Abstract

Sustainable development requires a global partnership, the topic of SDG 17; but how do we make this work within economic structures characterized by deep-rooted imbalances? Global partnership can only be achieved through negotiations and dialogue; however, different stakeholders have very unequal political and economic powers. Re-balancing the negotiating powers is a leading principle of a global partnership; ownership requires that developing countries should have a stronger voice than in the past and more policy space in development policies. In the case of trade, re-balancing requires developing countries to be allowed to protect their manufacturing sectors. The separation of development finance from the speculative financial markets would also help long-run investments in developing countries. Section 6.6 focuses on social protection systems and on the challenges of development with dignity.

Chapter 6. Making Global Partnership Work

6.1 'To the lighthouse'[1]

There is a widespread consensus on sustainable development as a process of empowerment through freedom and ownership. We can imagine the pieces of sustainable development as being inside the lighthouse: the 17 SDGs and the three dimensions of sustainability and the use values they represent. This collection is made up of specific use values and includes human development and human rights, the respect for nature, and other possible end-goals.

However, there are two complications. First, the lighthouse has a beam which indicates a single direction, although the views of different partners about how to achieve sustainable development might diverge. SDGs are there, representing agreed use values, but the paths to sustainable development might differ. Exchange values play an important role in navigation, and each group or country can interpret the direction of the light beam in its own way.

Second, to reach the lighthouse the boat must sail across the ocean. The ocean represents the social and economic structures within which the pursuit of sustainable development must take place. These structures are dominated by the capitalistic reproduction cycle, equation (5.2), in which the driving force is the search for profit, a surplus value. Chapter 3 provided a description of the type of environment in which the ship to the SDGs must sail. The ocean is not calm and there is no current leading to the lighthouse. The interests of different economic groups and countries may come into conflict and exchange values could rule the entire process.

The first complication has to do with different interpretations of the path towards sustainable development, the second with the fact that in the capitalistic reproduction cycle sustainable development is not an end-goal. Chapter 5 showed how different approaches try to come to terms with the troubled waters of the ocean.

The true challenge of sustainable development concerns the process and practices which all stakeholders should share. The real goal to pursue in the coming years is to assure an effective and fair global partnership among all stakeholders: the topic of SDG 17. In Woolf's novel, it took 10 years to reach the lighthouse; much more will be needed to achieve empowerment, ownership, and social, economic and environmental sustainability. These will not be achieved in 2030, but let us focus on improving a development partnership: not a very thrilling conclusion, though I suspect a highly realistic one. Without much optimism this final chapter explores a few ideas.

6.2 Last but not least

6.2.1 When means are more important than ends

Most goals and targets in Agenda 2030 are heavily interconnected (UN 2015, point 55: 13) [2] and some goals are clearly instrumental in achieving other goals. SDG 7 on energy, 9 on infrastructures, 11 on big cities, 12 on sustainable consumption and production systems[3], even 6 on clean water and 13 on climate action look like necessary but intermediate steps, like means. Decent work and inclusive society in SDG 8 and equity in SDG 10 are very important goal, but this is so because of the specific nature of the capitalistic social organization.[4]

In the sustainable reproduction cycle (see section *5.1.2*), some of the above goals are among the outcomes of the cycle, but they are also very much among the means. Think of investment decisions about technology and sectoral priorities. It is not easy to separate ends and means, and in a national development plan some means could receive greater attention than the end-goals.

Whatever the classification of the goals, without a serious partnership made up of a continuous dialogue and thorough negotiations, the SDGs will largely remain on paper. This is the only possible and realistic road ahead for the SDG agenda, which is why SDG 17, the last one, is probably the most important one.[5]

All documents associated to the SDGs emphasize the global partnership (UN-HLP 2013, UN-SG 2014, UN 2015). SDG 17 reads: “Strengthen the means of implementation and Revitalize the Global Partnership for Sustainable Development” (UN- ECOSOC 2017: 36).[6]

6.2.2 Country ownership and dialogue

Ownership is part of the consensus about development and cooperation (see sections 2.5 and 2.6). Faced with a lot of goals and targets, each country will have to decide its priorities. It is difficult to imagine a Low Income Country which could move ahead along all 169 targets and 241 indicators. A country should have a national development plan which identifies the priorities for goals and means.

