

## How growth matters

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Policymakers and public opinion are obsessed with gross domestic product (GDP). Its growth is generally considered to be the yardstick of a nation's success. Unfortunately, this indicator is deeply flawed. In theory, it counts all financial transactions that take place in an economy in one year. The important things that do not figure include social disparities, resource depletion and environmental destruction. Whether money was spent efficiently or not, does not matter either. Countries with low incomes, however, certainly need growth to develop.

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Cover:  
From the “Furism”  
series by Allan  
Simba, part of  
the consumption-  
critical exhibition  
MORE IS MORE  
in Nairobi, Kibera  
Arts District.

## THE FUTURE OF D+C

# A new chapter

The turn of the year 2024/2025 marks a new chapter for D+C. After 60 years of publishing a print magazine, we are transitioning to an exclusively digital publication. Moreover, you are looking at a brand-new design today. Based on your feedback from our survey in summer 2024, we've revised D+C's layout. We hope you like it! You can find out more about other new features on the following pages.

That said, there will also be a change in our editorial team. As of January 2025 on, I will be taking over as editor-in-chief from Hans Dembowski (see his text on page 6). It is a great honour and privilege for me to help shape the future of D+C together with the editorial team.

**“I am keen on facilitating cross-border dialogue, strongly believing that this is what it needs to build shared solutions to global challenges.”**

For many years, D+C was part of my professional career. From 2010 to 2018, I belonged to the editorial team and kept contributing to the magazine later. With my background in online journalism as well as in international development affairs, I am keen on facilitating cross-border dialogue, strongly believing that this is what it needs to build shared solutions to global challenges.

The year 2024 leaves us in polycrisis: populism and nationalism are undermining international institutions and challenging global cooperation. Autocracies are forming alliances across the globe, and many violent conflicts – such as in Ukraine, the Middle East or Sudan – show no signs of ending. Achieving the UN Sustainable Development Goals (SDGs) by 2030 seems increasingly out of reach.

But that's only part of the story. We have seen notable progress since the turn of the millennium: child mortality rates have halved internationally, literacy rates now gener-

ally exceed 85%, and poverty rates continue to decline, albeit more slowly in recent years. In many African countries, the quality of life has improved, and democracy has strengthened. People worldwide have taken to the streets to challenge repressive regimes, and movements like Fridays for Future, Black Lives Matter and MeToo have left their marks on international politics. Even though the fossil-fuel industry remains powerful, renewable energy is gaining ground.

There's no denying that daunting global challenges exist, but it is equally important to acknowledge achievements. At D+C, we will continue to explore both sides of the equation and facilitate discussions on how to move forward. Only by connecting across borders can we develop shared solutions to global problems – and that's exactly what D+C stands for.

The feedback you gave us to our survey in the summer once again showed what a unique, engaged and global network D+C has built. We are most grateful for the many elaborate responses, the strong encouragement and the large number of proposals. We have carefully read each of your suggestions and have taken steps to implement many of your ideas, including the new design and the D+C app. We are also updating our newsletter, which will soon be published more frequently and offer more in-depth content. This will make it easier for you to access our content and better integrate D+C into your everyday work. Thank you very much for your support expressed in the survey.

We are trying our best, but we know that snags happen. Do contact us whenever something should not work properly, or should you feel a service is missing. We equally appreciate if you let us know about the things you like. Every kind of feedback helps us to improve our performance, and we're always happy to hear from you.



**EVA-MARIA VERFÜRTH**

will be editor-in-chief at D+C from 2025 on.

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## Survey results

In summer 2024, we asked our readers a long list of questions, including: What should D+C look like in the future? What digital tools would you appreciate once the print edition is phased out? What do you value most about D+C, and what can we improve? Over 1,000 respondents gave us feedback and shared their ideas.

- **Global network and professional value:**

D+C content reaches a global audience. Our readers want to stay informed on international development affairs, gain a broader perspective on global issues and find inspiration for their professional work. Some use it for research on topics related to development cooperation.

- **High quality, relevant content:**

Survey participants rated D+C's overall performance and content as "good" or "very good". They particularly appreciate D+C's in-depth analyses.

- **Digital formats and improved design:**

As the print edition is being phased out, many respondents would like to receive more frequent updates via email or access our content through an app. Other suggestions included improvements in layout and design.

Your wishes matter. We have created a new design for D+C that will be gradually implemented on all digital platforms. Moreover, we will send out a newsletter via email every two weeks from 2025 on. A new D+C app is available in the app stores – if you like, check out our most recent monthly issue using it.

### How do you rate D+C's overall performance?

<span style="color: #00AEEF;">■</span> very good	27 %
<span style="color: #76B82A;">■</span> good	54 %
<span style="color: #19365D;">■</span> satisfactory	12 %
<span style="color: #E67E22;">■</span> sufficient	3 %
<span style="color: #F1C40F;">■</span> poor	0 %
<span style="color: #E74C3C;">■</span> deficient	0 %
<span style="color: #95A5A6;">■</span> don't know/nr	4 %

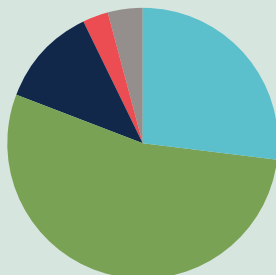


Illustration: freeplk.com

## Choose your preferred channel to never miss D+C content

Much will change at D+C as from 2025: The print edition has been discontinued and we are currently improving the digital options we offer. New tools may enhance your D+C online experience and help you to tailor access to your needs.

### Always have our Digital Monthly at hand: the new D+C app

Don't miss a single monthly issue: our new D+C app makes them even more easily accessible. An optional push notification will alert you to every new edition. You can download the PDF version or use the app's reader mode on your smartphone or tablet. Download here: [www.dandc.eu/en/app](http://www.dandc.eu/en/app)

### In your inbox every two weeks: the D+C newsletter

Sign up for our newsletter, and you will receive our briefing every two weeks from January 2025 on. It will include selected D+C articles, recommendations for further reading and more. Subscribe now: [www.dandc.eu/en/newsletter](http://www.dandc.eu/en/newsletter)

### Your daily companion: the D+C website

A new item on every working day: that's what you can expect from the D+C website. Of course, you can also access our monthly issues and topical briefings. If you're looking for information on a specific issue or region, the website allows you to filter our content by tags and regions. Visit our website: [www.dandc.eu](http://www.dandc.eu)

### D+C in your newsfeed: our social-media profiles

No time to sign up to new channels or apps? D+C is where you are – on LinkedIn, Facebook, WhatsApp and X. Follow our channels to get the best D+C content delivered directly to your feed.





Eva-Maria Verfürth and Hans Dembowski.

ON OUR OWN BEHALF

# Handing over the baton

*When I became editor-in-chief of D+C/E+Z, I thought I would move on soon. I accepted the job I was offered because I needed one, but I did not feel a calling for niche journalism. I stayed for 21 years and have no regrets at all.*

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BY HANS DEMBOWSKI

**W**hat I did not understand at first was that the leadership of the Federal Ministry for Economic Cooperation and Development (BMZ) was serious about the editorial independence they promised. They knew that they benefited more from a credible international forum than from just another PR outlet. They even created a new advisory board to protect the editorial team from overbearing demands from the BMZ's officers or its major agencies.

My team and I thus had the privilege to think for ourselves. We regularly published items that did not toe the government line. Sometimes those items probably fit BMZ leaders' views, though, representing the cabinet, they themselves could not say so. We were not told, and never got harsh feedback either.

I have reached the age to say goodbye to you, our readers, and hand over the baton to my successor, Eva-Maria

Verfürth. I am grateful to BMZ and its agency Engagement Global for having had this wonderful opportunity. I am also grateful to my team for constant support, to all board members for their vigorous encouragement and to the many contributors who kept sending fascinating manuscripts, some of whom became long-distance friends. Too many people were involved to name them here. I thank them all. I have great faith in the next editor-in-chief. She is a trusted friend and was a team member from 2010 to 2018. She will do a great job with the full commitment of the team. The platform will keep serving its purpose after becoming “digital only”.

## FAILED EFFORTS

It is for another reason that I have a feeling of defeat. From the start, my work was guided by two paradigms:

- Lasting progress in society depends on local and national ownership. All too often, however, official development assistance (ODA) basically means money for projects and programmes designed to please donor wishes. Properly understood, development cooperation must be more. Social change occurs where people’s expectations, aspirations and attitudes change. The implication is that donor institutions must not only make deals with partner governments but pay attention to voices from those countries.
- Global governance is crucially essential. If the world order is not conducive to the development of disadvantaged regions, people there will stay poor. All too often, they will also be exposed to violent repression or strife.

Both paradigms are valid. In the past two decades, however, there has been precious little progress. In regard to ownership, established donors only half-heartedly accepted the principles that were spelt out in a series of multilateral High-Level Forums on Aid Effectiveness from 2003 on. The momentum petered out ten years later. Decisions on what is funded where and for what purpose are still far too often made in the capital cities of high-income countries. The institutions of developing countries must follow a host of different administrative guidelines, depending on which multilateral or bilateral agency they get funding from.

The erosion of the aid-effectiveness agenda was symptomatic. Many multilateral initiatives did not deliver results as promised and needed. When I started in this job, for example, the World Trade Organization had recently launched its Development Round at the Doha summit. It mostly evaporated. In the Covid-19 pandemic, not even the promise of not letting patents block public-health policies came true.

“I doubt things will become better soon. The return of Donald Trump to the White House will probably usher in yet more pompous posturing by supposed patriots, though no sovereign state can rise to global challenges on its own.”

The UN Framework Convention on Climate Change had only been in force for 10 years. Its Kyoto Protocol, adopted in 1997, still looked promising. It was expected to become a blueprint for advanced nations committing to recurring cycles of increasingly ambitious climate-emission reductions. Moreover, they would systematically support climate action in poorer countries. The USA did not ratify the Protocol, its first cycle was disappointing, and the approach was abandoned. The climate crisis never stopped escalating.

I doubt things will become better soon. The return of Donald Trump to the White House will probably usher in yet more pompous posturing by supposed patriots, though no sovereign state can rise to global challenges on its own. At the same time, all nations must adopt ownership of global solutions. The two paradigms remain true. Will they guide policymakers? It does not look like they will.



**HANS DEMBOWSKI**  
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## RULE OF LAW

# Musk versus Moraes

*The richest man on Earth owns the social-media platform X (formerly Twitter) and allows it to serve right-wing political purposes. Most prominently, Elon Musk supported Donald Trump in the recent US elections. His proximity to the president-elect will certainly increase his international influence. It remains to be seen whether authorities in other countries will dare to stand up to illegal behaviour of his like Brazil's Supreme Court did in the summer.*

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BY ANDRÉ DE MELLO E SOUZA

Since its acquisition in 2022 by Elon Musk, the platform X has faced criticism over controversial content, mostly of political nature. Musk claims that his platform is neutral, but it made no effort to disguise its support for Donald Trump. Indeed, Trump's profile was quickly unblocked after Musk bought the platform. Twitter had suspended it after the insurrection during the storming of the US Capitol in Washington on 6 January 2021. Like Trump's, other profiles of persons involved in the insurrection were also unblocked under Musk's ownership.

Although less than a third of the posts are political, X's algorithm frequently promotes political content, causing it to represent almost half of the total in the feeds. New X users interested in topics such as crafts, sports and cooking are being bombarded with political content. Overall, X has clearly become more politicised under Musk.

Promoting messages on X has a financial price. Given what it costs, David Corn, who works for the San-Francisco based magazine Mother Jones, has estimated that the support Trump received from Musk's personal X profile alone was probably worth around \$ 100 million in the course of the campaign – and quite possibly twice as much.

Brazil's far-right has also used X extensively. After Jair Bolsonaro, the former president, lost the elections of October 2022, his supporters launched their own version of what

happened in Washington on 6 January 2021 almost exactly two years later on 8 January 2023. Their coup attempt failed. However, X was instrumental in mobilising for it. As a matter of fact, Brazil's right-wing strategists have been relying heavily on online platforms for many years.

“As a matter of fact, Brazil's right-wing strategists have been relying heavily on online platforms for many years.”

## FREEDOM OF SPEECH

Spreading disinformation and hate rhetoric anonymously is legal in the States, but not in Brazil. In the States, the constitutional right to freedom of speech is broader than it is in Brazil. Brazilians are of course free to express their views without restriction, but the law prohibits anonymity in posts made online. These rules ensure that anyone who abuses the freedom of speech for destructive and criminal purposes can be held accountable.





**Contempt of court? A post on Musk's X profile in August.**

Brazilians care about fundamental rights very much. The country was under military rule for 21 years. The dictatorship lasted until 1985. During Bolsonaro's first term, it became increasingly obvious that he adored the dictatorship and was himself a threat to democracy. That was one reason why he lost in 2022.

After the insurrection in Brasília, the Supreme Court acted fast and determinedly to protect the Constitution, with Justice Alexandre de Moraes playing a leading role. Such action was necessary after Bolsonaro had coopted many other state institutions during his presidency. Unlike its US counterpart, Brazil's legal system dealt with the failed coup fast and prevented the right-wing populist from running again for 20 years.

### **BLOCKING X**

In the same spirit, the Supreme Court has insisted that Musk's X must respect Brazil's laws. However, the plutocrat from the USA lifted Twitter's bans of restrictions regarding posts' content. As in the USA, moreover, he maintained or reactivated profiles that Brazilian courts had ordered to be closed down.

Musk responded in X posts that accused judges of "censorship" and claimed they were "violating Brazilian law". He declared he would disregard Brazilian court decisions.

