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scenario of Kenya's
election rerun

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India's ambitious Smart
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Financial viability needs
to be guaranteed
in the long run



Formal and informal employment

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FOCUS

Informal and formal employment

New paradigm needed

Informal employment dominates in Africa. Well-paying jobs that offer social-protection benefits are the exception, not the norm. A change of development paradigm is needed, argues Ndongo Samba Sylla from the Dakar office of the Rosa Luxemburg Foundation. In India, things are not much different, as free-lance journalist Aditi Roy Ghatak writes. Numerous African and Asian women try to find their luck abroad – and end up as household helpers with hardly any rights. Reporter Mona Naggar assesses the situation in Lebanon. **PAGES 24, 34, 26**

Ossified structures

The labour market in Saudi Arabia reflects contradictions in society. Women and foreign workers are discriminated against, and that limits the country's economic renewal, as economist Nassir Djafari points out. **PAGE 28**

Good and fair conditions for all

A great deal has been done to improve occupational health and safety in Bangladesh's garment factories, but more needs to happen. Under pressure from the EU, Bangladesh is now working on upgrading its labour legislation. Franziska Korn of the Friedrich Ebert Foundation hopes it will benefit all workers. The development-finance institution DEG has created a new tool for measuring employment quality and developmental impacts. Staff member Christiane Rudolph discusses its merits, using an example from Bangladesh. **PAGES 30, 32**

Inhuman working conditions

Labourers on palm oil plantations in Indonesia are denied rights and cope with low wages. Female workers are particularly disadvantaged, writes free-lance journalist Edith Koesoemawiria. **PAGE 36**

Society as a whole must benefit

Supermarket chains are on the rise in developing countries. They have many advantages, but they trigger the displacement of small retailers. The "retail revolution" should be managed in a way that serves developmental goals, demands Tilman Altenburg of the German Development Institute. Social enterprises are started to benefit society, not to maximise profits. They always must perform a balancing act, according to Bettina Meier from Bread for the World – Protestant Development Service. **PAGES 38, 40**

Global social contract

In the fight against poverty, employment matters very much. To have a job, however, does not guarantee one really escapes poverty. Moreover, some work is done in unacceptably inhumane conditions – consider child or slave labour, for example. For good reason, the UN's eighth Sustainable Development Goal (SDG 8) is “decent work and economic growth”.

In developing countries, masses of people work in the informal sector. Those who contribute to their family's business – a small farm or a vegetable shop, for example – are not entitled to a minimum wage, limits on working hours or social protection. Sadly, informal employment is common in formal economy too, in the private as well as the public sector.

Informal employment is actually becoming ever more important, not least in Africa, where economies are growing and new jobs are being created. The bad news is that it is not happening at a pace that would keep up with population growth, and most new employment tends to be informal.

Trade unions demand that labour laws must apply to all workers, including those in the informal sector. The right to organise and bargain collectively is especially important. It is what empowers workers to join forces in the fight for better conditions.

For huge numbers of marginalised people, decent work would mean inclusion in social life and social justice. At the same time, decent work would benefit economies in general. People's job performance and productivity hinge on being treated well. Ultimately, employers, employees and governments are all in it together, so they'd be well advised to cooperate on prudent rules for labour relations.

Education and skills are important. The more demanding jobs are, the better qualified employees must be. The better qualified they are, the stronger their bargaining power becomes. While a daily labourer can be replaced easily, a skilled worker can insist on adequate pay and fair working conditions. For anyone who lacks individual bargaining power however, the decency of work depends on labour laws not only being passed, but enforced as well.

Education and skills are tickets to good employment. Unfortunately, discrimination blocks many people's aspirations. Where girls, children with disabilities and members of minority communities are disadvantaged in schools or even excluded from school, they are most unlikely to get the best jobs later in life. In many world regions, moreover, patronage systems ensure that only members of dominant social groups get attractive positions. On their own, individuals can hardly break through such glass ceilings.

For all work to become decent, labour markets must change at national and global levels. Moreover, education systems and entire societal power-structures need to be reformed. Otherwise, decent work for the majority of people in Africa, for example, will remain a dream.

In a globalising world, everyone must show concern for labour everywhere. International pressure can make a difference, as is evident in Bangladesh, where various domestic and foreign parties are working on improving labour standards and social welfare. SDG 8 can be read as the inkling of a global social contract. Humanity must now live up to this promise.

► You'll find all contributions of our focus section plus related ones on our website (briefings section): www.dandc.eu/node/3241



KATJA DOMBROWSKI
is member of the editorial team of D+C Development and Cooperation / E+Z Entwicklung und Zusammenarbeit.
euz.editor@fs-medien.de

Debate



Confusing scenario

Kenya's Supreme Court has annulled the recent presidential elections. Voters will go to the polls again in October, and they face an utterly confusing scenario, as Grace Atuhairie, a free-lance journalist, writes.

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Tribune



Not smart enough

India has launched an ambitious Smart Cities programme. Unfortunately, it does not heed international lessons concerning municipal democracy, as Alokannanda Nath of Technische Universität Berlin elaborates.

PAGE 17

Multilateral fund needs money

The Green Climate Fund is an important institution for implementing the Paris agreement. It's long-term viability is in doubt, unless donor governments pledge substantial financial contributions, warns Liane Schalatek of the Heinrich Böll Foundation, which is close to Germany's Green Party.

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CLIMATE CHANGE

Devastating consequences

According to the Asian Development Bank (ADB) and the Potsdam Institute for Climate Impact Research (PIK), unabated climate change will have “devastating consequences” in Asia and the Pacific. The impacts could “severely affect their future growth and reverse current development gains.”

By Sheila Mysorekar

“The global climate crisis is arguably the biggest challenge human civilisation faces in the 21st century, with the Asia and Pacific region at the heart of it all,” argues Bambang Susantono, the ADB vice-president for knowledge management and sustainable development. “Home to two-thirds of the world’s poor and regarded as one of the most vulnerable regions to climate change, countries in Asia and the Pacific are at the highest risk of plummeting into deeper poverty – and disaster – if mitigation and adaptation efforts are not quickly and strongly implemented.”

Climate change has consequences including sea-level rise, stronger storms, changing rainfall patterns and dwindling glaciers. The landmass of small island states in the Pacific is being eroded by the rising sea level. After all, they consist of atolls that are hardly above sea level, so these countries are likely to cease to exist. Their people would become climate-change refugees, without hope of ever returning home.

SIX TO EIGHT DEGREES WARMER

But even in Asia’s biggest and most developed countries, unmitigated climate change will lead to severe setbacks and economic decline. According to a recently published report by the ADB and PIK, business as usual would mean a six degree rise of average temperatures over the Asian continent by the end of this century, and some countries could experience even “significantly hotter



Houses and rice fields in a flooded area, Mekong Delta, Vietnam.

Photo: Jim Holmes/Lineair

climates". Temperatures in Tajikistan, Afghanistan, Pakistan and the north-western part of China may even rise by eight degrees.

In the business-as-usual scenario, moreover, annual precipitation is expected to increase by up to 50 % over most land areas in the region. Accordingly, there would be more and worse floods. Countries like Pakistan and Afghanistan, however, may experience a decline in rainfall by 20 to 50 %, with the implication of droughts.

The authors warn of "drastic changes in the region's weather system, agriculture and fisheries sectors, land and marine biodiversity, domestic and regional security, trade, urban development, migration, and health". Mitigation and adaptation are needed, as business as usual would pose an "existential threat to some countries" and "crush any hope of achieving sustainable and inclusive development".

Health impacts are important too. Based on statistics provided by the World Health Organization, the authors show that the death toll related to vector-borne diseases such as malaria and dengue is rising.

FORCED MIGRATION

Generally, two categories of climate impacts can be identified as migration triggers: slow-onset events (for example droughts and water stress) and sudden events (for example floods and storms). It is well known that natural disasters often force people to leave their homes. Slow-onset developments, however, lead to similar reactions. The researchers point out that "migratory responses to gradual climate change, such as desertification, salinisation and drying of soils, deserve more attention."

One example the report gives is the Mekong Delta in Vietnam. With more than 18 million people, it is one of the most densely populated regions on earth. The fertile soil makes it ideal for rice planting. Over 50 % of Vietnam's staple food is produced here, and so are 60 % of the country's shrimps. However, salinisation of soils is a consequence of sea water pressing into aquifers and more evaporation due to

greater heat. In addition, erratic rainfalls affect livelihoods. In the long term, sea level rise (SLR), tropical storms and flooding events could "aggravate the situation in the delta for people whose livelihoods are closely intertwined with the ecosystem," the report states (also note Peters and Henckes in D+C/E+Z e-Paper 2017/04, p. 28, and print edition, p. 35).

Mass migration away from the area is to be expected, according to the researchers. In the past, disaster-related displacement in the Mekong Delta was largely linked to cases of unusually heavy precipitation. However, slow-onset developments matter too because they make the delta less fertile and inhabitable. Food production will suffer in other regions as well, as the report predicts: "In some countries of Southeast Asia, rice yields could decline by up to 50 % by 2100 if no adaptation efforts are made."

MEGACITIES AT RISK

The Asia and Pacific region includes some of the world's largest urban agglomerations. According to the ADB-PIK publication, Asia accommodated 16 of humankind's 28 megacities (with more than 10 million inhabitants) in 2014. Many important urban centres are "located within a short distance of the coast of the region". Throughout the region, "coastal population growth is far higher than national growth," the authors point out.

Low-lying coastal cities are especially exposed to the expected predicaments associated with climate change, including tropical cyclones and flooding. It is estimated that East Asia and South Asia will account for the lion's share of projected coastal flood damage in 2050.

According to the ADB-PIK report, of the 20 cities that account for the worst annual flood damages worldwide, 13 are in Asia. They are:

- Guangzhou, Shenzhen, Tianjin, Zhanjiang and Xiamen in China;
- Mumbai, Chennai-Madras, Surat and Kolkata in India;
- Ho Chi Minh City in Vietnam;
- Jakarta in Indonesia;
- Bangkok in Thailand and
- Nagoya in Japan.

Nineteen of the 25 cities most exposed to a one-meter sea-level rise are located in the Asia-Pacific region; seven of them are in the Philippines alone. Indonesia, however, will be the country most hit in the region by coastal flooding, with approximately 5.9 million people expected to be affected every year until 2100.

DECISIVE ACTION NEEDED

On the upside, Asian nations depend less on agriculture than previously, according to the ADB and PIK, because economic diversification has made them more resilient. On the downside, increasingly integrated regional economic systems are vulnerable to disruptions in supply chains. As Asia's industries are highly interlinked internationally, extreme weather events in one Asian country will have strong repercussions in others – as well as in the rest of the world. The experts warn that economic progress can be undone fast.

To mitigate the impact of climate change, the report highlights the importance of implementing the commitments of the Paris agreement: "The region has both the capacity and weight of influence to move towards sustainable development pathways, curb global emissions, and promote adaptation," the report concludes. To support these efforts, the ADB approved a record \$ 3.7 billion in climate finance in 2016 and is committed to further scaling up investments to \$ 6 billion by 2020.

The outlook is thus not necessarily bleak. Hans Joachim Schellnhuber, who heads the PIK, says that "leading the clean industrial revolution will provide Asia with unprecedented economic opportunities."

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COLONIAL LEGACIES

An era of darkness

Shashi Tharoor refutes the idea that, as a colonial power, Britain was on a civilising mission in India. Imperialism was driven by narrowly understood self-interest, he argues in his new book.

By Hans Dembowski

Tharoor is a prolific author. His new book convincingly proves that right-wing apologists of the British empire are wrong. The colonialists were not on a civilising mission; they brutally exploited the subcontinent. From the start, the British East India Company was a profit-driven enterprise. It was set up in 1600 to trade in silk, spices and other goods and soon controlled most of India. The East India Company was the sovereign power until 1858. At that point, the British state took over after having quelled an Indian uprising.

The British blocked India's industrial development, as Tharoor shows. A world region that had been known for making textiles, steel and ships was basically reduced to a raw-material producing colony. As Tharoor points out, even the British themselves estimated that "taxation was two or three

times higher than it had ever been under non-British rule, and higher than anywhere else in the world". The revenues generated in India served many purposes, including the funding of the colonial army, which relied on Indian soldiers and was sometimes sent to fight wars in other world regions. Corruption was a permanent issue, as British officers happily mixed private business and government duties. Worries were expressed even in London that newly looted wealth from India was undermining established norms.

It is often argued that, in spite of all hardship, Britain ultimately provided a kind of enlightened despotism. Tharoor proves that notion wrong. The colonial power neglected primary education, so India's literacy rate at independence in 1947 was a mere 16 % (eight percent for women). Moreover, some 17 million Indians died of hunger in the years 1891 to 1900. In 1943, the Bengal Famine killed another 4 million people. At the time, Prime Minister Winston Churchill blamed the victims, arguing that the suffering resulted from "breeding like rabbits". The brutal truth is that the colonial power exported food from India during

the crises mentioned. Tharoor admits that some British legacies – such as the rule of law – prove useful today, but he insists that they are unintended side-effects of colonial authoritarianism. He points out, for example, that the colonial courts were racist. Masses of Indians died at the hands of their white masters, but Tharoor knows of only three cases of Britons being sentenced to death and executed for murdering Indians.

Britain's policy of divide and rule proved so successful, according to Tharoor, that India was partitioned when colonial rule ended. Today, India and Pakistan are nuclear-armed enemies. Indian society is known to split along lines of caste, faith and language. What is less well known, however, is that the colonial power systematically entrenched such divides. Cultures always evolve, but the British-controlled government did its best to define various communities, codify their traditions and freeze their evolution. It claimed to protect traditional ways of life, whilst pitting one community against the other.

Tharoor is an interesting person. He is a former UN under-secretary-general and human-resources minister of India. He has written fiction and non-fiction books. He was affected by scandal too. His wife Sunanda Pushkar was found dead due to poisoning in a hotel in Delhi in 2014.

It cannot be repeated often enough that Indian culture was shaped by several religions and a multitude of traditions. In most places at most times, peaceful coexistence was the norm. Tharoor assesses these matters well, but he could have argued even more forcefully. He only mentions in passing that the ideology of the current Hindu-chauvinist government, which is led by Prime Minister Narendra Modi, is rooted in the colonial propaganda that emphasised the differences between Hindus and Muslims. The sad truth is that the lasting authoritarian legacies of British rule are worse than Tharoor spells out. It is telling, nonetheless, that an intellectual of such standing has written such an anti-British polemic.

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Indian soldiers serving the British armed forces in France during World War I.



CLIMATE CHANGE

The lasting impacts of the “little ice age”

Global warming is unprecedented in documented human history, so the past does not tell us what will happen. It is interesting, however, to consider the transformation that occurred in Europe in the course of the “little ice age” (roughly from 1570 to 1700). The historian Philipp Blom sheds light on the issue.

By Hans Dembowski

In the 16th century, global temperatures dropped by three to five degrees. The reasons are not well understood. Harvests failed, and the impacts on human life were devastating. In his new book, which is only available in German, Blom assesses what happened in Europe: a comprehensive transformation of society. The results included modern evidence-based science as well as globe-spanning imperialism.

Change was not designed by human leaders. Societies evolved as various parties responded to the crisis in different ways. Blom does not argue that everything was caused by global cooling, but states that climate change accelerated the trends.

From the late 16th century on, winters were longer and colder than previously, and the summers were shorter, wetter and colder. Famines were the result of failed harvests. The fight for resources intensified, and violent conflict was mostly coded in religious terms. People believed that God was angry, and dreadful sectarian wars between Protestants and Catholics erupted in many European countries.

Military innovations, including cannons, made warfare more expensive and more devastating. Warlords had to mobilise ever more resources, and economies became increasingly monetised. Engineering skills began to matter more than soldiers' physical strength and courage. New approaches were not only taken in many areas. The potato, which had been introduced from America, became an important staple food – not least, because soldiers

could not destroy potato fields as easily as they could burn wheat fields.

After years of dreadful bloodshed, however, it was still unclear whose side God was supporting. All sides were suffering. Scholars began to spend less time with Bible studies and took ever more interest in empirical evidence. They wanted to find new solutions to worldly problems. Theology lost its grip on society and science began to thrive.

Swedish army besieging Frankfurt on Oder in 1631.



At the same time, trade networks were extended and became ever more complex. At first wheat was imported from the Baltics, later commodities were brought in from all over the world. Europe's land-owning nobility lost influence while a new urban bourgeoisie emerged and prospered. Cities grew fast, as desperate people left rural areas, with most of them ending up in urban poverty.

