

A long way from sustainable

Germany and the
UN sustainability agenda

2016



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**Selected contributions
of the original edition**

Table of content

Sustainable Germany – a long way to go	5
The publishers of the German report on the 2030 Agenda ¹	
When speaking of poverty we need to talk about wealth	11
Social inequality and worldwide poverty	
Gender equality – an issue in the North and South	16
Migration and refugees and Germany's responsibility	22
Human rights in the global economy	27
Between vision and reality	32
Why democratic structures are a basic prerequisite for the SDGs	
German economic and trade policy	37
We need a fresh start	
Money is not everything, but without money everything is nothing	41
The financial aspects of the implementation of the 2030-Agenda	
Counting what counts	49
The politics of indicators	
List of abbreviations	57
Imprint	58
Photo credits	60

Sustainable Germany – a long way to go

The publishers of the German report on the 2030 Agenda¹

In September 2015, when the United Nations, personified by the heads of state and government of its member states, solemnly adopted the *2030 Agenda for Sustainable Development* under the heading *Transforming our World* during a special session of the General Assembly, there was much acclaim from the ranks of civil society. Hardly anybody would have thought that the decision by the Rio+20 Conference 2012 to start a negotiation process on sustainability goals would result in an ambitious list of objectives. There was ample opposition, but it did not prevail.

Experienced observers increasingly had a sense of “déjà vu”. Hadn’t we been here before? Back then, the Earth Summit in Rio in 1992, the Agenda 21? An *agenda for the 21st century for sustainable development*, the size of a phone book, not much of which was implemented? Or the Millennium Development Goals from 2000, less ambitious and yet only very incompletely implemented? It is understandable that the solemn adoption of the sustainability goals caused a lot less public enthusiasm or even euphoria than the Agenda 21 in Rio did. Governments make lots of promises, it’s all just a PR move – voices like this were frequently heard, if any notice was taken of the sustainability agenda at all. In any case: Sober political realism demands taking the governments at their word without illusions and using the 2030 Agenda as one more argument in the political debate in order to call for outstanding measures for more sustainability and to push them through politically even against opposition. Civil society is now doing this all over the world. We are, too.

The 2030 Agenda for Sustainable Development

The Sustainable Development Goals (SDGs) are at the centre of the new development agenda. They are composed of a list of 17 goals and 169 targets. The SDGs are based on the universal human rights and cover the social, ecological and economic dimensions of sustainable development as well as the areas of peace and international cooperation.

The novelty of the SDGs consists in their universal validity. They stress the necessity of changes in one’s own country, but at the same time they do not lose sight of the international responsibility of the rich countries, especially with respect to fighting poverty and hunger. Thus, the SDGs also affect German politics in three ways:

1. The SDG list comprises goals which concern the internal situation in Germany. For example, this includes goals which derive from the human rights obligations, such as in the areas of education, health and social security. Examples include reducing the proportion of poor people in Germany by half and increasing the proportion of young people who complete secondary education.
2. Some goals of the 2030 Agenda address the external effects of German politics and economy. They demand domestic measures which also have immediate impacts for people in the countries of the South. These include goals for reducing resource use, for changing unsustainable consumption and production patterns, but also for the interaction with migrants.
3. Moreover, the SDG list includes goals concerning Germany’s international responsibility and solidarity. Besides the traditional development policy obligations (catchword 0.7 percent target), the corresponding targets concern all areas of global structural policies (trade, investment, finance systems, etc.).

¹ Association of German Development and Humanitarian Aid NGOs, German NGO Forum on Environment and Development, Forum on Human Rights, terre des hommes Germany, Global Policy Forum and Open Knowledge Foundation Germany.

The Sustainable Development Goals (SDGs)

- I **Goal 1.** End poverty in all its forms everywhere
- I **Goal 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- I **Goal 3.** Ensure healthy lives and promote well-being for all at all ages
- I **Goal 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- I **Goal 5.** Achieve gender equality and empower all women and girls
- I **Goal 6.** Ensure availability and sustainable management of water and sanitation for all
- I **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- I **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- I **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- I **Goal 10.** Reduce inequality within and among countries
- I **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- I **Goal 12.** Ensure sustainable consumption and production patterns
- I **Goal 13.** Take urgent action to combat climate change and its impacts¹
- I **Goal 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- I **Goal 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- I **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- I **Goal 17.** Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

¹ Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

The SDGs are not maximal goals. They are the partly contradictory compromise of a process of diplomatic negotiation between the 193 member states of the United Nations. Of course, every country is free to define additional goals or more ambitious targets beyond the SDGs. This also applies to Germany.

But the 2030 Agenda is more than just a list of development goals. The governments generally agreed that they could not merely define the common goals for the next 15 years in the new agenda without at the same time also describing the means and ways of achieving these goals. Until the very end, there were controversies about what these means should be and who is responsible for providing them.

Whether the sustainability strategies at the federal and regional level will also systematically reflect the means for implementing the agenda and its goals will determine the political relevance of the 2030 Agenda. Just as the SDGs with their multi-dimensional approach concern all policy fields, all departments must be tasked with their implementation to achieve a coherent overarching strategy. Whether this succeeds will depend on the extent to which civil society and the media will use the SDGs as a frame of reference, make them known to the German public and demand their implementation from policy-makers.

Germany is not a pioneer in sustainability

Indeed, there is an enormous need for action. The present volume shows that the much-quoted image of Germany as a “pioneer in sustainability” is largely wishful thinking and does not withstand a critical examination – not even with respect to environmental policy. This is not only about progress being too slow. In many policy areas, government policies continue to go in the wrong direction.

The design of German transport policy has always been decoupled from environmental and climate policy criteria, and it will continue to rely unwaveringly on the development of road and air traffic and thus on more greenhouse gas emissions. German agricultural policy unflinchingly insists on an even greater concentration and orientation towards global markets, even though the consumers ever more

clearly demand more agro-environmental protection, more animal protection, more regional production, more small-scale farming. The dismantling of the Renewable Energy Sources Act actively slows down the energy transition, which in any case has only grudgingly been accepted by large parts of business and the political class.

The obsession with a balanced budget was accorded constitutional status – but ecologically speaking the Federal Republic of Germany is living well beyond its means, at the expense of the rest of the world and future generations. The “ecological footprint” of the Germans is enormous. Just two examples: This country occupies more than 2 million hectares of agricultural land abroad in order to produce its enormous feedstuff imports. The average per-capita CO₂ emissions of the Germans amount to 10 tons per year – at best 2 tons would be sustainable. It does not require many calculations to come to the conclusion that a resource use such as in Germany cannot be globalised, it is not sustainable. It remains an unsolvable contradiction that the government commits to sustainability but at the same time goes to any lengths in order to further increase this oversized resource use with more economic growth or, at least, not to allow it to shrink.

There is also a big gap between the demands for sustainability and the actions of the federal government with respect to economic and social policy. For more and more people, the German model of a social market economy is a thing of the past.

The politically intended low-wage sector now comprises a third of society, with few opportunities for education and upward mobility and with preprogrammed poverty amongst the elderly. The share of the affluent and of companies in tax revenue in this country has been in decline since the neo-liberally inspired reforms since 1998. For years, there have been laments about growing inequality: The richest parts of society become richer and richer, the middle class is shrinking, the working class is left behind. Most people do not have access to education as an opportunity for upward mobility. There is hardly any other European country where educational opportunities are as dependent on social background as in Germany.

However you look at it: We live in a world where significant economic growth hardly occurs anymore, no matter how hard policy-makers try; even where there is still growth, it does not result in less inequality. The latter can only be countered by active redistribution, with limitations and cuts also at the upper end of the income and wealth distribution. Less poverty inevitably means less wealth for the upper 10 percent. German policy-makers have still not warmed to an active policy of redistribution. If they take the 2030 Agenda seriously, they will have to come up with something.

Opposition to trade agreements is also about sustainability

The fierce controversies in Germany, in Europe, in the USA on free trade agreements such as TTIP or CETA are, fundamentally, debates about sustainability. Discussions about food standards, about protecting services of public interest from commercialisation, about the transparency and democracy deficits of trade policy are ultimately an attempt by a critical public to prevent ecological and social backsliding and preserve room for political action in favour of sustainability.