The UN Resolution on SDGs maintains that the goals and their targets are integrated and indivisible (UN 2015, point 55:13), but the very same point also indicates that “Each government will also decide how these aspirational and global targets should be incorporated in national planning processes” (ibid.). Emphasis on country ownership and national priorities can be found in different points (see ibid. points 66: 29 and 74: 32) and in target 17.15. Respect for national policy space is also mentioned in point 21(see ibid.: 6).

The fundamental role of national strategies and country ownership is also in the Addis Ababa Action Agenda: point 58 promises to “align the activities with national priorities” (UN-AAAA: 18 and 19). Point 74 contains a commitment “to strengthen national ownership and leadership”, while point 76 deals with “effective and durable multi-stakeholder partnerships”, stating that these partnerships must “support country-driven priorities and strategies” (ibid.: 22-3).

There should no longer be donor-driven programs at the country level. This does not mean that partners should accept any country’s decision, but that developing countries will set the agenda for the debate on the national goals and related means.[7] Country ownership requires process of dialogue and negotiations between the country and the other stakeholders.

Dialogue and negotiations should be in the name of international cooperation and take place among traditional and new donors and recipient countries. The new donors are either countries, such as the BRICS and other emerging economies, but there are also private philanthropy organizations and the business sector.[8]

Empowerment, ownership and global partnership require that cooperation should be a dialogue among less unequal partners. At present, partners are very much different in terms of their wealth, their role in international trade, their financial means, their knowledge, and their administrative capacities. The re-balancing of negotiating capacities should be the leading principle for achieving a more effective partnership.

6.3 Re-balancing: reducing distances

Re-balancing does not imply an equilibrium but more modestly the reduction of the differences between the developing countries and the other stakeholders. Re-balancing the negotiating powers helps to achieve a fairer game. This might require restrictions for the most powerful actors and some additional support for the weaker parties.[9]

Re-balancing the negotiating powers of the different stakeholders requires more policy space for developing countries. Policy space means that these countries can adopt policies and take actions which help to reduce the distance from high income and emerging countries.[10]

These policies and actions may be at variance with the standard recommendations of international organizations and with international agreements, such as the WTO rules. Low and Lower Middle Income countries have a Special and Differential Treatment, SDT, target 10.a of Agenda 2030 (UN 2015: 21). SDT is justified not only by differences in income per capita and in human development, but also in negotiating capacities. SDT is linked to the two principles of universality and differentiation (ERD 2015: 310-ff. and UN-SG 2014, n. 84). Universality means that the SDGs and their leading principles are shared by and apply to all the stakeholders. Differentiation acknowledges the fact that the contributions to the achievement of the SDGs depend on the different capacities of the countries.

SDG 17 includes 19 targets divided into 5 groups: finance, technology, capacity building, trade and systemic issues (UN- ECOSOC 2017: 36-39). As part of the general principle of re-balancing, the next two sections will briefly examine some ways to allow LICs and LMICs more policy space in trade and finance.[11] [12]

6.4 Sweet and sour trade

Since the 1947 General Agreement on Tariffs and Trade, GATT, trade liberalization has been regarded as a main cause of economic growth; the approach has been further fostered with the creation of the World Trade Organization in 1995. From 1950 to 2000 trade has boomed rising from 8% to 27% of world GDP. Since the nineties tensions are mounting among large economies and even more so in recent years, the trade wars of the Mercantilist age have not yet returned but there are growing confrontations on trade flows(see section 3.5)

Apart from some countries in East Asia developing countries have not benefited of trade liberalization but they have been largely confined to the role of suppliers of primary commodities(see section 1.4.3). Trade is a typical case in which applying the same rules to players with huge differences in their economic structures would be unfair and might lead to inefficient deals. Many developing countries have a dualistic economy similar to Lewis's 1954 model (see section 1.3). The overall development strategy should be based on moving away from labour and resource intensive manufactures and from low technology products toward medium and high technology sectors. The aim of developing countries is to enjoy some sort of dynamic comparative advantage, which is the recipe of the new trade theory (Krugman 1986) and avoid to be stuck into the export of primary commodities.