In the longer run, technological progress and the new kind of economic thinking that developed in Europe in the 16th and 17th century triggered the industrial revolution, Blom argues. Ultimately, they resulted in the global capitalism we know today.

In Europe, the elites ultimately coped with the climate crisis successfully. Some of them had newly emerged, others were members of the long established nobility. They formed new alliances and built colonial empires. The price of Europe's rise was paid by colonised people all over the world – as well as by Europe's poor and downtrodden masses.

Blom shows that western enlightenment was propelled by the crisis that climate change had triggered. He also makes it very clear that the new philosophy was double-edged. On the one hand, it spawned the notion of human rights, which he considers universally valid. On the other hand, many of the enlightenment's proponents – including, for example, John Lock and Voltaire – personally benefited from colonial exploitation and the slave trade.

Blom shows convincingly that climate change can have far-reaching consequences.

He insists, however, that today's world is different. Unlike our ancestors during the little ice age, we do not need a scientific revolution to understand the climate change we are witnessing now. We even know what needs to be done to prevent the worst. Whether our leaders, our institutions and systems of governance are up to the task is a different matter.

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CHINESE FOREIGN POLICY

Silk road across the Indian Ocean

China is working on what is supposed to become a new silk road, and this massive infrastructure initiative is not limited to Asia and Europe. The maritime extension connects Chinese ports with the coasts of Africa, and Chinese-sponsored new railways make the African hinterland more accessible too.

By Katja Dombrowski

China's One Belt One Road initiative (OBOR) was launched in 2013. It is designed to improve trade infrastructure beyond China's borders in Asia and Europe. It is often overlooked, however, that OBOR also involves projects in Africa. In regard to major investments there, Julia Breuer of Ruhr-University Bochum suggests it would be more accurate to speak of "two" belts.

Hotspots of Chinese infrastructure development in East Africa are Djibouti, Egypt, Ethiopia, Tanzania, Zambia and Angola. In May 2017, the 472 kilometre standard gauge railway (SGR) link between the Indian Ocean port of Mombasa and Kenya's capital Nairobi opened. It was largely financed with Chinese money. According to Breuer's study, Chinese-built railway links are gradually forming a network throughout East Africa.

In Djibouti, for instance, the Chinese helped to finance the construction of the port of Doraleh and made sure it was connected by railway to the important neighbour and trading partner Ethiopia – a landlocked country. A pipeline was built as well. Both Doraleh port and the 730 kilometre long railway to Addis Ababa became operational this year, according to Breuer's study, which was recently published by Stiftung Asienhaus, a non-governmental German think tank.

There are further plans to link Addis Ababa to Kenya's SGR. That would make rail transport to South Sudan, Uganda, Rwanda and Burundi possible, as Breuer writes.

Furthermore, China wants to revitalise the 1,900 kilometre long Tanzania-Zambia Railway which was built with Chinese help in the 1970s. Among other things, it served to transport Zambian copper to the port of Dar es Salaam. In the future, this railway is to be connected to the Lobito-Luau railway, which became operational in 2015 and links the Angolan coast to the border of the Democratic Republic of the Congo. The shores of the Indian and Atlantic Oceans will thus be connected by railway.

In addition, a railway link from landlocked Zambia via Malawi to Mozambique

is under construction. Memorandums of understanding between the government of Chad and Chinese companies signed last year suggest that Chad might become an important east-west nexus as well.

CONNECTING THE HINTERLAND

In West Africa, Chinese investments focus on Nigeria and Togo, providing funding for the ports of Lagos and Lomé respectively. Near Lagos, Lekki deep sea port is under construction. Moreover, Chinese companies are contributing to the expansion of inner-Nigerian railway routes.

By connecting the ports with the inland provinces, China is making sure that products and resources can be transported to the coast and then exported to China. Even more important, Africa is a crucial market for China's exports. As Breuer points out, moreover, Chinese-owned companies are producing ever more goods in Africa. Garment manufacturing in Ethiopia is an example. Accordingly, the Ethiopia-Djibouti railway serves essential trade needs.

In most cases, African governments welcome Chinese engagement. In contrast to western governments, the one in Beijing claims to adhere to the principle of non-interference in other countries' politics and does not discuss issues of governance. Its approach to development partnerships is "rather trade than aid", writes Breuer.

Africa's people seem to appreciate Chinese infrastructure projects as well. In an Afrobarometer survey of 36 African countries, almost two-thirds of respondents said China's influence was positive in their country, while only 15% saw it as negative. According to Breuer, China's infrastructure, development and business investments are seen as reasons for the country's positive image in Africa.

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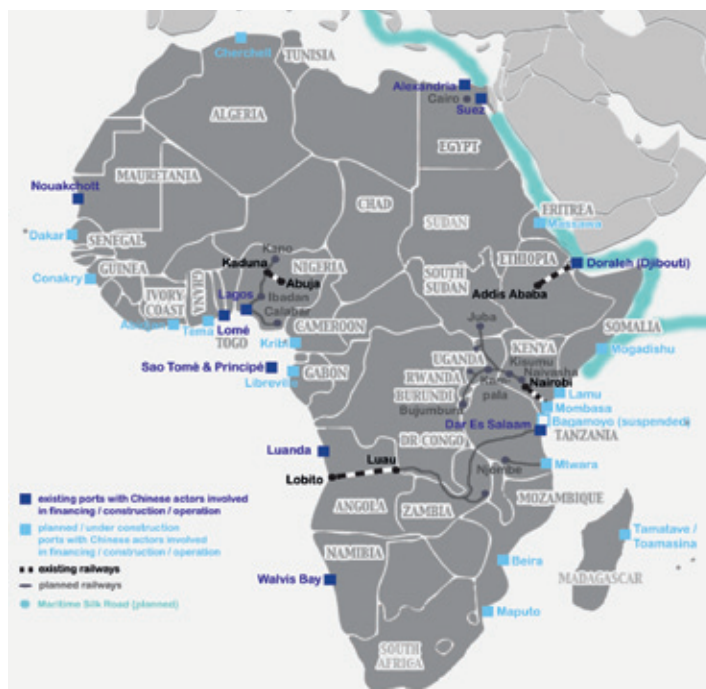
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African infrastructure projects and Chinese involvement.



COLONIAL PAST

Remembrance and retributive justice

One hundred and ten years ago, Germany's colonial troops committed genocidal atrocities in what is now Namibia. The Federal Republic is still struggling to come to terms with this dark chapter of German history.

By Dagmar Wolf

For many years, German officialdom avoided using the term “genocide”. However, there is no other fitting word for what occurred in the years 1904 to 1908 under German colonial rule in then South-West Africa, as Reinhart Kößler and Henning Melber elaborate in a recently published book.

German troops killed masses of people who belonged to the Herero and Nama communities, cutting off the escape routes and systematically destroying all livelihoods. It took Germany's Federal Government until 2015 to accept the word “genocide”, and it had not officially apologised for the atrocities by the time the book was finalised.

Kößler and Melber point out that Germany's colonial history had a bearing on the Nazi dictatorship. But whereas it has been high on the public agenda in Germany for decades to come to terms with the Holocaust, the war of extermination against the Herero and Nama is largely ignored and neglected. In contrast, Namibians themselves are well aware of the genocide and its impacts. The victims' descendants, for example, are still largely excluded from land ownership (note Melber's essay in D+C/E+Z e-Paper 2017/07, p. 29). The co-authors show, moreover, that dealing with the two countries' shared history remains an often-controversial challenge for German and Namibian officialdom.

Special envoys of both countries have been officially discussing how to handle the matter since 2015. They have hardly involved the victims' descendants, however, even though the UN Declaration on the Rights of Indigenous Peoples of 2007 stresses this as a requirement. Members of

victims' organisations now demand to participate in the German-Namibian talks, and they have approached a court in New York to claim financial compensations. The case has been postponed twice and is now scheduled for 13 October.

What should be the consequences of genocidal history in today's German-Namibian relations? According to Kößler and Melber, the official acknowledgement of genocide by Germany's Federal Government is not enough without an apology and

Herero descendants in the USA have gone jointly with groups from Namibia to court in New York, claiming compensations for atrocities committed by Germany's colonial troops in the early 20th century.



compensations. In the scholars' eyes, this should not be about paying money to individuals. They demand restorative justice, arguing that Germany's emphasis of having a special responsibility towards Namibia and affording substantial official development assistance (ODA) for the country do not suffice. They point out, moreover, that a large share of German ODA benefits the German community in Namibia. Kößler and

Melber want stolen land to be returned and massive infrastructure investments to benefit all people.

The authors insist, moreover, that sensitivity in personal interaction is indispensable for rapprochement and meaningful dialogue. A shared culture of remembrance is needed, and the German public must debate and understand colonial history. The co-authors appreciate the progress that has been made with the admission of genocide, but they insist that much more needs to happen. Among other things, they argue for:

- a bilateral commission on history textbooks,
- school partnerships and exchange of students,
- a shared national holiday and other joint reconciliation measures,
- monuments in public spaces to remind people of what happened, including the renaming of streets or squares, and

- exhibitions that educate people about colonial history.

BOOK

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PEGNET CONFERENCE

Measures to reduce inequality

Economic growth has reduced absolute poverty in many developing countries. Nonetheless, the distribution of wealth remains strikingly unequal in many places. This challenge is obvious not only in developing countries and emerging markets: inequality is increasing in industrialised nations too. Development economists are interested in this issue. They are doing research on how to identify and reduce various forms of inequality. These issues were on the agenda of this year's PEGNet conference in Zurich.

By Sabine Balk

PEGNet is the Poverty Reduction, Equity and Growth Network. It links academic institutes to development agencies. The goal is to facilitate synergies. Inequality is a complex issue and harder to reduce than poverty, says Isabel Günther from the NADEL Center for Development and Cooperation, which belongs to ETH, an elite university based in Zurich. Fighting inequality is always linked to redistribution, she told conference participants.

Giovanni Andrea Cornia from the University of Florence has been researching inequality for many years. According to him, there have been many setbacks, for example in rural India. However, he also sees some progress, for example in Latin America. Cornia recently prepared a study on sub-Saharan Africa on behalf of the UN Development Programme (UNDP). It assesses how inequality has developed in 39 countries from 1990 to 2011.

Cornia reports that 40 % of the people living south of the Sahara live in 17 countries with declining inequality, whereas inequality has become more pronounced for the 60 % who live in 12 other countries. The majority of the people are thus experiencing more inequality.

As Cornia points out, all countries recorded economic growth and reduced absolute poverty, but wealth has not been spread more evenly. The main problem, according to the economist, is an unhealthy



Spatial inequality causes tensions: informal settlement in front of regular housing in Nairobi.

pattern of growth. The most successful sector was extractive industries, which do not improve the lot of most people.

Cornia considers four core issues to be the main drivers of inequality:

- fast population growth,
- poor secondary education and inadequate vocational training,
- a lack of redistributive policies through taxes and contributions to social-protection schemes and
- violent conflict.

According to the scholar's insights, the following policy measures can make a difference:

- Public investments in social protection schemes and cash-transfer programmes. In Ethiopia, for example, donor-funded social-protection schemes had immediate impacts, Cornia says.
- Investments in public education. Such measures have an impact within five to ten years and particularly benefit poor children, according to the Italian economist.
- Improving agriculture. Cornia wants yields to increase and land to be distributed more equitably.
- Promoting family planning in order to reduce birth rates. This approach pays off within one or two generations, the scholar argues.

Samuel Kofi Tetteh-Baah is from Ghana and currently preparing his PhD thesis at NADEL. He is researching inequality within social groups who share an ethnic identity or religious faith. He is using data from 36 countries concerning the years 1990 to 2015. Tetteh-Baah is particularly interested in four indicators:

- achievements in education,
- prosperity,
- children's growth (stunting) and

- child mortality.

Tetteh-Baah reports that inequality within groups is generally declining. Children's physical development and mortality tend to be rather homogenous. He has found out that, within a group, people consider unfair distribution of land and urban space especially irritating. Ethnic inequality is accepted more readily, and people do not seem to bother much about religious and gender inequality.

While inequality in terms of education and wealth is being reduced within groups, it is still quite prominent in African societies in general. Tetteh-Baah argues that in spite of considerably improved standards of living, spatial and ethnic inequality remain major issues in Africa.

Jon Jellema is an economist from Tulane University in New Orleans. He is researching what impacts tax policies have on poverty and inequality. The guiding question is how taxes can serve to redistribute wealth and reduce poverty. He works for Tulane's Commitment to Equity Institute (CEQ), which has published a handbook on these matters. The book is based on studies concerning the tax policies of 20 different countries. Jellema argues that government revenues and government ex-

penditures must be seen in context. The reason is that the benefits of governments spending can outweigh the negative impact of taxes. Accordingly, even regressive taxes which affect poor households more than the prosperous ones, can help to reduce inequality, provided the revenue is used prudently.

Jellema says that direct taxes (such as income taxes) always contribute to making societies more equal, and the same is true of public investments in health and education. Indirect taxes (sales taxes, for example), can also help to reduce inequality if the money is invested in sensible programmes.

The annual PEGNet conference is one of the few occasions that convene people from both academia and development agencies. Participants in Zurich agreed that more bridge-building of this kind would be useful. Some practitioners bemoaned however that scholars' insights tend to be rather theoretical and do not provide much guidance for tangible action.

LINK

Commitment to Equity Institute: Handbook.
<http://www.commitmenttoequity.org/publications-ceq-handbook/>



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Saying “sorry” is not enough

“As a country, we have failed. As President of the Republic of Chile, solemnly and humble, I would like to ask the Mapuche people for forgiveness – for the errors and horrors which the state tolerated or committed against you.”

These were the words of Chile’s President Michelle Bachelet when she presented the so-called “Plan Araucanía” in June. Her speech came not by surprise. The relations between the state and the various indigenous peoples of Chile, of whom the Mapuche are the most numerous, are complex and difficult.

Most indigenous communities are poor and discriminated against. But numerous violent incidents have been rocking the south of the country for a long time. They include roadblocks, land occupation, burning of goods or buildings and even deadly confrontations with the police. These things have been occurring at regular intervals for the last 20 years in regions like Biobío and Araucanía, about 700 kilometres south of the capital Santiago.

Mapuche resistance groups are very important in this context. They fight for their ancestral territories, first occupied by Spanish colonisers in the 19th century. The same lands were later claimed by the independent state of Chile, which continued with the policies of robbing and extermination.

Mapuche activists insist that forestry companies must leave this area. Their huge plantations of exotic tree species have put Chile on the international map as a wood producing country. The cost, however, is continuous soil degradation.

President Bachelet has lately been pushing a number of schemes to improve the lives of the Mapuche, particularly the “Plan Araucanía”. Its three pillars are: protection and help for the victims of violence, development and recognition of the indigenous peoples.

Mapuche author Pedro Cayuqueo says this is way too little: “These are things which are 25 years overdue. To announce them as a great novelty for resolving the conflict between the state and the Mapuche people shows a lack of respect.”

Chile’s magna charta, which was written during the dictatorship of Augusto Pinochet and revalidated in democracy, does not recognise indigenous peoples as nations. Relevant ethnic communities are the Aymara in the north, the Mapuche of the centre and the south and the Rapa Nui of the Easter Islands.

What does the presidential plea for forgiveness mean to the indigenous? Manuel Maribur from the Mapuche community “Lorenzo Huaiquivil” says it does not mean anything unless reparation payments flow too. “It is easy to beg for pardon, but we need to see action,” Maribur points out. “We demand our ancestral lands back, and we demand autonomy.”



JAVIER CISTERNA FIGUEROA
is a journalist and lives in Concepción, Chile.
cisternafigueroa@gmail.com

LINKS

Mapuche International Link:
<http://www.mapuche-nation.org/english/frontpage.htm>
Plan Araucanía (in Spanish):
<http://www.gob.cl/revisa-los-puntos-destacados-del-plan-araukania-propuesto-la-presidenta-bachelet/>

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ENGAGEMENT GLOBAL gGmbH

Service für Entwicklungsinitiativen

Tulpenfeld 7

53113 Bonn

Tel. (02 28) 2 07 17-0

Fax (02 28) 2 07 17-150

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ADVISORY BOARD:

Thomas Loster, Prof. Dr. Katharina Michaelowa,
Prof. Dr. Dirk Messner, Petra Pinzler, Hugh Williamson

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EDITORIAL TEAM:

Dr. Hans Dembowski (chief), Sabine Balk, Katja Dombrowski,
Sheila Mysorekar, Eva-Maria Verfürth, Dagmar Wolf (assistant)

Phone: +49 (0) 69 75 01-43 66

Fax: +49 (0) 69 75 01-48 55

euz.editor@fs-medien.de

Art direction: Sebastian Schöpsdau

Layout: Nina Hegemann

Translators: M. Bell, C. Davis

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FAZIT Communication GmbH,

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Postfach 1363

D-82034 Deisenhofen, Germany

Phone: +49 (0) 89 8 58 53-8 32

Fax: +49 (0) 89 8 58 53-6 28 32

fs-medien@intime-media-services.de

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VOTERS

Confusing scenario

Since Kenya's Supreme Court annulled presidential elections on 1 September, rumours and uncertainties have been abounding. Not everyone trusts the Independent Election and Boundaries Commission (IEBC) to run a fair and clean rerun election in October.