But Germany's sustainability can also be questioned economically. Germany is piling up export surpluses like no other country – in 2015, they amounted to 247.8 billion euros. Statistically, every person living in Germany has generated 2,750 euros of export surplus vis-à-vis the rest of the world. This is not something for this country to be proud of. Unfortunately, one country's export surplus is inevitably the trade balance deficit of another. It does not take much to understand that it cannot be sustainable if one country year after year increases its export surpluses to ever higher levels, at the expense of the rest of the world and now also to the detriment of cohesion in the EU. The contribution to this book from Greece shows: Germany's economic mercantilism also comes at the expense of other countries' capacity to implement the 2030 Agenda. For German policy-makers, however, the continued increase of the export surplus remains an uncontested *raison d'état*. This is not sustainable.

Instead, German and European trade policies promote a further opening of markets everywhere in the world, with very harmful consequences from a development policy perspective. The example of Africa makes obvious how the complete liberalisation of trade essentially benefits European exporters but thwarts development there, and particularly sustainable development. It is not European agrobusiness that must feed Africa, but African farmers, and those who ruin their markets create the root causes of flight. Blackmailing poor countries by threatening to cut development aid if they do not open their markets to European products, services and investment, as was recently practiced towards Kenya, is simply unacceptable and recalls practices from the colonial era. Development Minister Gerd Müller is right in saying that it is erroneous to believe that Germany could permanently maintain its prosperity at the expense of others. The demand for global redistribution put forward by Minister Müller at the sidelines of the UN Conference on Financing for Development in Addis Ababa in 2015 needs to be transformed into concrete policies, and this applies especially to trade policy. However, so far neither the federal government nor the EU commission is willing to reorient European trade policy – an essential obstacle for a more sustainable economy.

Alternatives to globalisation must be implemented

In discussions on globalisation, people are quick to cite the dogma "There is no alternative". There are always alternatives, and this is also true for the question how to shape globalisation. Of course it is also possible to shape it in a way that does not open all markets to the strongest, but applies careful measures which will ideally allow everyone to enjoy the benefits.

Maybe we should move away from the notion that Germany is a "pioneer" regarding sustainability. In large parts, this country is not a pioneer, but is severely lagging behind. The world does not expect Germany to be a pioneer, but it expects that we finally acknowledge the urgent need for action that exists with respect to our agricultural policies, trade policies and transport policies and in many other areas. And that we draw consequences from this.

Another frequently cited thought pattern is that the sustainability agenda only stands a chance if it is communicated to the population in a controlled manner, as the population should not be overwhelmed. Behind this lies the idea that the “common people” do not hold things like sustainability in high esteem, that such things place excessive demands that cost votes. However, this argument does not withstand closer examination. No-one wants cars that actually consume more than specified. No-one wants meat contaminated with antibiotics from factory farming that is cruel to animals, no-one wants glyphosate in their beer. We also do not know anyone who believes that this country needs even more agricultural exports, even at the expense that more farmers are being ruined economically, not only in Germany but also in Africa.

More and more globalisation, more and more deregulation are not demands by the people, but by the business lobbies. Even where big conflicts were built up in the past, such as the introduction of the deposit on cans, in hindsight they turn out to be not a conflict of policy-makers with “the people” but a conflict of policy-makers with retail business. There is no consumer movement to reintroduce beverage cans, but there are still persistent attempts by retail business to sabotage sustainable multi-cycle systems.

Current election results send a clear message: Voters are fed up with business as usual!

Societies in Germany and in many other countries are at a crossroads. We can no longer sit out problems that have long been suppressed: the ecological crisis is escalating; poverty and conflicts in the Global South lead to a massive increase of migration flows; the social polarisation jeopardises Europe’s stability. “Business as usual” cannot be the name of the game.

At the same time, the dissatisfaction of the population with the established patterns in politics and the rampant loss of confidence in the ability of political elites to solve problems are striking. Around the world, governments resort to more repression if critical public pressure becomes too uncomfortable. This is especially felt by human rights defenders who stand up for access to land and environmental protection.

Under the impact of their numerous crises, the EU states have shifted more and more decisions to the executive; parliaments have suffered a massive loss of influence. But those who discuss behind closed doors amongst their peers eliminate democratic checks and balances and make more mistakes. The election results reflect this. The many losers of a neo-liberal economic policy declared to lack alternatives fight back and push through alternatives – unfortunately not always in the interest of social, economic or ecological sustainability and human rights. The sustainability goals of the UN are a good template for what practicable alternatives can actually look like that don’t require the human rights achievements of the past decades to be sacrificed. They are not a list of demands by protest movements, not a programme by non-governmental organisations, but (at least in theory) official government policy of all states. Many are only now starting to realise that they will have to completely overhaul large policy areas if they want to take the 2030 Agenda seriously. The 2030 Agenda is also an opportunity to regain lost and further dwindling societal cohesion.

Thus, we are talking about nothing less than a fundamental policy shift towards more sustainability. **To this** there is indeed no alternative. More social justice, economic activity in harmony with the ecological limits of the planet, a life in dignity for all humans everywhere. In a nutshell: another world is possible. To this end, German policy-makers must finally tackle the numerous contradictions in their policies instead of continuing to wait them out. That the implementation of the UN sustainability goals might fail just like the implementation of the Agenda 21 – this is an alternative that we do not even want to imagine.

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In the context of the #MailanMerkel [“mail to Merkel”] action, activists with “Deine Stimme gegen Armut” [“Make Poverty History”] call on the Chancellor to push for global justice at the UN summit in New York.

When speaking of poverty we need to talk about wealth

Social inequality and worldwide poverty

BY KLAUS SEITZ

The vision of a world without poverty has been a guiding principle of development cooperation for decades. Already at the World Social Summit in 1995, the international community had committed itself to “the goal of eradicating poverty in the world, through decisive national actions and international co-operation”. And the sentence “Our dream is a world free of poverty” is carved in stone in the lobby of the World Bank Headquarters in Washington, D.C.

Yet in the past, regardless of its proclaimed vision, the World Bank with its structural adjustment programmes contributed to aggravating poverty in many indebted developing countries by dismantling social benefits and pushing for the privatisation of social services. This illustrates to what extent noble aims and political practice diverge in this field.

In the 1990s there were plenty of scenarios, e.g. from the UN Development Programme (UNDP), which

showed that the complete elimination of extreme poverty can actually succeed in the foreseeable future. Nevertheless, the Millennium Development Goals (MDGs) took a more modest approach and wanted to settle for halving extreme poverty by 2015. Apparently, this goal was achieved even before the deadline: The proportion of people who have to live on less than 1.25 US dollars a day was reduced from 47 (1990) to 14 percent (2015) according to the MDG report.¹

Since the income threshold below which poverty is considered extreme was raised to 1.90 US dollars a day shortly after the adoption of the SDGs, and based on a changed methodology for data collection, the World Bank now even asserts that the proportion of the world population living in extreme poverty was

¹ Cf. UN (2015).

reduced from 37 percent in 1990 to 12.7 percent in 2012.² For 2015, it is assumed for the first time that the proportion of the world population living in extreme poverty has dropped to below one tenth.

Of course, this still means that more than 700 million people are affected by extreme poverty. However, these figures only refer to income poverty. Taking the people affected by multidimensional poverty according to the Multidimensional Poverty Index (MPI) into account results in a figure of at least 1.6 billion poor people worldwide.³ If the international community now resolved with Goal 1 of the SDGs to end poverty in all its forms and everywhere and to eradicate extreme income poverty by 2030 (SDG 1.1.), it quickly becomes evident that the states will still have to make huge efforts in the 15 years to come.

The poor are left behind

For the remarkable quantitative successes in reducing extreme poverty that were observed in the past years must not hide the fact that the successes in the fight against poverty are distributed very unevenly and that the gap between poor and wealthy population groups continues to widen.

