

New generation of CooperationS: learn from the past, build from the future

Margherita Gatta - Studentessa del Master in Cooperation and Development 2018-19

Reflecting on the role of knowledge and cooperation throughout the years, we found ourselves questioning on the past approaches which led us to analyse the current trends and practices under the lens of the evaluation criteria not intended as a static concept, but as a dynamic incentive to build up a new generation of actors for development. Actors who need to be SMART, in a new interpretation. We will introduce a brief critical analysis of the most important steps in the past 70 years, which led to the current setting of development cooperation to reach a description of some of the current trends and tools, to finish with our own view on what is and should be important for development actors, beyond indicators and projects. We believe that building for the future is possible just by learning from the past. There is no intention of being comprehensive, but just to refresh vibrant hints, not just for our environment, but for anyone who is nourishing interests for the global situation.

From Aid to Cooperation

AID

·1948 - Marshall Plan “development through economic growth”

The inaugural address speech by US President Harry S. Truman in 1949 is considered the moment of birth for development aid. Truman stated that half of the world’s population was living in poverty and pledged to free these people from poverty. According to him, for the first time in history humanity possessed the knowledge and technique to achieve this. The background was however not just the desire to help, but also the fact that poverty was seen as a threat for wealthy countries. Moreover, development aid was seen as an instrument to promote one’s ideology and to prevent communism from spreading. In his speech Truman described poor countries as “underdeveloped” and, in contrast, wealthy countries as “developed”. His idea was that with “development aid” in the form of economic support, transfer of knowledge and investment programmes, wealthy countries should help poorer countries achieve economic growth. The concept of development aid was inspired by the Marshall Plan, through which the USA had helped Western Europe to rebuild economically after the Second World War.

The idea was for development aid to work in a similar way: It was to lead to economic growth and to an increased income per-capita, and was inevitably tied up with the political agenda of the donor states.

1950s - The conflict between Western powers and the Eastern bloc is known as the Cold War. The Third World remained neutral in this conflict and did not belong to either side. The First and Second World states competed for influence in the Third World, in order to spread their respective ideologies and therefore impose their economic and political interests. “Development Aid” served as an instrument in achieving this goal. With the end of the Cold War the term “Third World” became a synonym for developing countries, respectively for countries considered to be poor according the World Health Organisation (WHO).

In the 1960s it was believed that money could solve the problems faced by developing countries. Based on the assumption that underdevelopment was the result of a lack of capital, poor countries were supported through loans. The expectation from this was local economic growth, leading to a reduction in poverty and unemployment, and effects of prosperity such as better education and health. It was hoped that prosperity would trickle down to underdeveloped“ areas and sectors (“trickle-down effect”). The integration of developing countries in the global market was thereby supposed to act as an engine of growth. However, the desired effects did not happen. As the impact of investments were analysed, the conclusion was that there was still a preponderance of poverty. The loans that had been made ended up in the hands of the few, who got rich out of these investments. Yet the majority of people remained poor. A direct consequence of the loan policy was the increasing debt incurred by the debtors.

·1970s - “Basic need strategy”

As the strategy “development through economic growth” was unsuccessful, a new theory developed in the 1970s: it was presumed that growth would follow as soon as the basic needs of people were taken care of. During the time when Robert McNamara was president of the World Bank he developed a so-called basic needs strategy. The slogans were “food for all”, “health for all”, “education for all” etc. Instead of money, food and other basic goods were sent to developing countries and education institutions and health services were put in place. However, the situation did not improve in the 1970s and sending basic goods had a negative side effect: local suppliers were marginalised from the markets because they were unable to compete against free aid supplies. Today we still have a similar situation when state subsidised products are exported en masse from high-income nations to developing countries and are cheaply sold there. (creation of a dangerous form of “dumping”)

·1980s - Debt Crisis and Washington Consensus (1989)

During the 80s the concept of Aid has been influenced by the neo-liberal approach, which was characterised by a series of conditionalities, imposed to developing countries, which led in the 1989 to the codification of the so-called Washington consensus. A connection between this economic measures and the debt crisis which exploded since the end of the 70s

is not just theoretical, and can be reminded by the words of Stiglitz on Washington consensus approach to development:

“there was a failure in understanding economic structures within developing countries, in focusing on a too narrow set of objectives, and a too limited set of instruments. For instance, markets by themselves do not produce efficient outcomes when technology is changing (...); such dynamic processes are at the heart of development; and there are important externalities in such dynamic processes, giving rise to an important role for government.”