In early April 2024, Moraes ordered an investigation into Musk for obstruction of justice, incitement of crime and abuse of economic power. In addition, he imposed a fine of R\$ 100,000 (the equivalent of about \$ 17,000) for every single reactivated profile. Later, he also ordered the arrest of X's representatives in the country unless the platform complied with the judges' decisions.

In August, X announced the closure of its office in Brazil. Ten days later the Supreme Court ordered Musk to appoint a new legal representative within 24 hours. That did not happen. Musk thus risked the suspension of X. He said that was a difficult decision but stated: "If we had agreed to Alexandre de Moraes' secret (illegal) censorship and demands to hand over private information, there would have been no way for us to explain our actions without embarrassment."

On 30 August, the Supreme Court ordered X to be blocked entirely in Brazil. Moraes issued instructions to Apple,

“Nation states have the option to switch off a specific platform if it is offensive. That will always look like censorship. However, they must make sure their rules are observed.”

Google and providers on how to proceed to prevent access to the platform within the country. Individuals and firms that used VPNs or other technologies to access X would be fined R\$ 50,000 daily. The justice justified these with X's fail-ure to comply with Brazil's laws and Supreme Court orders.

Nonetheless, Brazil's Federal Police reported that X allowed at least six profiles which the judiciary wanted blocked to broadcast live to Brazilian viewers. Users could still access the platform because the blocking of X had some technical snags. On 9 September, Moraes ordered the Federal Police to demand explanations from X and imposed additional fines worth R\$ 10 million (about \$ 1.7 million).

To the multibillionaire, of course, that is not much money. Nonetheless, X failed to pay. Next, Moraes ordered the blocking of funds from X's accounts in Brazil as well as from Starlink, the internet provider which also belongs to Musk. Right-wing activists staged protests in Musk's favour.

### MUSK BACKS DOWN

X remained blocked for 39 days in Brazil. On 20 September, the platform again appointed a legal representative in Brazil: Rachel de Oliveira Villa Nova Conceição, a lawyer. It also blocked profiles that had been judged by the Supreme Court to spread fake news, to incite violence or to fan hatred. However, Moraes made the unblocking of X conditional on the payment of all fines by the platform, which by then totalled R\$ 18.3 million. The platform was only unblocked after X had complied with all court decisions.

Several factors may have motivated Musk to back down. They include pressure from investors, the exhaustion of legal resources and international criticism. Internationally, Brazil has the sixth largest number of profiles on X,

according to estimates from research firm DataReportal. In January 2024, Brazilian users of the platform totalled 22.1 million, representing six percent of its accounts globally. In addition to considerable financial losses from advertising, the suspension of X would have led to a competitive disadvantage, since rival platforms would have been able to increase their share of the Brazilian market.

### INTERNATIONAL IMPLICATIONS

Nation states have the option to switch off a specific platform if it is offensive. That will always look like censorship. However, they must make sure their rules are observed. The dominant internet corporations use global business models and do not really worry about how small markets are regulated. On the other hand, they do respond to legal action in important markets, such as Brazil for example. In many countries, however, the lies and hate speech that Musk permits on his platform spread without much constraint.

The EU passed its Digital Services Act in 2023. It is intended to put a check on internet platforms that have so many users that they have gained monopolistic or oligopolistic power. Unfortunately, it is not obvious that EU institutions are willing to enforce the rules if that means standing up to someone like Musk.

In August, Thierry Breton resigned in anger from his role as the EU's commissioner for the internal market after being criticised for reminding Musk publicly that EU rules exist to be enforced. Breton had warned Musk that these rules do not allow him to spread lies before the billionaire interviewed Donald Trump on his digital platform. If government authorities show no determination to enforce a law, that law will fast become toothless.

Will the EU use the Digital Services Act to put a check on dangerous right-wing propaganda? Observers in other world regions certainly hope that it will set the right example.



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## RURAL DEVELOPMENT

# Improve the investment climate

*African governments have to move on from their subsistence approach. For too long they have seen farming as something poor villagers do to feed themselves and their families. Policymakers must finally take account of agriculture as a vitally important industry.*

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BY NYASHA J. KAVHIZA

Africa has over 60 % of the world's arable land. It is absurd that it is also home to a huge number of people suffering food insecurity. Quite obviously, the continent is a potential agricultural powerhouse, but this potential has not been tapped.

Shortfalls in farm production mean that African countries must import food. Indeed, \$ 60 billion worth of food is shipped to this world region annually. This is, in itself, a huge burden on economies because it leads to a constant outflow of precious foreign-exchange reserves. Not being self-sufficient, moreover, means there is a risk of importing inflation. Price shocks on global markets have immediate impacts on African consumers.

In a sense, importing food is equivalent to exporting farm work. Given that masses of Africans live in rural areas, this is not an approach that can make African economies competitive. The continents' nations can be grateful for the food aid they get in the short term, but it is a poison pill in the long run. Policies must change for countries to achieve food security, strong growth, macroeconomic stability and balanced budgets.

## THE URGENT NEED TO MODERNISE

African countries must modernise agricultural operations. Governments must move beyond the subsistence approach, according to which farming is what poor people do in rural areas to sustain themselves. Agriculture

must finally be considered the vitally important industry that it actually is. Such a paradigm shift will boost properly understood sovereignty.

For too long, African policymakers have mostly focused on urban areas. The general priority was not to improve rural productivity, but to keep urban populations happy. An unintended side-effect has been the migration from remote villages to the cities, where, however, masses of people live precarious lives in informal settlements. In order to reduce urban poverty, it is thus essential to improve standards of living in rural areas. African governments have largely neglected these issues. In the hope of keeping urban consumer prices low, their priority was to keep farm-gate prices low as well. This approach has reduced national self-sufficiency in regard to staple foods. The reason is that farmers had incentives to shift to goods such as cocoa or tobacco, which fetch higher prices and are in demand internationally.

At the same time, African governments have not done a good job of managing exports of this kind well. Ghana and Côte d'Ivoire together account for about 60 % of global cocoa production, for example. If they formed a common Cocoa marketing board, their bargaining power would increase.

So how can African countries modernise agriculture? Land is available, but it is not the only variable on which agri-



**Kenyan farmer: as women do most agricultural work in Africa, they would probably have the best investment ideas, but typically lack access to credit.**

cultural development depends. This sector, like any other, needs a favourable investment climate. Farms must become attractive businesses.

So far, however, African economies generally do not provide good incentives for agricultural investments. Interest rates are high. Subsidies are low or non-existent. Agricultural research tends to be poor, and, as a consequence, agricultural extension services tend to be poor too. Some countries charge high extraction taxes. Rural infrastructure is generally inadequate, as is true of other developing world regions. Farming communities obviously need roads, water and power supply and telecommunications. They also need educational opportunities and health services. Where there are neither storage facilities nor marketing options, investment in farms will always look unattractive. Adding to the problems, farm produce is almost exclusively processed in urban areas in Africa. For these reasons, it is hardly lucrative to invest in African farms.

High interest rates are a break on agricultural development. In all industries, investments are typically financed,

at least in part, with credit. Where loans are expensive and difficult to get, businesses will not flourish. High interest rates of around 25 % are common in rural Africa, however. Moreover, there is a destructive gender bias. About 85 % of African smallholdings are run by women. They do most of the field work too, but they often do not own the land. Lacking collateral, they typically have no access to credit, even though they are the ones who would probably have the best investment ideas.

In countries with high average incomes, farming families rely on high technology. They use combine harvesters that easily cost \$ 500,000 or more. They benefit from subsidies and enjoy low interest rates of below five percent. Many invest in information technology, which has begun to make a difference in terms of smart irrigation, autonomous machines or drone supervision of fields.

None of this is imaginable in Africa at current conditions. As long as interest rates and other aspects of the investment climate remain as unfavourable as they are, farmers will keep harvesting with sickles. Productivity will remain low. Post-harvest losses will stay high – and they

mean that about 30 % of the food that Africa produces is not consumed these days. As produce rots in fields and gardens, African economies keep importing staple foods as well as juice and tomato paste. Experts reckon that proper harvest handling (including storage, transport and processing) would boost the productivity of African agriculture by one third without increasing the land under cultivation.

African governments can and must rise to the challenges. There are many things they can do. More and better agricultural research should be high on the agenda. It must focus on how to improve farm productivity in the specific context of their countries' rural areas. China and South Korea invest about two percent of their agricultural GDP in these matters. In Africa, the figure is normally below one percent.

### MOBILISE THE PRIVATE SECTOR

Another priority must be to stimulate private investment. Government policies could benefit from the fact that major financial institutions such as pension funds or insurance companies are interested in good long-term investment opportunities around the world. If the general investment climate in African agriculture improves, they are likely to provide large sums for sensible private-sector projects.

A sensible step would be to set up food-processing facilities in the areas where staple crops are grown. They would become the core of rural-economy hubs, serving both as centres of development and engines of growth.

The better farmers' opportunities become to market their goods, the more attractive farm investments will become. To date, they lack the kind of nearby spot markets which would emerge in the processing zones proposed above.

More can be done. By establishing commodity exchanges, African countries could facilitate speculation in commodities and thus give farmers further options for selling their goods. Initiatives to launch such exchanges are therefore commendable in Zimbabwe, Rwanda, Nigeria, Ethiopia and other countries. However, these initiatives must go along with a strong improvement of warehouse infrastructure. Without it, the exchanges will not be able to properly match supply and demand in regard to quantity, quality, timing and prices.

Infrastructure development must generally be a key component of any strategy to modernise agriculture. Power-generation capacities must improve, for example. So far, about 600 million Africans lack electricity. Transport infrastructure – including, where possible, rail networks –

“A sensible step would be to set up food processing facilities in the areas where staple crops are grown. They would become the core of rural-economy hubs, serving both as centres of development and engines of growth.”

and water supply are crucially important too. For rural people to become able to grasp modern opportunities, they need good schooling. Otherwise, they are unlikely to even understand their chances. Moreover, they deserve good healthcare. Otherwise, an accident or an illness of a breadwinner can plunge entire families into desperate need long term.

Of course, rural modernisation policies will hinge on internet connectivity too. There are several reasons:

- Financial services can largely be provided online today. Access to credit no longer depends on bricks and mortar banks. In doubt, farmers only need a mobile device. The same device can give them access to commodity exchanges, once these are fully operational.
- The internet has become essential for the distribution of knowledge. Farmers can use it to research prices and other business-relevant information. To some extent, governmental awareness raising can reach out even to illiterate people, but they will, nonetheless, remain unable to make full use of all online opportunities.



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## SEXUAL MINORITIES

# Human rights for all

*Those who love in a non-heteronormative way are under pressure in many countries around the world. At a conference in Cape Town, activists for the human rights of sexual minorities discussed the challenges they face. They emphasised that it is not only their rights that are at stake, but also pluralistic societies and liberal democracies as a whole.*

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BY RITA SCHÄFER

United by the motto “Kwa umoja – We rise”, 1450 activists for the human rights of sexual minorities met in Cape Town in mid-November. The International Lesbian and Gay Association (ILGA), the largest umbrella organisation in the world, chose the South African metropolis in order to send a message against homo- and transphobia. South Africa’s constitution was the first in the world to protect sexual minorities from discrimination.

Under apartheid, homosexuality was criminalised in South Africa, as were relationships and marriages between people with different skin colours. The government of Nelson Mandela put a stop to this after he took office in 1994. Since its transition to democracy, South Africa has achieved numerous successes in the fight against discrimination. Same-sex marriage has long been legal and hate crimes are punishable by law.

In her opening address to the ILGA conference, Mmapaseka Steve Letsike, Deputy Minister of Women, Youth and Persons with Disabilities, underscored that homosexuality was tolerated in many places in pre-colonial Africa and that criminalisation is a colonial invention. In doing so, she also took a stand against homophobic politicians on the continent. The fight to improve LGBTIQ human rights is not restricted to one group of people but is a fight that concerns all of society, Letsike said. It is a fight for justice and the dignity of all people. She especially praised the work of South African trade unions, which are working to overcome socio-economic problems and include sexual minorities.

“Teachers’ unions have a key role to play when it comes to education about human rights and tolerance of minorities.”

The conference offered over 150 union representatives from all continents an opportunity to exchange ideas about how to better combine labour rights and the rights of sexual minorities at all levels. Teachers’ unions have a key role to play when it comes to education about human rights and tolerance of minorities. Some unionised teachers from the former settler colonies of South Africa and Canada reported on how they use dialogue to counter homophobia among school directors and parents and thereby contribute to an inclusive atmosphere in schools. Doing so also reduces their own stress at work.

## INTERNATIONAL LEVEL

The conference encouraged true solidarity and the establishment of alliances between different movements, underscored Julia Ehrt, executive director of ILGA World. Resistance and courage are necessary, she asserted, to counter anti-gender movements and their attacks on



Protests against Uganda's anti-homosexuality bill at the Ugandan High Commission in Pretoria, South Africa, 2023.

human rights. “Conservative, sometimes religious leaders are trying to restrict the lives of LGBTI people, either through discriminatory practices or through criminalisation or through fostering prejudice and stereotypes against the communities that ILGA World serves. (...) If you're part of the social mainstream, authoritarianism might not be that frightening. If you're part of a minority, be that a gender minority, sexual minority or an ethnic minority, then authoritarianism is actually possibly life-threatening,” Ehrt said.

Many participants agreed that homo- and transphobic agitation were just the start of a larger attempt to weaken human-rights work and civil society in general. They claimed that the medium and long-term goal of anti-gender movements is to create authoritarian and repressive regimes.