This manifests regionally: The reduction of extreme poverty is largely due to China's economic dynamism. Between 1981 and 2011, the number of people who had less than 1.90 US dollars a day at their disposal decreased by 753 million. The total number of extremely poor people worldwide decreased by about 1.1 billion in this period. Today, the majority of people suffering from extreme and from multidimensional poverty live in sub-Saharan Africa and in South Asia. In the past decade, the worldwide gross domestic product per capita nearly doubled from about 5,100 US dollars in 2000 to about 10,000 US dollars in 2011.⁴ Despite this gigantic global increase

in wealth, about 339 million people in sub-Saharan Africa and 309 million people in South Asia are living in extreme poverty.⁵

Social inequality is also increasing domestically in many countries: The UN's annual monitoring studies on the implementation of the MDGs have expressed time and again that despite positive development trends at the global level, be it concerning the reduction of hunger and poverty, the access to drinking water or the provision of sanitary facilities, poor and marginalised population groups – especially those living in rural areas – are often not reached.

The poor benefit disproportionately little or not at all from the overall societal advances in development and prosperity. Women are particularly affected by this. Even when they perform wage labour in the formal sector, in many Asian countries for example their living and employment situation has not improved despite the significant economic growth around the turn of the millennium.⁶

The polarisation of incomes has increased in the globalisation process. A growing proportion of the world population lives at the bottom end of the income scale while a growing part of the worldwide income accrues to those at the top. The richest percent of the world population (about 70 million people) have 10 to 15 times the total income of the poorest 20 percent, i.e. of approximately 1.4 billion people.⁷ The disparity is particularly drastic when the global distribution of wealth is considered: Currently, as few as 62 individuals own as much as the poorer half of the world population, i.e. 3.6 billion people.⁸

While the super-rich have been able to further increase their wealth by half a trillion US dollars in the past five years, the total wealth of the poorer half of the population has decreased by a trillion US dollars. With respect to income distribution, the social disparity within most countries has also been consid-

2 Cf. World Bank (2016). The percentages given refer to the total world population, whereas the MDG monitoring mentioned above focuses on the proportion of the population in developing countries living in extreme poverty.

3 Cf. Cruz et al. (2015).

4 Cf. UNDP (2013).

5 Cf. World Bank (2016).

6 Cf. Tungodden et al. (2004).

7 Cf. Milanovic (2011).

8 Cf. Oxfam (2016).

erably exacerbated in the past 20 years; however, the differences in income between the countries are decreasing.⁹

A significant proportion of the world population is excluded from benefitting from the general increase in prosperity and is falling even further behind. This particularly affects the “bottom billion”, the poorest of the poor who can also hardly be reached by many national and international development programmes and who remain excluded from access e.g. to land, water, health services or education. These processes of social exclusion that go hand in hand with growing poverty in a comprehensive sense remain woefully neglected in many poverty reduction strategies that aim to overcome income poverty.

Will humanity’s dream of a world without poverty thus remain a chimera? If the unequal distribution of wealth is not also addressed, it certainly will. Poverty reduction programmes alone will not be able to abolish multidimensional poverty.

Inequality hinders poverty reduction

For a long time, the prevailing view in the economic sciences was that social inequality serves as an incentive for economic growth, from which in turn the poorer income groups will also benefit in the long run. However, more recent studies show that not only does growth in unequal societies increasingly shift in favour of the upper classes and thereby reinforce inequality, but inequality in itself also worsens the long-term perspectives for growth with broad impact. Van der Weide and Milanovic explain this effect *inter alia* by the “social separatism” of the rich elites, who withdraw from state schools and health-care facilities and instead push for the privatisation of public services.¹⁰ They thereby also abdicate their social responsibility.

Richard Wilkinson goes one step further by listing the social costs of inequality and showing that a widening social gap between rich and poor has a harm-

ful effect on society as a whole.¹¹ A starkly unequal distribution of income thus has a negative influence on nearly all indicators, from prosperity and quality of life, state of health and life expectancy to domestic security, educational level and societal cohesion.

However, a higher degree of social distributive justice not only strengthens social coherence and the functional capacity of a society, but in view of ecological limits it is also a prerequisite for sustainably overcoming poverty. Economic growth that is not inclusive leaves the poor behind, violates human rights and destroys the natural foundations of life. Under the conditions of the ecological crisis, in future poverty reduction will only be conceivable by way of limiting wealth.

From this perspective, it is to be welcomed that the SDGs closely link the fight against poverty with the reduction of social inequality within and among the countries. This is not only about creating equal opportunities but also about reducing the unjustified inequality of concrete living conditions. But above all, the guiding principle “Leave no one behind” expresses a commitment to generally focus on the improvement of the living situation of the most disadvantaged.

Of course, the question of unjustified wealth and of the social responsibility of the wealthy is left out of the picture e.g. in targets such as stronger growth of the per-capita income of the poorer 40% compared to the average income. The existing indicators also ignore the goal of reducing social inequality among the nations.

Priorities for the German contribution to poverty reduction and distributive justice

What is the need for action in order for Germany to implement the SDGs with regard to the reduction of social inequality and the fight against poverty?

⁹ Cf. Milanovic (2016).

¹⁰ Cf. van der Weide/Milanovic (2014).

¹¹ Cf. Wilkinson et al. (2010).

Preventing capital flight, strengthening public financing and creating just tax systems

Capital amounting to more than 1,000 billion US dollars flows out of the developing and emerging countries annually, mostly through the tax avoidance practices of transnational corporations and corrupt elites.¹² These illicit financial flows significantly contribute to the South losing more money than it takes in: Every US dollar these countries receive through direct or portfolio investments, through development assistance or through remittances is offset by approximately 2 US dollars that flow out. In order to counter the exacerbation of the global wealth gap, there is an urgent need to close tax loopholes, drain tax havens, increase transparency in the international financial system and strengthen cooperation on tax matters under the aegis of the UN.

Unfortunately, Germany has so far rejected the establishment of an intergovernmental commission on tax matters at the UN level. The “Addis Tax Initiative”, initiated by the German and other governments in Addis Ababa in July 2015, only aims at strengthening tax administration in developing countries, but not at their participation in shaping international rules. Overall, the German government should display a greater commitment to building tax and financial systems based on solidarity and ecology at the municipal, national and global level.

Enhancing social security in the framework of development cooperation

Systems of social security are essential for sustainable poverty reduction. Although the right to social security is anchored in international law in the International Covenant on Economic, Social and Cultural Rights, to this day 73 percent of the world population do not have access to the most important systems of social security. They are not insured against elementary life risks such as sickness, poverty in old age or unemployment.

Against this background, the International Labour Organisation (ILO) has called on the member states to at least introduce universal basic social protection that provides for access to essential medical care and to basic income security. Social security reduces poverty risks and contributes to social balance.

While the Federal Ministry for Economic Cooperation and Development is active in the field of social security, it is very hesitant when it comes to supporting the establishment and financing of universal systems of social security. The austerity policy at the European level pushed for by the German government and the undermining of the welfare state model also do not contribute to Germany taking a leading role in realising the right to social security. The German government would also be well advised to give firm support to the proposal of establishing a Global Fund for Social Protection.

Orienting all policies towards poverty reduction and reviewing compatibility with poverty reduction

The fight against worldwide poverty cannot only be the remit of the Ministry for Development. In many other fields, particularly in trade, economic and agricultural policy, fundamental political orientations are wrong, which contributes to cross-border effects that aggravate the living conditions of the poor in other parts of the world. Importantly, this also applies to the investment practices of private actors, e.g. with respect to land grabbing or major infrastructure projects.

Far-reaching political decisions should therefore be submitted to a systematic assessment of compatibility with human rights that also takes the potential impacts on poor and vulnerable population groups into account. Moreover, the extraterritorial duties of states need to be strengthened, particularly in dealing with corporations operating multinationally.

Disaggregating the data: leave no one behind

Overcoming poverty and reducing social inequality cannot be conceived of and assessed in the categories of income distribution alone. The question of how global advances specifically impact the living situa-

¹² Cf. Kar/Spanjers (2015).

tion of the poorest and most vulnerable population groups must ultimately be judged with respect to all dimensions of the SDGs, from education to health, from food to employment. Every goal should only be regarded as achieved when it has been achieved by all income and social groups. This requires a far-reaching disaggregation of the indicators and the collected data, including with respect to sex, age, income group, social background, urban/rural areas or ethnic groups.