Lessons from East Asia indicate that industrial policies at the sectoral level and export promotion are among the most important tools to improve productive capacity and change the output structure (UNCTAD 2014: 92).[13] Developing economies need the chance to pursue industrial policies (Rodrik 2017b) which could allow them to discover the best type of innovative production processes(Hausmann and Rodrik 2003).

The developmental state has a much wider scope than merely fostering exports and growth (Schmidt 2015). Policies related to education, infrastructures, research and investment are very effective in supporting long-run growth (Mazzucato 2013).

Regional Trade Agreements have boomed in recent years. Regional integration and coordination among LICs and LMICs will help them achieve stronger negotiating positions between them and the High Income and Emerging Economies and encourage the establishment of procedures for consultations at the regional level. Infrastructures, energy, logistics, and tax policy on foreign investments are all issues which could greatly benefit from coordination at the supranational level. Trade negotiations can be cumbersome. One example are the endless discussions between the European Union and the African, Caribbean, Pacific (ACP) countries about the Economic Partnership Agreements, EPAs, the economic component of the 2000 Cotonou agreement.

Negotiations were supposed to be completed by 2007, but they went on until 2014. EPAs had to try to accomplish the WTO reciprocity principle, which is much less favourable to the ACP countries than are the other trade arrangements with Europe, such has the EBA (Everything but Arms) initiative of 2001.[14]

In many trade agreements, developing countries benefit from some flexibility and some exceptions to the general obligations (UNCTAD 2014: 82-ff.). From being an exception, Special and Differential Treatment should become the rule; SDT in trade is mentioned in target 10.a. of the SDGs.

More policy space for LICs and LMICs implies granting them the possibility to adopt policies which might be classified as neo-mercantilist. However, re-call the first feature of Mercantilism in section 5.4. The restraint of domestic demand in High Income countries results in maintaining and even enlarging the economic differences between a country and its trading partners. Active industrial and trade policies by Low and Middle Income Countries represent a way of reducing the economic distances from the High Income and emerging economies.

Let us quote Rodrik: “A development-friendly international trading regime is one that does much more than enhance poor countries' access to markets in the advanced industrial countries. It is one that enables poor countries to experiment with institutional arrangements and leaves room for them to devise their own, possibly divergent, solutions to the developmental bottlenecks that they face” (Rodrik 2001: 2).[15]

The protection of the domestic economy by the weakest countries is both a realistic and an appropriate policy, and it can contribute to reducing economic imbalances.

6.5 Financing for development

The first five targets of SDG 17 are dedicated to finance. They include debt sustainability and FDIs, but there is no mention of the financial system, the focus instead being on the quantitative aspects of the means of financing the SDGs. The 2014 UN Synthesis Report is more direct and asks for "better regulation and more stability in the international financial and monetary system" (UN-SG 2014: 22, n. 95), suggesting the possibility of a financial transaction tax (ibid: 25, n. 112). Moreover, the report demands the implementation of "comprehensive and adequate financial regulations in all countries, as the risk of another global financial crisis has not been sufficiently reduced" (ibid.: 25, n. 114).

6.5.1. Different types of financing for development: *FfD*

The way in which finance will be mobilised and directed to the different SDGs is more important than the overall availability of funds (ERD 2015: 27, 323). Different types of financial instruments are needed for different goals/targets.[16] FfD requires a country-specific financial approach and must be tailor-made (Kharas et al. 2014: 17). The UN group of experts on development finance mentions the need to secure country ownership in the design and implementation of policies and in the financing strategies (UN-ICESDF 2014: 8, 18).

Developing countries should try to rely increasingly on domestic private and public resources, namely taxes (Touray 2014). But their tax base and the tax revenue can only increase slowly, there is a possible time-mismatch between the ability to raise enough domestic resources and the way in which donors reduce concessional flows(Kharas et al. 2014: 26-7).

Foreign financing is required all the more so considering the number of goals to be achieved. Different financial opportunities also depend on the different income levels of the various countries (ERD 2015: 299-300, 315). Different degrees of concessionality represent an obvious way of classifying the different types of FfD.

LDCs and LICs must not go on depending on aid; they should go through a process of 'graduation' which implies moving from grants and fully concessional loans to blended finance and to borrowing in international markets. In practice, it might be very difficult to follow an ideal graduation path, which requires a continuous dialogue between countries, donors and International Financial Institutions.