Participants also discussed the fact that women's-rights activists are being targeted more and more because they are fighting for autonomy and the right to make decisions about their own bodies. They are also decrying sexualised and domestic violence. Representatives from moralising anti-gender organisations and their financial backers are ignoring these problems, however, because they idealise conservative and patriarchal family structures.

Graeme Reid, the UN expert on the rights of sexual minorities, published a study on these issues shortly before the conference. “State and non-state actors seek to constrain freedoms of expression, peaceful assembly and association. In many instances the immediate targets are LGBT persons,” he explained. “Nevertheless, the implications of these restrictions are much broader, extending to those who express or act in solidarity with LGBT groups, as allies

or in coalition to respond to common structures of subordination.” At issue, Reid argued, is not simply a cultural clash with Christian or Islamic fundamentalists, but rather human rights, pluralist societies and participatory democracy.

## POST-CONFLICT COUNTRIES AS TEST SITES

Homophobic agitators and opponents of human rights and democracy are focusing above all on post-conflict countries, where years of extreme and often unpunished violence have caused massive social upheaval. Politically influential clergy and propagandists are petitioning governments there to further strengthen laws against homosexuality. In many places, these laws are a legacy of the colonial era. During the ILGA conference, activists criticised the fact that they were never abolished following political independence, despite anti-colonial rhetoric.

New, self-designated “holy warriors” are exploiting this situation. For example, in Uganda, the now draconian criminalisation of homosexuality can be traced back to fanatical US-American evangelicals. Those representing the interests of sexual minorities have had to stop their work; many are no longer safe even in their homes.

An activist from Afghanistan, who managed to flee the country after several failed attempts, also spoke at the conference. He reported that on the dangerous flight routes, Afghan homosexuals cannot count on the support of European countries – even though they rhetorically condemn the new Taliban regime. The Taliban is in no way just terrorising sexual minorities, but also robbing women and girls of their fundamental rights. To show solidarity with Afghans, numerous conference participants called for immediate action, especially by governments that see themselves as advocates for women’s and human rights.

### Link

<https://worldconference.ilga.org/programme/>



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## MASTHEAD | IMPRINT

### D+C DEVELOPMENT AND COOPERATION

Sustainable development requires global awareness and local action.

#### Vol. 52, 2025

D+C is the identical twin of the German edition E+Z.

Website: [www.dandc.eu](http://www.dandc.eu)

ISSN 2366-7257

The production of this Digital Monthly was finalised on 18 December 2024.

D+C Development and Cooperation is funded by Germany’s Federal Ministry for Economic Cooperation and Development and commissioned by ENGAGEMENT GLOBAL. D+C does not serve as a governmental mouthpiece. Our mission is to provide a credible forum of debate, involving governments, civil society, the private sector and academia at an international level. D+C is the identical twin of E+Z Entwicklung und Zusammenarbeit, the German edition.

We invite people who work in different sectors and live all around the world to contribute to D+C/E+Z. The editors request that no unsolicited manuscripts be sent, but proposals for contributions are welcome. After editing manuscripts according to journalistic standards, we ask the authors to approve the final texts before publishing their items. As we edit interviews for clarity and brevity, we also ask our interviewees for approval of the final manuscripts to ensure we do not distort their message. That is standard practice in German journalism.

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### PUBLISHER:

Fazit Communication GmbH

Executive directors: Jonas Grashey, Hannes Ludwig

### ADDRESS OF THE PUBLISHER AND EDITORIAL OFFICE:

Pariser Straße 1, D-60486 Frankfurt am Main, Germany

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Disclaimer according to § 5,2 Hessian Law on the Freedom and Rights of the Press: The shareholder of the company is FAZ Fazit Stiftung.

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Anabell Krebs, Lisa Stein, Patricia Urban

### ADVERTISING AND SUBSCRIPTION SERVICE:

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## MENTAL ILLNESS

# Against the criminalisation of suicide in Kenya

*Kenya is one of the few countries where attempted suicide is still a crime. A petition to Kenya's parliament aims to change the law, pushing for empathy and care over punishment for those in crisis.*

---

BY JOSEPH MAINA

**D**ecriminalising suicide or not has been the focus of renewed debate in Kenya as parliamentarians weigh the merits of a controversial law that criminalises any attempts to take one's life. According to the country's Penal Code, any person who attempts to kill himself is guilty of a misdemeanour. The code further prescribes a general punishment of imprisonment for a term not exceeding two years or with a fine, or with both.

A group of activists under the umbrella "Decriminalisation of Attempted Suicide" presented a petition to parliament in August 2024 to challenge the law. The petitioner, Lukoye Atwoli, a professor of psychiatry at a local university asserted that criminalising suicide attempts not only fails to address the underlying mental health issues but also perpetuates stigma and shame surrounding mental illness.



“Debate on the matter has attracted varied reactions. While some people hail the petition as a move in the right direction, there are those who have faulted this approach, citing moral and religious justifications for the prohibition of suicide.”

The petitioners argue that the law contradicts another legal provision that addresses mental health. The law in question defines a person with mental illness as a person with among others “suicidal ideation or behaviour.”

“Moreover, the criminalisation of suicide hinders accurate data collection while undermining suicide prevention efforts,” Atwoli asserts. He lamented that Kenya is one of the few countries with legislation criminalising attempted suicide, adding that many countries decriminalised attempted suicide. He argued that by decriminalising suicide attempts, such countries allow mentally ill patients access to the help they require.

### THE RIGHT TO HEALTHCARE

“The continued application of the provisions contradicts the provisions of Article 43 of the Constitution, which states that every person has the right to the highest attainable standard of health, which includes the right to healthcare services, including reproductive healthcare and that a person shall not be denied emergency medical treatment,” Atwoli elaborates.

Debate on the matter has attracted varied reactions. While some people hail the petition as a move in the right direction, there are those who have faulted this approach, citing moral and religious justifications for the prohibition of suicide.

It however begs the question of just how much grip the state has on a person’s right to make choices, including the choice to retain or take away one’s life. It can be argued that the state needn’t criminalise such attempts but should instead invest towards bettering the lives and welfare of people.

There are many causes of suicide in Kenya. Many of these can be linked to people’s experiences with everyday life including financial, social and other environmental pressures, of which the government and society are key stakeholders. The government must therefore take some blame

if its failure to uplift the standards of living lead people to making drastic decisions such as suicide.

Some activists have urged the Kenyan government to emulate countries such as the United Kingdom, which decriminalised suicide in 1961. Equally, a section of parliamentarians have pointed out that attempted suicide is a form of mental illness which has been categorised as a disease by the World Health Organization.

“This matter is very complex as we do not know why people commit suicide. We should be using doctors to treat those in distress instead of punishing them. It is vital that we use this opportunity to make use of all the psychological knowledge and methodologies to cure the ills associated with mental health and suicides,” Julius Sunkuli, a parliamentarian, says.

In Kenya, as in many parts of the world, there is need for efforts to fight stigma surrounding mental health. The government must do more to sensitise communities so that those who fall prey to mental illness receive the support they need.

**If you are thinking about taking your own life, please talk to friends and family about it.**

**International suicide hotlines offer professional help:**  
<https://blog.opencounseling.com/suicide-hotlines/>



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CONFLICT REGION

# Empower grassroots communities

*Because of long-lasting civil strife, climate impacts and a dysfunctional economy, the humanitarian situation is bad in the DRC. The development and adoption of eco-friendly farm practices would put local communities in a better position to ensure their own food security.*

---

BY JEAN MASEMO



Photo: picture-alliance/AA/Augustin Wamenya

Humanitarian aid is not a long-term solution: people collecting food aid after flooding and landslides in South Kivu in May 2023.

The DRC (Democratic Republic of the Congo) is stuck in an extended political crisis, which is worsened by armed conflicts in its eastern region. In past decades, the violence has often been devastating, and the humanitarian situation is quite bad. Food insecurity persists. In the lack of competent national coordination, various positive interventions from civil-society organisations remain insufficient.

On top of civil strife, the escalating impacts of climate change and the dysfunctional economy are undermining food security. Agricultural production tends to be weak, and it is not supported by proper policies. Farmers further do not benefit from infrastructure, whether of the hard or soft kind, like financial services for example.

At the local level, too many people have given up hope. They do not think they can escape poverty. However, according to IJED, the research-oriented civil-society organisation which I lead, meaningful action is possible.

It is crucial to correct failures of the past, and in particular the destruction of ecosystems. We must rise to environmental challenges by developing and adopting appropriate farming practices. They will have to be diversified and sustainable, and agroforestry will certainly be part of the solution. We believe that food systems that are based on agroecological principles will serve the people better, and they will also help to reduce conflicts.

These are the issues that deserve immediate attention:

- Grassroots communities need seeds of climate-resilient and fast-growing crops. Fast growth can boost food security, so long as climate impacts do cause too much harm.
- Community gardens for the cultivation of vegetable and fruit are important. Polycultures will contribute to making them resilient, and so will the use of composted bio-fertiliser.
- Much more must be done for the conservation of soils and water. Plantation patterns should prevent erosion. Moreover, practices that maintain soil moisture and support other aspects of soil fertility have to be promoted.
- The DRC needs an integrated approach to pest control, prioritising biological methods. Natural organisms that keep pest populations in check are preferable to chemical pesticides, which are not only expensive, but also detrimental to soil health. Eco-friendly insect traps make sense, for example.

- Agroforestry is of great urgency. Fast-growing trees can offer immediate benefits, including shade, more stable soils and edible produce.
- In regard to livestock, small animals deserve more attention. As rather resilient species, goats and chicken are sources of protein-rich food, but do not require many resources.
- The DRC needs an awareness raising campaign so that as many people as possible adopt the new practices fast. Networks in which local communities can share insights on what works well in a spirit of solidarity are essential.

In view of the DRC's serious humanitarian problems, conventional aid will never be enough. We need new approaches to farming. We need to find a new balance for humans to live in an equilibrium with nature. We must find it fast, and it will have to prove lasting. To achieve that, we must pay attention to the needs, knowledge and aspirations of local people. Agricultural research must do so too.

The work has begun. At IJED, we are cooperating with others to reach out to village communities. We are in favour of an inclusive and coordinated approach but cannot launch it only with our partners. The DRC's policy-makers must assume responsibility, and so must their development partners from both the established donor countries and emerging markets.



#### JEAN MASEMO

is the director general of the research-oriented civil-society organisation IJED, which is active in South and North Kivu, the eastern provinces of the DRC. IJED stands for Initiative des Jacobins Éleveurs pour le Développement – Jacobine Breeders' Initiative for Development.

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Flooded slum home in the Kolkata area.

Photo: picture-alliance/Pacific Press/Arka Dutta

## CLIMATE CRISIS

# It keeps getting worse

*An Indian student expresses her concern about global heating. The impacts on her country are already quite bad.*

---

BY IPIL MONICA BASKI

In recent years, Kolkata has witnessed unprecedented heat and prolonged summers. Temperatures went up to an unprecedented 46 degrees Celsius. When I walked into the premises of Jadavpur University in March, I saw fellow students drenched in sweat. Though the campus is normally two degrees cooler than the city due to its many trees, everyone was complaining about the heat. And we all knew that things are set to get worse in the future with global heating continuing unabated.

The Kolkata agglomeration has about 20 million people and faces serious environmental challenges. Monsoon rains have always flooded some areas, but sudden rainfalls

now cause yet more and worse water logging. Slums are affected in particular, with poor people losing their homes and few belongings. For some vulnerable people, heat and erratic weather prove deadly, but there are no reliable statistics.

Urban planning was always comparatively poor in Kolkata. After severe neglect in colonial times, it really got started in the late 1970s. By then it had become very difficult to create adequate infrastructure for a huge built environment. No doubt, the planning agencies lack the capacities to cope with growing environmental challenges. That is similar in India's other urban agglomerations.

Serious hardships affect rural areas too. Extreme weather events destroy harvests, while the increasingly erratic climate is making long established agricultural practices unviable. Rural infrastructure tends to be in a worse shape than the urban kind. As always, poor communities are affected worst.