By Grace Athuairé

The IEBC first set 17 October as an impromptu election date, but later postponed the polls to 26 October. In September, internal IEBC debates on who was to blame escalated into a public dispute. The opposition demanded reforms at the IEBC and threatened to boycott the rerun elections. On the other hand, incumbent President Uhuru Kenyatta's supporters staged rallies, demanding the resignation of Supreme Court judges.

Rumours and conspiracy theories spread fast. It did not help that the Supreme Court only issued its detailed judgment three weeks after delivering the verdict.

Most Kenyans and the international community interpreted the nullification of the presidential election as a move by the judiciary to show its independence from the other branches of government. It set a precedent for the entire African continent. The scenario is utterly confusing, nonetheless.

Since the verdict was first announced on 1 September, President Uhuru Kenyatta and his Jubilee party have been relying on a narrative of victimisation. They say that Kenyatta's presidency was stolen by the court. There have been various rallies. In several cities, pro-Kenyatta demonstrators demanded the resignation of two judges: Philomena Mwilu, the deputy chief justice, and Isaac Lenaola. They argued that the two justices were compromised by their support of the opposition.

The Supreme Court rejected such accusations and insisted it would not cave in to illegal intimidation. It appealed to the people to put information into context after photographs showing judges with Raila Odinga, the opposition's presidential candidate, were used on social media to discredit the judiciary. The photos were old and en-



Kenya's top judges have asserted their authority.

tirely unrelated to the recent election. It is common knowledge that the Kenyatta camp discredited the International Criminal Court because of a case relating to murderous post-election violence. Ultimately, the case was dropped because Kenyan witnesses no longer dared to testify against the president.

While the Kenyatta camp is casting doubt on the integrity of the Supreme Court, Odinga supporters are focusing their criticism on the IEBC. Odinga himself threatened he would not run again unless the entire Commission were newly appointed. He later backtracked and called for individual resignations. The opposition also insists that the IEBC must use transparent and verifiable technology. One of its popular slogans is: "No reforms, no election." A boycott would obviously undermine the legitimacy of the rerun election.

The Court's detailed judgment is quite technical and detailed. It does not accuse IEBC leaders of willful manipulation, and this will have come as some relief to Kenyatta and his camp. The points the judgment raises are relevant, nonetheless. The judges found it unacceptable that about a quarter of the paper forms used for result tallying were formally incorrect and that the Court did not get access to the computerised system the IEBC relied on. In essence, the judgment reflects the opposition's demand for transparent and verifiable technology.

In view of the flaws, it is an open question whether the results were manipulated

or not. This issue will probably never be resolved. Doing so would require a thorough assessment of the IT system – which is precisely what the Supreme Court found itself unable to do.

Voters must thus now choose their next president without knowing whether somebody tried to cheat them the last time. In this setting, rumours and conspiracy theories are very hard to prove wrong, so they are likely to have an impact on many voters.

Two other open questions are whether the IEBC will be up to the task of running a flawless election and whether it can convince the opposition of its ability to do so. The media have reported that OT-Morpho, the French company that provides some of the digital equipment, has stated it cannot reconfigure its kits in time for use in another election in October. The IEBC is yet to share with the public how it will ensure transparency in the technology used in transmission of electoral results, and how it will ensure that the transmitted results are verifiable. By postponing the election to 26 October, the IEBC has implicitly admitted that it is running out of time. Kenyan's long-term trust in democracy, of course, will depend on the rerun elections being clean and fair.



GRACE ATUHAIRE
is a free-lance journalist.

graceseb@gmail.com

LATIN AMERICA

Dysfunctional governance



"Out with Temer": protester in São Paulo in June.

The motto on Brazil's flag is "order and progress". It spells out what the "imponderable country" has been lacking since independence almost 200 years ago. The declining faith in democracy is a reason to worry.

By Carlos Albuquerque

Brazil's democracy is in deep crisis. According to José Álvaro Moisés of the University of São Paulo, the share of people who are in favour of dictatorship rose from 15 % to 20 % in 2016.

Supported by conservative and liberal parties, a most unpopular president is currently in power: Michel Temer. He was Dilma Rousseff's vice president and succeeded the leader of the left-of-centre Workers' Party (PT) after her impeachment last summer. She was blamed for manipulating budget figures. Temer's austerity is now undermining his predecessor's anti-poverty programmes.

It is ironic that the new head of state is blamed for corruption himself. The evidence against him is actually more substantial than all the accusations levelled against Rousseff were. Nonetheless, the

very parties that caused her downfall are now supporting him. Their candidate, Aécio Neves, had lost the presidential elections of 2014.

Rousseff's victory was narrow, but undisputable, even though her campaign was haunted by various corruption scandals and PT infighting. Moreover, high-school and university students, who mostly belonged to the middle classes, staged rallies against her government. They were angry because of rising bus fares, the high costs of the Football World Cup and general mismanagement of the economy. Political parties were not welcome to their demonstrations, and society's lower strata largely stayed away too.

Rousseff promised a grand bargain to improve Brazil's standard of living. What made her win the election, however, was probably the charisma – and support – of her mentor and predecessor Lula da Silva.

The recession got worse after the election, and leaders from business and finance increasingly argued that growth would not pick up again under President Rousseff. There was a second wave of protests. In summer 2016, Rousseff's opponents got what they wanted: she was suspended from office (also note article in D+C/E+Z e-Paper 2016/06, p. 11).

The nation is now deeply split. PT supporters are condescendingly called "petralhas" (the Brazilian name of Disney's Beagle Boys), whereas the pejorative term for those who rallied against Rousseff is "coxinhas". Coxinhas are the fried chicken snacks police officers like to consume on duty.

The members of the elite in politics, business and the media who contributed to toppling Rousseff are now Temer's staunch allies. He has not been indicted, even though he is obviously more deeply involved in the corruption affairs than either Rousseff or Lula. Lula was sentenced to nine and a half years of prison. Putting him behind bars would traumatise the nation, however, and so far, the judgment remains

unenforced. Nonetheless, the rules that apply to left-leaning leaders apparently do not apply to free-market proponent Temer. Because of this disparity, trust in the state is being eroded.

The truth is that governance in Brazil has not been working well for a long time. The judicial branch of government has been taking over legislative and executive functions. The Supreme Court, for example, introduced gay marriage in a judgment, bypassing the legislative branch. Many people now believe that Lula was sentenced to prevent him from running in next year's presidential election. He remains very popular and has indicated he is interested in running once more.

Today, the streets are empty. The people feel tired. The opposition is weakened by infighting and corruption scandals, unable to mobilise the masses. The military has stayed away from the policy arena so far. General Eduardo Villas Bôas, the army's top-ranking officer, recently said that Brazil's future is in the hands of the citizens who can set the course in elections next year.

According to opinion polls, Lula is currently the frontrunner, followed by Jair Bolsonaro, an ultra-conservative populist whose extreme statements resemble those of Donald Trump in the USA or Rodrigo Duterte in the Philippines. He is benefiting from worsening violent crime.

In this chaotic scenario the "country of imponderables" is looking for something like order and progress. But without the constructive cooperation of all parties concerned – in politics, business, the media and civil society –, this search will be in vain.



CARLOS ALBUQUERQUE
works for Deutsche Welle's
Brazilian programme and is
based in Bonn.
carlos.albuquerque@gmx.de

EXTRAJUDICIAL KILLINGS

The deadly impact of lawless “security” forces

International human-rights organisations keep criticising excessive police violence in the Philippines, where President Rodrigo Duterte claims his security forces are fighting drug criminals. Innocent people are being killed. Our correspondent Alan C. Robles expresses his anger at lawless police action.

By Alan C. Robles

I found this image on Facebook and shared it on Twitter, where it's gone viral – 18,000 likes and 12,000 shares in less than a day. Let me translate:

ACCORDING TO POLICE

“When he saw us he ran. He fired on us, forcing us to shoot back, hitting and killing him. We found 2 sachets of drugs on him.”

ACCORDING TO FAMILY

“We brought him up well, he was a good student, he wanted to be a policeman. And they just killed him. We will fight for our son even if we (know we'll) lose.”

ACCORDING TO CCTV CAMERA

“Kian was held tightly by two policemen, a jacket thrown over him. He was dragged (to an alley). A third policeman followed.”

ACCORDING TO EYEWITNESS

“Kian asked (the police), what am I supposed to do with that gun? The police said, hold it, fire it. Run! Kian ran crying. The police gunned him down.”

A few days ago a 23-year old “special child” (disability on the autism spectrum) was just gunned down by a man on a motorcycle. Months ago, another youth with club feet was made to kneel, mocked by gunmen and then shot dead.



What does Duterte say? He's elated so many people have been killed, he wants at least 32 people murdered daily. He's already said he wants at least 4 million killed. I don't know how long this will last but the latest murder seems to have provoked a backlash. It doesn't stop Duterte trolls and fanatics from cheering.

This is why I am permanently angry these days. I've read tons of materials about dictatorships – especially Hitler's – and even experienced the Marcos regime

for myself. But to see otherwise intelligent people (some of them my friends) shouting their approval of mass murder, and passing around fake news, takes it to a new level of personal experience.



ALAN C. ROBLES
is a Manila-based journalist.

editor@hotmanila.ph

CAMPAIGN PROMISES

Half-time results

After three years in office, Indonesia's President Joko Widodo – popularly known as Jokowi – can boast of some achievements on the ground. A lot remains to be done, however, and he has not been making the kind of progress many had hoped for.

By Edith Koesoemawiria

A song by Iwan Fals recently went viral. The singer-songwriter's lyrics question Jokowi's "Nawacita", the nine priorities the president stressed in his election campaign. They were:

- state protection for all citizens and the environment,
- clean, democratic governance,
- rural development,
- reform of laws and enforcement agencies,
- a higher standard of living,
- higher productivity and more competitiveness,
- economic independence,
- nation building in the spirit of "unity in diversity" and
- more inclusive social policies.

The Nawacita aspirations correspond to the UN'S 17 Sustainable Development Goals, for example in the sense of making economic growth serve the public good.

Jokowi has now been in office for three years. The next election will be held in two years. He is expected to run again. Iwan Fals' song obviously resonated with many people. Its core message was probably that it is not enough to advertise achievements. What still needs to be done must also be considered.

Jokowi is certainly proud of what he has accomplished. Videos his team posts on social media regularly show his achievements, including progress in terms of physical infrastructure (dams, bridges, roads et cetera) and social infrastructure (village-funding mechanisms, clinics, schools, for example). The videos are not mere propaganda; these achievements are real.

Jokowi's government has pioneered a social health insurance scheme, implemented free education up to junior high school (ninth grade) and clamped down on illegal



New flyover in Jakarta.

fishing by foreign ships. It has revived the national aircraft industry and increased its influence in the mining sector. These things make a difference in the world's fourth most populous nation, which is a G20 member and the world's 10th largest economy in terms of purchasing power.

Not everything is going well, however. Since 2012, the poverty rate has only been declining by an average of an annual 0.3 percentage points. The distribution of incomes is very unequal. According to Indonesia Investment, a private-sector company from the Netherlands, a tiny elite of 0.02% controls 25% of the country's wealth.

At the same time, Indonesia's rules and regulations have been changing so fast and so often in recent decades, that investors have been shying away from several areas, including renewable energies. In spite of cooperation with civil-society organisations on fire fighting, forests are still burning in Kalimantan and Sumatra, and large parts of Papua are also being turned into palm-oil plantations by large conglomerates (also note p. 36).

According to Human Rights Watch, Jokowi's "rhetorical support for human rights has not led to meaningful policy initiatives". The situation of minorities has not improved, and though civil-society activists who campaign for human rights and environmental protection have the support of the law in theory, they face precarious conditions on the ground. Compounding the problems, nationalist fervour in the fight

against terrorism has resulted in repressive laws that can easily be used against any person or organisation that dares to express criticism. The Anti-Corruption Agency, moreover, seems to be losing its bite in view of constant attacks by opponents.

Coming to terms with the traumas of Suharto's dictatorship from 1965 to 1998 would boost Indonesia's democracy (see my comment in D+C/E+Z e-Paper 2016/11, p. 42). Strong forces in society, however, want to keep history shrouded in darkness. Jokowi does not belong to their camp, but he has not been challenging them either.

Managing Indonesia's development is an enormous challenge for anyone, of course. Jokowi has been prioritising economic development, safety and social welfare. He deserves praise for allocating an unprecedented 27% of the national budget to education. Ensuring education and skills for the young generation opens up opportunities and is a strong foundation against Islamist extremism. However, he is racing against time.

A recent survey showed people's trust in the president is growing. Jokowi wants to put the groundwork in place. His term ends in two years, and he must deliver on his Nawacita promises.



EDITH KOESOEMAWIRIA
is a free-lance
journalist.

hidayati@gmx.de

CITIES

Not smart enough

International experience shows that urban development works out best when local-government institutions are in charge and give account to local electorates. Unfortunately India's otherwise remarkable Smart Cities Mission does not heed this lesson.

By Alokanda Nath

The urban areas of many developing countries are growing fast. For environmental as well as economic reasons, the idea of “smart cities” has taken hold in global debate. The underlying idea is to build adequate infrastructure and link it to digitised data processing in order to improve energy efficiency and reduce environmental impacts. The smart-cities approach is a good way to tackle the myriad of urbanisation challenges – from traffic congestion to waste management or health-care provisions (see D+C/E+Z focus section in e-Paper 2016/10 and print edition 2016/11-12).

India's central government appreciates the idea and has accordingly launched the “Smart Cities Mission”. The goal is to develop 100 smart cities until 2020. The programme focuses on building infrastructure – including sanitation, water supply, affordable housing, mobility and other issues. It is expected to cost the equivalent of \$ 30 billion.

Unfortunately, the term “smart” in the programme name merely refers to technology-based solutions that are expected to enhance service delivery and foster economic growth. The mission's approach to governance, however, is not smart.

To date, 90 cities have been selected. The implementation of some projects has begun. When Prime Minister Narendra Modi launched the mission, he said that it would end the top-down approach that has marked urbanisation in India in the past. He promised people-centred development, with the local city leadership getting the say on how their city should grow.

That is not happening, however. The Smart Cities Mission has failed to empower municipal governments. The local authorities need autonomy and scope for decision-

making if they are to do their job well. In India, urban governance is not organised well and overly complex. The institutional framework has three levels:

- The central government has a supervisory and facilitative role, and it supports policymaking.
- India's 29 state governments have the primary role in urban governance. Typically, they bear the responsibility of providing basic amenities and services through state departments, state-level boards, statutory and non-statutory bodies at the city level and financial support in planning and implementing infrastructure projects. Many Indian states have huge populations, some even of more than 100 million people. Most people live in rural areas, so most state governments' priority is not urban development.
- The municipal governments are responsible for the operation and maintenance of basic services and in some cases for the implementation of ad-hoc infrastructure

projects. They are not empowered to prepare and implement comprehensive urban planning. They depend heavily on the state governments for funding and permissions.

In view of this scenario, the Smart Cities Mission would have done well to give the state governments incentives to boost the autonomy and capacities of the municipal level. Instead, the central government has chosen what probably looks like an easier path. The Mission is being implemented by “Special Purpose Vehicles” (SPVs). The SPVs are separate companies, and one SPV is being set up for every city involved in the programme.

Project planning and implementation will thus be done by appointed technocrats with only limited input by locally elected policymakers at best. In the worst cases, the local governments may not get any say at all.

The marginalisation of municipal authorities is unwise. Local councils are directly in touch with the people who elect them. They are familiar with the places they represent. Accordingly, the administrative



Fishing harbor in Mangalore, a coastal town of some 600,000 people in southern India. Its infrastructure is set to be boosted by the Smart Cities Mission.

staff who report to them tend to be better informed concerning local needs, grievances and hopes than their counterparts at the state and central levels.