The 2030 Agenda draws on the grand vision of a world without hunger and poverty. This goal need not remain utopian if the strategic levers are employed in the right way and the political will for strengthening the global common good and for more distributive justice worldwide can be mobilised. Germany can contribute to freeing the long overdue discussion about the limits of wealth from taboos and to refining the SDGs in this respect. In any case, the increasing inequality will become a key topic in the political debates of the coming decades.



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Gender equality – an issue in the North and South

BY CARSTA NEUENROTH

The 2030 Agenda for Sustainable Development is a global agenda valid for both the global South and the global North. This also applies to its Sustainable Development Goal (SDG) number 5: “Achieve gender equality and empower all women and girls”. The targets defined for SDG 5 relate to the elimination of all forms of violence against women and girls, including harmful practices (child marriage, female genital mutilation and others). Furthermore, they are about ensuring equal opportunities in political, economic and public life and equal rights to economic resources as well as enhancing the use of enabling technology (in particular information and communications technology) by women. Universal access to sexual and reproductive health and reproductive rights is to be ensured, as well as relief of women and girls with respect to the unpaid domestic and care work they carry out. Moreover, gender mainstreaming is anchored in other goals of the Agenda. It constitutes a great success of the women’s movements that gender equality and empowerment of women and girls have successfully been anchored in the 2030 Agenda as an independent goal.

Gender equality in Germany

No country in the world has completely achieved gender equality and the realisation of women’s rights, including Germany. Germany ranks 11th in the Global Gender Gap Report 2015 of the World Economic Forum,¹ i.e. ten countries have been more successful in reducing gender-based inequality than Germany. These are Iceland, Norway, Finland, Sweden, Ireland, Rwanda, the Philippines, Switzerland, Slovenia and New Zealand. Overall, 145 countries took part in the assessment in 2015. Yemen ranks last.

In the area of economic opportunities and participation, Germany only ranks 38th in the Global Gender Gap Report 2015. This shows the gender-based inequality with respect to labour and income. According

¹ Cf. World Economic Forum (2015), Geneva, p. 8. The Global Gender Gap Report has been published annually since 2006. It measures the extent of gender-based inequality in four areas key to achieving gender equality: health, education, economics and politics.

to the Federal Statistical Office, the average gross hourly earnings of women were 22 percent lower than men's earnings in 2014.² Possible reasons for this significant difference include different career choices by women and men. Women often choose typically female professions, which are usually paid less. Moreover, women more frequently work in precarious jobs, part-time or in mini-jobs than men. Differences in the distribution of women and men across the performance groups also contribute to gender-specific differences in pay.³ So far, Germany has not succeeded in reducing the gender-specific differences in pay, which are among the largest in the EU. Reducing the gender pay gap in Germany should be an important goal of the German government in the context of implementing SDG 5.

Women in leadership positions are rare in Germany. Within the OECD, less than a third of leadership positions are held by women. Germany is even a little below the OECD average.⁴ At only 2.8 percent, the proportion of women in the management boards of listed companies is particularly low in Germany in a worldwide comparison.⁵ Women quickly hit the "glass ceiling" when they want to make use of career opportunities. The German government tries to counteract this through the Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, which stipulates a gender quota of 30 percent for supervisory board members in roughly 100 large companies since early 2016.⁶

Also in Germany the discrimination against women on the labour market is closely linked to traditional gender stereotypes and role attributions. Unpaid domestic and care work is carried out by women to a larger extent than by men. In households with children, the time spent on this work by women in-

creases disproportionally compared to that spent by men.⁷ This leads to interrupted employment histories of women, and in particular of single mothers, which impacts negatively on their incomes and pension schemes. In traditional families with mother, father and children between zero and two years of age, only 31.5 percent of women are employed, compared to 82.6 percent of men.⁸ While the proportion of fathers participating in parental leave and claiming parental allowance is increasing, from 20 percent in 2008 to 27 percent in 2011, mothers use parental leave for a much longer period than fathers.⁹ Germany is only just beginning to break with traditional gender stereotypes and roles in the context of paid employment and unpaid domestic and care work. In this area, too, the fifth goal of the 2030 Agenda is very relevant.

Violence against women and girls is widespread in Germany. A survey by the European Union in 2014 showed that 35 percent of all women in Germany have experienced physical and/or sexual violence since the age of 14, with 22 percent of all women experiencing violence from their current or previous partner.¹⁰ Violence against women and girls is independent of social background, level of education and income. Women and girls affected by violence still file charges all too rarely. The Council of Europe Convention on "preventing and combating violence against women and domestic violence", the so-called Istanbul Convention of 2014, is also an important instrument for the German government, and its implementation should be used for combating all forms of violence against women and girls.

Another form of violence is sexualised violence in war, which does not play a role in Germany but must be taken into consideration in the context of development policy and cooperation. Thus, United Nations Resolution 1325 "Women, Peace and Security" should be mentioned here. By means of its National Action Plan 2013–2016, the German government wanted to strategically align its foreign, development and

² See www.destatis.de/DE/ZahlenFakten/Indikatoren/QualitaetArbeit/Dimension1/1_5_GenderPayGap.html.

³ Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (*Bundesministerium für Familie, Senioren, Frauen und Jugend*, BMFSFJ) (2013), p. 70.

⁴ OECD (2012), p. 130.

⁵ World Economic Forum (2015), p. 20.

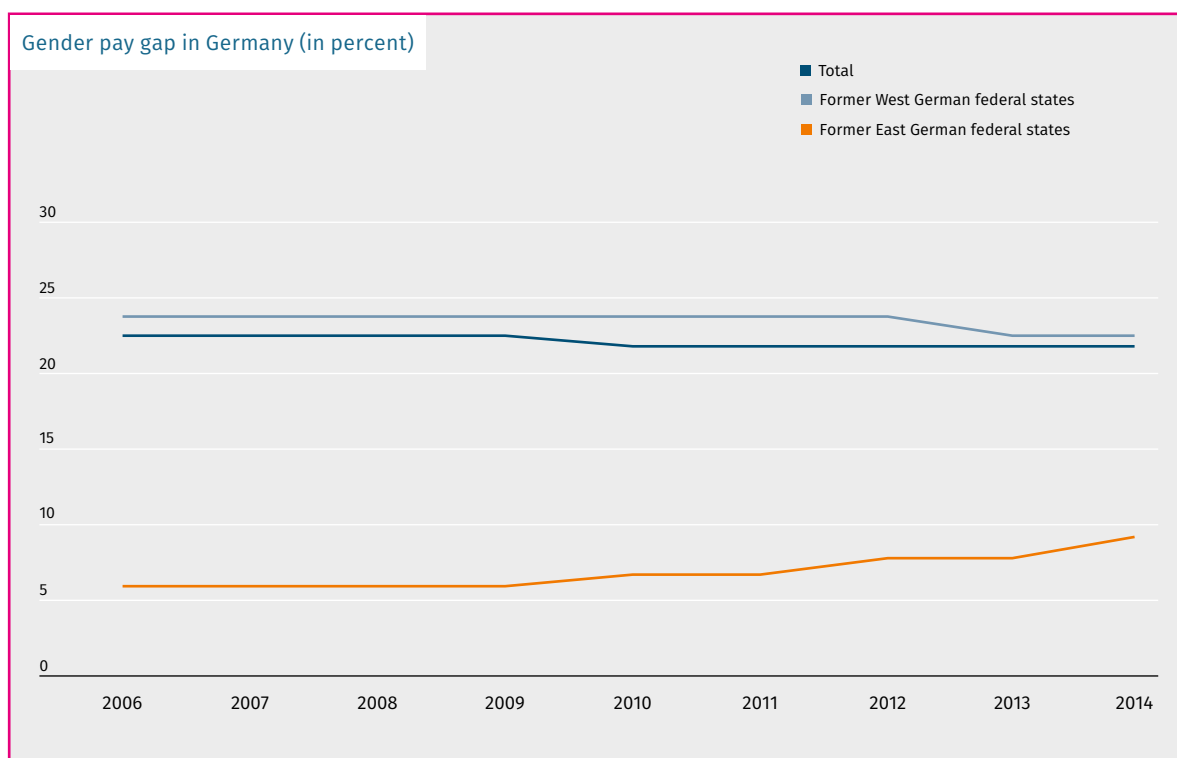
⁶ Cf. www.bmfsfj.de/BMFSFJ/gleichstellung,did=88098.html.