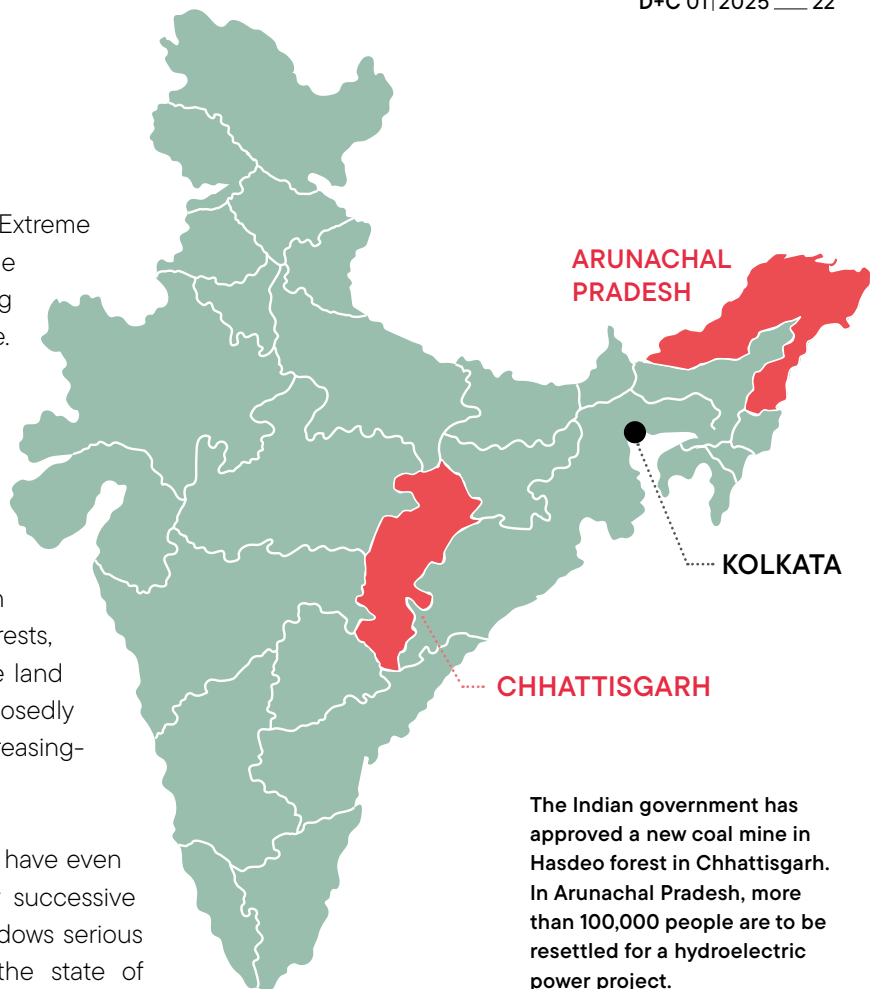
I am from the Santals, an Adivasi community. Across the subcontinent, Adivasis have a long history of living in harmony with nature and indeed serving as guardians of forests, mountains and wetlands. As more and more land was claimed for agriculture and other supposedly modern purposes, our communities were increasingly marginalised.

The struggles continue. In some areas, they have even escalated into situations of civil war under successive central governments. Violence then overshadows serious social and environmental grievances. In the state of Chhattisgarh Adivasi communities oppose the destruction of vast forest areas for coal mines. Fitting the long-standing pattern, the Government of India has recently approved a massive new coal mine in the Hasdeo Forest. Over 20,000 Adivasi people live there. They revere the forest – and depend upon it. The government claims the mine will reduce India’s need to import energy. This is a particularly harmful fossil fuel.

So-called clean energy projects disproportionately affect Adivasis too. In the state of Arunachal Pradesh, for example, a proposed hydroelectric power project on the river Siang would submerge the ancestral land of the Adi tribe. More than 100,000 people are set to be displaced. Unsurprisingly, determined protests have been going on for 15 years.

The rural poor tend not to have much political influence in any country, especially if they belong to minority communities. This is an important reason why the destruction of natural environments, the displacement of Adivasi communities and the disregard for our rights continue.

As a nation, India must certainly rethink where our priorities lie. We face huge social and political problems, and they will get worse if we do not pay attention to ecological issues. The climate crisis is worsening poverty and disparities. Large areas are turning arid. At the same time, ever more precious land is being eroded in other places.



The Indian government has approved a new coal mine in Hasdeo forest in Chhattisgarh. In Arunachal Pradesh, more than 100,000 people are to be resettled for a hydroelectric power project.

India is still a comparatively poor country and has contributed rather little to making climate change happen. Many young people understand, however, that we cannot copy the environmentally destructive consumer societies of high-income nations. Indeed, those nations must change. More air conditioning, more cars and more plastic waste will compound, not solve the global environmental crisis.

Global heating is not something that will happen sometime in the future. We are living it now, and it keeps getting worse. It is high time for governments around the world to wake up – and that includes the Indian one.



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DEBATE ON GERMAN DC

# Proven benefits

*German development cooperation benefits both the recipient countries and the German economy, as new scientific data show. Such arguments deserve more attention in the current discussion on the effectiveness of development cooperation.*

---

BY NICOLAI TUST

**G**erman development cooperation (DC) increases the exports of goods by German companies. This is the conclusion of an analysis by researchers from the University of Göttingen, which was published by KfW. On average, between 2013 and 2023, each euro spent on bilateral DC was linked to additional German exports of goods to recipient countries of 36 cents. In absolute figures, this export effect amounted to an average of \$ 8.8 billion per year. The figure does not yet include cross-border services, due to a lack of available data. The authors calculated that almost 90,000 jobs in German industry are the result of foreign trade stimulated by DC.

The researchers primarily explain the effect as being due to rising incomes in the recipient countries, which leads to additional demand. However, they also refer to the goodwill and good relationships promoted by the cooperation: Nurturing international partnerships also strengthens economic interconnections.

The basis is a model developed by the Göttingen researchers, which was published in a study in 2016. The figures presented now are the result of a new analysis based on the latest data using this methodology.

## **DIVERSE BENEFITS OF DEVELOPMENT COOPERATION**

KfW does not see development cooperation primarily as promoting trade and industry. However, in the context of the sometimes polemic discussion about the intent and

“The task for DC communication is to demonstrate to a broader and more critical audience that support for developing countries and emerging economies and manifest self-interest, even economic self-interest, are not contradictory, but can go hand in hand.”

purpose of DC (and the proverbial cycle paths in Peru financed by KfW), it is important to show that the effects of this commitment are multidimensional. It is not a question of switching between altruistically improving the world and selfish policies of self-interest. International cooperation, if it is correctly designed, benefits the interests of all parties.



**DC investments in local urban transport – such as the metro in Lima – have been heavily criticised, but also result in orders for German companies.**

This applies more to Germany than to almost any other country whose economic success – as well as its safety – has long been founded on global interconnections. DC organisations should therefore emphasise that the commitment to global sustainable development and the stabilisation of prosperity and peace in Germany are two sides of the same coin. In a world where open cross-border systems are increasingly being questioned and international relations are under threat of disruption, this is becoming increasingly evident.

These arguments have been well received. Several media have reported on the new data, with a consistently positive tenor. Anyone who immersed themselves in X, YouTube or TikTok in the first months of this year – or followed some of the political debates – could easily get the impression that the majority of Germans would prefer to withdraw from DC completely. However, the loudness of individual comments does not make them representative.

### **COUNTERING DOUBTS ABOUT THE BENEFITS OF DEVELOPMENT COOPERATION WITH FACTS**

Public opinion research studies, such as the DEval Opinion Monitor, show that well over 50 % of the population are still generally in favour of state involvement in DC. At the same

time, there are widespread doubts about the effectiveness and benefits of this expenditure. There is also quite a difference in the preferences for the goals that should be pursued with DC. There is no single convincing message for all target groups.

The task for DC communication is therefore to demonstrate to a broader and more critical audience that support for developing countries and emerging economies and manifest self-interest, even economic self-interest, are not contradictory, but can go hand in hand. Data and facts such as the Göttingen calculations on the export effects of German DC are a strong tool in this regard.



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MAKING ECONOMIC DEVELOPMENT SUSTAINABLE

# How growth matters



"Over-the-Counter" by Taabu E Munyoki, part of the consumption-critical exhibition MORE IS MORE in Nairobi, Kibera Arts District.

Photo: HOF Gallery Kibera / staff photo

## EDITORIAL

# Hubristic capitalism

Any system that destroys its environment ultimately annihilates itself. Humankind is destroying its environment. In principle, well-regulated capitalism could be made sustainable. Market dynamics as such mean that egotistical short-term thinking will dominate decision making. They will also increasingly give rise to oligarchs. No, unregulated markets are not geared to equilibrium. Over several business cycles, they become controlled by those corporate powers that outperform others. Side effects include the neglect of public goods, the deepening of social disparities and the worsening of ecological problems.

For reasons like this, gross domestic product (GDP), which simply counts a country's annual monetary transactions, does not reveal a good picture of its standard of life. Distribution matters too. However, even high health expenditure as such does not indicate effective social protection. Many people may not have access to medical care. If it is very expensive, but inefficient, moreover, its costs boost GDP, even though patients would be better off if they received better care or needed less of it thanks to healthier lifestyles. In a similar way, environmental harm far too often adds to GDP. That happens when money is spent to repair – or at least alleviate – damages.

For these reasons, the UN Development Programme launched the Human Development Index (HDI) in 1990. It takes account of GDP, but is also based on indicators for health and education (life expectancy and literacy rates, for example). The idea was to shift attention from income data to public goods.

The HDI is useful, but it has not become the commonly used indicator of economic success. In recent years, moreover, the debate on using more valid yardsticks than growth has waned again. At the time of the collapse of the investment bank Lehman Brothers in 2008, economists were discussing this matter. In the following financial crisis, the momentum was lost. It is bizarre that both policy-making and public opinion once again focus mostly on GDP.

Unfortunately, even the debate on environmental sustainability is becoming increasingly insane. Proponents of artificial intelligence (AI) are now arguing that the climate challenge is so complex that it will require the smartest possible solution, which, in their eyes, only AI programmes will deliver. As these programmes devour huge quantities of

energy, Silicon Valley titans now want to build new nuclear power plants. No, they do not have viable proposals for keeping radioactive waste safe for many centuries.

The oligarchs are getting several things wrong. First of all, the legitimacy of policy-making does not depend on how smart a policy is, but whether it finds acceptance. That becomes more likely when it results from good-faith deliberation involving all relevant partners, because that kind of solution is plausible to many different interest groups and thus likely to serve the common interest. Moreover, we know perfectly well what we must do to get a grip on the global environmental crisis. We do not need computer programmes to tell us that we are using too much energy and must stop depleting the planet's limited resources. We must muster the political will to stop.

The oligopolists are not principally interested in climate change of course. What they really want is to entrench their power with new high-tech business models they control. Plutocrats believe they always know best and are thus entitled to impose their superior will on everyone. In doubt, they will not consult anyone representing other interest groups. They will rely on the AI programmes they have created. There is a growing pattern of plutocrats demanding a smaller state in spite of depending on government contracts, subsidies and bailouts themselves. The most extreme – though not only – example is the world's richest man, Elon Musk, who is a close ally of Donald Trump, the former and future US president.

We now live in the era of hubristic capitalism. Hubris is an ancient Greek concept that can be summed up as “pride that blinds”. Some of capitalism's most important players today are so full of themselves and so obsessed with their investment ideas that they do not care about where humankind is heading. The focus on financial transactions instead of real-world results serves their interests. The plain truth is that we are witnessing the worst market failure in history: our species is destroying the planet we depend on.



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## GROWTH MODELS

# Growing strong, but green

*Africa's development requires economic growth, but if it follows the western growth model, the ecological consequences will be disastrous. The concept of strong green growth strikes a balance between environmental sustainability and social justice, explains Chukwumerije Okereke, Professor of Global Governance and Public Policy at the University of Bristol.*

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CHUKWUMERIJE OKEREKE INTERVIEWED BY KATHARINA WILHELM OTIENO

**In your paper, you criticise both degrowth and green growth as frameworks for Africa. Instead, you advocate the concept of “strong green growth”. Can you explain the idea behind it?**

First of all, we need to understand the differences between degrowth and green growth. I have some sympathy for degrowth because the concept conveys that we need to be wary of capitalist economic growth and more mindful to protect natural resources. The problem is that degrowth focuses too much on reducing economic growth, while a large proportion of Africans need significant economic growth to live a meaningful life that meets their basic needs.

I understand the concern of some that green growth can be used as a ruse for “business as usual”. However, this is not necessarily the case, as there are different versions of green growth. The strong version of green economy that I support is one that allows a focus on innovation and a decoupling of economic growth from environmental impacts. At the same time, however, it achieves a certain level of economic growth that is necessary for the well-being of the majority of Africans.

To be clear: I do not support green growth that does not care about justice. Examples of such an approach include flooding Africa with cheap and unreliable solar products or displacing communities for renewable energy-projects.

I also do not support unrestrained economic growth with all its consequences for the environment and climate change.

But I do not believe that a reduction in growth by itself is the solution. I advocate a strong version of green growth that allows for some growth, especially in developing countries.

**You write that degrowth could exacerbate poverty in low-income countries. How could this dynamic unfold in Africa?**

We need more growth to feed the African population in the first place. In 2024, around 429 million people in Africa were living in extreme poverty. There are also indications that we will have up to 105 million climate refugees from Africa by 2050. So how is Africa supposed to feed its population, protect the environment, provide electricity, running water and efficient hospitals, build or equip universities and other facilities for research and innovation if the economy is not allowed to grow?

Some degrowth scholars say that we can perhaps let Africa grow but restrict growth in richer countries. That may sound nice in theory, but in practice it will be very difficult because we live in a globalised world. So, if rich countries start to focus on cutting growth, where will Africa be able to sell its raw materials to get the revenue needed to invest in development?

The reality is that we are seeing a trend towards populist movements in the west. Many far-right parties are already in government. This also means that countries are looking inwards again – with the result that solidarity is taking a back seat and nationalism is on the rise. So we are a long

way from a real debate about degrowth in these countries anyway, and Africa will be negatively affected in any scenario.

### **Is it likely that degrowth will also increase social inequalities in high-income countries?**

Some scientists assume that there will be more equality once there is degrowth. But this is not true. Just as in a global degrowth scenario – where Africa, as the currently marginalised continent, would suffer more – those who are already poorer in high-income countries will bear the burden. It is important to understand that degrowth or growth scenarios are completely different from distribution and redistribution policies. Unless you introduce strong policies and institutions to ensure the redistribution of resources and income in a country like Germany, it is not enough to degrow the German economy to eliminate inequality. Because the rich have a head start, and they will always get their way.

### **How could a strong green growth model look like in practice for African nations?**

Many African countries do not contribute much to climate change. With per capita carbon emissions of 0.12 tons last year, it takes the average Rwandan 129 years to emit the

same amount of carbon as the average American – with per capita CO<sub>2</sub> emissions of 15.52 tons – in one year.