The possibility for an economy to graduate and to finance its goals through international financial markets depends on its capacity to avoid balance of payments crises, but the ability of a country to react to a crisis depends on its productive structure.[17] Even resource-rich countries are exposed to the risk of insolvency without a major transformation in their productive structure.[18] This requires time and a process of structural change; most LDCs and LICs have structurally negative trade and current accounts, and thus are still accumulating foreign debt.[19] Many LMICs and UMICs have not yet fully recovered from the debt crisis of the ’80s (UN-ICESDF 2014: 7). The debt to GDP ratios are much lower than those in the ’80s and ’90s, though they are still in the 40% range (Tyson 2015 II, p. 6). Another debt crisis cannot be ruled out, in particular in the LDCs (Eurodad 2014: 16).

A UN preparatory document from the Addis 2015 Conference on FfDs, indicates that “debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations” (UNDES-FfD 2015 p. 9).[20] Unfortunately, nothing of that kind is available today. Debt sustainability analyses have progressed considerably since the debt crisis in the ’80s; however, the tools and policies to deal with debt distressed countries are very much the same today as they were thirty years ago.

Countries should make use of all available tools and policies to slowly and smoothly open the domestic credit and financial markets to international finance.[21] LDCs and LMICs should have the possibility of managing capital inflows and the financial account to favour the truly long-term flows and penalize the short-term ones (IMF 2011b). In the global financial cycle, flexible exchange rates cannot insulate emerging economies from financial crises (Rey 2013); direct control of capital flows is needed to avoid major crises. The above-mentioned strategies require Special and Differential Treatment for LDCs and LMICs to allow them to manage their credit and financial systems (Eurodad 2014:10 and UN-AAAA 2015: 25-27, 33).

This is part of the general view of re-balancing the different economic and financial powers, but it is difficult to be optimistic about the possibility of a smooth participation by the weakest countries in international finance.

Apart from the degree of concessionality, it would also be useful to classify the different financial resources according to two criteria:

* whether the resources are short or long-term;
* what the real possibilities are for developing countries to lock-in these flows.

Foreign financial flows should remain in the country long enough to support development ,which is a long-term process.

6.5.2. Development bonds

Bonds should be long-term, and since 2010, many African countries have been issuing sovereign bonds, which are mainly denominated in US dollars (Tyson 2015 I: 3-5, 19). All these bonds are below ‘investment grade’, and most of these issuances are managed by a lead underwriter that usually is a global investment bank (ibid.: 6). In Sub-Saharan Africa there is a growing domestic bond market in local currencies; naturally, interest rates on local currency bonds are higher than those on international bonds (ibid.: 12).

A 6-7% real growth rate could satisfy the debt sustainability condition, according to which the debt to GDP ratio does not increase if the interest rate is not above the nominal growth rate (Vaggi and Prizzon 2014). However, all these countries have negative primary fiscal balances, which increase the public debt to GDP ratio (Tyson 2015 II: 6-7), as well as negative current accounts, which increase foreign indebtedness.

The abundance of money on international markets and the search for high yields (see section 3.2) mean that sometime developing countries’ bonds are oversubscribed. This should not diminish the awareness of the borrowing risks (Rashid and Stiglitz 2013). Without a global regulatory system, countries should protect themselves (see IMF 2011a: 51).

Index-linked bonds could help developing countries entering international financial markets. Bond interest rates could be linked to some macro magnitudes: GDP growth, export performance and, in the case of resource-rich countries, the prices of primary commodities. The indexation could also refer to the redemption value of the bonds, as in the case of inflation-linked bonds (Atkinson 2015:168).[22]

There are some technical issues to face such as taking either nominal or real GDP as a benchmark for interest rates. Another issue concerns the authority which should certify the growth rate, the risk being that the national government could underestimate growth in order to pay less interest.

GDP-indexed bonds imply an element of risk sharing, since they transfer part of the risk to the creditors. Interest payments become pro-cyclical: interests are higher when the country performs better, and vice-versa; GDP-indexed bonds are particularly useful in case of an economic slowdown.