·1990 – HD Report and capability approach

The period since 1990 has been characterised by major shifts in understandings, contexts and practices. Ideas about the priorities and methods of development cooperation have also changed significantly, thanks to the introduction of the Human Development Index, in the UNDP report of 1990. “*Human development is about human freedoms. It is about building human capabilities—not just for a few, not even for most, but for everyone*”. The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. There is a growing acceptance from governments and agencies that the economies of much of the South, especially African, are neither inferior copies of those of the North, nor necessarily on a trajectory towards becoming like them. At the same time, the approach to development cooperation more generally has been undergoing an apparent transformation.

·1992 – UN Rio Conference “Helping people help themselves” (“agenda 21”)

In 1992 the United Nations met in Rio de Janeiro at the Rio Conference for Environment and Development. At this conference the co-called “Agenda 21” was adopted, a developmental and environmental programme of action for the 21st century. The meeting marked, at least on paper, a fundamental rethink away from development aid and towards development cooperation. In Agenda 21 a new common policy in development politics was defined: the principle of “help by helping yourself”. Development policies were to be aimed at enabling the disadvantaged groups to help themselves. One of the strategies, for example, was to provide micro-credits to enable autonomous investments. Another policy was to promote rural development, allowing farmers to carry out their business in the spirit of self-sufficiency. The collaborative understanding of development cooperation meant that the relationship between donors and recipients was increasingly questioned and local circumstances were more often taken into consideration. The focus shifted towards promoting economic autonomy, instead of development policies which often resulted in financial dependence. As a result extreme poverty was drastically reduced.

COOPERATION

·2000 MDGs “Halving Poverty, Cooperation instead of Aid”

Starting points for an international consensus were elaborated throughout the 1990s, and it should be kept in mind that this search for consensus took place in an extraordinary period of history. After the Cold War, the development agenda could move out of the shadow of geopolitics, which opened the way for discussions on how to improve development co-operation.

In 2000 at the Millennium Summit the United Nations took stock of a sad state of affairs: over a billion people were still living in extreme poverty, more than 700 million people did not have enough to eat, more than a 150 million primary school children were neither able to read nor write, over a billion people did not have access to clean drinking water, and more than two billion did not have the possibility to use sanitation. These disadvantaged people had hardly any chance to take part in social, economic and political processes. In reaction to this disastrous state of the world, eight “Millennium Development Goals” or “MDGs” were adopted. In contrast to earlier policies, these goals were more comprehensive, more concrete and, in their majority, were given an unequivocal time frame. For example, between 1990 and 2015, the number of people living in extreme poverty was to be halved and child mortality was to be reduced by two thirds.

·2015 SDGs “Leave no one behind” (Shared responsibility. The End of Extreme Poverty)

The “Sustainable Development Goals” or “SDGs” were adopted at the UN General Assembly in 2015, with the aim of being implemented between 2016 and 2030. They include the ambitious proposition to end worldwide poverty and hunger and to combat climate change and its effects. The protection of ecosystems and the promotion of sustainable economic activity and growth are also a priority. In contrast to the “Millennium Development Goals” or “MDGs”, the SDGs included more economic and particularly ecological aspects alongside the social development dimension. A further difference is that the MDGs were particularly aimed at developing countries while the SDGs were intended both for developing and high-income countries. They thus put a stronger focus on the idea of shared responsibility and demand a contribution from every country. (SDG 17 Partnership)
The fact that the Agenda 2030 is not just focused on developing countries calls for action all the actors involved in the cooperation at the time of the sustainable development, fostering wider and stronger partnership to overcome the old architecture and reach development.

Trends and Tools

The old aid architecture is being replaced by a more complex and diverse landscape of development cooperation in which there are new actors, new approaches and attempts to create an overarching architecture which, by embracing all, is expected to be more developmentally effective.

New development cooperation landscape is characterized by both vibrant dynamism and systemic inertia and that to achieve progress in development cooperation, more support needs to be given to bottom-up processes of change which can generate effective development outcomes

·*Globalisation*(internet and connectivity)

A large gap has opened between poor countries' pressing needs and official aid. In response, the nature of development assistance is rapidly changing. Traditional donors are splintering into many specialized agencies. Large new bilaterals have emerged from the South (China, India, Emirates) with their own approaches to development cooperation. The number of private non-profits is exploding and the value of their donations could already equal or exceed official aid.