However, we have to accept that, given the population size of African countries, it would be a disaster for the environment if Africa were to follow the same economic growth model as western countries.

Strong green growth in Africa would aim to minimise the impact on ecosystems and ensure, for example, that our cities are designed in such a way that there are safe bicycle and pedestrian paths and electric vehicles on public transport.

In a strong green growth scenario, a large proportion of Africans would have to generate their electricity from renewable sources. Africa has all the prerequisites to do this, for example through wind and solar energy. Some African countries already obtain a large part of their energy resources in this way, but there is still the problem of a low innovation base and the inability to produce more renewable energy-technologies.

### **Whose fault is that?**

This is one of the many areas in which the rich countries have let the African countries down. The former are content

**Africa must produce green technologies itself instead of relying on imports: solar panels in Lagos.**



to export green technologies to Africa as finished products and make Africa the market for these products instead of promoting innovation and knowledge transfer. In this way, they maintain an economic competitive advantage over Africa. Some have referred to this as “green colonisation”.

What we need for strong green growth are strong partnerships. And Europe and the west in general need to understand that this is also in their own interest. If the west does not enter into strategic partnerships with Africa that enables African governments to improve their position in the value chain and produce some of these products, it will have negative consequences, especially for Europe:

- Unemployment in Africa will continue to rise and the small boats crossing the Mediterranean will become bigger boats.
- China will gain a stronger foothold in Africa through strategic relationships and overtake Europe.

**What safeguards would you propose to ensure that green growth strategies in Africa genuinely promote sustainability and equity?**

It comes down to institutions and science – reporting, monitoring and evaluation. We need a sound natural capital accounting system that really ensures that natural resource use is properly accounted for. We need appropriate pricing of goods that reflects the environmental impact of processes and products. We need transparency in government reporting on water use, pollution, CO<sub>2</sub> emissions, et cetera. And we need strong civil societies to keep governments in check.

**Your paper emphasises the role of climate justice in evaluating growth models. How can African nations better advocate for equitable climate policies on the international stage?**

There needs to be more respect. Many feel that Africa is still being patronised. It has taken so many years for Africa to get even one seat in the G20. In addition, commitments must be followed by action. Western countries talk about Africa being a valuable partner in international development. But they still give loans instead of grants and refuse to restructure the international financial architecture so that African countries can get money at the same interest rates as rich countries.

But at the same time, I have to say that many African countries also need to wake up and work on their attitude. Their leaders need to show seriousness – and to do this they should not just come to international negotiations and then moan that they are the victims but show themselves to be serious reformers.

**Africa is a continent of 54 nations. How can policy-makers ensure that growth strategies account for the continent’s diverse economic, social and environmental contexts?**

Strategies must be based on a set of principles, and each country must then shape them according to its current situation, natural resource base and economic conditions.

Regional organisations such as the Southern African Development Community (SADC) and ECOWAS can also play an important role here by establishing guidelines that apply to their respective regions.

**In your opinion, what role do indigenous African knowledge and local practices play in shaping sustainable and equitable growth models?**

Quite a big one, but only if they are recognised, supported, nurtured and harnessed. There is not much investment or effort here.

My father built his house in Nigeria’s Igboland with clay, as his forefathers did. This is a climate-friendly form of a cooling system. So why can’t we think of new ways for builders in modern Nigeria to resort to this practice and do away with cement, which emits a huge amount of CO<sub>2</sub> during processing?

There is not enough talk about how we can really benefit from such centuries-old practices. African governments are also called to action in this area. They need to recognise that there are already many technologies that enable strong green growth – they just need to be used.

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## ECONOMICS

# Growth, green growth or degrowth?

*The planet is beginning to boil, and debate rages on whether humankind needs growth, green growth or degrowth. All three terms are a bit fuzzy, but it is true that economic development must be made environmentally sustainable.*

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BY PRAVEEN JHA

UN Secretary-General António Guterres has coined the phrase of the boiling planet. Extreme weather events around the world show that humankind is indeed on a disastrous course. The erosion of biodiversity, increasing amounts of plastic waste and desertification point in the same direction. The way we run national economies must change.

In political discourse, the terms green growth and degrowth have become popular. Unfortunately, they are not well defined. They are thus only of limited analytical use. As a matter of fact, even conventional GDP growth, which is generally considered a measurement of economics of success, is not the precise indicator that its seemingly exact numbers make many people believe. The obsession with GDP is excessive – and a bit absurd (see box, p. 33).

The term green growth is a modified version of the GDP-growth paradigm: It suggests that business can go on pretty much as usual as long as some environmental damages are reduced or, perhaps, eliminated. The problem is that:

- we must tackle several kinds of ecological hazards,
- there are many ways to deal with them, but
- in many cases, supposed solutions trigger follow up problems and/or interact poorly with solutions for other problems.

In business life, however, corporate leaders love to claim that they are investing in green growth simply because they are tackling this or that problem. Different corporate

strategies do not add up to any coherent approach to the global environmental crisis.

## THE MEANING OF “SUSTAINABLE DEVELOPMENT”

Many people mistakenly believe that green growth is a synonym for “sustainable development”. While it is true that, when applied to practical purposes, the latter term too is a somewhat cloudy concept, it is at least conceptually clearer. Almost four decades ago, it was defined as a trajectory that “meets the needs of the present without compromising the ability of future generations to meet their own needs” in the paradigm shifting UN report “Our common future”. The report was published in 1987 by the World Commission on Environment and Development, which was led by Gro Harlem Brundtland. The definition is global in nature because the Commission insisted that the needs of the world’s poor were currently not met and had to be prioritised. That is obviously still the case today.

Moreover, the Commission appreciated that there are environmental limits to what human beings may do. Unlike green growth, sustainable development does not suggest that people are entitled to ever increasing amounts of whatever they might desire. The sad truth is that all environmental crises that were evident in 1987 have only escalated since.

Some environmentalists now call for degrowth. Put simply, they want to shrink national economies, arguing that this is the only way to protect the planet’s health. What they miss is that degrowth is not a strategy that will help humankind meet the needs of the global poor. Per-capita GDP is too



**Too much meat,  
too much plastics,  
too much consumption:  
food items in European  
supermarket.**

low for any significant redistribution to do the job in countries with low incomes and lower-middle incomes. This is not to suggest that, given huge inequities of assets, incomes and opportunities, there are no prospects for redistribution at all; but discussing them is beyond the scope of this short essay. These nations certainly need growth to develop sustainably, nonetheless.

Things are different in countries with upper-middle and high incomes where redistribution, to a large extent, has indeed eliminated absolute poverty (which means a person has just enough to subsist), though, in many countries, relative poverty is growing (which means a growing share of people are falling far behind their nation's average income).

The degrowth proponents have a point when it comes to consumption. The average lifestyles of high-income nations are not sustainable. They cause too much waste and emissions, claiming a disproportionate share of the global commons. UNICEF has estimated that humankind would need three Earths rather than only one if all countries were to enjoy Germany's level of resource consumption.

### **BUILDING CLEAN INFRASTRUCTURE MEANS GROWTH**

Nonetheless, it is a fallacy to believe that simply shrinking economies would protect the environment. The reason is that high-income countries must build new, sustainable infrastructures. Phasing out fossil fuels is impossible without massive investments in clean energy. Decarbonising transport systems or the building sector must also be underpinned by massive spending. That kind of expenditure

invariably means GDP growth. It must happen fast, moreover, for at least two reasons:

- heavily polluting economies must be made eco-friendly, and
- low-income countries need tested models to build clean infrastructure.

As argued above, least-developed countries need growth to eliminate poverty. However, the global environmental crisis has escalated to such a point that they must avoid building infrastructure that will inevitably cause continuous environmental harm in the future.

For humankind to have a liveable future on a small planet, all governments must focus on sustainability. To what extent achieving sustainability goes along with growth or not, is only of minor relevance. It goes without saying, of course, that those governments whose countries have the strongest capacities and have also contributed most to the global environmental crisis bear the greatest responsibility. Emerging markets – and especially those that are fast catching up with advanced nations – must act too.



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## GDP STATISTICS

## Misleading data

**GDP is a statistical figure. In theory, it is an annual valuation of all the goods and services in a country. It is common to use GDP and its growth as indicators of a country's economic success.**

**BY PRAVEEN JHA**

GDP statistics are misleading for several reasons. The most important is probably that higher spending does not necessarily mean better lives. When Hurricane Helene ripped through the southern USA, all insured damages triggered monetary transactions – but such funding

cannot restore everything that was lost. People died, for example, and precious heritage was destroyed too. Even where people are too poor for insurances, moreover, reconstruction after an extreme-weather disaster means growth. Nonetheless, the people concerned may be worse off than they were before.

It is important to understand, moreover, that GDP does not include all goods and services consumed in a country. When a family eats vegetables grown in its own garden, that food does not count, nor does

the cooking of the meal. Should the same family enjoy the same dish at a restaurant, by contrast, it figures in GDP several times (farm gate price, transportation costs, wholesale price, wages for cooks and waiters, rent paid for the restaurant building et cetera).

### **Subsistence farming and communities' self-help activities**

This issue is important with regard to a country's developmental status. Typically, subsistence farming is not paid, but it feeds masses of people in countries with low incomes. More-

Health care in the USA is expensive, but not necessarily efficient: doctor in the new operating room of a hospital in Chicago.



over, communities in informal urban settlements are known for quite extensive self-help systems. For example, mothers normally do not need formalised daycare for their children. Some member of the community is always able to keep an eye on the children of different households who play together in groups. More generally speaking, care work increasingly tends to be paid and thus counted as GDP among prosperous communities, but much less so in poor ones.

Statistics, moreover, are never as precise as they seem. It is impossible to precisely track every coin or banknote that changes hands. Therefore, GDP statistics always include some estimates for black-market activity or the undocumented informal sector. Official data thus paint a systematically distorted picture of how disadvantaged people live.

Statistics are also only as reliable as the institutions that compile them. Where governance is not beyond doubt, official data are not either. Under Prime Minister Narendra Modi, the Indian government has

changed its way of assessing GDP, for example, and Raghuram Rajan, the former governor of the country's central bank, now reckons the numbers are systematically on the higher side for the recent years.

Development experts have known for a long time that income figures are only inadequate indicators of a country's standard of living. That is why the UN Development Programme introduced the Human Development Index (HDI) in 1990. It takes into account indicators for health (in particular, the average life expectancy) and education (literacy rate, for example).

The HDI has attracted much attention in development circles. The general media, nonetheless, are still mostly focused on GDP growth. Business leaders and policy makers in general tend to do so too. Public discourse is thus still guided by a misleading paradigm.

The USA is a striking example of income data being insufficient. It consistently ranks higher in income sta-

tistics than in the annually compiled HDI. That fits a pattern. The USA has the highest per-capita spending on healthcare among high-income nations (more than \$ 12,000 per year), but 54 other nations have a higher average life expectancy than its not quite 80 years at birth. The health sector in the USA is very expensive, but Americans' health is not particularly good.

PS: GDP growth is not a good indicator of success, but business media often refer to an even worse one: the performance of the stock market. The stock-market indices of leading high-income countries are currently at record levels. That is true even of Germany's DAX, although this country is often referred to as the sick man of Europe in view of its sluggish economy, crumbling infrastructure and ongoing budget disputes. The full truth is that stock prices are rising as a response to falling interest rates. Investors expect higher profits from companies' shares than from bonds. They are not necessarily expecting higher corporate profits.

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## POVERTY ALLEVIATION

# “Additional employment generates additional incomes”

*Stefan Dercon of Oxford University explains why low-income countries cannot develop without economic growth and in what kind of settings growth-oriented policies are implemented.*

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STEFAN DERCON INTERVIEWED BY HANS DEMBOWSKI

## **Why is growth essential for the development of countries with low incomes?**

When a country has a monthly per-capita income of only \$ 100 or so, you cannot end poverty by redistributing incomes. Even if everyone had those \$ 100, they would still be poor, and unless gross domestic income (GDP) increases, that will not change. Where GDP per head is so low, moreover, it is impossible to raise taxes to fund essential government programmes. All kinds of infrastructure depend on public spending – whether its hard infrastructure like roads, an electric-power system or water pipes, or social infrastructure like education, healthcare or the rule of law. So, if poverty is to be overcome, the economies of low-income countries must grow. There actually is no example of any poor country escaping poverty without dynamic economic growth. By contrast, we have good examples of countries – especially, though not only in Asia – that made fast progress once growth started.

## **Governments of countries with high incomes tend to be obsessed with growth too.**

Yes, but for a different reason. When the pie gets larger, it is easy to redistribute some of it because you are not taking anything away from anyone. Without growth, redistribution is a zero-sum game. If someone gets more, it means that

someone else gets less. Growth is therefore politically convenient, but for an economy like Britain or Germany, it is not essential the way it is for low-income countries.

## **Doesn't growth normally mean a worsening of social disparities?**

No, it does not. In some cases, that has happened, but in others, disparities were reduced. Where growth is mostly driven by natural-resource extraction, too few people benefit, so exports of oil and other commodities without explicit redistributive efforts typically do rather little in terms of poverty reduction. On the other hand, growth has generally alleviated poverty and sometimes even reduced inequality in countries that opted for export-strategies based on labour-intensive industries. That kind of policy leads to additional employment, which generates additional incomes that previously did not exist.