CONSIDERABLE POWERS

The SPVs have been given the authority to raise private funds on capital markets, collect taxes and surcharges, enter into joint ventures and take all decisions relating to the implementation of “Smart City Proposals”. They have been given considerable decision-making competence as well as operational independence. The SPVs are thus supplanting municipal authorities to a large extent.

The idea is to run a city efficiently the way managers run private-sector companies. It is distorted. Since politics is not about generating profits, there is no bottom line that might serve as a clear yardstick of success. Politics is about the common good. It is about balancing diverging interests and brokering compromise and – where possible – fostering consensus. In this regard, democracy is actually more efficient than corporate governance as it can ensure that all voices are heard, relevant grievances are dealt with and the likeness of disruptive conflict is reduced. Involving the local peo-

ple may seem cumbersome at first glance. In the long run, it reduces problems and helps to educate constituents. In this sense, smart citizens are one result of smart governance.

On the upside, the Smart Cities Mission has several strong points:

- Its focus is primarily on infrastructure rather than technology. This makes sense as Indian cities’ infrastructure tends to be very poor and urgently needs to be improved.
- The cities that have been selected are not the big megacities like Mumbai, Delhi or Kolkata, but medium-sized cities. These are indeed the cities that matter most because they are growing particularly fast.
- These cities must now be designed to become tomorrow’s hubs of commerce and industry, providing livelihoods to fast-growing populations. Sensible action today will prevent future problems.

The irony of the matter, however, is that truly smart cities would require smart governance – and that can only be provided at the local level. In spite of Modi’s promise, the Smart Cities Mission reflects a top-down mentality. From the selection process to the implementation mechanism, the influence of the central government is quite eminent. Moreover, it would quite obviously be more efficient to create an institutional framework that allows existing en-

tities of local governance perform well than to establish an additional layer of entities.

The SPVs, from the way they are designed, seem to undermine the local democratic processes. They will have the power to raise taxes and charge user fees and enter into public-private partnerships in order to raise equity from the market. All these functions should have been delegated to the local governments. Indeed, this is what the decentralisation amendment act (74th Constitutional Amendment Act), passed in 1992, was intended to bring about. But even after 25 years, it must yet be implemented. The Smart Cities Mission in India could have brought about that change, or at the least, integrated the municipal governments within their structures for better implementation of projects. This could have paved the way for stronger city governments in the long run.



ALOKANANDA NATH
recently graduated from
the Technische Universität
Berlin with a masters degree
in urban management. This

article is based on her master thesis. TU Berlin is involved in the AGEP network of German postgraduate programmes focussing on developing countries and emerging markets.
alokanda.nath@gmail.com



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GREEN CLIMATE FUND

Signalling effect for global climate finance

The Green Climate Fund (GCF) is an important institution for ensuring that the obligations under the Paris agreement are met. Moreover, it is setting important standards for global climate finance by involving the private sector in new ways, strengthening country ownership and committing to sustainable development and gender equality. However, the financial viability of the fund is by no means guaranteed in the long run.

By Liane Schalatek

At the climate summit in Bonn in November (COP 23), Fiji will be the presiding country. It is striving for an agreement to spend more money on adaptation to climate change in the countries at greatest risk. In this context, the GCF has a key role to play. Many devel-

oping countries that need financial support to implement their nationally determined contributions (NDCs) to climate action are pinning their hopes on it.

The GCF is accountable to the COP and operates under its guidance. It is currently the largest multilateral climate fund, with financial pledges totalling \$ 10.3 billion. It can and must deliver major impulses for global climate finance. Its signalling function is not primarily due to its financial clout – which is comparatively modest compared with the trillions in public and private investments that are needed to keep global warming below two degrees Celsius. The GCF's great relevance mainly rests on its guidelines that demand:

- the strong focus on private-sector involvement,

- bold approaches in the use of innovative financial instruments,
- the strengthening of country ownership and
- the establishment of climate-finance institutions and procedures in recipient countries.

Last but not least, the GCF is sending an important signal by committing to sustainable development and gender equality in all its transactions.

The GCF was established at COP 16 in Cancún in 2010. It is based on the pledge made by the industrial nations to provide developing countries with climate finance worth an annual \$ 100 billion by 2020, relying on public as well as private financial inputs. According to a clause of the Paris agreement, financing commitments must rise after 2025.

A few weeks before the COP in Paris, the GCF's governing board, which has an equal number of members from developing and developed countries, approved the first batch of project proposals. The Fund thus became fully operational in October 2015. The GCF's governing document remained vague on how much of the promised \$ 100 billion a year would flow through the GCF,

Fishermen in the Philippines receive government loans for climate-change adaptation projects.



Foto: Malasig/picture-alliance/dpa

but it did state categorically that “a significant share of new multilateral adaptation funding” must be channelled through the GCF. According to the GCF allocation framework, 50% of the money must be used for emissions reductions and 50% for adaptation. Moreover, half of all adaptation funding is reserved for small island developing states (SIDS), African countries and least developed countries (LDCs).

PRIVATE SECTOR FAVOURED

Vigilance and assertive management are needed to ensure compliance with these commitments. After five rounds of proposal approvals since October 2015, the GCF project portfolio showed a clear imbalance towards emissions reductions in July this year. Mitigation projects accounted for around 66% of all funding committed. Around a third of all approved funding was earmarked for cross-cutting, in which, however, mitigation expenditures clearly predominate. Decisions for project proposals amounting to \$600 million worth of GCF funding were expected in late September 2017, but they were not likely to change the ratios dramatically.

When this essay was finalised in mid-September, around 53% of approved GCF funding was committed to projects and programmes that benefit the private sector. This focus is deliberate. The GCF believes that private-sector involvement will guarantee long-term support from developed countries. These countries hope that GCF co-financing deals will leverage private-sector investments and thus secure a growing volume of private funding to fulfil the climate-finance obligations by 2020.

In July, two GCF pilot programmes for the private sector (with a combined worth of \$700 million) had issued request for proposals. Private-sector actors can also access GCF funding directly. Of 54 implementation partners the GCF had accredited by July 2017, seven were private enterprises, including a number of major multinational banks. According to a provision in the GCF Monitoring and Accountability Framework, partners’ renewed accreditation after five years depends on their progress in phasing out their involvement in fossil-fuel investments. This measure is meant to drive the decarbonisation of partners’ investment portfolios. The speedy operationalisation of this provision is thus an important criterion for assessing the

ability of the GCF to contribute to the implementation of the Paris agreement.

The GCF gives those developing countries that are worst affected by global warming important new access to international climate finance – in spite of, and in some cases even because of, its private-sector focus. The board, which includes special seats for one member from an SIDS and one from an LDC, has already made significant sums available for LDCs, SIDS and African states: 84% of the \$2.2 billion of GCF funding approved by July 2017 support projects and programmes in these countries, and so does 77% of adaptation funding. More than half of all funding proposals in the pipeline for next year, moreover, concern SIDS, LDCs and African recipient countries.

Country ownership is a guiding principle of the GCF. It means that recipient countries must set funding priorities and oversee the implementation of measures in line with their policies. Accordingly, the board has therefore committed to prioritising national and regional implementation partners which have direct access to the fund in regard to accreditation and project proposals. Direct access means that they need not submit proposals through one of 27 accredited international organisations, including multilateral development banks or UN agencies. As of July, 27 of the 54 partners had direct access.

A GCF pilot programme worth \$200 million is testing what is called “enhanced direct access” (EDA). Under EDA, some funding decisions will be made at the national level. A pilot project is currently being implemented in Namibia.

Moreover, the GCF supports the accreditation of national implementing entities and the development of their project proposal pipeline through a readiness and preparatory support programme. It had committed \$34 million to this programme by July 2017. Some 165 projects in 105 developing countries are set to benefit. The programme is designed to strengthen national designated authorities (NDAs) and focal points, which act as links between recipient countries and the GCF. These agencies are supposed to take the lead in the drafting of GCF country programmes and the development of project concept notes. They must ensure that all stakeholders in a country are represented and allowed to participate in the process.

This summer, the board endorsed a reform of the project-approval process as well as country-ownership guidelines. The idea is to further strengthen country ownership. NDAs and national focal points must approve each project for implementation in their country before the board can consider a proposal. In many countries, however, NDAs and focal points are inadequately equipped for their tasks so far. The GCF’s success will thus depend on providing them with continuous support and technical assistance from an expanding GCF secretariat.

Though the GCF is an important institution for ensuring the implementation of the Paris agreement, its future financial viability is by no means guaranteed. The USA had pledged \$3 billion, of which \$2 billion are outstanding. Since US President Donald Trump has announced his nation’s withdrawal from the Paris agreement in June, this money is unlikely to flow in the next few years. Some observers worry that other major donor countries – including Japan, Britain and Germany – will not make up for the shortfall.

This is one of the reasons why the GCF is considering the possibility of financial inputs from non-public philanthropic donors. It is essential, nonetheless, that the industrialised nations soon renew their pledge to support the GCF with large contributions in the long run. COP 23 would be the perfect occasion for doing so. Without such a pledge, the outlook will be bleak for the GCF replenishment process which is scheduled for 2018. This would send a devastation signal precisely at the time when national emission-reduction pledges must be scaled up to make the Paris agreement succeed.



LIANE SCHALATEK
is the associate director of
the Heinrich Böll Foundation
North America, a think tank
affiliated with Germany’s

Green Party.

liane.schalatek@us.boell.org

LINKS

Green Climate Fund:

<http://www.greenclimate.fund/home>

**GCF-Dossier of the Heinrich Böll Foundation
North America:**

<https://us.boell.org/green-climate-fund-dossier-0>

CLIMATE CHANGE

“We need to build shock resilience”

To mitigate climate change, humankind needs three major transformations. They concern energy, urbanisation and land use. In an interview, Dirk Messner assessed the state of global climate action ahead of the UN summit in Bonn in November. He co-chairs the German Advisory Council on Global Change (WBGU).

Dirk Messner interviewed by Hans Dembowski

Why is it so important to limit global warming to two degrees, as was agreed in Paris? Well, the more temperatures rise, the more chaotic the impacts will be. An increase of two degrees on average implies that humanity must cope with extreme weather becoming more frequent. It will be a challenge, but it can be done. We'll see more floods, storms and droughts. If temperatures rise even higher, however, we'll reach tipping points of the geo system. The Gulf

Stream may stop, Greenland's ice shield may melt, or the Monsoon pattern may fizzle out, for example. Such tipping points would trigger unmanageable dynamics. Climate science tells us that an increase of about 2.5 degrees is likely to make Greenland's ice sheet melt. If that happens, the sea level would rise by seven meters.

So far, our experience has tended to be as bad as the more devastating scenarios indicated. Could Greenland's ice melt even if global temperatures rise by only 1.8 to 2.3 degrees on average?

That might be the case. Models are always based on assumptions, they help to assess probabilities. If the average rise is 2.5 degrees, there will definitely be serious problems, and a rise of 3.5 degrees would pretty much guarantee the end of the ice sheet. And yes, to date it has been true that the warnings of climate activists mostly become reality faster than was expected.

At the same time, the activists were often blamed of fear mongering.

Is it still possible to limit global warming to two degrees?

Yes, it is, but it is a huge challenge. We must almost entirely decarbonise the global economy by 2050. The technologies we need exist or are being developed. We must apply them fast and at a vast scale. In the next decade, we must plan properly, comprehensive new infrastructure must be built accordingly in the decade after that. If that happens, the use of fossil fuels can indeed be phased out by 2050.

According to WBGU research, humankind needs three major transformations to mitigate climate change. The transformations concern energy, urbanisation and land use. What progress is the global energy transition making?

A lot is happening in regard to renewable energies. The costs are going down fast. New investments are hardly being made in other technologies anymore in Europe, for example. The transition is technologically feasible and has become economically attractive. Unfortunately, however, coal is only being phased out very slowly. That is not only the case in Germany, but in China, Indonesia, South Africa and other countries as well. On the upside, the in-

Humankind cannot keep using concrete, steel and aluminium at the current rate: construction site in Kolkata.



ternational debate on mobility has gained momentum in recent months. On its front page, the London-based magazine *The Economist* recently declared the internal combustion engine to have become a victim of “roadkill”. The diesel scandal may thus actually help us to move on to more sustainable transport systems fast.

What about urbanisation – is the buzzword “smart city” important?

To date, that is a trendy term that basically makes the interesting promise of applying information technology in clever ways so we can use infrastructure more efficiently and build more efficient infrastructure. Decentralisation and digitisation certainly make sense. What worries me, however, is that we are hardly making progress in regard to construction and building materials. If humankind keeps using concrete, steel and aluminium at the current rate to build cities, we will be unable to keep global warming below two degrees. The reason is that construction alone would use up the emissions budget that leads to a 1.5 degree increase. Unfortunately, this important challenge is hardly being discussed at the international level.

How do you assess the land-use scenario?

In regard to stopping deforestation, we have turned in the right direction and are moving ahead. It would be possible to stop deforestation by 2030. Unfortunately, there are some setbacks in some countries. Brazil’s current crisis of governance has been harmful, for example. In regard to climate-friendly agriculture, however, not much has happened. The carbon-intensity of agriculture has hardly changed.

Will the political will to drive change in all relevant fields prove sufficiently strong?

Well, the Paris agreement provides a sensible framework for action, and to date, it has not failed. When US President Donald Trump announced his nation’s withdrawal from the agreement, I was afraid he might trigger a kind of domino effect. Had two or three other leaders endorsed his stance at the G20, for example, the Paris agreement would have unravelled. Joining him might have seemed attractive to Russia and Saudi Arabia, for example. The good news is that

Trump did not find a partner. Alliance building is not his strong point.

How do you assess the political will in China and India? In absolute terms, the two countries are now the world’s largest and third largest emitters of greenhouse gases.

A positive side effect of Trump’s climate denial is that the Chinese government sees a chance to assume a role of global leadership. That suits its geostrategic aspirations as well as its ambitions for exporting goods. At the same time, it fits the leaders’ insight that unmitigated climate change will wreak havoc in the People’s Republic. China will definitely do its best to bring international climate policy forward. That said, phasing out coal is an urgent issue for staying within the two degree limit, just as it is in Germany.

What about India?

Well, India’s domestic debate has turned a corner since the Paris summit. In the past, leaders in Delhi basically said: we are a poor country and we are victims of climate change, so mitigating the phenomenon would overburden us. Mitigation was seen as the rich world’s job. That has changed. Today, India accepts its responsibility in climate matters and is grasping the opportunities of renewables.

Without contributions from the USA, the other advanced nations will struggle even more to come up with the money they have promised. In Copenhagen in 2009, they pledged that they would make an annual \$100 billion available for climate mitigation and adaptation in developing countries and emerging markets from 2020 on. How that is to be done, remains an open question.

Yes, that is true, and this debate must be held at the next conference of parties in Bonn in November. In the mid-term, the contributions of developing countries and emerging markets to multilateral climate action will depend on that sum being made available as promised. To date, we lack tangible proposals for schemes. We need to know, however, how much funding governments will contribute and how much the private sector is supposed to mobilise. Moreover, the debate on taxing carbon emissions should resume.

The rich nations have promised to provide climate finance on top of official development assistance (ODA). Along with the UN Framework Convention on Climate Change and the Convention on Biodiversity, this principle was one of the many results of the Earth Summit in Rio de Janeiro in 1992. Donor agencies, however, seem to focus ever more on climate issues.

Donors’ global ODA amounted to \$140 billion in 2016. So far, climate action is not happening at its expense. Nonetheless, it is essential that the \$100 billion are indeed additional. Anything else would undermine the trust of the most vulnerable countries. In terms of tangible action, however, it does not make sense to distinguish climate policies from development policies. If measures to reduce poverty compound climate problems, they are obviously unsustainable. At the same time, attempts to protect the climate by further marginalising the poor would undermine the principles of sustainable development.

Climate models tell us roughly what will happen in world regions, but it is impossible to predict exactly what impacts will affect any particular place. Is adaptation possible without such knowledge?

We need to build shock resilience. For example, farmers need seed and plants that cope with a broader range of little to massive precipitation, for example. We also need water infrastructure with retention basins to store rain water and minimise flooding. The same reservoirs will, of course, prove useful in the event of droughts. We must build infrastructures that withstand and absorb possible shocks. In regard to the rising sea level, we have much more precise information, however, and we should protect coasts accordingly.