⁷ BMFSFJ (2011), p. 174.

⁸ Friedrich Ebert Foundation (2016).

⁹ BMFSFJ (2013), p. 60.

¹⁰ European Union Agency for Fundamental Rights (2014), p. 19.



Source: www.destatis.de/DE/ZahlenFakten/Indikatoren/QualitaetArbeit/Dimension1/1_5_GenderPayGap.html

security policy commitments in this topic area. However, the results have not been satisfactory. While the rights of women and children in armed conflicts were strengthened in the framework of numerous projects, the resolution has not yet been implemented coherently in all relevant policy fields. VENRO has therefore called on the German government to review the National Action Plan on the implementation of Resolution 1325 “Women, Peace and Security” and to develop it further thematically in order to take the global challenges to peace, development, justice and security into account.¹¹ The significance of the role of women for peace and security in connection with Resolution 1325 was also highlighted in the current G7 declaration in Japan.

Germany has ratified further international treaties that promote gender equality, such as the Convention on the Elimination of all Forms of Discrimination

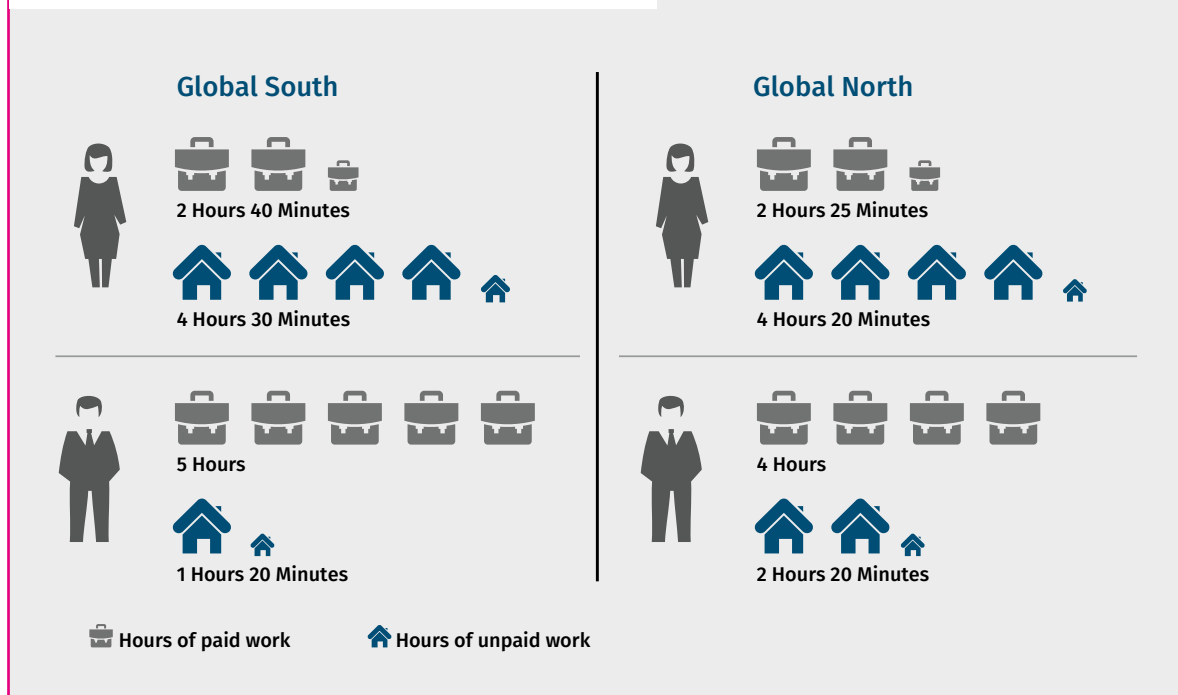
Against Women (CEDAW). The German government regards the Beijing Declaration and Platform for Action developed at the World Conference on Women in 1995 as an important guideline for gender equality policy in Germany.¹² However, in both cases the respective German governments did little over the years to make the conventions known to the public and to establish systematic and verifiable implementation processes with adequate financing and civil society participation.

The respective German governments have shown little ambition in implementing gender mainstreaming. While gender mainstreaming was anchored at the federal level as a strategy for achieving gender equality in the late 1990s, it was not consistently implemented, and less so over time. At the state level, gender mainstreaming is still more present.

¹¹ VENRO (2016a).

¹² BMFSFJ (2015), p. 52.

Daily working hours of women and men, including unpaid work



Source: UN Statistics Division (2015)

However, gender budgeting was never applied to the public budgets, including the federal budget. While the Federal Ministry for Economic Cooperation and Development (*Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung*, BMZ) considers gender budgeting a fundamental instrument for making gender equality transparent in the budget, the German government is not making any efforts to fulfil the corresponding national and international obligations in its own budget policy.¹³ It is claimed that the German cameralistic budget system is not compatible with the operating principles of gender budgeting. In future, gender mainstreaming should be applied more extensively again at the federal level, and gender equality should also be reflected concretely and transparently in public budgets (gender budgeting). For this purpose, the German government could, for example, decide on a uniform approach in drafting the budget plan for 2018 to 2023.

Implementing gender equality in development cooperation

The economic empowerment and promotion of women has become an important topic in the framework of international cooperation. For example, the German government placed it on the agenda of the G7 summit during its presidency in 2015. The Japanese presidency followed up on this in 2016. However, for the implementation of gender equality in the framework of development cooperation, the projects of the BMZ are particularly significant.

In 2014, the BMZ published the cross-sectoral strategy “Gender Equality in German Development Policy”, in which it confirms that German development policy remains firmly committed to gender equality and women’s rights. Topic areas include poverty reduction, access to justice, voice and political participation, rural development and food security, violence against women and girls, armed conflicts and peace building, education, employment and economic empowerment,

¹³ VENRO (2015).

climate change and sustainable development, health, including sexual and reproductive health and rights.

The strategy introduces the BMZ's new three-pronged approach to development policy, which complements the existing elements of the gender approach, namely gender mainstreaming and empowerment of women and girls, with the high-level bilateral and multilateral development policy dialogue. It is to be firmly established in the sector policy dialogue and in policy advice.¹⁴ The BMZ has thereby introduced an important instrument for promoting gender equality and the realisation of women's rights in development cooperation.

In order to put the cross-sectoral strategy on gender equality into practice, the BMZ published the second Gender Action Plan in February 2016.¹⁵ It refers directly to the 2030 Agenda for Sustainable Development (Sustainable Development Goals, SDGs). This has created a good basis for taking gender equality into account in Germany's implementation of the Agenda.

VENRO was constructively involved in drafting the Gender Action Plan but found upon publication of the document that the BMZ did not include any concrete indicators for measuring progress in the implementation of the Gender Action Plan. It also remained unclear how the necessary coherence with other relevant BMZ strategy papers and strategies is to be achieved. Moreover, it is not stated how gender equality is to be institutionally anchored in the BMZ. Despite these deficits, the Gender Action Plan represents an ambitious framework for promoting gender equality in the coming years.

Regrettably, this ambition is not reflected in the so-called road map of March 2016. The BMZ has decided to substantiate the implementation of the Gender Action Plan by means of annual road maps. But the first road map falls short. Important areas of action, such as the elimination of multiple discrimination and the empowerment of women's organisations, are not

taken into account. Moreover, the Gender Action Plan and the road map set different priorities. This makes the entire process unclear and the monitoring more difficult. Currently, VENRO has serious doubts whether the road map makes an adequate contribution to the implementation of Goal 5 on gender equality and to gender mainstreaming in other goals.

VENRO has therefore called on the government to retrospectively formulate measurable indicators for implementing the Gender Action Plan and to finance and include ambitious measures for achieving gender equality in the National Sustainable Development Strategy as a central instrument for implementing the SDGs in and by Germany.¹⁶ The draft published in late May already points in the right direction.

¹⁴ BMZ (2014), p. 3.