The new reality of aid is one of enormous fragmentation and volatility, increasing costs and potentially decreasing effectiveness. A key challenge for the new era of development assistance will be to understand how coordination, information sharing and aid delivery will work in the new aid architecture

We hope to be increasingly conscious that we live in an extremely connected world, where knowledge can be shared fast through internet.

Among the knowledge sharing methods we find platforms which will foster new synergies, and increase information sharing and aid delivery abilities, such as Capacity4development (EU), ReliefWeb.int, platforms which can facilitate and foster new practices in development cooperation, such as new ways of Communication, Data collection, Coordination among actors of development, importance in the education sector and in emergency contexts. Less pragmatic/dogmatic.

Sharing economy is a term for a new way of distributing goods and services---a way that differs from the traditional model of corporations hiring employees and selling products to consumers. In the sharing economy, individuals are said to rent or "share" things like their cars, homes and personal time to other individuals in a peer-to-peer fashion.

There are two main types of sharing economy enterprises:

Commercial business models in which a company provides (for a fee) a mobile app that suppliers and customers use to buy and sell goods or services.

Not-for-profit initiatives, usually based on the concept of book-lending libraries, in which goods and services are provided for free or for a modest subscription.

The sharing economy is also known as the access economy, peer-to-peer (P2P) economy, gig economy, or collaborative economy.

The sharing economy is related to the circular economy, which aims to minimize waste and which includes co-operatives, co-creation, recycling, upcycling, re-distribution, and trading used goods. It is also closely related to collaborative consumption in which an item is consumed by multiple people.

Sharing might include "sharing, bartering, lending, trading, renting, gifting, and swapping redefined through technology and peer communities." [6] Other examples include exchanging, collective purchasing, shared ownership, shared value, borrowing, and subscription-based models.

We would like to stress the fact that these platforms are the result of EU common efforts, and that it's our responsibility to keep open the doors for multilateralism, especially in a time of closure where nationalism and egos are ruling the world.

· *Trends and issues*

Knowledge for us, is being conscious of the current trends hoping to improve them, basing our reflections on what we learnt, and trying to affirm that different contexts can apparently be characterised by different problems which are felt in the common sense as not belonging to our own reality. Throughout our studies we would like to conclude that we are facing a General problem, common to every single human being, just having different expressions, and felt in a different way according to the perspective we decide to take on.

We must be acknowledged that new actors and forms of aid are emerging, now more than ever, and our efforts must be put into the coordination and synergetic action for development, the only path to effectiveness. Knowledge is instrumental to make sure that Shared values can constitute the common base to start new actions.

New bilateral donors from the South: Providing assistance to poor countries is no longer the sole province of rich countries. Transition economies and middle income countries now give to poor countries. At last count, 29 such countries have established or are building aid programs. The new bilaterals include small donors like Thailand, Brazil and some of the new members of the EU, medium size donors like Korea and Turkey and large donors like China, India and Saudi Arabia, which have annual aid programs of \$1 billion or more (Table 1).

- Private organizations: Private organizations include a vast array of actors including tens of thousands of philanthropic foundations, tens of thousands of NGOs and hundreds of thousands of religious groups and community based organizations. These organizations

mediate resources directly from rich individuals in rich countries to development activities in poor countries.

- *South-South Cooperation*

Not a substitute, but a complement..

SSC cannot be matched to Official Development Assistance (ODA). SSC is not just concessional aid, it is not only for developmental purposes, and it is not always done through ‘official’ channels. On a conceptual level, SSC encompasses relations between developing countries, which go beyond grants and technical cooperation. It also includes trade, investment, infrastructure finance, peace and security, regional economic integration and other political solidarity in the global South. The Busan 4th High Level Forum saw a major effort to bring SSC into the mainstream aid effectiveness system. But the Global Partnership for Effective Development Cooperation (GPEDC) has failed to convince the big SSC providers – such as China, India and Brazil – to engage in its monitoring and accountability apparatus. SSC in fact does not sit comfortably in the assessment frameworks set out for traditional donors