DIRK MESSNER
advises Germany’s Federal Government as co-chair of the Advisory Council on Global Change. (WBGU – Wissenschaftlicher Beirat Globale Umweltveränderungen) and as director of the German Development Institute (DIE – Deutsches Institut für Entwicklungspolitik).
dirk.messner@die-gdi.de



Informal and formal employment

In developing countries, masses of people work in the informal sector. Small family businesses – farms, vegetable shops or a carpenter's workshop – neither pay minimum wages, nor limit working hours. They do not offer social protection. However, work in regular industries can be tough too. Unskilled workers, in particular, lack bargaining power. Trade unions are weak, and would benefit from coherent labour legislations, especially if it were enforced consistently. The UN Sustainable Development Goal of decent work makes sense. To achieve it, a lot remains to be done.

Why the western model doesn't work

Informal employment dominates in Africa. Well-paying jobs that offer social-protection benefits are the exception, not the norm. A change of development paradigm is needed.

By Ndongo Samba Sylla

In developing countries and especially in Africa, informal employment tends to predominate. In rural areas, the bulk of agricultural work is done by families who operate small farms. Economists generally consider the head of the household to be self-employed, and the other members of the family as “contributing” family workers. Wage work is rare, and typically limited to daily jobs. People who have no access to land depend on it.

Non-agricultural work in rural and urban areas tends to be done in the informal sector. This sector is hard to define in a rigorous way, but it is an easily recognisable reality in developing countries nonetheless. Some of its important characteristics are that enterprises are not officially registered, use no modern accounting systems or do not pay taxes or contributions to social-protection schemes. African informal businesses are usually quite small. Self-employment is typically the dominant employment status.

Women tend to fare worse than men in the informal sector. Men are mostly over-represented in the handicrafts, transport and wholesale trade, whereas women often work as domestic servants or in retail businesses. Men have better access to capital and dominate the segments of the informal sector with the greatest potential. Nonetheless, productivity is mostly low, so the majority of persons concerned are stuck in poverty.

In 2016, according to estimates by the International Labour Organization, 68% of workers in sub-Saharan Africa were in “vulnerable employment”. The concept of vulnerable employment only takes into account the self-employed and the contributing family workers. It omits employees in

informal jobs, such as women serving as household helpers or informal staff of small workshops.

It is important to note, however, that informal employment does not only occur in the informal sector. For decades, insecure jobs that offer neither social protection nor decent remuneration have also been becoming ever more common in formally regis-

- a reduction of public-sector employment and a deterioration of public services,
- the closure of an impressive number of manufacturing enterprises and
- worsening poverty in rural areas, with ever more people migrating to the cities.

The proponents of structural adjustment promised that the reforms would make African economies competitive on the world market, triggering economic growth and ultimately leading to broad-based prosperity. Things did not turn out that way.

With low economic growth, the formalised private sector actually shed jobs or – at best – kept employment stable. The informal sector served as a “sponge”. It helped to “absorb” the peasant families who



Young street vendors in Nairobi.

tered businesses and public-sector agencies.

In the past four decades, free-market fundamentalism, population growth and the decline of trade unions have driven the phenomenal expansion of informal employment in Africa. The International Monetary Fund and the World Bank imposed structural-adjustment programmes on African government in the 1980s and 1990s, focusing on macro-economic stabilisation, market liberalisation and privatisation. The results included:

migrated to the cities, the dismissed workers and the members of young generation, including both school drop-outs and graduates unable to find more suitable jobs.

JOBLESS GROWTH

It is true that economic growth resumed after the turn of the Millennium, but it hardly made a difference in terms of decent jobs. Growth was mostly the consequence of rising world-market demand for primary

goods, which made prices surge. African economies expanded by about five percent per year, but that trend was driven by extractive sectors rather than by the kind of economic diversification that might have transformed agriculture, propelled related industries and kick-started manufacturing.

In spite of high growth rates, only few decent jobs were generated, as the UN Economic Commission for Africa and the African Union acknowledged in 2010. Senegal is an illustrating case. Its government reported in 2011 that the informal sector created an astonishing 99% of all new jobs in the years 2001 to 2009.

In Africa, standard employment – full-time, with regular schedules, decent wages, a healthy and non-hazardous working environment, meaningful social protection et cetera – remains an island in an ocean of informality. As livelihoods are still mostly precarious, the rhetoric of an “emerging middle class” is no doubt exaggerated.

Even if African economies were to suddenly generate a large number of decent jobs, they would still be likely to be overwhelmed by the strong labour force growth. The scenario is similar to the Indian one (see Aditi Roy Ghatak, p.33), but far more challenging. Africa’s population is growing much faster than India’s, and its modern economic sectors are weaker.

The plain truth is that Africa cannot copy the western development model. Trying to do so is a major strategic error and will

likely condemn the great majority of African people in informal livelihoods, insecurity and poverty. A key issue is that western-style modernisation of agriculture means ever fewer farms with ever fewer workers producing ever more goods. If this approach continues to be taken in Africa, the cities will be completely overwhelmed by an enormous influx of people. It is therefore absolutely essential to take a different approach.

As African countries today, European countries were marked by population growth and worsening rural poverty when their industrial revolutions took off. Unlike in Africa today, however, mass emigration eased the pressure (see box below). Allowing at least some emigration would be helpful in Africa now.

AN ALTERNATIVE AGENDA

So what should African governments do?

- First, agriculture development must build on small family farms and be geared to benefiting them. The farmers need coaching, and they deserve adequate infrastructure as well as social-protection schemes. Unfortunately, agriculture is the most neglected sector by both African governments and their international development partners. This must change.
- Second, African governments have to ensure that economies become diversified. Commodities must be processed in Africa, and goods must be manufactured here.

No country can hope to create masses of decent jobs unless it produces the goods and services it needs. Jobs can be created in significant numbers if steps are taken towards processing primary products domestically.

Africa’s employment challenge is huge. Fast population growth will continue for some time, and technological advances are set to make human labour increasingly redundant. The defence of peasant agriculture and the relocation of processing and manufacturing to Africa are necessary, but not sufficient to solve all problem.

More generally speaking, Africa needs a more favourable international environment, quite different from the “free trade” globalisation we have been witnessing in recent decades. The emphasis must be on solidarity, not competition. Governments need the policy space to pursue coherent development policies that suit their nations. A different kind of globalisation is not only desirable – it is necessary if we want to eradicate poverty as aspired in the UN 2030 Agenda and the Sustainable Development Goals.



NDONGO SAMBA SYLLA
manages programmes and
research at the Dakar office
of the Rosa Luxemburg
Foundation, which is affiliated
to Germany's Left party.
n.sylla@rosalux.sn

Emigration would help

Between 1821 and 1915, half of the population growth of Britain, then the world’s leading economic power and the most industrially advanced nation, was “absorbed” through migration. If contemporary Africa were to follow that example, some 1.3 billion people would leave the continent by the end of the 21st century.

Such a scenario is obviously unrealistic. It needs to be emphasised, however, that European countries benefited from mass migration in the 19th and early 20th century. People who lacked opportunities – or mere livelihoods – moved to the Americas, Australia or New Zealand in the hope of better futures. Moreover, for some youngsters

of imperial powers, a career in the colonies was an option. Mass emigration went along with violence, oppression and even genocide in far-away places, but it made it possible to improve the standard of living in Europe.

Today, many young Africans are feeling the same kind of desperation young Europeans felt in previous centuries. They are being denied the opportunities of migration, however. Many young Africans are enthralled by Europe, and dis-

appointment often results in resentment. Masses of young men who lack perspectives spell trouble in any society. Risks include petty crime, organised crime and political extremism and fundamentalist terrorism. Mass un- and underemployment is a ticking time bomb (see comment in D+C/E+Z e-Paper 2017/01, p. 23). Provided it benefits from a more favourable international environment, Africa will hopefully defuse the problem.

Working in lawless conditions

In Lebanon, there are approximately 250,000 domestic workers from Ethiopia, Bangladesh, Sri Lanka, Nepal, the Philippines or Madagascar. The vast majority are women. There is a long tradition of employing maids in private households in Lebanon. In the past, mostly women and girls from rural areas or poor families were hired. Today, the domestic workers come from African or Asian countries.

By Mona Naggar

to \$120. Domestic workers from Madagascar and the Philippines earn \$250 to \$300 per month.

Evelyn A. (name changed upon request) has been working in Lebanon for 19 years. She left her home in Madagascar in order to earn money and support her family. The average monthly wage in Madagascar is \$125 dollars, and she could not find a job. Evelyn A. works in the suburbs of Beirut as a household helper. She cleans, washes, goes shopping and cooks. Even

other women. According to a Kafa survey of domestic workers from Bangladesh and Nepal, 77% work more than 14 hours per day, often without break. The majority is not allowed to leave the house of the employer; approximately half of them don't receive their wage on time.

Deaths occur again and again. They are not investigated by the Lebanese authorities. Exact figures regarding the number of dead women are not available. Human Rights Watch, the international non-governmental organisation, assumes that a considerable share of these women died in attempts to flee from their employer, for instance, because they fell when trying to climb down from a balcony.

THE EMPLOYER HAS TOTAL POWER

The work of domestic workers in Lebanon is not covered by the labour law. The "kafala" system applies. It gives the employer full control. Kafala means "sponsor" in Arabic.

The employer applies for the residence permit and is therefore considered to be the person in charge by the Lebanese authorities. Employer and employee both sign a standard contract, which is predefined by the Lebanese Ministry of Labour. It includes, among other things, that a maid has the right to a clean, safe and healthy place to live, where she can rest and where she has privacy. She also has the right to one free day a week. But it is not defined how these rules are to be enforced. No minimum wage is specified. In disputes, authorities recommend to turn to the Ministry of Labour, but that is next to impossible for the women.

The domestic worker may only resign from the contract in the case of physical or sexual assaults, which have to be confirmed by a medical report. Failing payment of wages for three months are also a reason to resign. But for a domestic worker who does not speak Arabic and who often is restricted in her movements, any such incident is very difficult to prove.



Ethiopian domestic worker in Beirut.

The largest groups are currently from Ethiopia and Bangladesh. Elssy Karaoghlianian of the Lebanese civil-society organisation Kafa (in Arabic: "enough!") explains, workers from poor countries are in particular strong demand. The reason is that Lebanese employers tend to believe that women from poor backgrounds will be cheaper and more obedient. The average monthly wage for domestic workers from Bangladesh, Ethiopia and Nepal is the equivalent

when the work is done, she still remains at the disposal of her employer: "I'm not allowed to rest; only at night, am I allowed to go to my room." Her monthly wage of \$400 is above average. Evelyn A. does not need to pay rent to her employer, but she does not have any pension scheme.

In spite of the hard working conditions, Evelyn A. considers herself lucky. She receives her wage on time, and she is not being abused – in contrast to many



Kafa activist Karaoghlanian describes the consequences of the kafala system: “The employer decides everything in the life of the domestic worker – what she eats, where she sleeps, everything. The power relations are clear: All power is with the employer. The weaker part has no idea of the laws in the country. She does not know where to go when there are problems.”

In 2015, domestic workers from different countries published open letters they wrote to Lebanese authorities. They described their vulnerable condition: “Even if we are being exploited and abused, we cannot leave our job. A domestic worker has only few options: either, she can be suffering silently and continue working, or she runs away. With the flight, she risks to be imprisoned and deported. In theory, she has a third option – to file a complaint with the governmental agencies. But she won’t use this last possibility, because she is aware of the bias of Lebanese authorities, and she knows the prejudices of society against herself.”

LEGALLY LEGITIMISED EXPLOITATION

The exploitation of domestic workers starts with the recruitment process in their home countries. The women are not informed properly about their living and working conditions in Lebanon. They are not told about their only limited legal protection.

Some countries, including Ethiopia, the Philippines and Nepal, have recently banned recruitment for work in Lebanon. The reason is the lack of workers’ rights. A representative of the Nepalese community in Beirut said the ban makes sense in view of numerous “unresolved deaths of Nepa-

lese women which were not investigated by the Lebanese police”.

However, neither the recruitment agencies nor official authorities in Lebanon respect the bans. In their eyes, the sanctions are not legally binding. More women will continue to come from the countries concerned to work as maids in Lebanon.

FIGHT FOR PROTECTION AND RIGHTS

Some NGOs in Lebanon fight for the rights and the protection of domestic workers. Kafa, which fights gender-specific violence, has installed a hotline that is available day and night. Anybody can call there and report mistreatments, says Karaoghlanian: “Lebanese people call us when they observe that neighbours or relatives mistreat employees.” According to her, it is “very difficult for women, who are being abused by their employers, to come to us directly”. Karaoghlanian points out that more than 80 % of domestic workers have no contact to the outside world.

When Kafa is informed of abuse, the NGO contacts the local police, who then send a patrol: “Employee and employer are brought to the police station. We are also present, for instance during the interrogation. When the questioning is over, we escort the employee to our shelter.” Karaoghlanian can tell of physical violence, burns and fractured ribs. During the interrogation it often emerges, moreover, that the employees were not paid for months.

In recent years, the Lebanese state has begun to respond to the pressure of nu-

merous NGOs. The Ministry of Labour has established a hotline, but since the women do not trust it, it is not being used.

In 2015, the domestic workers publicly announced the foundation of a trade union, the Domestic Workers Union in Lebanon. It is supported by the ILO (International Labour Organization) and by the local FENASOL (Federation Nationale des Syndicats des Ouvriers et Employes au Liban). However, the Lebanese Ministry of Labour does not acknowledge the union and even considers it illegal.

Evelyn A. and her colleague Rana B. (name changed upon request) are members of this union. Since it has no official status, the help that it offers has to go via FENASOL. Both activists demand of the Lebanese authorities that they acknowledge the union and abolish the kafala system. “We are adults. We came here to work, but we have no rights,” says Rana B.

The women also demand the ratification of the ILO convention No. 189: This convention sets international standards for domestic workers worldwide; it guarantees labour rights and legal rights. Rana B., who has been working in Lebanon for 20 years, says that for the first time, she hopes “that something will change for the better”. The sad truth, however, is that household workers’ rights are not enforced stringently in most countries, including highly developed ones.



MONA NAGGAR

is a journalist and media trainer. She lives in Beirut, Lebanon.

mona.naggar@googlemail.com

LINKS

International Labour Organization's (ILO) Convention No. 189 on Decent Work for Domestic Workers:

http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/genericdocument/wcms_208561.pdf

Kafa:

<http://www.kafa.org.lb/>

Domestic Workers Union of Lebanon:

<https://www.facebook.com/Domestic-Workers-Union-In-Lebanon-founding-Committee-553197294739276/>

Breaking up ossified structures

Hardly any other country treats native and foreign workers as unequally as Saudi Arabia. The disparities between men and women is harsh too. The labour market reflects the contradictions within Saudi society. Initiated reforms will be difficult to carry out.

By Nassir Djafari

When oil exports began in the late 1930s, the backwards desert state was suddenly confronted with the modern world of labour. Saudi Arabia had neither the expertise nor the labour force to support its rapidly expanding economy. As a result, the number of migrant workers grew quickly. In 1970, 1 million foreigners were working in Saudi Arabia. Today, the number is around 10 million, making up about a third of the country's total population. Saudi nationals themselves tend to pursue well-paid jobs in the public sector.

Apart from a few foreign specialists, most migrants earn only half as much as Saudis who have the same qualifications. The overwhelming majority of foreign employees work in the private sector, where they toil for longer hours under more difficult conditions and for less money than public-sector employees do. They also have fewer rights. Migrants only get the permit to work and reside in the country if their employer applies for it.

The employer thus takes on the role of a sponsor. This is known as the “kafala system”. Migrants can only change jobs if their sponsor allows them to. Migrants' restricted mobility keeps their wages low, and employers appreciate that. From an economic standpoint, however, the productive potential of foreign workers is not fully tapped, so there is a loss of efficiency.

Saudis are also not very mobile, given that they prefer culturally respected

jobs, primarily in offices. Manual labour is looked down on. Many Saudis would rather wait for a position in the public sector than accept work in the private sector. This is still so even though unemployment has risen in recent years, particularly among young people and women.

About 31% of young Saudis are unemployed. Even their high levels of education have not helped them find jobs. Enrolment at universities has increased 60% since 2010. But the degrees obtained often do not correspond to the needs of private industry. There is a surplus of graduates from humanities and social sciences departments, but a dearth of educated workers in technical, scientific and mathematical fields. Moreover, international education standards are not being met.