¹⁵ BMZ (2016).

¹⁶ VENRO (2016b).



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Migration and refugees and Germany's responsibility

BY THOMAS GEBAUER AND RAMONA LENZ

While migration played a minor role in the *Millennium Development Goals* (MDGs), it is now an integral part of the *Sustainable Development Goals* (SDGs). Target 10.7 of the Sustainable Development Goals reads: “facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.” Apart from this explicit reference to migration in the SDGs, many of the 17 goals and 169 targets concern root causes of flight and migration. The elimination of poverty, the realisation of the right to health, justice, peace and a responsible use of resources – all these are prerequisites for people being able to freely choose where to live.

The Global Migration Group (GMG), which consists of 17 UN organisations and the International Organisation for Migration (IOM), was formed for the purpose of clarifying the migration-related Sustainable Development Goals. So far, its meetings have mainly dealt with the development of indicators for measuring progress in the area of migration. Representatives of civil society also took part in the meetings. The GMG

has demanded that the “historic opportunity” be seized in order to improve migration governance.

The participation of UN organisations, the IOM and non-governmental organisations (NGOs) in the development and implementation of migration policies indicates a fundamental transformation of the political, which has been observable for years and also characterises the SDG process. Critically accompanying the 2030 Agenda therefore requires also looking at how intergovernmental and non-state actors deal with the SDGs.

This seems indispensable also because the goal of “facilitating orderly, safe, regular and responsible migration” through “well-managed migration policies” is still very vague and difficult to measure. This was also criticised by the GMG. However, the political indeterminacy is not removed by specifying quantifiable indicators. There is a risk that flight and migration are not oriented towards human rights criteria, but towards utilitarian criteria of the destination countries, especially since business are also involved.

What is problematic about the definition of “regular migration” is the concurrent establishment of “irregular migration”, which creates the basis for justifying the exclusion of human beings. An indicator that measures the progress in goal attainment by the number of victims of human trafficking can be met by opening legal paths to immigration, but also by criminalising border crossing assistance. Civil society actors are called upon not to let themselves be co-opted by a utilitarian refugee and migration policy and to counteract the instrumentalisation of human rights.

Misguided policies as root causes of migration

After Germany was rightly praised for its welcoming culture in 2015, things have changed again: The “Balkan route” is more tightly closed than before, the machinery of deportation towards Turkey has been set in motion, and the number of countries classified as “safe” by German government representatives that are anything but safe for refugees has jumped up. At the same time, everyone is talking about combating root causes of migration. However, on closer examination the programmes of the German government and the EU that are supposed to help promote the protection of refugees and combat root causes of migration turn out to be measures for combating flight and migration themselves. They are not about the safety of refugees and migrants, but about sealing off and safeguarding one’s own territory through externalised border protection.

Turkey is not the EU’s first dubious cooperation partner in matters of stopping refugees. Already since the Rabat conference in July 2006 and the Khartoum Process initiated in November 2014, the EU launched numerous action plans, programmes and projects for checking the number of refugees and migrants ideally before their arrival at the European external borders. While the Rabat Process focuses on West and North Africa, the Khartoum Process mainly addresses the Horn of Africa and the route via Niger.

Negotiations about the safety of refugees are conducted with the governments of countries such as Eritrea or Sudan, which have committed serious and systematic human rights violations and which

are often themselves the reason for people fleeing. While this is declared as development cooperation, it is in large part about training local security forces that are to provide effective migration and border management in future.¹ It cannot be ruled out that the governments of these countries will deploy the security forces trained with these funds for oppressing their own civil society or accept funds without stopping the human trafficking, which they profit from themselves and which is even more lucrative with reinforced border protection.²

Subsidised agricultural products from Germany dumped on African markets, food speculation, land grabbing and the use of farmlands for producing biofuel for the global North instead of food urgently needed for feeding the local population are further aspects of misguided policies producing causes of migration such as hunger and poverty. The German Ministry for Development also declares its participation in the restructuring of African agriculture after the European model as development cooperation – allegedly for the purpose of fighting hunger, while in fact it caters to the interests of international agribusiness. Critics are warning that more than 100 million small farmers could be deprived of their livelihood in the coming years.³

The *Economic Partnership Agreements* (EPAs), which the EU concludes with African, Caribbean and Pacific countries, ACP countries for short, lay down in treaties what pushes people to flee: namely that Europe hardly needs to pay any taxes for accessing relevant

1 Cf. European Union (2015). Concerning the implementation of these measures for “better migration management”, this EU paper on the Khartoum Process explicitly mentions the German governmental development organisation GIZ. The above-mentioned IOM and the UNHCR, which now see the 2030 Agenda as an opportunity for better control of migration, are also involved in these processes. For instance, the IOM has recently opened an EU-funded office in Niger whose explicit task is to prevent people from continuing their journey towards North Africa and Europe. And for years the UNHCR has been supporting governments in countries such as Morocco and Turkey in perfecting their selection mechanisms for the purpose of distinguishing between “real refugees” and “illegal migrants”.

2 Cf. Weber (2016).

3 Cf. Humburg/Bommert (2015).

resources and can also export goods customs-free e.g. to African countries, while these countries must pay all kinds of licence fees: for patented seeds, medication, communication technology etc.

Moreover, arms exports and military interventions dominated by self-interest as well as the facilitation of tax flight and avoidance, the privatisation of public services and the way of life and mode of production of the global North that are harmful to the climate contribute to producing causes of migration. If the social destabilisation and the destruction of livelihoods are not stopped, the silent perishing of human beings that is hardly perceived in these parts will continue. Only very few will succeed in fleeing to Europe. For most refugees are internally displaced, and the vast majority of those leaving their countries remain in neighbouring countries in the region.

Misguided asylum policy

The erosion of the right to asylum started in 1993 and continued in late 2015 with the asylum packages I and II in the slipstream of what many deemed the “biggest refugee crisis since World War II”. However, the measures taken by the Federal Republic of Germany for reducing the number of people taking refuge in Germany are not confined to the national territory. The German Minister of the Interior, Thomas de Maizi re, admonished that “refugee policy must not begin only at Germany’s borders”, that a “concerted, interlocked, networked common strategy” is necessary for strengthening the rights and the safety of the refugees. But how little this is about the rights and safety of refugees becomes clear when we look at some of the countries that are judged safe by government representatives and with which Germany and the EU cooperate or aim at cooperating so that they stop or readmit refugees.

Human rights violations in these countries, which are often a reason for flight, are condoned, and further actions violating human rights are even encouraged by urging governments to keep the population within the country. This contradicts Article 13 of the Universal Declaration of Human Rights, according to which everyone has the right to leave any country.

This illustrates the problematic core of the dominant security discourse. When security is mentioned today, then as a rule the focus is not on the safety of those who are most in need of it, the poor and destitute, but only on the safety of the privileged, the protection of the dominant status quo, much as it may be characterised by social inequality. Since security policy makers principally locate the dangers that might threaten the status quo only in external relations, their efforts towards security mainly aim at drawing boundaries.

Approaches for a responsible migration and asylum policy

According to the principle of common but differentiated responsibilities formulated in Rio in 1992, Germany must take responsibility to the extent that corresponds to its financial and technological resources, its contribution to environmental destruction and climate change and its share in producing further causes of migration, historically and presently.

At the national level, Germany should take the recommendations of the Council for Migration⁴ seriously. Instead of the planned Integration Act – which demands integration efforts unilaterally from immigrants – this would mean thinking about an integration contract that looks at factors for disintegration such as lack of jobs, lack of affordable housing, lack of perspectives and the increasing inequality between rich and poor as obstacles to integration for everyone. The transfer of competences for matters of refugees, migration and omnilateral integration from the Ministry of the Interior to another, possibly specially created ministry, also suggested by the Council for Migration, could reduce the one-sided focus on the security aspect.