Overall there is no consensus on a common definition for SSC. Attempting a definition would allow for a standardized approach to the quantification of SSC flows that can emulate ODA as a statistical measure for the contribution by traditional donors to global development. These issues need to now be brought to the forefront during upcoming discussions in 2019. (ownership of development processes, good governance and capability). The BRI, "Belt and Road Initiative", has been called a Chinese Marshall Plan, a state-backed campaign for global dominance, a stimulus package for a slowing economy, and a massive marketing campaign for something that was already happening – Chinese investment around the world. Earlier this year, the Center for Global Development found eight more Belt and Road countries at serious risk of not being able to repay their loans (without conditionalities, because of the so-called “moral relativism”, they don’t need to stress on HRB approach or other humanitarian approaches, it’s a matter of investment. This is probably the reason why this kind of economic development model is working and producing so many results).

- *Industrial districts and enterprise cooperation*

Collaboration between firms within the same related area of production and with those who provide services to such clusters, has been identified as an important source of learning and competitiveness (Afenyadu et al, 2001). Such networks often include a strong presence of linkages between firms of different sizes. Indeed, the presence of a strong network of subcontractors has been seen as an important element in the success of large corporations in countries such as Japan. However, it is relevant to note that the evidence for success in such networks remains far weaker in Africa than in parts of Asia (e.g. Pakistan) or Latin America (e.g. Mexico).

- *Social enterprises and PPP (private-public-partnership)*

Private sector financial flows have transformed the development landscape. Already, private flows like foreign direct investment, private portfolio capital, private bank credits, bond issuances, and remittances are much larger than official flows to developing countries. Is the same happening with international aid? The scope and scale of private nonprofits are expanding rapidly. For instance, enterprises addressing social issue. This can tackle social issues during the setting up and the life of the business, or doing it at the end, by redistributing the profits and revenues. It can be mixed with vocational training, taking into consideration the specific features and necessities of beneficiaries. Increasing future employability and access to education as well as reducing inequalities, gives workers. Start as , creating a business inside NGOs, to settle more stable activities involving beneficiaries themselves, and customers engaged in philanthropy. A sustainable way of doing "charity" not just from the donors' perspective. But a bottom-up process which is able to produce a concrete development result.

PPP is a kind of approach which tackle development from different perspectives. CSOs are the voice coming from citizens conscious of their issues and willing to be engaged in a process of development by themselves, and to become influential on policies related to them. We want to use what we have to ameliorate available structures, by improving methodologies which went wrong and emphasize positive spin-offs. And this is possible thanks to a shift in perspectives, or just by looking at things in a different way. Let's take the example of the 'Brain Drain' and the Possibilities of 'Brain Gain' Globalisation has encouraged the growth of the phenomenon of 'brain drain'. Economic disparities between North and South, and a demographic slow down in the OECD countries have encouraged a flow of skilled and educated workers into the OECD countries from poorer parts of the world.

And Now?

The new reality of aid is one of enormous fragmentation and volatility. Fragmentation arises because of the multiplicity of groups now involved in the delivery of aid, especially given new private aid players, new bilaterals, and the declining importance of the large multilaterals.

Cooperant beyond instruments...What does it mean to be SMART? From a reflection on knowledge and the effect on evaluation criteria for projects and indicators, we formulated our own SMARTs, to influence our future path and to take responsibility of changes that are happening right now and that will continuously happen in the future. To create a debate around the features of new generation of development actors, and to create a space for people beyond projects.

Questi sono i nostri SMART. Noi abbiamo preso esempio, valutando come il concetto smart è stato usato per valutare progetti ed indicatori, ci è venuto in mente di adattare l'acronimo smart all'uomo nella cooperazione, sia il cooperante, sia il beneficiario dei progetti.

To apply the idea of the SMART acronym, to people cooperation, both the cooperants and the beneficiaries of projects.

S	M	A	R	T
Serious	Motivated	Active	Responsible	Trained
Sympathetic	Multi-tasking	Adaptable	Responsive	Team-builder
Self-conscious	Mindful	Aware	Rapid	Thinker
Synergetic	Moving	Accessible	Revolutionary	Transparent

We would like to work together, to see the birth of this new generation of development cooperation. Our hope for the future is to have a **Synergetic**, **Moving**, **Accessible**, **Revolutionary** and **Transparent** cooperation.