Another positive element of these types of bonds are their very long maturities, a fact which reduces the pressure of foreign debt service on indebted countries. Index-linked bonds have been adopted in the debt restructuring processes of Mexico and Argentina and can help to stabilize the debt ratio (Borenzstein and Mauro 2004).[23] The disadvantage of indexed bonds is that they have higher borrowing costs than the equivalent conventional bonds (Olabisi and Stein 2015).[24]

Indexed bonds are a macroeconomic tool aimed at easing the financial constraints on developing countries and facilitating their approach to international markets. There are also development ‘impact bonds’ and ‘social bonds’, which target specific development projects (see http://www.undp.org/content/sdfinance/en/home/solutions/social-development-impact-bonds.html). Other initiatives are dedicated to financing climate change programs and there is the idea of ‘peace bonds’ to be used to finance peace initiatives (OECD 2014).

6.5.3. Separate markets for development finance

The tools and policies of the previous section might help to reduce the chances of speculative activities on the bonds from Low Income Countries. The group of Experts on Sustainable Development Financing demands financial market regulations and an international environment that could "remove the sources of international financial volatility" and "reduce global financial fragility" (UN-ICESDF 2014: 27, 34, 40). Target 10.5 of the SDGs refers to the "regulation and monitoring of global financial markets and institutions", and debt sustainability is mentioned in target 17.4 . Indicator 10.5.1 of March 2016 calls for : "Financial Soundness Indicators" (UN-IAEG SDGs 2016: 50).[25]

This is more or less everything we find on financial markets in the SDGs, the focus being on regulations.[26] There are different types of regulations of financial markets(Panico 2012: 14) and they are highly necessary, as the 2007 financial crisis has shown. Under the present conditions, financial regulations which could help LICs and MICs to access foreign financing are very difficult to achieve.

There are such huge differences in negotiating power between financial investors and LICs and MICs that the same market, the same playing field, does not guarantee a fair game. It would be better to clearly separate development finance from the speculative activities which characterise international finance. If bonds and other financial tools geared towards development enjoyed ad hoc markets, procedures and laws, both the volatility and the risk of default would be highly reduced. Development is a long-run process of empowerment and sustainability where the goals are specific use values and should be the outcome of a sustainable reproduction cycle (see sub-section 5.1.2), but they are very difficult to reconcile with the working of the financial reproduction cycle (see sub-section 5.5.2), which is fully dominated by the exchange value.

Separate markets for development financing resembles the separation between the activities of commercial banks and those of investment banks, which was introduced in 1933 with the Glass-Steagall Act. This separation was repealed in 1999 by the American Congress with the approval of the Gramm-Leach-Bliley Financial Services Modernization Act. Following the financial crisis of

2007-2008, the Dodd–Frank Wall Street Reform and Consumer Protection Act of July 2010 introduced many controls and regulations, but it has not separated commercial and investment banking activities. Coming closer to such a separation is the Volcker rule, which seeks to prevent United States banks from making speculative investments using the deposits of their customers.[27] Compared to the use values and the rights of the sustainable reproduction cycle, these are very modest suggestions which might re-balance the forces inside the square brackets of the capitalistic reproduction cycle.

6.6 The road to dignity

"The road to dignity by 2030" are the opening words in the title of the UN Synthesis Report in preparation for the 2015 UN General Assembly on SDGs (UN-SG 2014). It would have been a nice title for Agenda 2030. Article 1 of the 1948 *Universal Declaration of Human Rights* opens with the following words: 'All human beings are born free and equal in dignity and rights.' A sentence which evokes Rousseau's works and recognizes three essential features of the rights of human beings: freedom, equality and dignity.

Dignity introduces two final issues: the welfare system and capacity building.

Agenda 2030 mentions the need for social protection systems in each nation (UN 2015 point 24: 7 and Target 1.3: 15). Other targets refer to elements of what Europeans call the welfare system; for instance, target 3.8 calls for "universal health coverage" and target 11.1 seeks to "ensure access for all to adequate, safe and affordable housing and basic services" (ibid.: 16 and 22). Social protection is meant to avoid a worsening in the conditions of the poorest and to leave no one behind (UN-HLP 2013).[28]

Social protection systems are mentioned in the document by the group of experts on development finance (UN-ICESDF 2014: 22), where we also find the term global safety nets (ibid.: 44), an expression largely used during the debt crisis in the ’80s to indicate policies aimed at mitigating the negative impact of the Structural Adjustment Programs.