Concerning the situation of asylum seekers in Germany, which has deteriorated with the asylum packages I and II, there are a number of demands that must be met so that they can live here in dignity. These in-

⁴ The Council for Migration is an alliance of more than a hundred researchers who critically accompany the migration and integration policy of the German government.

clude sufficient health care, the facilitation of family reunion and the elimination of the residency obligation. At the European level, creating safe and legal paths for immigration to offer protection, stopping the fight against refugees labelled as a fight against smugglers and ending unlawful pushbacks are the order of the day. The Dublin Regulation, according to which the first country in which asylum seekers enter EU territory is responsible for their procedure, must be repealed, and richer EU countries further north must take on more responsibilities. It cannot be that Greece with its high debt has to bear the brunt of admitting refugees. All in all, Germany and the EU – in keeping with their role in the world – must admit more refugees and migrants and create legal and safe access paths for this purpose.

Including the domestic expenditures for refugees in the official development cooperation funds as a proportion of the gross national income (GNI) should be ruled out for Germany as for other OECD countries (cf. also [chapter II.23](#)). While domestic expenditures for refugees are very important and should be increased, they do not contribute to the social and economic development in the partner countries of development cooperation.

With respect to development cooperation, Germany and other donor countries must refrain from conditioning funds by linking payments to a quid pro quo e.g. on border protection and migration control. Cooperation on migration policy with dictatorial regimes that systematically violate human rights must be ruled out. Quite generally, the policy of shifting the external borders and the criminalisation of migration are to be refrained from. Profound interventions in countries of the global South that cause structural changes and are declared as development cooperation or use development cooperation as leverage but mainly serve the economic interests of donor countries and international corporations must not occur.

Instead of arms exports and military interventions that prioritise self-interest, contributions must be made to end wars and persecution. People fleeing from war, violent conflicts or persecution because of their “race, religion, nationality, political opinion or

membership of a particular social group” are entitled to refuge and protection within the meaning of the 1951 Refugee Convention. As important and worthy of protection the 1951 Refugee Convention and the right to asylum are, they need to be complemented by international norms regulating migration outside of war and political persecution. The legal status of climate refugees, for example, or the opportunities offered by circular migration should be considered in this context. But also the question of compensating the countries of the South, which have been contributing to alleviating the lack of skilled workers in the North for decades through the so-called brain drain, should be raised anew.

Concerning climate change and environmental destruction, the countries of the global North with their mode of production and way of life have a particular responsibility to work towards limiting environmental destruction and resource use and to support those countries and people who suffer most severely from the consequences. Moreover, to combat poverty and inequality a just tax system must be introduced that offers global solutions beyond national regulations in order to thwart tax flight and avoidance so that more tax money can be used for public services.

The threat to public services is also the reason why the Economic Partnership Agreements (EPAs) between the EU and the ACP countries must be ended immediately. Blackmailing the poorest countries by threatening to cease development cooperation if they do not open up their markets to European products, services and investments, as was recently practiced towards Kenya, is unacceptable.⁵ Moreover, the misguided agricultural policies of Germany and the EU must be ended, and the land rights of small farmers in the global South must be safeguarded in order to prevent land grabbing, water and resource theft. At the same time, they must be protected from dumped products from the global North.

To put it positively, we need alternatives to the dominant profit- and growth-oriented economy, such as further developing cooperative ideas, implement-

5 Cf. Zierhut (2015).

ing international social and labour standards and contemplating how public services can be expanded beyond all borders and ensured e.g. through an International Health Fund, as medico international has been demanding for many years. The German government is called upon to actively participate in creating a global social infrastructure that guarantees all people, everywhere, access to education, health and other essential common goods.

The German Minister for Development, Müller, who acknowledged that it would be erroneous to assume that Germany could permanently realise its prosperity at the expense of others, should be taken seriously. The demand for global redistribution put forward by Minister Müller on the sidelines of the UN Conference on Financing for Development in Addis Ababa in 2015 needs to be transformed into concrete policies in order to make progress in eliminating the root causes of migration.



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Demonstration for the establishment of a binding international treaty on the human-rights obligations of companies.

Human rights in the global economy

BY SARAH LINCOLN

Time and again, German companies are directly or indirectly involved in human rights violations abroad. This not only concerns the catastrophic working conditions in Asian textile and electronics factories; the extraction of metals or other resources needed for many products is also particularly problematic. For instance, copper, whose extraction has resulted in violent land-use conflicts and environmental pollution in Peru, is used in German cars.¹ In global agriculture as well, German companies contribute to displacement from land, environmental pollution and health hazards. For example, German chemical companies sell highly poisonous pesticides in the global South without taking sufficient care to inform farmers of the health hazards and necessary protective measures.² A study of the University of Maastricht from 2015 has evaluated more than 1,800 human rights complaints against the private sector in the period from 2005 to 2014. Of these, 87 concern

German companies; there are only four countries with more complaints against their companies.³ The International Peace Information Service stated in a report from 2014 that there were numerous accusations of contributions to human rights violations against 23 of the studied DAX 30 companies in Germany in a ten-year period.⁴ Those affected by these human rights violations usually have few means at their disposal for defending themselves. The companies are rarely held accountable, neither where the violations occur, nor in the countries where corporations are registered and make profits. Those who resist are subjected to massive repression. Often, companies act hand in hand with state security forces.

³ Cf. Kamminga (2015).

⁴ International Peace Information Service (IPIS) (2014), Annex C: Sources for human rights risk and impact concerns – DAX 30 (Germany).

¹ Bread for the World (2016), pp. 6-17.

² Bread for the World/ECCHR et al. (2015).

Corporate responsibility in the 2030 Agenda and the international status quo

The future shape of the global economy is a central topic in the 2030 Agenda. Goal 8 is about creating decent work for all and the eradication of forced labour, slavery and child labour. Goal 12 aims for sustainable consumption and production patterns. Especially large and transnational companies are to be encouraged to adopt sustainable practices and to integrate sustainability information into their reporting cycle. Adverse impacts of chemicals on humans and the environment are to be minimised. Public procurement is propagated as a means of promoting sustainable practices. While the concrete demands on governments and companies are rather vague, they should be interpreted and implemented in the light of existing human rights obligations, just like other goals. The global human rights treaties and the UN Guiding Principles on Business and Human Rights adopted by the UN Human Rights Council in 2011 serve as reference points for implementing Goals 8 and 12 in conformity with human rights. The Guiding Principles contain recommendations for states and companies in the area of business and human rights. According to them, companies are responsible for identifying human rights risks in their business activities and relationships, ending potential negative impacts and communicating transparently about these processes. Moreover, the UN Guiding Principles confirm the state duty to protect individuals from human rights violations by companies through adequate policies, regulations and adjudication and to ensure access to judicial and non-judicial grievance mechanisms for those affected.

While the UN Guiding Principles tread carefully concerning the recognition of a legal obligation to regulate business operations abroad and identify obligations requiring action mostly in the area of public procurement, foreign trade promotion and state-owned companies, the United Nations committees responsible for the interpretation and monitoring of the global human rights conventions go further in their practice.⁵ For instance, in its General Comment

on Business and Children's Rights, the Committee on the Rights of the Child describes an obligation of home states of transnational companies to ensure the protection of children against exploitation in the global supply chains.⁶ In the periodic monitoring procedures for the implementation of the Convention on the Rights of the Child, the committee now regularly calls on the state parties to strengthen regulations for companies operating abroad. For example, it made a recommendation to the French government to legally require French companies to respect human rights and environmental protection in their global business relationships.⁷ Already in 2012, the Human Rights Committee called upon the German government to urge companies domiciled in Germany to respect human rights in their business relationships and to improve access to German courts for those affected by human rights violations.⁸ The 2030 Agenda also formulates a responsibility of all states beyond their borders and thus implicitly refers to the extraterritorial human rights obligations of the UN member states.⁹

State of implementation in Germany

So far, German companies have been insufficiently fulfilling their human rights responsibility in their business operations abroad, and a clear framework from the German government is lacking. Only very few German companies seriously address the requirements of human rights due diligence. While many of the DAX 30 companies acted voluntarily in the context of so-called corporate social responsibility (CSR) in the past years, unfortunately many of these CSR programmes only scratch the surface instead of addressing the central human rights risks and their causes.¹⁰

⁵ Klinger/Krajewski/Krebs/Hartmann (2016), p. 18.

⁶ Committee on the Rights of the Child (2013), para. 43. General comments are a form of interpretation of global human rights treaties by the responsible UN treaty bodies.

