the city level, as a driver for local change and development. In response, the Honduran government has created a number of experiments in which it will allow the start-up of quasi-independent city-states that will be allowed to design their own policies, laws, and practices, while being followed-up at the national level by a group of international experts.

Focused on global public goods

Sustainable development goals as follow up to MDGs (Rio +20 process) - In the preparations of the next Sustainable Development summit in Rio in June 2012, the idea of designing a set of international sustainable development goals (SDGs) has been put forward. While the exact content and form has to be decided upon, a number of parties are proposing to make the SDGs as a follow-up of the millenium development goals (MDGs) (2015). They could be more encompassing than the 8 MDG goals and in this way counter some of the critique of the MDGs. However, many developing countries are highly suspicious about connecting the poverty reduction agenda fully with the sustainable development agenda (Evans, 2011). This is based on an analysis that it could be used by developed countries to deny the developing countries their right to (industrial) development under the disguise of the SDGs.

From sustainable economic growth to 'no growth' (transition literature) - This relates to the growing literature and practice in the development of alternative socio-economic and ecologic development models, which challenge the current neo-liberal growth paradigm in view of the problems around climate change and scarcity of (natural) resources. Well know examples are the no-growth movement, and transition thinking.

Geoengineering to address climate change - Powerful lobbygroups and foundations are currently pushing for more drastic responses to the problems of climate change, in the form of large scale geoengineering interventions. There is growing critique on the fact that large budgets are used to promote these interventions, coming from organisations and individuals which are not structurally governed or controlled through democratic structures.

'Fair shares' idea in context of climate change and scarcity - The 'fair shares' concept is introduced in view of the fundamental questions that are currently raised about the current economic growth model and its inability to bring progress to large parts of the world population, and at the same time extracting resources at unsustainable levels. This means that a large part of the population is not getting a fair share of the available resources, and at the same time experiencing the most disadvantages of climate change. 'Fair shares' can be used as a concept to rally for different consumption patterns, compensation packages, etc.

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