‘Welfare’ has very different meanings in the U.S. and in Europe. Whether it is a welfare or a social protection system, a fair, equitable and inclusive society cannot be established only by providing floors and nets for those who are left behind. An inclusive society should have structures and procedures which guarantee a decent life, health and education to all human beings, because of the universal nature of human rights and of people’s dignity, not just to mitigate the impact of economic crises and of natural and manmade disasters. A social protection system is not meant to mend the wounds but to prevent them, and it is closely linked to the principle of universality of the SDGs.

A welfare system is adopted in a relatively small number of countries, mostly in Western Europe; it is a social and political experiment peculiar to the history of Europe. Although it is the outcome of a couple of centuries of struggles, confrontations and laws, its achievement is quite recent, going back to World War Two.

Capacity-building is a major topic in SDG 17, and Target 16.a mentions the need to “strengthen relevant national institutions….. for building capacities at all level”. The need to build administrative capacities and have reliable data is an issue found in targets 17 and 18 of SDG 17 (UN 2015, p. 23), reappearing again and again in all the preparatory documents (UN-AAAA 2015, points 125 and 126: 36-7).[29] Local governance and human capital are enablers of human and institutional capacities (ERD 2015: 167 and 171).

Without major improvements in administrative and institutional capacities, it will be impossible to achieve the SDGs, and global partnership for sustainable development will become an empty statement.

6.7 Conclusions

The road to dignity implies sailing towards a lighthouse which includes empowerment, ownership, human rights, and all the SDGs (see section 2.6). Re-balancing tries to put in place instruments and policies to smooth the waves and to reduce the differences among stakeholders regarding the direction of the light beam and the decisions to be taken about navigation.[30] Re-balancing economic powers is meant to achieve a more effective partnership and to build a dialogue based on fewer unbalanced conditions among all the partners.

This represents a very minimalistic approach, with no overturning of the social and economic structures. Sections 6.4. to 6.6 provide indications which operate inside the capitalistic reproduction cycle; equations (5.2) in section 5.1.2. try to redress some of the distortions of the **crc**.

But the capitalistic reproduction cycle is a tool, not and end goal. Sustainable development is the end goal, and it implies the production of specific use values in terms of output, technologies and the utilization of resources as defined in the sustainable reproduction cycle, **src**. There are no reasons to assume that the **crc** will lead to sustainable development.

The empowerment of people and countries takes place within specific social and economic structures; but people and not the structures are the priority and goal of development. In the history of mankind, no social and economic structures have been eternal (see section 4.3 above). The challenge of how to achieve sustainable development inside a capitalistic economy, in which exchange values and the search for profit guide investment decisions, remains. Trying to gear the capitalistic reproduction cycle towards sustainable development (see section 5.2) might be very useful, but if the capitalistic and the sustainable reproduction cycle come into conflict, priority should be given to the latter, which, unfortunately, is by far the weakest component in today's capitalist system.

Re-balancing through negotiations and dialogue is a small step towards smoothing the ruthlessness of the realm of exchange values and building fair and decent relationships among all the partners of long-term sustainable development. Negotiations and dialogue might help to increase mutual trust, even if this must not be taken for granted.

This is not a very appealing conclusion, and one that is certainly much less attractive than most of the SDGs; but consider the alternatives. By 2030, some SDGs will be achieved while others will not. However, the road to sustainable development depends on whether or not there are improvements in building a global partnership.

This chapter has investigated SDG 17 on global partnership. The last but one goal, number 16, was not included in the Millennium Goals. It reads: “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build accountable, effective and inclusive institutions at all levels”. Quite a challenge. In 1967, Pope Paul VI wrote: “Development, the New Name for Peace” (Pope Paul VI 1967: 11).

Peace and justice open the way to another story.

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[1] Virginia Woolf 1926.

[2] Vaggi 2016: 48, allocates the 17 goals and their targets are organized into four clusters.

[3] This goal seems to advocate major social and economic transformations, but the targets focus mainly on environmental issues: reduce food losses (target 12.3), public procurement strategies (12.7), and inefficient fossil fuel subsidies (12.c).

[4] SDG 10 about reducing inequality represents a very important step forward with respect to MDGs.

[5] Most of the targets of the first 16 goals have to do with negotiations and require a dialogue among all the stakeholders.