## **But aren't wages in export-oriented manufacturing very low, for example in the garment sector?**

Well, they may indeed be shockingly low in the eyes of western observers, especially at first, when industrialisation sets in. Nonetheless, lots of low wages can make a big difference in the lives of the people who earn them, as well as in the societies they live in. Typically, the general standard of



Photo: picture alliance / ZUMAPRESS.com / Joy Saha

**“Lots of low wages can make a big difference”:  
garment production in Bangladesh.**

living improves after a national government adopts this kind of strategy – and especially when that government uses additional tax revenues for the kind of public spending I just mentioned.

### **So, there is actually a formula for getting development started?**

I would put it differently. There was a development model that countries could copy. From the 1990s to 2015 or so, the global trade system offered countries with low incomes the opportunity to develop their countries this way. Unfortunately, things have become much more difficult. The World Trade Organization (WTO) has been losing influence. Advanced nations are increasingly introducing tariffs. Donald Trump’s return to the White House will probably compound this problem. It would be wrong to blame him alone, however. President Joe Biden has been using tariffs to protect industries from Chinese competition, and the EU is using tariffs for supposedly environmental reasons.

### **But don’t we need environment-friendly green growth?**

Yes, in nations with high incomes we certainly do. However, green growth is something that we must set convincing examples for. It is hypocritical to demand that poor nations opt for unproven models. It is true, of course, that renewable energy makes sense in places where the conditions are right – a lot of sunshine, reliable winds et cetera. However, we do not have a model of a fully operational energy system without fossil fuels. High-income nations have cau-

sed the climate crisis. We must lead the way, but not block poor countries’ development opportunities by demanding some kind of perfect environmental performance that we are not capable of ourselves.

### **What about large middle-income countries like China or India?**

That is a different story. Large emerging markets generally have strong capacities. That means they also have options to back off from fossil fuels. Indeed, both China and India are investing massively in renewables. It would nonetheless serve the global common good of climate mitigation if they transitioned away from fossil fuels, and especially coal, faster. India is still much poorer than China, so the international community should expect more from China. Both countries, by the way, are good examples of how economic growth can lead to development results. To outside observers, it came as a surprise when it started – as was true of other countries that had similar trajectories. Mauritius, for example, was considered to be hopeless: a small island with deep social disparities and farms owned by colonial settlers. Its economy took off nonetheless, and few people even remember its previous reputation.

### **What does it take to make growth happen?**

It takes courage. The common pattern among the countries where economic growth led to higher standards of life is that powerful interest groups, at a certain point in history, agreed that the economy had to grow. In many countries, that has never happened. The reason is that powerful

groups tend to be comfortable with the status quo. They are doing well, after all, so any kind of change looks risky. When new industries emerge, however, they disrupt the old balance of power. When people earn additional incomes, their aspirations change, and they become more demanding. The implication is that, when a country's elites agree on what I call a "development bargain", they are always taking a risk.

### **What makes them take that risk?**

There can be several reasons. The most important is perhaps that growth and higher standards of living give a nation state system legitimacy. Indeed, development bargains tend to result from a serious crisis, when members of elite groups see that things cannot go on as they did earlier. To some extent, of course, the same privileged people see that they can benefit from the new opportunities that arise with growth. They tend to have the money to invest in new industries, for example.

### **Please give an example.**

Well, let's consider Bangladesh. In its early years after independence in 1971, it was considered to be perpetually condemned to poverty. Advisors to Henry Kissinger, then US national security advisor, prominently called it a "basket case". The general assumption was wrong. Powerful groups were determined to improve things, and the development bargain took hold in spite of corruption and political turmoil. State agencies cooperated closely with civil-society groups, allowing them to become very large and influential. Regarding social indicators like literacy, life expectancy or maternal mortality, Bangladesh is outperforming most other South Asian countries. The garment sector became strong, and other industries are emerging too. In the course of recent decades, the people have become more assertive, to the great surprise of Sheikh Hasina Wajed, who lost her position as Prime Minister in a public uprising in the summer.

### **Is democracy a precondition?**

No, not necessarily. China is an autocracy that has benefited dramatically from a development bargain. After stagnation and excruciating poverty under Mao Zedong, Deng Xiaoping committed the Communist Party to a different approach in the 1980s. They tested what worked in special economic zones. It was not simply Deng's leadership that made things happen. The Communist leadership relied on objective data to assess successes and failures. They modified policies in the light of such information, rather than only telling the top leader what he wanted to hear. Evidence-based policies put the country on a different course. About a decade later, the leadership faced the student protests on Tiananmen Square in Beijing. They decided to crush the

protests violently as they felt it would disrupt their growth and development experiments. While the track record of China's Communist Party on political freedom is depressing, it certainly led the most successful effort to alleviate desperate mass poverty in human history.

### **Do you see a role for donor agencies?**

They cannot kickstart growth in countries that do not have a development bargain. Development requires national ownership. Powerful interest groups must support it. Where such a consensus is in place, donor agencies should support it. Their money will be used for meaningful purposes, and they won't even have to do much monitoring or evaluation. In recent decades, aid spending in diverse countries such as Vietnam, Ghana, Ethiopia or Indonesia did make a difference. Where such a development bargain does not exist, by contrast, donor funds will often end up not making a difference. That happens far too often. At the end of the past decade, for example, Nigeria, the Democratic Republic of the Congo and Pakistan were the three countries that got the most concessional funding from the World Bank. None of them are even close to an elite bargain geared to growth and development.

### **So, what should World Bank officers have done differently?**

Donor agencies in general should make more efforts to understand the political economy of the countries they want to cooperate with. Too often, they only focus on their governmental contacts. So, if they have a good impression of the finance minister, they will want to fund things he proposes. If such a person is implementing measures in line with a development bargain, those projects and programmes will probably go on. But when an individual policymaker is not backed by such a development consensus, cooperation with that person is unlikely to lead to substantial progress.

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## BOOK REVIEW

# “Energy transition” does not mean what you think it does

*A French scholar shows that when new sources of energy become prominent, the old ones are generally not phased out.*

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BY IPIL MONICA BASKI

The climate crisis largely results from human energy use. Accordingly, “More and more and more – An all-consuming history of energy” by Jean-Baptiste Fressoz is a most pertinent book.

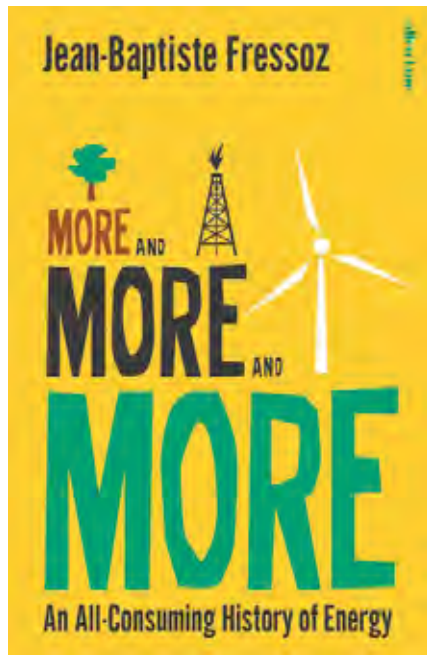
Fressoz is a historian of science and technology at the Centre Nationale de la Recherche Scientifique in Paris and previously worked at the Imperial College London. His book deals with several energy “transitions” that occurred in human history. According to him, “transition” is actually a misnomer because it normally remains incomplete. When a new source becomes prevalent, the old ones stay in use too.

Fressoz deals with the shift from wood to coal for example. What is largely ignored today is that the “coal age” consumed huge amounts of wood. When undergoing the industrial revolution, countries typically burnt more wood than they did before, but coal seemed more prominent because it was new and powered machines.

Indeed, the coal age was a time of forest depletion in Britain. One cause of growing wood demand was the mining industry’s use of timber. To extract coal, mine tunnels had to be stabilised. However, wood was also used as a source of energy.

“If, moreover, the coal used to make goods that a country imports were included in that country’s carbon footprint, Britain, which has actually phased out coal mining, would still account for an annual 50 million tonnes of coal.”

As Fressoz points out, forests keep being destroyed even today, with an annual 2 billion cubic metres of wood being felled around the world each year. That is three times more than a century ago. Moreover, demand for land means that forests are being cut down at a fast rate. Even as the supposed transition to renewables has begun, the destruction of forests continues.



**Fressoz, J.-B., 2024:**  
**More and more and more –**  
**An all-consuming history of energy.**  
 London, Allen Lane/Penguin.

According to Fressoz, whatever is considered “modern” at any point in time tends to coexist with traditional technologies. Indeed, the scholar points out that “Angela Merkel’s Germany consumed three times as much coal as Bismarck’s Germany” did in the late 19th century. If, moreover, the coal used to make goods that a country imports were included in that country’s carbon footprint, Britain, which has actually phased out coal mining, would still account for an annual 50 million tonnes of coal.

### HOW MATERIALS ARE USED IS CRUCIAL

The oil age supposedly started in the 1950s, as Fressoz reports, but the greatest increase in global coal use (300 %) occurred between 1980 and 2010. Since 1980, for example, coal consumption multiplied by a factor of 10 in China, a factor of 12 in Taiwan and even a factor of 50 in Indonesia.

The author points out that the current expansion of wind power depends on coal to a large extent. The steel needed to build windmills, after all, tends to be produced with coal. Fressoz insists that energy sources are symbiotic more than they compete with one another. In his eyes, moreover, it does not make sense to look at energy in isolation. What really matters is how a great variety of materials are used. He points out that steel is largely tied to coal, while plastics are derivatives of oil.

In Fressoz’ view, it is important to learn from the past to build a future. “The climate imperative does not call for a new energy transition,” he insists, “but it does require us to voluntarily carry out an enormous energy amputation.” Humankind must fast reduce the share of fossil fuels. They make up three quarters of world consumption now and have to be phased out within four decades. In his eyes, it is a fallacy to believe that fossil fuels can be simply replaced by other technologies.

“The author points out that the current expansion of wind power depends on coal to a large extent.”

Fressoz hopes it can be done, and he repeatedly makes it clear that he does not oppose renewable energy sources. He leaves no doubt, however, that conventional energy transition will not do because this time the new technologies must replace the old ones. Fressoz also wants the interests of countries with high incomes and emerging markets to be reconsidered. It is misleading to only blame the latter for emissions caused in the production of goods consumed by the former.



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Maasai herder in Kenya: GDP statistics do not accurately reflect standards of living in the rural areas of developing countries.

## BOOK REVIEW

# The growth delusion

*If you want to know what is going wrong with economic policymaking it makes sense to turn to a business journalist. David Pilling, the Africa editor of the Financial Times, offers relevant insights in his short book with the title “The growth delusion”. He does an excellent job of spelling out the absurdities of focusing on ever higher GDP figures. The book is easy – and even fun – to read.*

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BY HANS DEMBOWSKI



Put simply, gross domestic product (GDP) measures everything that money is spent on within a country's border. The general assumption is that the more money is spent, the better people will be off. For several reasons, this assumption is wrong. Repairing environmental damages, for example, costs money, but it does not enhance welfare. At best, it re-establishes the status quo ante. On the other hand, anything that does not cost money is considered unimportant, so if a family takes care of an elderly member, that does not figure in GDP statistics. If they hire a nurse to do the job, it does.

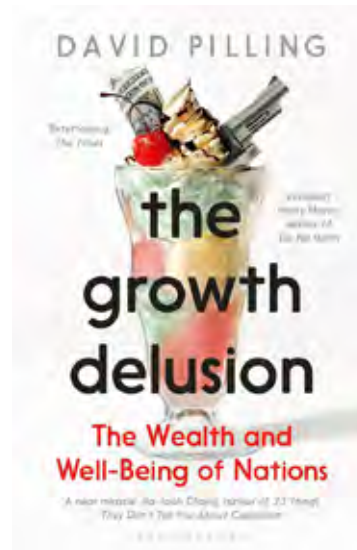
Pilling elaborates these things well. Advertising doesn't satisfy people, but it keeps them aware of more things they might want. As it is paid, however, more advertising means more growth. If people consume a lot of unhealthy food, their personal welfare is likely to decline, but all that counts is the expenditure. If, at some point, they need medication to treat a non-communicable disease, that again contributes to growth.

Pilling finds it bewildering that Britain's national statistics include assumptions for the revenues of illegal prostitution and drug trafficking. Any voluntary exchange of money is considered to contribute to GDP, and therefore activities that legislators have outlawed in the belief that they harm society are included in the very statistics that are supposed to indicate welfare. The author does not discuss whether these activities should be legalised or not, he simply points out the contradiction.

"The bigger our banks, the more persuasive our advertisers, the worse our crime and the more expensive our health-care, the better our economies are seen to be performing," Pilling writes. In his eyes, there is another reason why it is wrong to gear economic policies to growth. GDP data do not tell us anything about how incomes are distributed and whether inequality is increasing or declining.

To some extent, Pilling's book shows that we have lost a decade. Before the global financial crisis erupted on Wall Street in 2008, some western policymakers had begun to question the merits of economic growth as measured in GDP statistics. On behalf of then French president Nicolas Sarkozy, a commission of scholars published a report on the matter in 2009 (see Nina V. Michaelis in D+C/E+Z 2009/12). Some economists began to consider happiness as a policy goal (see Petra Pinzler in D+C/E+Z 2012/04).

During the great recession, however, public attention once again became focused on growth. Unsurprisingly, the results have been perverse. The global environment is in deeper crisis than before and inequality has become



David Pilling, 2019:  
The growth delusion.  
London, Bloomsbury.

worse. As Pilling argues convincingly, the growth paradigm is part of the problem.