EDUCATION OFFENSIVE

Modernising the education system is one of the central pillars of the “Vision 2030” reform strategy announced by King Salman in 2016. The goal is to make the country independent of oil (see D+C/E+Z e-Paper 2017/08, p.15). Vision 2030 sees the future of the country



Women in Saudi Arabia have few professional options: a journalist in Riyadh.



as a “knowledge-based economy”, the most important resource of which is no longer oil, but rather the skills of the Saudi people. The government wants to achieve this turnaround by relying on international expertise and cooperation with private education institutions. The last few years have already seen a number of largely private vocational-training institutes spring up. The flagship of the education offensive are the “colleges of excellence”, which, with support from multinational companies, train young men and women for jobs in new economic sectors like renewable energy, mining, infrastructure, transportation and tourism.

THE SAUDIFICATION PROGRAMME

New jobs are to be created above all in the private sector. The reason is that low oil prices have compelled the government to cut public spending. But as private companies have shown little interest in employing Saudis, and Saudis themselves prefer working in the public sector, the government is intervening in the labour market to push native workers into the private sector. Quotas define a target number of Saudi personnel. The ratio is determined by an allocation formula that takes account of industry and company size.

There are incentives for employing Saudi labour and sanctions for not doing so. The lower the share of native workers, the more difficult it becomes for companies to obtain work visas for foreign employees. The fees that companies pay for such visas were also raised significantly.

On the other hand, Saudis are being guided into the work force in a more targeted way. Newly-created employment

agencies offer educational opportunities. They also find positions for unemployed people at private firms. Innovative job fairs, moreover, put job seekers in touch with potential employers.

So far the Saudification aspirations have had only limited impact. While the number of Saudis employed in the private sector rose from around 486,000 in 2004 to 1.5 million in 2014, the number of foreign workers grew from 4.1 to 8.5 million in those 10 years. Foreigners still make up 89 % of the staff of private companies. Moreover, the government’s requirements are constantly being sidestepped by companies that pay Saudis to register as employees without actually hiring them. This practice allows companies to fill their quotas while still being able to do as they please.

FEMALE EMPLOYMENT IN A MAN’S WORLD

As part of the Saudification programme, companies receive bonus payments for employing women. Women are being actively encouraged to seek jobs in industry and also to work from home. Women make up just 16 % of the total number of employees, one of the lowest shares worldwide and even in the Arab region.

Female employees primarily work in the public sector, usually as teachers at girls’ schools. In Saudi Arabia, the type of work women perform has nothing to do with supply and demand on the labour market. While Saudi labour law grants women the right to do the same jobs as men, it also stipulates that Sharia must be followed and expectations relating to “a woman’s nature” must be considered. Both guidelines leave room for interpretation. To offer guidance, the Ministry of Labour has presented a “positive list” that reveals which jobs are considered suitable for women (for instance saleswoman, hair stylist). These are not strict rules, but rather “declarative statements” with strong normative power. On the other hand, a “negative list” identifies all the jobs that are supposedly unsuitable for women (for example positions in the mining sector, the construction sector and automotive repair).

On top of all that, women need the permission of a male relative in order to be allowed to work. Yet another barrier is the strict physical separation that Saudi clerics require between men and women in the workplace. Even though the separation of

the sexes is not explicitly stipulated by law, the Ministry of Labour has issued rules on building separate entrances and exits or separate cafeterias. It was announced in late September that women will no longer be banned from driving cars. That will make commuting easier – provided the woman concerned has a car at her disposal. Not every family owns one however.

In any case, employers who want to hire women have to deal with the added expenses of finding appropriate rooms and possibly arranging transportation for female employees. Unsurprisingly, private employers prefer to hire men. In light of all these barriers, it’s no surprise that unemployment rates for women are around 35 %, even though they are now more educated than men on average.

The labour market in Saudi Arabia is inflexible to a large degree, which is hindering the diversification and modernisation of the economy. Traditional roles and cultural values limit the mobility of Saudis, and incentive structures are inadequate. The Saudification programme and its quota system is not only a bureaucracy that is easily sidestepped. It is also complicated and expensive. Saudi Arabia’s still very traditional social order is blocking the way to the country’s economic renewal.

Given the powerful role of the clergy and deeply-held traditional values, breaking up the ossified structures must inevitably cause social tension. The kingdom is on the cusp of the greatest transformation in its history. The recent unprecedented arrest of several potential dissidents, including Muslim clerics as well as liberal businessmen, shows that the government is not as confident as it would like people believe.



NASSIR DJAFARI
is an economist
and free-lance writer.

nassir.djafari@gmx.de

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One law for all

Since the devastating Rana Plaza disaster in 2013, a great deal has been done to improve occupational health and safety in Bangladesh's garment factories. But workers' rights are still not fully guaranteed, and the freedom of association is threatened in many sectors. Under pressure from the EU, Bangladesh is now working on upgrading its labour legislation. Whether the result will be a real breakthrough for workers is not certain however.

By Franziska Korn

The Rana Plaza factory building was so dilapidated that it collapsed, burying masses of workers in its rubble. More than 1,100 people died in the incident, and at least twice as many were injured.

A large share of the factory's output consisted of garments produced on behalf of European and American brands. The accident triggered a long overdue debate at the international level concerning inhuman working conditions, exploitation and responsibilities along global supply chains.

Within months of the catastrophe, international brand companies got together with both global and local trade unions. They concluded the Accord on Fire and Building Safety in Bangladesh. It was, and still is, the response to the Rana Plaza collapse with the most far-reaching consequences. The Accord calls for various safety precautions at production facilities, including independent inspections and public disclosure of findings.

Since 2013, more than 200 international brands from over 20 countries have signed up to the legally binding Accord. Next year, after running for five years, it was supposed to expire. In spite of much progress made, the sad truth is that many of the more than 1,600 factories inspected by Accord contractors are still behind schedule. For example, safety and health committees have not been established as planned in many places. The greatest problem, however, is the lack of strong social



Babylon Garments in Dhaka employs fire safety officer who wear yellow jackets.

structures at the local level that might permit the project to be transferred from the international level to Bangladesh.

WESTERN INTERFERENCE?

The recent announcement that the Accord would be extended beyond 2018 for another three years did not come as a surprise. The independent safety inspection programme will continue to ensure that progress achieved under the first agreement is maintained. In comparison with the first agreement, the new one provides notable improvements for workers, including:

- a requirement for factories to pay severance when they close or relocate due to safety issues and
- protections for union members who are retaliated against by their employer when they speak up for their safety individually or collectively.

In comparison with the previous agreement, the new Accord's scope may

extend beyond garments factories to signatory companies' suppliers of home textiles, yarn, cloth and other products. Different parties have reacted differently to the two-year extension. Some hail this step as a proof of successful transnational cooperation; others see it as unwelcome interference by the west. Employers and factory owners, in particular, have expressed opposition to the extension. When they failed to be accepted as only partial members of the extended Accord, they declared they would launch a similar initiative called "Shonman" (Respect). However, nothing has been heard of it since.

Representatives of employers and the Bangladeshi government have long complained that external actors are meddling in Bangladesh's affairs and institutions. In particular, they find the EU irritating because it is signalling that it will review trade preferences in the "Everything but Arms (EBA)" context unless labour-rights are fully guaranteed.



Bangladesh is a young and rising country. It became a low middle-income country in 2015. The authorities fear for the economy. Garments production is the most important industry by far, generating annual exports worth more than \$ 28 billion. The sights are set on doubling the figure by 2021. More than 60 % of all textile exports currently go to the European Union. The EBA agreement with the EU, which largely eliminates import duties and quantitative restrictions, has contributed crucially to Bangladesh's economic development. Losing it could have dire consequences.

VIOLATIONS OF LABOUR RIGHTS

But even though Bangladesh is in the international spotlight, labour-rights violations have not stopped. Recent protests in the manufacturing hub of Ashulia in the Dhaka agglomeration were an example. Late last year, large numbers of textile workers took to the streets. They demanded an increase in the monthly minimum wage, which has been 5,800 taka (around €60) since 2013. Soon after, some 1,500 workers were sacked and 35 trade-union activists were arrested. Many of the dismissed are still waiting to be reinstated.

The International Labour Organization's Conference Committee on the Application of Standards has repeatedly noted breaches of labour rights in Bangladesh, especially in regard to the freedom of association. Red tape, a threshold of 30 %, makes it hard to establish trade unions.

The government must tackle these issues fast and draft the kind of reform programme the EU demands. Should it fail to do so, the EU may officially begin an investigation process that may lead to

the temporary suspension of preferential trade rules. Bangladesh's success will depend among others on whether the reform expands labour rights so more workers will enjoy them in the future.

Bangladesh is a country of around 160 million people, and nearly half of them are younger than 25 years. The economically active population numbers around 60 million. Some 4.4 million people are employed in the garments industry, but less than five percent of them are unionised. In many other industries, the share is even lower. Around 80 % are employed in the fast-growing informal sector and 20 % in the formal sector.

The vast majority of informal-sector workers are women. In general, workers in the informal sector are not protected by labour law, and even people in formal employment do not necessarily benefit from statutory employment rights. Some do not fall within the category of "labour". Moreover, totally different laws apply in export processing zones (EPZs), where unionisation is legally impossible.

Trade unions therefore keep raising the demand: "One law for all workers". Such a law would apply in all industries and all over the country. This is an important topic, given that another 100 Special Economic Zones are being planned. However, union activists' expectations are not high. No major breakthrough is anticipated, in spite of external pressure.

NEED FOR A RE-THINK

At tripartite committee has been established to support the reform process. It includes representatives of employers, labour and the government. However, a society-wide re-think is needed for the committee to serve its purpose effectively. To date, trade unions are generally not considered serious partners that can contribute to solving society's problems in cooperative efforts that would both drive economic development and promote social justice.

To enable the trade unions to play their full role in society, Bangladesh needs to guarantee full compliance with the ILO's core labour standards, which the country has ratified. On the other hand, the unions themselves must strive for greater sustainability. They are paralysed by fragmenta-

tion, politicisation and infighting. Ensuring sustainability would imply promoting their own young talent and, in particular, involving women. Men tend to lead the trade unions even though many sectors are marked by female staff. In the garments industry, for example, their share is well over 60 %.

For Bangladesh to stay its successful course, much more needs to happen. The extension of the Accord is an important milestone. It shows a commitment by international companies to keep relying on Bangladesh as a manufacturing site and to support the country's implementation of health and safety standards. This should boost confidence on all sides. Bangladesh's greatest worry is that international companies will move on to other countries with even cheaper and faster manufacturing facilities.

Beyond Bangladesh's borders, international partners must keep up their efforts. Sustained progress will depend on international companies and brands contributing to the improvement of labour rights along their supply chains. The ongoing debate about responsibilities along the global supply chains of multinational companies matters very much, and human-rights related due diligence initiatives mark an important step forward.

The idea is to commit major companies to identifying risks to human rights and the environment along their supply chains. They must then take preventive action and pay compensations when something goes wrong. France has passed a law to ensure these things. Other countries must follow its example. Voluntary action will not suffice, so sustained success will depend on legally defined due diligence in regard to human rights.



FRANZISKA KORN
has been heading the
Friedrich-Ebert-Stiftung
(FES) office in Bangladesh
since 2016. In 2017, the FES

inaugurated the first "Academy of Work" in cooperation with BRAC University and BILS, a trade-union think tank. The Academy is a unique cross-sectoral trainee programme for mid-level trade unionists in Bangladesh.
franziska.korn@fesbd.org
<http://www.fes-bangladesh.org/>

Measuring how good a job is



The DBL Group uses cutting-edge technology and meets high occupational safety and environmental standards at its dyeing facility in Dhaka.

Job creation is not just a numbers game. Job quality matters too, but is not easy to measure. DEG, the German development finance institution, has developed a new method. Its **Development Effectiveness Rating** serves to assess the development impact of DEG-financed businesses and promotes improvements.

By Christiane Rudolph

More than 70% of poor people think a job would offer the best way to escape poverty. Indeed, research shows that wages and salaries contribute significantly to reducing poverty in many countries. The private sector accounts for 90% of all jobs worldwide. Job creation is one of the key contributions it can make towards achieving global sustainability goals. Of course, the new jobs should be fair and good: fair in the sense of

meeting core labour standards and good in the sense of benefiting people, society and business at local levels as well as driving national development.

DEG's Development Effectiveness Rating is one of the first international rating systems of its kind. It not only takes note of the number of jobs an enterprise creates, but also assesses the degree to which the core labour standards of the International Labour Organization (ILO) are met. Moreover, it takes into account issues such as occupational safety and the quality of human-resources management.

If a company complies with the core ILO labour standards and its occupational safety and HR management is good, the number of jobs is counted in full. If an enterprise does not meet the criteria, the number of new jobs is divided by a number that depends on the level of norm fulfilment. In

other words, the jobs these companies create only count partially in the Development Effectiveness Rating.

FIVE OUTCOME CATEGORIES

The new rating and monitoring system is the fruit of years of DEG experience in measuring development impacts at client enterprises. Its design was supported by an international panel of experts. The Development Effectiveness Rating takes into account five categories of outcomes:

- decent jobs,
- local income,
- market and sector development,
- environmental stewardship and
- community benefits.

The creation of decent jobs and the generation of local income are crucial for achieving the Sustainable Development

Goals (SDGs). The private sector generates local income in form of wages and salaries as well as taxes, concessions and licences. The more a company's business model is rooted in the local context, the more it will normally contribute to local income generation since it will be employing local people, paying local taxes and sourcing inputs from local suppliers. The Development Effectiveness Rating takes account of the respective local purchasing power in relation to the local income generated. It thus reflects the fact that the same income may have different impacts in the contexts of different countries. Annual changes are taken into account too.

Market and sector development: The development impact of any specific business activity can differ from one country to another. The less developed a country is, the greater the impact of a single investment is likely to be. After all, investments are more desperately needed in poor countries. Investments into sectors that drive the further development of the private sector, moreover, are also likely to have a strong impact. Accordingly, the Development Effectiveness Rating gauges the relevance of an investment in regard to the development of various sectors of the country in question. Other aspects of market development are factored in too; they include promoting competition or innovative products and services, for example.

Environmental stewardship: All over the world, large parts of the private sector rely on natural resources, either in their supply chains or their core business. Sustainable development depends on environmental protection, climate-change mitigation and resource efficiency. The private sector must play an active part by, for example, complying with international standards, taking action to make businesses more sustainable or generating renewable power. The Development Effectiveness Rating evaluates compliance with environmental standards as well as the quality of environmental management and reductions in the volume of greenhouse-gas emissions.

Community benefits: Many entrepreneurs are active citizens who play an important role in society. This is not only about considering their businesses' impacts on local communities and imple-

menting health and safety management systems in line with DEG requirements. Entrepreneurs may also contribute to development by contributing to improving local infrastructure and actively engaging with local communities. The Development Effectiveness Rating appraises two levels:

- First, it assesses what risks a business implies for the local community, how those risks are managed, and how the community can appeal to the company.
- Second, it records the (financial) contributions a business makes to community development.

A BANGLADESHI EXAMPLE

Adherence to international labour standards not only benefits employees, but employers too. This is evident, for example, at the DBL Group, a garments producer in Bangladesh, in which DEG has invested since 2004 (see article by Sabine Balk in D+C/E+Z e-Paper 2017/05, p. 13). The DBL Group is operating in a very competitive sector which is typically marked by harsh labour conditions. Nonetheless, the DBL Group has taken various measures that have significantly improved the working conditions for its workforce.

For instance, it has invested extensively in occupational safety to comply with international building and fire safety standards. Moreover, DBL employees can take advantage of the company's fair-price shop, health-care centre and day-care service for young children. The wages DBL pays are above the national industry's average. A range of programmes offers skills training. Female staff members benefit in particular. The company, in turn, benefits from greater efficiency, productivity and production quality. Absenteeism and staff fluctuation are reduced.

The Development Effectiveness Rating for the DBL Group highlights the following aspects:

- The company employs some 28,000 people in jobs that are commensurate with high labour standards. It is growing dynamically. Since cooperation with DEG started in 2004, the workforce has grown by 70 %. Moreover, the garments industry has a high potential of indirect employment. The DBL Group thus gets high ratings in the "decent jobs" category.

- The company generates local income worth around € 140 million a year. It therefore makes a major contribution to local resource mobilisation in a developing country with a rather low per-capita GDP.

- In the market and sector development field, the company deserves praise for innovation. For example, it uses cutting-edge dye technology.

- DBL complies with international environmental standards and has demonstrably increased its energy and resource efficiency. These are important achievements in the environmental stewardship category.