[6] The last of the Millennium Goals, number 8, had a similar theme.

[7] Some developing countries are undertaking experiments of devolution, but it is hard to imagine how they could skip the nation-state stage.

[8] On the BRICS development bank see Griffith-Jones 2014. Agenda 2030 emphasizes Public, Private Partnership, PPP; the collaboration between the public and private sectors and the civil

society organizations (UN 2015: 10-11). The World Bank Doing Business reports emphasize the role of the private sector in fostering economic growth and development.

[9] The need for countervailing forces and a balance of power is found in Atkinson (2015): 123-125, 131, 237. Rodrik asks for a rebalancing of globalization (Rodrik 2017a).

[10] The need for the policy space of developing countries is found in target 17.15 (Un 2015: 27). The UNCTAD 2014 *Trade and Development Report* is entirely dedicated to the problem of policy space.

[11] Most SDGs depend on choices about technology, which are interconnected with decisions about trade and finance.

[12] The fiscal system is an important dimension of the policy space (UNCTAD 2014: 161-2 and Mackie and Williams (2015: 7).

[13] The support of manufacturing has been widely adopted in the past in all OECD countries (Chang 2002). Rodrik 2008 discusses the role of industrial policies in a world in which 'late comers' developing countries also face the growing powers of Asian economies and of China in particular.

[14] EBA provided for duty and quota-free access to EU markets for the products - except arms and ammunitions - of the Least Developed Countries (LDCs), most of which are in Sub-Saharan Africa (Vaggi and Evans 2007). This is an example of Special and Differential Treatment.

[15] The impact of more trade openness on economic growth depends on the elasticity of demand of both imports and exports (Thirwall 2013: 9).

[16] On the different types of finance for the different development goals, see Kharas et al. (2014: 7) and the 2014 UN Report (UN-ICESDF 2014: 8, 18). A longer analysis of development finance is found in Vaggi 2018 sections 5 and 6.

[17] In 1997-98 the depreciation of the South Korean won worked well because the export composition of the country was fit to take advantage of its competitiveness (see section 3.2.1).

[18] On the importance of the productive structure in the classification of developing countries, see Tezanos and Sumner (2013): 1733, 1737-8.

[19] Resource-poor countries receive very little FDIs and often remittances compensate for the negative current accounts (Vaggi and Capelli 2016). In many resource-rich countries, FDIs generate profit repatriation, which has a negative impact on the current account (ibid.).

[20] In early 2014, when the U.S. Federal Reserve announced an increase in interest rates, 'tapering', Ghana, Kenya, Tanzania and Ethiopia had either to delay or to cancel some issuances because of expectations about interest rate increases. Simulations suggests a 0.8% negative impact of 'tapering' on GDP growth in SSA (ERD 2015: 139).

[21] There is a considerable body of literature which shows that the impact of FDI and portfolio flows on growth is dubious (te Velde 2014: 4).

[22] Indexed bonds can also produce significantly positive welfare effects, mainly by reducing default risks (Barr et al 2014).

[23] GDP indexed bonds have come have been indicated as a tool for restructuring the Greek debt (Goodhart 2015).

[24]There are a number of reasons why investors might not like to buy indexed bonds (Griffith Jones and Sharma 2006).

[25] In the December 2015 version of the same document, indicator 10.5.1 states: "Adoption of a financial transaction tax (Tobin tax) at the global level". An asterisk pointed out that the final text had not yet been agreed.

[26] Target 8.D of the Millenium Goals was more detailed on the issue of debt sustainability. On the improvement of the processes of debt restructuring, see IMF (2014: 4-5).

[27] A softened version of the rule came into effect on July 21, 2015. On the difficulty of taming finance, see UNCTAD (2017): 157-9. A more limited financial sector could provide services more

effectively directed at the real economy and at sustaining the real needs of households and firms (Kay 2015). This is all the more so in the case of long-term development finance.

[28] A comprehensive system of social protection is already part of the commitment of the UN member states (Eurodad-Ibis 2015: 6). On the role of welfare systems in development, see Zupi 2015: 7, 19.

[29] The need for better sets of data for development is found in target 17.18 and in point 48 of Agenda 2030(UN 2015: 12); see also Sachs (2015).

[30] UNCTAD asks for a global new deal or development is needed (UNCTAD 2017:152).