Unlike many western journalists, Pilling has a deep understanding of developing countries, having covered Africa and previously Asia for many years. He correctly observes that growth is essential in very poor economies. When a society simply does not have the means to fulfil basic needs, it must increase the resources available. That does not apply to rich nations, however, where more GDP measured in monetary terms is not making people happier anymore.

At the same time, Pilling warns that GDP figures for developing countries are often misleading. For example, subsistence farmers hardly earn money, so they are not counted. Their welfare depends on good harvests, but the statistics only assess harvest revenues. They do not tell policymakers much about how a large section of the rural people is coping.

Pilling does not offer a simple metric that might replace GDP growth. He insists that policymakers have to take many things into account, including the distribution of incomes and the desirability of what money is spent on. In a complex world, there is no simple guideline policymakers could stick to.



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## MODERN SOCIETY

# Faster and faster, more and more

*Time constraints are an underappreciated reason why democratic governance is under attack. Democratic policy making takes time, so it is difficult to keep up with fast change. Elected governments thus look increasingly dysfunctional to many. On the other hand, the need to keep adapting to new realities in different social spheres weakens people's sense of personal identity, which, in turn, makes them more susceptible to identity politics.*

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BY HANS DEMBOWSKI

**T**echnological change takes place at great speed, with serious consequences for culture, markets, law and society in general. By contrast, democratic deliberation takes a lot of time, so policymakers struggle to stay abreast. In many cases, different kinds of change confront them with unprecedented problems for which they have no ready-made solution.

It is time-consuming to draft, adopt and implement policies. First of all, a new phenomenon needs to be analysed. Only then is it possible to design measures to deal with it. Next, policymakers must choose among options and eventually convince voters of their choice's validity. Democratic procedures indeed sometimes take so long that they do not keep up with what they are supposed to regulate.

The impacts of climate change, for example, are getting worse, and too little is being done for both mitigation and adaptation. Migration is modifying the composition of societies. At the same time, demographic change means that

new needs must be taken care of. Innovative industries emerge as old ones collapse. By the time a policy is implemented, it may already be out-dated.

That is most evident in regard to digital technology (see box, p. 45). Other developments are not happening quite so fast, but the impacts are often only felt suddenly. That is the case, for example, when existing infrastructure suddenly proves inadequate in view of extreme weather events like flooding or when the telecommunications network in rural areas does not support fast internet access. In cases like that, policymakers have evidently been too slow.

## SIGN OF THE TIMES

Hartmut Rosa is a German sociologist who argues that permanent acceleration marks our era. In his eyes, it is essentially synonymous with modernisation. Technology is an important facilitating force. In the course of industrialisation, it has sped up production, transport and communication. According to Rosa, market competition means that private-

sector companies do their best to exploit any opportunity to accelerate further. Those who succeed in doing so gain a competitive advantage. Others will follow their example – or fail.

Acceleration is thus closely related to ever increasing productivity and economic growth. It means: faster, faster, faster, and it results in constant demands for more and more and more.

The quest for acceleration transcends economic growth, however. It does not stop in a recession as businesses try to become more efficient during slumps. Even when an economy is stalling, time pressures continue to increase.

“Rosa speaks of frantic standstill. In an endless rat-race, everyone struggles to stay in place, but no one moves ahead anymore.”

One consequence of acceleration, as Rosa elaborates, is that everything in society is becoming prone to change. What feels normal today, will look outdated tomorrow. What seems cutting-edge today, will seem quaint in the not-too-distant future.

### FRAGILE IDENTITIES

Rosa points out serious psychological implications. Constant change weakens a person's sense of identity. One can no longer trust one's professional skills to suit tomorrow's demand. The need to adapt increases as society becomes yet more dynamic. Learning is a constant duty and never completed.

On the other hand, no one can process the huge volume of readily accessible information fast. No person can tap – and even less fully use – every relevant source. One thus always feels a bit uninformed, unable to tell whether one's knowledge on anything is really up to date. While we are constantly admonished to check facts, we must trust sources we cannot check completely. Some people make the superficial, but comforting choice to trust a single source that claims the authority to give simple answers to many questions.

As fewer and fewer things can be taken for granted for more than a short time, Rosa argues, many people feel alienated. When a computer programme is updated, for example, that does not only mean that users get more or better options.

On all continents, time pressures are growing.



It also means that some of their existing knowledge is invalidated. They are expected to relearn how to use a tool they have been familiar with in daily life.

## DIGITAL ALIENATION

According to Rosa, it is increasingly common for people to use computer programmes only according to their intuition. They shy away from the effort of acquiring the full competence again and again. Moreover, they do not have the time to keep relearning. The acceleration of society means that workloads are growing, so time pressure is exacerbated. Feeling insecure about the tools one uses is, of course, particularly disturbing when one needs to perform with ever increasing speed whilst fulfilling increasingly complex tasks. Rosa speaks of frantic standstill (“rasender Stillstand”). In an endless rat-race, everyone struggles to stay in place, but no one moves ahead anymore. The need to keep adapting to fast change is psychologically disconcerting, as Rosa points out. The promise of modernisation, according to him, was always that individuals would be empowered to take their fate into their own hands. Instead, people must keep adjusting to ever changing conditions. In Rosa’s view, the promise of modernity is thus not being fulfilled. People are not free to become who they aspire to be. They must respond flexibly to whatever innovations they encounter. Strong beliefs and personal principles are not helpful.

## IDENTITY POLITICS

As personal identities are indeed becoming more fragile, the longing for unquestioned belonging grows stronger. Quite obviously, right-wing populists exploit the fact that identity politics resonate with masses of people.

Acceleration thus poses a double challenge to democracy. On the one hand, standard democratic procedures are too slow to stay abreast of change. On the other hand, parties with authoritarian leanings attack the democratic order arguing that it is denying “the” nation its “normal” lifestyle. Rosa does not delve deeply into the second issue, but his thinking fits in well with what Jan-Werner Müller, the political scientist, has written about populism.

Right-wing populists rarely complain about acceleration. Their standard claim is that vicious global forces are trying to exploit, hurt and even replace their people, and that “the” nation must defend itself against this kind of aggression. They pretend to be defending national homogeneity against migrant intruders as well as globalist elites. Donald Trump – the once and future US president – is the most prominent, but far from the only example. Some conspiracy theorists even claim that a global elite is using migrants to replace “the” people.

This kind of misleading propaganda exploits another weakness of contemporary democracies. Nation states are unable to rise to global challenges on their own. The implication is that competent regulation requires international cooperation. These facts have gained much more public attention than the acceleration challenge. To put it another way: national sovereignty is limited not only regarding important global public goods such as international trade rules or environmental health (climate, biodiversity, desertification, plastic waste et cetera). Fighting organised crime or controlling diseases is also likely to prove futile if it is only carried out at the national level. Even macroeconomic management is beyond the control of many governments to a large extent. After all, tax levels, interest rates and sovereign debt must be internationally competitive.

## GLOBALISATION PLUS ACCELERATION

All too often, elected governments feel they have very few choices. Technocratic decision making is increasingly the norm. Social needs and environmental requirements are often neglected. Dysfunction, of course, further feeds populist anger. For obvious reasons, moreover, multilateral policymaking is even more time consuming than national politics, so the global dimensions of social challenges compound the acceleration issues. Right-wing populists claim to defend the people, but they typically serve oligarchic interests. Quite often, they are funded by super-rich individuals. The background is that the latter have an interest in preventing democratic regulation, and they know that regulations passed by a single nation state will generally be toothless. In today’s interconnected world, a governments’ effectiveness often depends on its cooperation with other governments. Accordingly, that kind of cooperation – especially in the context of the EU or multilateral institutions – is disparaged as evil “globalism”.

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## TECHNOLOGY

## When regulations lag behind

**Digitalisation is happening fast. Lawmakers around the world are struggling to keep pace.**

**BY HANS DEMBOWSKI**

Artificial intelligence is perhaps the most striking current example of how incredibly fast change happens. Large language models such as ChatGPT have only been publicly available for two years. They are able to draft manuscripts which read well and may actually be quite sensible, though their factual accuracy remains dubious.

This technology has begun to disrupt the entire media business. It will probably have an impact on daily news as well as novels, on political commentary as well as poetry. These AI programmes operate in many different languages. Some media houses are already using them to produce content.

Large language models, however, are still basically unregulated. Teachers must suspect that students use chat-

bots for their homework and other assignments. Some lawyers have toyed around with AI and learned the hard way that digital programmes sometimes invent information which they then present as factually true. Copyright issues arise, moreover, because AI programmes are trained with existing literature, the authors of which may demand to be paid for their intellectual property.

To pass sensible laws regarding large language models, legislators must know more about the impacts. By the time they start drafting laws, some impacts of the new technology, however, will already feel normal and any new regulations may feel like unfair restrictions to some people affected. If, on the other hand, technology is further advanced by the time legislatures finally pass laws, those laws may not tackle some new issues that arise. Citizens may therefore feel let down by policymakers.

### Facebook, X, TikTok et cetera

Social media platforms are another example. The most important ones were launched in the first decade of this century and some even later. They have international reach but are clearly underregulated. To a large extent, what may or may not be said on Facebook, X/Twitter or TikTok depends on their owners. The public is thus not entitled to truthfulness or decency.

When Facebook managers discovered that their platform is hazardous to teenagers' mental health, they decided to stay silent rather than change anything. It is well understood that

social media platforms maximise user attention by promoting messages that fan hate, fear and envy. Negative messages, after all, tend to keep people engaged. They are socially harmful too, especially when they are excessive and not rooted in reality.

The political impacts of social media platforms have changed dramatically over the years, moreover. When the Arab Spring uprising rocked many countries in North Africa and the Middle East, even toppling dictators in Egypt and Libya, people spoke of "Facebook revolutions". At the time, Facebook allowed open and un-surveilled debate. Today, algorithms are designed differently, reining in the spread of potentially controversial content the owners do not like, for example. The platforms play an important role in public discourse, without being regulated as stringently as conventional media.

Those regulations, by the way, are geared to ensuring good faith contributions, not to suppressing opinions. They serve to ensure that some person is responsible for any message published. US media law does that too, but social media are exempted, so it is possible to let automated bots spread fake news without users noticing that they are not receiving messages from a real person. Since many of the most important platforms are based in the States, the looseness of US law has international repercussions. Elon Musk, the world's richest person, bought Twitter, reduced content-moderation efforts and renamed the platform X. Reactionary hate speech and aggressive right-wing posts have multiplied since Musk took over, undermining good-faith democratic discourse and supporting politicians with autocratic leanings such as Donald Trump in the USA and Jair Bolsonaro in Brazil (see p. 8 of this issue)

Billionaire Elon Musk uses his largely unregulated platform X to spread right-wing propaganda.



## RESTRICTED GROWTH

# Slow progress that should be accelerated

*The G20 Common Framework on Debt Treatment is useful, but not fully fit for purpose yet. The economies of too many countries with low and lower-middle incomes are still handicapped by excessive debt.*

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BY JOSÉ SIABA SERRATE

**A**fter the Covid-19 pandemic, debt crises loomed in many countries with low and lower-middle incomes. Debt levels kept soaring while international interest rates rose fast. There was reason to fear widespread sovereign defaults.

A catastrophic wave of defaults was avoided, so there was no systemic global crisis. Emerging market bond spreads are back to pre-pandemic levels. It means that interest rates are not dramatically higher than those of advanced economies, which is a sign of growing investor confidence. In recent months, Benin, Côte d'Ivoire, Kenya and Senegal have been able to issue new bonds. Since 2022, the number of sovereign defaults and requests for comprehensive debt relief has gone down. The last relevant application was Ghana's in 2023.

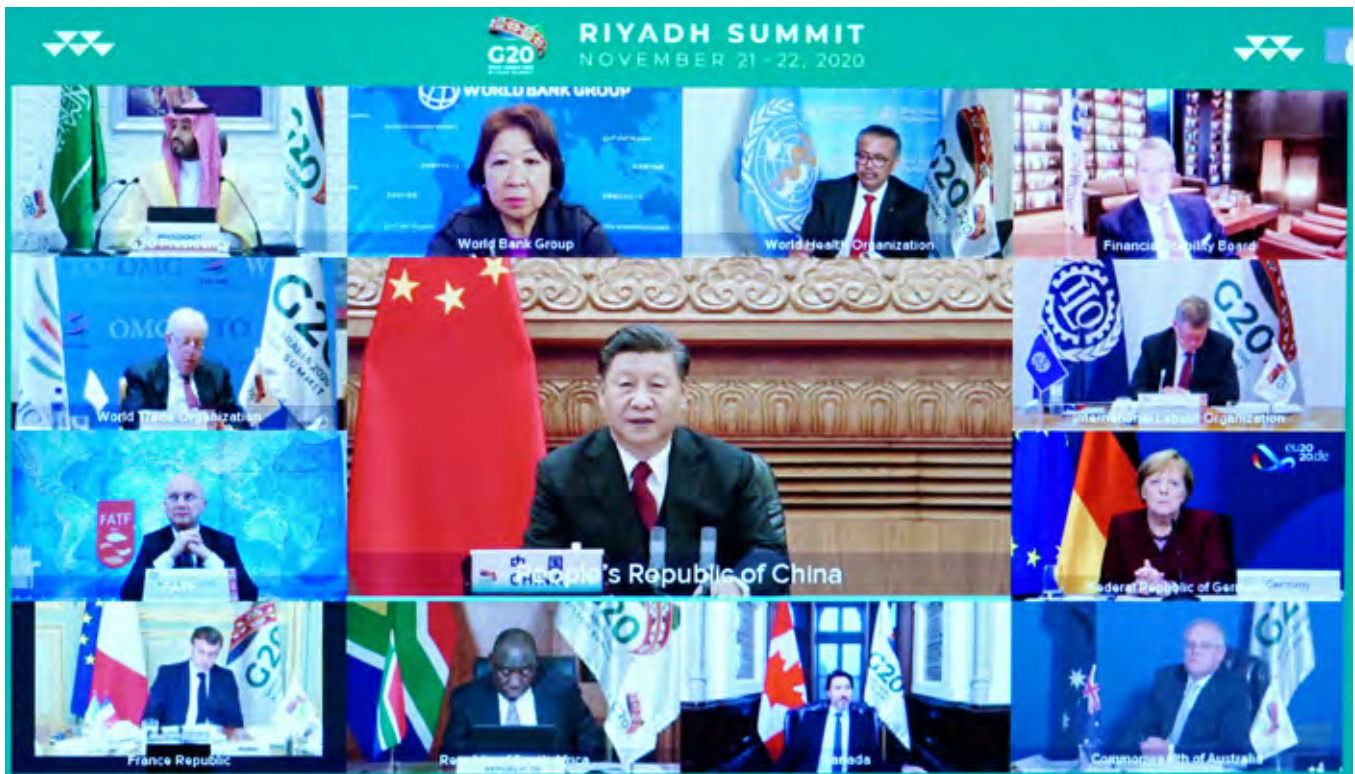
It helps, of course, that the Federal Reserve and other leading central banks started to cut interest rates since March 2024. Lower interest rates mean more favourable financial conditions for countries with low and middle incomes.