- The local community benefits considerably. In cooperation with international and local partners, the DBL Group is committed to community development and is contributing to food, education and health-care programmes.

Overall, the company is therefore rated "very good" in terms of its development impacts.

TRANSPARENT, MOTIVATING SYSTEM

The Development Effectiveness Rating is innovative in the sense of assessing private-sector companies' developmental impacts in regard to five result categories. In practice, DEG now documents the baseline for all investments (impacts on development prior to DEG investment) and compiles an ex-ante assessment (estimating the development impacts in five years). The on-going contributions of DEG-financed enterprises are reviewed annually, so changes in development impacts can be identified and supported. The rating also facilitates the analysis of an entire sector's or region's development.



CHRISTIANE RUDOLPH
heads the DEG's department
for corporate strategy and
development policy. She
previously worked in the

sustainability department.

christiane.rudolph@deginvest.de

LINK

DEG study on the DBL Group (in German):

https://www.deginvest.de/DEG-Dokumente/Die-DEG/Was-wir-bewirken/Fallbeispiel_DBL-Group_2015.pdf



Misleading dichotomy

India's informal sector is the backbone of the economy. It employs the vast majority of the work force, and the formal sector depends on its goods and services. The nation's quality of life hinges on things becoming better for masses of informally employed people.

By Aditi Roy Ghatak

In its Economic Survey of 2015/16, the Government of India spelled out a major issue in rather simple terms: “The challenge of creating ‘good jobs’ in India could be seen as the challenge of creating more formal sector jobs, which also guarantees worker protection.” Indeed, India's masses need decent work.

The formal sector consists of licensed organisations that pay taxes and must obey labour laws. It is also called the “organised” sector. It provides the employment that is good in the sense of being well paid and linked to benefits such as vacations, sick leave as well as social protection such as health insurance and pension schemes.

The bitter truth, however, is that India's formal sector is doing a bad job of providing such jobs. It employs only about 10% of the nation's workforce. Merely 48

Occupational safety is not a priority in Indian construction work – but do note the helmet.



million of India's 472 million economically active people were working in the formal sector in the financial year 2011/12. The vast majority was slaving away in the informal sector in harsh conditions (see box, p. 35). These data are from the 68th National Sample Survey, which also showed that the share of formal-sector jobs had increased in comparison with seven years earlier. In absolute numbers, however, the growth of the informal-sector still exceeded the growth of the formal one.

Reliable and updated statistics are hard to get in India. This is especially true of the informal sector, which is not closely scrutinised by government agencies. Farming is mostly informal, for example, and though women and children do a lot of agricultural work, their efforts are hardly counted. The number of economically active persons on farms is therefore probably larger than indicated.

Making matters even more confusing, the data for the formal sector are not entirely reliable either. Some people are only employed part-time, and others are only paid a fraction of what they should be paid for various reasons. Many persons are under-employed in the sense of working in lowly positions that do not allow them to make full use of their skills. This is true of many university graduates, for example.

DETERIORATING FORMAL SECTOR

Indeed, the formal sector is gradually becoming more informal. This trend reflects a global erosion of labour relations. It is evident in the USA and EU countries, for example. According to the ILO's India Labour Market Report 2016, “most of the new jobs being created in the formal sector are actually informal because the workers do not have access to employment benefits or social security”. It also warned that “notable disparities in the labour force participation rates of men and women persist”.

The truth is that India's complex labour legislation tends to be violated with impunity. It matters, of course, that policy-

makers are interested in curbing the reach of labour legislation, which they consider to be stifling free enterprise and thus limiting economic growth. Low labour costs are a comparative advantage internationally. As the Global Times, a newspaper published by the Chinese government, has noted: “A majority of Indian states still have an absolute labour cost advantage over China.”

The Indian outlook is gloomy, however. In 2020, people's average age will be 29 years in India, compared with 37 years in China and the USA, 45 years in the EU and 48 years in Japan. An important implication is that the share of young people entering the labour market is particularly great in India. Most likely, many of them will be dangerously disappointed. India is not offering an aspirational, upwardly-mobile young generation the opportunities it deserves – and demands. Compounding the problems, India has meagre success in providing young people with skills so far.

The government is aware of the challenges, but has so far proven unable to rise to them. Prime Minister Narendra Modi promised to improve the employment situation in his election campaign, but he has not achieved much progress since taking office in May 2014. His grand scheme “Make in India” was supposed to attract foreign investors to manufacturing in India and result in decent jobs. However, it has not generated employment as hoped (see my essay in D+C/E+Z e-Paper 2016/09, p. 28, and print edition 2016/9-10, p. 32), and most of the new jobs are actually very harsh.

An earlier initiative, which was launched by the previous government of Manmohan Singh in 2005, was designed to improve the employment situation with a rights-based approach. Called the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), it was a promise that one adult member of every rural household would get at least an annual 100 days of work at the minimum wage in infrastructure-related areas. In 2015/16, however, MGNREGA generated only 49 days of work per recipient on average.

Under pressure from the Supreme Court, the current government must now improve the scheme. It has various loopholes and weaknesses. While rural employment at the minimum wage is helpful, it will never solve India's huge labour-market challenges.

COMFORT CUSHION

The dichotomy of formal and informal employment still reflects a huge divergence in job quality, but it is a bit misleading nonetheless. The reason is not the above-mentioned gradual informalisation of formal employment, but the way the formal and informal sectors interact. Informal businesses are the cheap links in the formal companies' supply chains, and provide

them with something like a comfort cushion. Ultimately, the international competitiveness of the formal-sector companies depends on the informal ones.

No doubt, the informal sector is the backbone of India's economy. According to Credit Suisse, it accounts for about half of GNP. The livelihoods of more than 400 million workers and their families depend on it.

The politically prudent thing to do is thus to upgrade it. Step by step, life in the informal sector can be made easier. Relevant goals include improving infrastructure, boosting skills and know-how, providing access to financial services and creating a social security architecture.

In 2009, the National Commission for Enterprises in the Unorganised Sector

made sensible proposals on these matters. Unfortunately, the report was largely ignored. It still deserves attention.



ADITI ROY GHATAK
is free-lance journalist
and lives in Kolkata.
aroyghatak1956@gmail.com

LINK

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Nightmarish conditions

Generally speaking, workers in India's informal sector only use rather simple technology, so productivity is low. This is so in agriculture, construction, manufacturing and services.

Working in the informal sector typically means to earn less than the legal minimum wage, without enjoying either job security nor social protection. The working conditions tend to be appalling, and women, in particular, are being exploited. India's informal sector even makes use of child and slave labour.

Indian agriculture is mostly informal. Farms tend to be very primitive, lacking access to up-to-date technology, infrastructure and financial services. More than half of the nation's livelihoods depend on farming and related industries such as fisheries. Since most farmers are desperately poor, it

is not surprising that people are migrating from rural to urban areas in hope of finding better opportunities. Government agencies, however, have no plans for accommodating this exodus.

Many of the internal migrants end up doing construction work. They live in tents on the construction sites. Typically, the men work as builders and their wives support them by carrying building materials to where they are needed. The work is dangerous. Many children are not sent to school.

Other rural migrants find new homes in the nightmarish circumstances of sprawling urban slums. They need some kind of livelihood and are typically forced to accept some kind of precarious employment in manufacturing, transport or retail and wholesale trading. The working environment

is totally insecure, financially eviscerating, mentally ruinous and often hazardous.

Examples are easy to find. Delhi's slums are full of women who undertake a range of tasks on piecework from major garment, toys and cosmetic companies. The sweat shops are dimly-lit and ill-ventilated. The women work bent over for 10 hours each day, but do not even earn the equivalent of € 0,40 for that effort. Of course, the same women must also care for their children and aged parents.

Some people call the informal sector the "unorganised sector". This is a misnomer. Informal businesses are actually organised quite efficiently. Otherwise, they would not be able to provide livelihoods to the vast majority of Indians. To some extent, the rules of the informal sector are based on traditions. At the same time, might makes right. Either way, mafia-like networks play a role in enforcing order in the informal economy.

Retail poultry shop in Kolkata.



Unachievable targets

Indonesia is the world's biggest palm oil exporter. This product ranks second in the country's list of export goods. Plantation workers are basically denied labour rights. They must cope with low wages, unrealistic targets and various work-related risks. Women are particularly disadvantaged. The industry is struggling with land-rights issues, environmental problems and corruption as well.

By Edith Koesoemawiria

Plantation workers must cope with harsh conditions. For instance, they have to collect a certain amount of palm fruits every day. If they miss the target, their salary is reduced. At an event hosted by the Legal Aid Institute in Jakarta, one worker said: "It is just not doable." He does not want to be named because speaking publicly about the conditions on the plantations would jeopardise his job. For the same reason, he does not want his employer to know that he started and joined a trade union. The Legal

above investors' interests and to protect vulnerable groups including women and children and eliminate discrimination against them.

To do the job at all, Alpha had to invest 2 million rupiahs (the equivalent of 143 €) in basic equipment, including gloves, a cart and a machete. That was more money than he takes home in a month. According to Alpha, his official pay of about 2,3 million rupiahs (154 €) a month corresponds to the minimum wage of the North Sumatra re-



Worker harvesting palm fruit.

Sumatra was once considered the most lush and green island of Indonesia, and in some ways, this mountainous island still is. However, much of the rainforest has been transformed.

Sumatra is the world's sixth largest island. It produces rubber, sugar cane, soy, coffee, cocoa, bananas, pineapples, rice and other goods. Palm-oil plantations increasingly mark agriculture, because previously high demand encouraged some rubber and cocoa farmers to switch to palm trees.

Aid Institute supports this organisation. The union cannot operate effectively, however, as members often need to keep their membership secret. In this article, his name will be Alpha.

The Coalition of Palm Oil Workers, an umbrella network of various organisations, demands the Indonesian government to recognise palm-oil labourers – including day labourers – as workers, uphold basic rights such as the right to organise and have a union, to uphold the welfare of labourers

gion. In reality though, he earns much less.

At the end of the month, Alpha's salary is reduced by various "fines". He must pay penalties for not fulfilling the daily quota, for unripe fruit clusters, for damages to harvested fruit clusters and other things. A single ripe palm fruit dropped and left on plantation grounds costs him 2500 rupiahs (0,17 €). At the end of the month, these fines can amount to half of the stipulated payment. Alpha says he feels lucky when he receives 60 % of his official salary.



Alpha says he needs the help of his wife and children to make the target of two tons per day. His income is thus the total family income. There is no such thing as over-time payment, and it is hard for wives to make extra income elsewhere, when it takes the family more than eight hours to collect the two tons.

ORGANISING UNIONS

Two tons of palm-oil fruit is equivalent to approximately 80 fruit clusters, each cluster weighing 25 kilogrammes. To reach the daily target, harvesters need extra hands – usually their wives and children – who do not get any extra pay. Starting at daybreak, the family works as a team. Mother and children collect the felled palm fruits and cart them down the long dirt road to the oil mill where the produce is weighed and processed. Usually, Alpha's family returns home in the evening to eat, sleep and prepare for the next day. Even the youngest babies are brought along to work since there is no one to look after them.

Palm plantations are huge, and not all trees can be harvested at the same time. Full grown palm trees are about 16 meters tall. Only few Indonesians still know how to climb the trees in the traditional way, pushing themselves to the top with their feet and arms holding on to the tree. In the beginning of a season, palm-oil workers must walk three kilometres to get to the harvesting areas. Later, they must hike

further into the plantation, often walking ten kilometres to get to an area that can be harvested.

There are no amenities on plantation grounds. Workers must turn to the wild to relieve themselves. This is not always safe: recently two female day labourers were attacked by crocodiles along a swampy riverbed, Alpha reports.

WOMEN AT RISK

According to Renata Sandhi from OPPUK, a civil-society organisation promoting the development of social enterprises, plantation work is much more dangerous for women than for men. They face gender-specific health risks, she says. Moreover, they are more likely to be sexually harassed when working alone on large plantations.

Apart from supporting harvesters, who are typically men, women do specific jobs. They are given the task of fertilising palm trees, which includes carrying the 18 kilogramme fertiliser bags across the plantation. Often, they are also responsible for spreading herbicides. Both tasks expose women labourers and accompanying children to chemicals. There are serious health risks, especially during pregnancies. The women are required to wear masks, protective clothing and gloves, but the rules are not enforced stringently. The workers have to buy their own gear, which is costly, so many choose to do without. Children mostly have no protective gear at all.

OPPUK demands that no additional land be devoted to palm-oil production. However, the non-governmental organisation is not calling for plantations to be turned into secondary rainforests again. It supports the Coalition of Palm Oil Workers and wants plantation workers' children to be sent to school.

EU CURB ON IMPORTS

The price of crude palm oil (CPO) has dipped in the past few years. For environmental reasons, the European Union plans to curb palm-oil imports. This plan has put a slight damper on investor interest. Indonesia and Malaysia consider the policy discriminatory. If the EU passes a binding directive on the matter, the two countries may take the issue to the World Trade Organization (WTO).

In Southeast Asia the demand for palm-based cooking oil is growing. Investors, the government and labour organisations seem to agree that a balance between people's welfare, investors' profit and Indonesia's economic needs must be struck.

The Indonesian Palm Oil Association recently called for an alternative approach to land and production ownership. It suggested two models for developing partnerships to establish plantations on territories belonging to traditional communities. In the first model, the traditional communities would manage and maintain their plantation as communal cooperatives. In the second model, members of traditional communities would act as labourers who hold shares in the company. In both cases, land rights would remain with the traditional communities.

So far, however, the labourers are basically denied their rights. Currently, approximately 40 % of Indonesia's 255 million people work in the agricultural sector in rural areas. The fate of landless day labourers is generally tough, not only on the plantations. Whether their voices – and those of environmental activists – are heeded, will be determined by how well the government enforces its regulations and laws.



EDITH KOESOEMAWIRIA
is a free-lance
journalist.

hidayati@gmx.de

The retail revolution

Supermarket chains are on the rise in developing countries. They offer a vast range of high-quality goods and rely on efficient logistics. At the same time, they trigger concentration processes, displacing other retailers and their suppliers. The retail revolution must therefore be managed in a way that serves developmental goals. So far, policymakers and other relevant actors have been dragging their feet in this regard.

By Tilman Altenburg

Supermarket chains are sweeping through Latin America, Asia and Africa. In some world regions, such as Latin America, the retail revolution set in decades ago, so retail markets there are now dominated by hyper- and supermarkets, discount stores and similar business models. In other world regions, such as Africa, the ascendancy of supermarkets is underway. In a few countries, such as India, the great sea-change has only just begun.

The outcomes differ too. In Latin America, large national chains have arisen. They are now operating at an international level. In other regions, transnational corporations such as Walmart and Carrefour dominate. In sub-Saharan Africa, South African chains are especially strong, though supermarket-brands from Kenya and Botswana are also branching out into neighbouring countries. The wholesale chain Metro is the only global player from Germany (see Philip Bacac in D+C/E+Z 2014/06, p. 240).

The rise of supermarkets has wide-ranging impacts on communities. Supermarkets compete with traditional retail models. Substantial market shares move from little “Mom and Pop stores” and informal street trading to the supermarkets. Because the latter are organised in a far more productive manner and are able to make the same profit with far fewer employees, many small-business owners and their staff lose their livelihoods. Such dynamics are an inevitable part of structural change. The displacement of less productive business models by better organised ones is a part of technological progress and can be seen as a

positive change, provided that the people who are displaced can shift to other productive livelihoods.

In most of industrialised countries, the modernisation of the retail industry occurred without causing mass unemployment. The owners and employees of small businesses had at least one generation for adjusting their business models or opting for different livelihoods.

The situation is different in many developing countries. “Supermarketisation” is virtually occurring at warp speed as multinationals penetrate into informal retail markets. Adjusting is extremely hard. The productivity gap between an informal small trader and the likes of Walmart is enormous. Moreover, small traders have very few attractive employment alternatives, and there are no training programmes or other kinds of support for



Supermarket parking area in Dakar.

them. Under such conditions, displacement causes severe problems.

Local supply chains are affected too. Where small retailers were once purchasing modest product quantities from local farmers and small enterprises, the procurement departments of giant corporations are now buying container loads of standardised products with certified quality from companies that operate at national and even international levels. Structural change has a massive impact on supply chains, leading to higher productivity, market consolidation and displacement.

Supermarkets have many advantages however. Consumers appreciate the diverse range of products, comfortable shopping and the low prices that mass production facilitates. Getting orders from supermarkets, moreover, means opportunities for suppliers to modernise operations and stabilise their sales. To the extent that local companies adopt new technology (barcodes, for example) and modernise the work flow, they become more productive.

