

Statement from R. KOZUL-WRIGHT

Thank you Ambassador Akram and thank you for the invitation.

Oscar Wilde said that young people know everything, old people believe everything and middle aged people are sceptical of everything. I will be acting my age for the next seven or eight minutes, but let me begin constructively. The Right to Development has added a very strong normative dimension to the development agenda and that is something in UNCTAD we appreciate and understand. To go back to our founding document in 1964 by Raul Prebisch (about the biases and asymmetries in the global economy that needed to be challenged at that time) Prebisch ended his report by saying, “these pages are an act of faith, an act of faith in the possibility of persuading, of making these ideas sink in, and in the possibility of provoking constructive reactions” and I think that sums up to some extent, as I understand it, the right to development agenda.

The SDGs agenda has added ambition to the development agenda, certainly beyond the MDGs, which had a very superficial view of the development challenge, the SDGs are transformative, universal and very inclusive and they introduce issues of inequality, of industrialization, of employment, that were largely absent from the MDGs and that is something we welcome in UNCTAD and that is very, very familiar to us. However, neither of these approaches, from our perspective, recognise the fact that development is ultimately a matter of political ignominy: it involves conflicting interests, it involves making trade-offs, it involves setting priorities across countries and within countries, and as such development involves issues of power, it involves issues of bargaining and it involves problems of exclusion. In addition, neither of the two provides a policy framework for promoting fairer and more sustained outcomes and ultimately development has to be about policies and policymaking. I think that removing power and policymaking and is particularly troubling today as an increasingly anxious international community worries about the future of globalization.

That anxiety stems, it seems, from a perceived danger of rolling back 70 years of progress towards, what is often referred to as open, competitive and rules-based global economic order. This is kind of defined in contemporary discussions as ‘populists vs cosmopolitans’, or in more colourful language, *‘Mar-a-lago vs Davos’*. Unfortunately, this kind of dichotomy is based on a poor understanding of post-war economic history. The kind of globalization that was constructed after the Second World War was very partial, it was based on a given that national states had sufficient policy space to pursue the kinds of agendas that they needed to meet growth targets, employment targets, to meet the challenge of industrialisation across the South. The international community cooperation that was constructed after 1945 was very much geared towards supporting those national states and providing measures and institutions that would prevent the kind of beg-neighbour policies that had derailed the world economy in the 1930s.

What we see today is very different from that type of partial globalization it’s what some people have referred to hyper-globalization, or neoliberal globalization, which is based on the rapid and extensive deregulation of markets, particularly financial markets, based on the attrition of the public realm and the diminution of policy space available to national states and its based on a new set of

governance structures which are constructed around competitive norms and profit-making practices. The important thing about both type of globalizations, of course, is that they are man-made or person-made, they are constructed politically; that globalizations in that sense it is a political project. As Weiss said, and as UNCTAD has damn extensive work on, the consequences of hyper-globalization are highly uneven across countries and within, but and I don't want to elaborate on the details that Weiss mentioned and people are welcomed to look at UNCTAD's researches, but essentially, hyper globalizations has been associated with a world which is less secure, less stable and very importantly, much less equal. Inequality has become a defining feature of the hyper-globalized world. Unfortunately, neither the right to development or the SDG approaches do not provide a counter narratives to the troubles that are now emerging from this hyper-globalized world.

What I would like to suggest, is that there are counternarratives and we have to go back in history to find them, including a history that in many respects has parallels with our current era and that narratives I would suggest evolves around the idea of a global 'new deal' borrowing a particularly and rather obviously from the experience of the advanced countries, and particularly the experience of the United States in the 1930s. Let me begin at the end of that period of Roosevelt's construction of a new deal because it speaks to the issues of this working party. In 1944, that's ten years slightly more after he took power and became president, Roosevelt's address to congress was about the need for a Bill of Economic Rights and that included the right to useful and remunerative employment, the right to economic security at all stages of life, the right to fair competition, the right to a decent home, adequate medical care, good education. I don't want to debate whether the United States, in the subsequent decades matched up to Roosevelt's ambition on a Bill of Economic Rights. He never formally was able to achieve that, he died the following year, of course. I think it's more important to recognize for this Group that the ideal of the Bill of Economic Rights seemed credible at the time in the 1940s because it built on the previous period of reforms over the previous ten years that characterized the 'new deal'.

There were three elements of that new deal which are critical to being able to build some kind right-based agenda. The first is reflation. The need to have an expansionary economic environment is critical to being able to create an inclusive and sustainable economy. We would argue in UNCTAD you cannot have development rights in a world of endemic austerity which is the world of hyper-globalization has created but reflation was critical to the old 'new deal'. Regulation was critical to the old 'new deal', regulation of finance, in particular regulation of agricultural markets, regulation of industrial markets etc. And the third element of the old new deal was redistribution. Minimum wage legislation, progressive taxation, and the beginnings of a more extensive welfare state. You can't have a right-based agenda unless you have these other elements in place. It doesn't make much sense to me. Reflation, regulation and redistribution have to be part of conversation if you want to going to have a meaningful right-based agenda. Now of course in 1944 the architecture that was created in Bretton Woods and elsewhere, essentially provided the international context for economies and policy makers, particularly in the north, to follow these kinds of agendas, but today's international architecture is very different from the architecture that was built in the second half of the 1940s.

So the big question, and it's the question I guess I will leave to this working party, is: What elements and components of reflation, regulation, redistribution and rights do we need for today's global

'new deal' (the old new deal was obviously pitched at the national level), for today's global new deal which can address the kinds of challenges of inequality, of instability, of secular stagnation which the international community is now wringing its hands about and worrying about its political consequences.

Thank you!