“According to IMF data of late 2023, the median low-income country was devoting over 14 % of its revenue to servicing foreign debt.”

Nonetheless, debt relief or at least liquidity relief will be needed in some low-income countries with deeply entrenched debt issues. Serious problems do indeed persist. According to the International Monetary Fund (IMF), around 15 % of low-income countries are still in debt distress and another 40 % are at high risk of such distress.

## **NOT ONLY DEFAULT SPELLS TROUBLE**

Even when a country does not default, debt problems tend to stifle its development. Even if the economy is still



In view of the Covid-19 pandemic, the G20 summit of 2020 adopted the Common Framework on Debt Treatment.

growing, national budgets stay strained because of unexpectedly high interest-costs and increasingly unstable exchange rates. Moreover, illiquid debtors are at risk of default even if they are solvent in principle. That means they may become unable to fulfil an obligation in time even though they would be able to do so with some delay.

Helping countries that are at risk of a liquidity squeeze but have sustainable debt levels should now be a priority. Failure to act fast and effectively now means more difficult and more expensive action will become necessary in the future. Solving the problems fast will facilitate investments and growth. Continuous insufficient debt rollovers always require long negotiations and come at huge economic and social prices.

According to IMF data of late 2023, the median low-income country was devoting over 14 % of its revenue to servicing foreign debt. A decade ago, the share had been only six percent. The IMF reckoned that these countries' near-term debt repayments would reach approximately \$ 60 billion per year. From 2010 to 2020, the annual average was \$ 20 billion. These figures mean that poverty cannot be tackled and building climate resilience looks utopian.

A growth-focused approach is urgently needed. Low-income countries cannot tackle adverse shocks the way that advanced economies do. In the Lehman Brothers crisis

(2008–2009) or during the Covid-19 pandemic (2020–2021), high-income countries responded with temporary expansionary policies that were funded with massive borrowing and reversed once stabilisation was achieved. Moreover, social-protection systems reduce the downward spiral that the loss of wages means. Low-income countries lack those means to escape crises.

### VALID STEPS IN THE RIGHT DIRECTION

The good news is that the international community is making progress regarding how to handle excessive sovereign debt. In November 2020, the G20 adopted its Common Framework for Debt Treatments (CF). It is a multilateral mechanism for restructuring and forgiving excessive sovereign debt. It does not suffice for resolving all current issues, but it has positive features:

- It is creating a coordinated multilateral debt renegotiation framework at a time in which the geopolitical system is fragmenting.
- It involves all relevant private, statal and multilateral creditors rather than only the Paris Club which represents the bilateral creditors of the established economic powers like the G7. China and other emerging-markets creditors are involved in the CF. That is a fundamental step in the right direction. Building trust and agreeing on rules among so many different types of creditors is difficult, of course, and will take time.

- The CF is a fundamentally sound initiative given that the international community has been unwilling to define a legally binding mechanism to handle sovereign debt problems. In this setting, the CF is a valid second-best soft-law approach. At this point, no alternative is in sight.
- The CF can and should be developed further. So far, it only applies to low-income countries, though some middle-income countries are struggling with serious problems too. Moreover, it would make sense, for example, to add a mechanism to provide temporary liquidity relief to countries in need. A clear and fast liquidity channel would allow those countries to avoid the stigma of debt restructuring and stimulate participation.

Decisive progress depends on cooperation of Paris Club donors with emerging markets, and especially China (see box, p. 49). It is difficult in a period of polarisation, but the fact that the CF exists and is developing reasonably shows that it is possible.

### PICKING UP SPEED

CF procedures are slow, but they are gradually picking up speed. Negotiating Ghana's agreement took roughly half the time it took for Chad's in 2021 and Zambia's in 2022.

Though the CF does not formally apply to them, the cases of the middle-income countries Suriname and Sri Lanka were dealt with according to its rules too. Sri Lanka was the second case, and it proceeded faster than the first.

The general trend is that parties are becoming more familiar with the process. They increasingly know what to expect, are building trust and learning to overcome stumbling blocks. Approval in principle for programmes will soon enable the IMF to disburse support as it receives the required financing assurances, but before every detail is hammered out.

In 2023, the G20 established the Global Sovereign Debt Roundtable (GSDR) in cooperation with the IMF and the World Bank. It is a useful forum for discussing technical issues, methodologies and implementation issues. As in the CF, all relevant parties are involved.

In another important step, the CF has embraced the principle of comparable treatment of commercial and bilateral lenders from the Paris Club as well as non-Paris-Club countries. However, a clear definition of "comparability" that would suit all restructuring models has not been found yet.

**“CF procedures are slow, but they are gradually picking up speed. Negotiating Ghana's agreement took roughly half the time it took for Chad's in 2021 and Zambia's in 2022.”**

Private bondholders are an increasingly important group of creditors. So far, however, they were only brought in at the end of CF debt negotiations. The big challenge is that none of the three principal creditor groups likes to proceed with its own settlement without knowing what terms the debtor agrees with the other groups. The GSDR should address that official and private creditor processes move in parallel.

Progress is being made, but more is needed – and the faster it happens, the better. The CF is useful, but not really fit for purpose yet. A core challenge is that countries that need CF support often hesitate to apply for it. The reasons include that they are not assured that they will get significant debt restructuring or renewed access to financial markets. Moreover, there is a stigma attached to turning to creditors and asking for a renegotiation of loan conditions.



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## EXCESSIVE SOVEREIGN DEBT

## Ownership of both G7 and China needed

**How the international community deals with excessive sovereign debt hinges not only on the established economic powers, but emerging markets too.**

**BY JOSÉ SIABA SERRATE**

Unlike in previous sovereign debt crises, the long-established economic powers can no longer manage the problems on their own. Solutions require that these Paris Club members must involve China and other rising middle-income countries in policy-making. G7 action that serves this purpose is the further development of the G20's Common Framework on Debt Treatment (CF, seen main story, p. 46).

### Lessons from the 1980s

History shows that it is possible to make private creditors accept losses in return for assurances that debtor countries' ability to repay the rest is restored. That was part of the Brady plan in the 1980s. It was named after Nicholas Brady, then the US secretary of the treasury, to tackle Latin American sovereign debt problems. The plan proved that generosity coupled with the right incentives makes sense.

From 1989 to 1994, private lenders forgave \$ 61 billion in loans. That was roughly one third of the total outstanding debt. The other two thirds

were repaid as national economies gained momentum again. However, it took almost a decade to put all the elements of the plan in place. At the time, commercial banks were the main creditors, and before they became willing to accept losses, they had to replenish their capital bases. Otherwise, they would have been at risk of collapse.

The 18 indebted countries that signed on to the Brady plan agreed to domestic economic reforms that then enabled them to service their remaining debt. The outstanding bonds were relabelled as "Brady bonds" and repayment of their principal was basically guaranteed by the US government with support from international finance institutions. Those guarantees were a strong incen-

tive for banks to take part. The strong ownership of the United States helped to implement the Brady plan successfully.

Something similar would be useful for resolving current sovereign debt problems. Debt restructuring once again requires strong international cooperation, but also ambitious reform efforts at the national level of indebted countries. Any comprehensive policy menu must include better domestic resource mobilisation (especially tax revenues) and structural reforms (to create fiscal space and flexibility). Without strong financial support, however, indebted countries cannot enact such reforms and their economies will remain stalled. They deserve advice on technical matters too.



Combined with incentives, generosity works: Nicholas Brady and George Bush Sr. at the White House in 1990.

**What the G7 should do**

In this setting, the G7 should push for legal reforms. Moreover, international financial institutions like the International Monetary Fund and the World Bank should support collective efforts. Generous provision of climate finance would make sense too. Such action would help to engage China and the other major bilateral creditors that do not belong to the Paris Club. There are several ways for western policymakers to make a positive difference.

For example, the CF would benefit from law reforms in Britain and New York State. New York City and London are the world’s dominant financial centres. Accordingly, an estimated 52 % of the total outstanding stock of international sovereign bonds was governed by New York law in 2020, and a further 45 % by English law.

In both places, legal reforms could give a strong majority of private cre-

ditors the power to conclude agreements that bind any dissenting minority. A supermajority of two thirds, for example, would be a reasonable option.

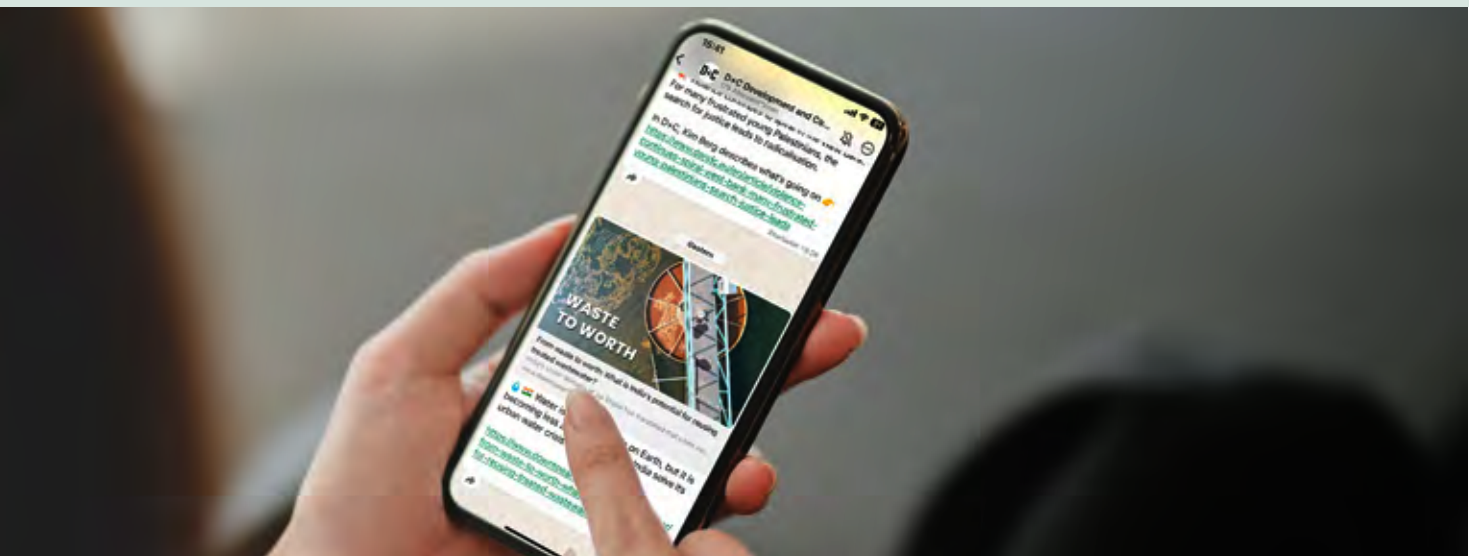
Two recent debt agreements, one pending in Sri Lanka and another agreed last year in Suriname, include clauses that would allow investors to change the location where potential disputes settle. Such clauses are obviously counter-productive. A broad international agreement should close such escape options, and, once again, the Paris Club cannot conclude it on its own.

More generally speaking, jurisdictions must be coordinated and use harmonised statutes. A new legal regime must codify an international duty for creditors to cooperate in sovereign-debt restructuring. For some commercial banks, after all, participation currently means the risk of breaching fiduciary responsi-

bilities they have towards clients who invested in bonds. Legislation should also prevent the sovereign debtor’s assets from being seized when they are undergoing a good faith restructuring.

Western policymakers, moreover, should bear in mind that Chinese banks today may well be in a position similar to US banks in the early years of the Brady plan, when they did not want to take losses because they had to safeguard their capital base. If Chinese banks are facing this challenge today, that would explain why China has been so adverse to debt relief in recent restructuring talks, while being rather generous with regard to postponing debt servicing.

Many indebted countries need debt relief, however. The implication is that other approaches to burden sharing may be needed if the CF is to be enhanced in ways that make it fully fit for purpose.



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