Another strong point of supermarkets is that they usually observe standards that guarantee high quality. Moreover, they set the trends for brand differentiation – for example, by introducing ecological or fair-trade brands. It is noteworthy that large chains such as Walmart and Tesco are leaders in terms of setting sustainability goals and implementing action accordingly. For example, they define and meet recycling quotas.

Moreover, supermarkets contribute to food safety as their more efficient supply chains reduce the percentage of expired foodstuffs. At the same time, however, they also eliminate foodstuffs of less than perfect appearance and encourage people to eat unhealthy junk food.

POLICY CHOICES

Overall, the social impacts are diverse and strong. The challenge thus lies in steering the retail revolution in a way that minimises the downsides of adjustment and maximises the gains of modernisation. It would be unwise for a government to fundamentally resist the obviously superior modern business models or attempt to wall off the market. Doing so only entrenches less productive trade practices with high prices for consumers, low margins for traders and high loss rates in regard to inefficient logistics.

In a study (Altenburg et al, 2016) that we prepared on behalf of the German Development Institute (Deutsches Institut für Entwicklungspolitik, DIE) and GIZ (Deutsche Gesellschaft für internationale Zusammenarbeit), we therefore endorse incremental, actively designed adjustment strategies. The focus must be on the learning actors at the nation-state level.

The study shows that there are dozens of specific options. Some supermarkets are already striving for sustainable development voluntarily, but that is mostly the case in wealthy countries where consumers exert relevant pressure. Examples include:

- cooperation with artisanal food pantries,
- special shelves for regionally-sourced or environmentally-certified products,
- foregoing plastic bags,
- targets to reduce CO₂ emissions and packaging waste, and
- the use of recycled materials.

In developing countries, governments could make the issuance of licenses to new supermarket branches dependent upon the social services rendered. They could also host public award ceremonies for those companies that perform particularly well, thus boosting those companies' public image. They can provide advice to local suppliers, support them financially, provide free certifications and take many other relevant measures.

International partners can support such efforts in many ways too. For example, in a developmental partnership with Metro, the GIZ supported local small meat and fish producers in Vietnam to meet quality standards so they could become Metro suppliers. Governments can introduce regulatory restraints to protect local small business from unfair competition, for example, by defining a time by which all stores must close or by limiting the size of chain stores in urban areas. It is worth emphasising that regulatory restraints of this kind are used much more consistently in industrialised countries – including the free-market-obsessed United States – than in developing countries.

Overall, our study shows that active policy interventions are hardly seen in developing countries. One of the few positive exceptions is South Africa. Many countries, including virtually all of Latin America, have opened up their markets practically unconditionally to the international supermarket chains and are doing hardly any-

thing to regulate the industry. Some Asian countries, above all India, are putting brakes on the market entry of foreign retail chains through massive bureaucratic restrictions, arguing they want to avoid the undesirable impacts of displacement. However, these countries lack a positive strategy to build modern, socially inclusive and environmentally sustainable retail sectors. Some countries are at least taking selective action, for example, by supporting agricultural supplier operations.

It is remarkable, however, that we did not find a single country that had an explicit strategy for steering the supermarket revolution in a manner systematically geared towards developmental goals. Such a strategy would obviously require coordination across several areas of responsibility, including urban planning, anti-trust action, business promotion, consumer protection and many others. There is thus no central agency for coordinating any national adjustment strategy.

It is similarly remarkable that most international development agencies are not pondering the issue. Only a few, including USAID (United States Agency for International Development) and GIZ have adopted some specific measures, concerning the certification of supply chains, for example. Despite the massive impacts of the retail revolution and the many options for implementing relevant policies, not a single agency has so far drafted a coherent concept. It is especially irritating that the IFC (International Finance Corporation), a member of the World Bank Group, is financing supermarkets and shopping malls in developing countries without any consideration of the consequences.



TILMAN ALTENBURG
heads the division for
sustainable economic and
social development at
the German Development

Institute (DIE – Deutsches Institut für Entwicklungspolitik).

tilman.altenburg@die-gdi.de

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A balancing act

The purpose of social entrepreneurship is to tackle global challenges and promote social and environmental change. In contrast to classic entrepreneurship, its efforts are not primarily market driven but designed to reduce societal needs. The focal point is to benefit society, not generate profits.

By Bettina Meier

Social entrepreneurship is on the rise throughout the world. In Germany, there are an estimated 70,000 social enterprises, which

societal challenges in a financially sustainable way, without relying on charity of donor governments. International cooperation has been increasingly marked by market orientation in recent decades, with more and more actors investing in profit-driven businesses rather than non-profit and government agencies. Governmental and non-governmental donor agencies are running so-called incubator programmes to provide assistance to socially and ecologically oriented start-up companies. In some countries, the growth of social entrepreneurship reflects decisions

social enterprises, not least to benefit from governmental development programmes and tax incentives.”

Problems arise, however, as many other companies are also claiming the mantle of social enterprise. “There is a great mistrust of social enterprises. They say they are pursuing social goals, but they behave like businesses. Many are unfamiliar with social work and hardly know how to contribute to community development.” In Vietnam, the term social enterprise is usually associated with service providers in the fields of education and health as well as with job creation for disadvantaged people, according to Hien.

Providing social services to the poor and disadvantaged is hardly profitable however. Hanley et al., who surveyed 286 social enterprises in Colombia, Mexico, Kenya and



In Manshiet Nasr, Egypt, an NGO that employs women produces patchwork plaids and other textiles from old clothes.

represent two percent of all businesses. In 2013, 6.5 % of all employments in the EU is linked to what the OECD (2013) calls “social economy”: the segment that is designed to improve social inclusion and reduce inequalities. Its companies include cooperatives, associations, foundations, charities and social enterprises. The number of social enterprises is also increasing in developing countries and emerging markets.

In line with this trend, social enterprises are becoming ever more important in the area of development aid. According to a study (Hanley et al., 2015), social enterprises rise to

made by foreign donors. In order to fund their activities, non-governmental organisations have been changing their legal status or starting companies. Vietnam is an example. In 2010, the country reached the status of a lower middle-income country (LMIC), so important international partners discontinued or reduced their official development assistance (ODA). Hien M.T. Nguyen, who works for Bread for the World, a Protestant charity, in Vietnam/Laos, says: “Many national-level NGOs face financing gaps due to the withdrawal of important partners. They are re-inventing themselves and many register as

South Africa, concluded that many social problems cannot be solved in a profitable way initially. Most of the organisations they studied still relied on external partners, with almost three quarters of them receiving grants and only half reporting sales as main source of funding. The authors argued that social enterprises have a limited ability to serve the lowest income strata.

PROFIT AND COMPETITION

Sam Art Nut works as a consultant for PCG, a consultancy in Cambodia. He says: “In

Cambodia, successful social enterprises are operating in the fields of microfinance and hospitality. The ACLEDA bank for example was founded as an NGO in 1993 and is today a large commercial bank with many branches.” (see D+C/E+Z 2013/02, p. 62) Cambodian law, however, does not have a special category for social enterprises; it only distinguishes NGOs from businesses.

According to Nut, the success of a social business depends on the attitude of the people running it: “NGOs are focused on using their resources effectively on behalf of the target groups. At the end of the project, they want the resources to be used up to the benefit of the poor.” Things are different for social enterprises, which must not spend extra profits, but save the money for future investments. “Some of my NGO clients think it is fine when the balance is zero at the end of the year, because that is what they are used to. Many do not understand that they need a profit for the business to keep going.” Similarly, they are not used to competing with other enterprises either.

Clients are another challenge. Many actually prefer the products of commercial companies. When it comes to food safety and quality, Nut says, people simply don’t trust social enterprises as much. Moreover, social enterprises do not create the kind of jobs people want: “Those who want to have

a career look for a job in the private sector. Social enterprises do not pay well.”

This is true in Europe too, according to the OECD (2013). Contrary to the popular belief that social enterprises promote fair working conditions, employment in the social economy is often insecure and poorly paid. The same accusations are made against fair trade, mainly wherever small farmers are supported by co-ops and unions. The unskilled workers employed in those cases often receive wages that do not suffice for a livelihood. Wages may even be below the level paid by comparable non-certified companies, as revealed in a much-discussed study published by the University of London’s School of Oriental and African Studies (2014).

In response, Harriet Lamb, the manager of Fairtrade International, stated that her organisation never claimed to be able to fight all injustices that people living in poverty suffer. Indeed, the fact that fair trade benefits mainly the more influential farmers does not necessarily mean that it is useless for the landless and other poor people. After all, informal work as a day labourer results in an income, however small and insecure it may be.

Unless fair-trade companies and social enterprises are able to generate profits above and beyond their own existential needs, they cannot pay equitable wages and

provide decent jobs. The social goals can only be achieved if enough profit is generated. Everyone involved in social entrepreneurship thus faces a delicate balancing act between social and economic goals.



BETTINA MEIER

is an adviser at Bread for the World – Protestant Development Service.

[bettina.meier@brot-fuer-die-](mailto:bettina.meier@brot-fuer-die-welt.de)

[welt.de](mailto:bettina.meier@brot-fuer-die-welt.de)

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Companies financing foundation

The foundation STEJ (Sainte Thérèse de l’Enfant Jesus) in the West African country of Togo was set up to promote education, culture, sewage treatment and environmental protection. Aimée Abra Tenu, who founded STEJ in 2006, says: “All the trash that is lying around on our streets has always bothered me, and so does the poverty in my neighbourhood.”

As a young girl, she sewed pieces of clothing from scraps of fabric using her

mother’s sewing machine. “It struck me it would be possible to create fashion and rainwear from recycled industrial waste and used textiles, and to finance STEJ using the profits. I founded my company Mi-Woë, which is now supplying goods to European boutiques under the brand name Zam-Ké.”

Later, she set up a fruit-juice production facility. The brand’s name is Vivifruits – “sweet fruit” in the local Mina language. Tenu’s company processes one ton of organic

pineapples per week. The fruits are obtained from certified organic co-ops and small farms. “The farmers actually supply the French organic importer pronatura,” explains Abra Tenu. But pronatura only accepts the well-formed fruit, so Vivifruits can buy up the rest. The high-quality fruit juice, which comes straight from the pineapple without pasteurisation and without sugar added, is sold in the best hotels and restaurants of Lomé. The profits serve to fund STEJ, which operates a primary school, a neighbourhood library and a sponsor-

ship programme for socially disadvantaged children.

For Abra Tenu, earning money is not the focus. “I consider my task to drive the sustainable development of my community,” she says. Her companies are currently employing eighty people, and there are fifty more employees and volunteers working for the NGO.

LINK

Vivifruits (in French):

<https://www.mi-woe.com/vivifruits/>

Disadvantaged women



The ILO demands better job opportunities for women: hairdresser training in Togo.

In the world of work, the global outlook is not particularly rosy. According to the International Labour Organization (ILO), the global unemployment rate will hover at 5.7% this year, pretty much at the same level as in 2016 (5.6%). To achieve the UN Sustainable Development Goals (SDGs), more and better jobs are needed.

By Linda Engel

The UN 2030 Agenda and in particular SDG8 stress the relevance of employment for reducing poverty. SDG8 commits the

international community to achieving productive employment and decent work for all. The latest ILO trend report, however, shows that quite a lot must happen for that goal to be achieved. In 2017, the ILO expects global unemployment to affect 201 million people, 2.7 million more than in the previous year.

This moderate rise in unemployment is attributed mainly to deteriorating labour-market demand in emerging markets, especially Brazil. South America's most populous country was hit by recession last year, but global economic growth was also weaker than expected. There is a general shortage of

private-sector investment. Moreover, international trade is slackening. It thus does not seem likely that the business community will square the circle by creating more jobs and improving the quality of existing jobs at the same time.

Women are particularly disadvantaged. They are often denied access to the labour force. The situation is made worse by the growing number of young job-seekers and the slow pace of economic growth. Moreover, precarious forms of informal employment condemn many workers to a life of poverty and permanent insecurity.

Especially in developing countries, rising unemployment and the poor quality of available jobs are major problems. Masses of people are self-employed, for instance, or employed by relatives. Tunisian street vendor Mohamed Bouazizi, whose self-immolation in 2010 triggered the Tunisian Revolution, became a symbol of the plight of these people. His suicide was an act of desperation and protest. It was prompted by the repeated closure of his vegetable stall for lack of a permit and the subsequent harassment by officials and the police.

Precarious forms of employment are not confined to North Africa; they are even more widespread in South Asia and sub-Saharan Africa. They account for nearly half of global employment. According to the ILO, that will not change much in the foreseeable future.

Various scandals in recent years have shown that wage-earners in formal-sector employment are not necessarily much better off in developing countries. In Bangladesh's garments industry, for example, many seamstresses not only work in terrible safety conditions, as the collapse of the Rana Plaza factory in 2013 showed. They also work for wages that they can barely live on.

The ILO forecasts that the number of the working poor is set to rise in the near future. It expects that, per year, an additional 3 million persons more will be earning less than \$ 3.10 per day. As it points out, people with smaller incomes struggle to survive.

The poor working conditions in many emerging and developing countries prompt a growing number of able-bodied young people to migrate abroad. According to the ILO, nearly one third of the people living in sub-Saharan Africa can imagine abandoning their homeland for the dream of a better life. The continuing flow of refugees who set off to Europe from the North African coast is evidence of this trend. At the same time, the willingness to migrate is growing in Latin America, the Caribbean and North Africa.

In contrast to the situation in developing and emerging countries, unemployment rates are going down in the industrialised world, though not as fast as in recent years. According to the ILO, the problem in developed countries is mainly structural unemployment. It is driven by new technologies and the outsourcing of manufacturing to lower-income countries. North America's "rust belt" has been hit, for example. In Europe,

nearly half of the jobless have now been out of work for more than a year.

Regardless of state borders, women are the most disadvantaged group in the global labour market. Less than half of the world's women even participate in the labour force, which means they are either in employment or looking for a job. The ILO reckons, however, that more than two-thirds of women want to work.

The reasons for the low rate of women's labour-force participation are mainly socio-economic and are related to family status, lack of transport opportunities or ideas about work-life balance. Another important issue is that some families and societies simply do not appreciate women's desire to work.

Looking at the different world regions, the ILO reports that the gap between male and female labour force participation is widest in the Arab states, North Africa and South Asia (see Nassir Djafari, p. 28). In these regions, the difference in labour-force participation exceeds 50 %.

Another challenge is that, even when women are included in the labour force, they are more likely to be unemployed than men. For 2017, the ILO expects global unemployment rates of 6.2 % and 5.5 % for women and men respectively, and this gender gap is not set to become narrower in the next few years. The figures are once more worst for the Arab states and North Africa, where women's unemployment rate is twice as high as men's and exceeds 20 %.

If one takes paid and unpaid work into account, however, the female members of a family are likely to work more hours than their male counterparts. The reason is that they spend time with household chores, child care and looking after elderly relatives. Women are also more likely to be contributing work to a family business.

Another gender disparity is in the sectoral pattern of male and female employment. Women tend to work in education, health care and other social sectors as well as in the wholesale and retail trade. The ILO reports that the propensity of men and women to be engaged in different sectors has increased in the past 20 years.

In 2014, the G20 committed to reduce the gap in labour-force participation between men and women by 25 % by the year 2025 (the "25 by 25" goal). This would not only imply a greater number of jobs; it would also boost global economic output by almost four per-

cent. The Arab states, North Africa and South Asia would benefit in particular. Quite apart from the economic advantages, paid work would create better opportunities for many women's personal fulfilment.

According to the ILO analysts, it is essential to change the way many societies view working women in order to involve more women in the labour force. At the same time, it is necessary to improve working conditions for women.

The ILO makes the following specific recommendations:

- Equal pay for work of equal value should be enshrined in national law.
- The sectoral segregation of men and women should be mitigated by equal access to education opportunities. Moreover, health care and social professions should be appreciated more.
- Legislation against gender-specific discrimination makes sense. Public awareness campaigns, equality bodies and sanctions should then support law enforcement.
- Working conditions for men and women should be made more family-friendly to achieve a better work-family balance.
- Conditions must improve in the women-dominated care sector. At the same time, unpaid care work should be reduced and public services improved.
- Informal jobs should be formalised. That step disproportionately benefits women.

Apart from the measures specifically designed to promote women, the ILO demands that the causes of both cyclical and structural unemployment be addressed. It considers public investments a good way to boost national economies.



LINDA ENGEL
is a free-lance writer.

lindaengel@gmx.de

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