⁷ Committee on the Rights of the Child (2013), para. III A22.

⁸ Committee on the Rights of the Child (2013), para. C. 16.

⁹ Kercher/Mahler (2015).

¹⁰ Cf. Germanwatch/MISEREOR (2014) and CorA Netzwerk für Unternehmensverantwortung: Steckbriefe [www.cora-netz.de/cora/steckbriefe/].

Studies from the past years also demonstrate the limits of voluntary initiatives of companies: For instance, a European team of researchers studied the impacts of voluntary measures of companies in the areas of environment and labour standards in 17 countries. The key finding of the study from 2013 is that voluntary CSR measures have very little impact. The study recommends more regulation as a stimulus for changing the business policies of companies.¹¹ A recent analysis from the UK arrives at the same result. 161 self-regulatory approaches from all areas of life were investigated, and the result is clear: Be it the reduction of greenhouse gases in Canada, the aggressive marketing of medication in Sweden or the protection of albatrosses in New Zealand: voluntary recommendations completely failed in 80 percent of the cases, whereas legal requirements mostly resulted in the desired behavioural change within a short time.¹²

Nevertheless, the German government has so far limited itself to non-binding recommendations for companies and has missed a number of opportunities to more effectively strengthen corporate responsibility in the recent past. Germany thus lags behind in complying with international requirements, including the Sustainable Development Goals 8 and 12.

Firstly, this concerns the area of public procurement, which is emphasised in Target 12.7 of the 2030 Agenda through the provision for promoting sustainable practices in public procurement. With Directive 2014/24/EU, the EU has explicitly allowed the anchoring of social and ecological criteria in public tendering and procurement procedures. However, with the German implementation act, which entered into force on April 18, 2016, the German government falls considerably short of the range of possibilities opened up by the EU for managing public procurement in the interest of sustainability.¹³

This applies similarly to the reporting of large companies on social and ecological risks, which is an-

chored in Target 12.6. In this case, the impulse also came from the EU with the directive on strengthening the non-financial reporting of companies in their consolidated management reports.¹⁴ And in this case, too, the German government has taken a very restrictive implementation path. According to the government's current plans, only publicly traded companies with more than 500 employees are to report on negative impacts on humans and the environment, and only if they are very likely severe and relevant for business performance. There is no obligation to report if the disclosure of corresponding information could cause considerable harm to the company. These restrictions make it very unlikely that reporting on social and ecological risks is transparent to consumers, and they undermine the intention of the directive.¹⁵

With the National Action Plan for Business and Human Rights, which has been developed under the aegis of the Foreign Office since November 2014, the German government has announced ambitious measures for strengthening corporate responsibility. The Action Plan is to implement the UN Guiding Principles on Business and Human Rights and is to be adopted in September 2016.

Although the implementation process was off to a good start and comprehensive reform proposals were discussed with civil society and business in comprehensive hearings on eleven topics, a very weak result now seems to be emerging. Neither a substantial reform of public procurement or promotion of foreign trade nor binding due diligence obligations for companies are to be expected. Instead, it is safe to assume that the recommendations will remain non-binding for now. While a spot check of the due diligence processes of large companies is planned for 2020, the failure to implement human rights due diligence does not result in any sanctions against companies.

11 Cf. CSR Impact (2013).

12 Royal Society for the Protection of Birds (RSPB) (2015).

13 CorA (2015).

14 European Union (2014).

15 CorA (2016).

In international comparison

The German measures for strengthening the human rights responsibility of companies are weak also in international comparison. Recently, the UK passed the Modern Slavery Act. The act is directed against modern forms of slavery and legally requires large companies to report on risks related to this in their company and in the supply chain and to explain what measures they have taken for assessing and handling these risks. California has had a similar law on the books for some years now. The United States also have the Dodd Frank Act, which requires companies to disclose the origin of certain resources. This is to prevent the trade in so-called conflict resources from financing the civil war in the Democratic Republic of the Congo.

In France, the debate goes beyond mere reporting obligations. The French National Assembly approved a law in March 2016 on second reading according to which large French companies are required to identify human rights risks and to prevent these risks from manifesting. This includes risks of subcontractors and suppliers. The proposed law is now before the French Senate for the second time.

At the international level, too, several governments have taken the initiative and are currently working on a binding international treaty for regulating transnational business activities at the United Nations. Germany already voted against this project in 2014 in the United Nations Human Rights Council, together with the other EU member states, and is still boycotting the negotiations of the intergovernmental working group that was established following a majority decision.¹⁶

Looking ahead

Goals 8 and 12 of the 2030 Agenda illustrate that a social-ecological transformation requires a fundamental change in the global economy and that decent work and social-ecological production patterns play a central role. Increasingly deregulated markets in which investment rights take priority over human rights and environmental protection are contrary to these goals. The international community must distance itself from free trade regimes detrimental to social and ecological standards and instead must decide on binding international requirements for the protection of humans and the environment in the global economy.

Germany should participate in the negotiations on a binding treaty on business and human rights at the United Nations. Moreover, Germany has to take existing obligations to protect human rights that derive from the UN Guiding Principles and the human rights treaties seriously and hold German companies to account more firmly. Besides effective incentives via public procurement and foreign trade promotion, human rights due diligence obligations must be legally anchored, also with respect to subsidiaries and suppliers abroad.¹⁷

¹⁶ Martens/Seitz (2016).

¹⁷ What such a law might look like is demonstrated by two recent studies: Klinger/Krajewski/Krebs/Hartmann (2016) and Scheper/Grabosch (2015).



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Demonstration for freedom of the press in Berlin.

Between vision and reality

Why democratic structures are a basic prerequisite for the SDGs

BY MARIE-LUISE ABSHAGEN

One could argue that the 2030 Agenda and its Sustainable Development Goals (SDGs) are imbued with a democratic spirit. The countries of the world negotiated them with each other and adopted them together. In the Agenda, they firmly established that the goals apply to all UN member states and accordingly should be implemented by all of them. And they involved citizens, civil society and interest groups of all kinds and from all regions of the world extensively in the development process. Not without reason, the motto of the Agenda is “Leave no one behind” – which means that everyone is to be taken into account through and by the Agenda. The equality of all people and the common good are the driving forces behind the Agenda. For this purpose, it lays down the protection of basic liberties, the participation of all social groups in decision-making processes and the elimination of undignified living conditions as well as the conservation of the global commons. SDG 16 (which is one of the goals the German government

was particularly committed to in the negotiation process) also sets targets for the rule of law, combating corruption, transparent institutions and access to information, among others.

So much for the vision. Which seems pretty far away from the world’s reality right now. Wars, social unrest, droughts and hunger worldwide. People fleeing from violence or a life in poverty. Steadily growing nationalism and racism emerging as a reflex to this in the economically richer parts of the earth. Increasing resource use, environmental destruction, climate change, terrorism. And as a cause and result of all these crises also setbacks in the development of democracies, spreading authoritarian tendencies, restriction of basic liberties, of civil society and the press. All this illustrates: Without functioning democratic structures (also including peace and security), implementing the SDGs is going to be difficult.

Democratic deficits in Germany and Europe

With respect to the SDGs, it is easy to fall into the logic of considering them mainly as development goals and primarily focusing on the improvement of living conditions and political structures in countries of the global South. Without doubt, this is a fundamental aspect of the 2030 Agenda. States are to support each other in their sustainable development. Its distinctive feature, however, is that it also applies to the countries of the global North. Especially in Europe and Germany, however, we are faced with the strengthening of movements, parties or even governments that are undemocratic or hostile to democracy, while the established political actors are struggling to retain their legitimacy and relevance.

Though often used, democracy is not a concept easily grasped. Whereas in its ancient basic form it mainly concerned the political organisation of a community, its definition in the German constitution, for example, goes far beyond participation structures and also includes citizens' rights and liberties and the responsibility and independence of the political sphere. Others in turn, such as the advocates of the concept of the Economy for the Common Good, stretch democracy further and define it beyond state borders and even generations and also consider the orientation towards the common good or even towards global sustainability as an essential aspect of a democratic society. Books could be filled with the nuances of democracy (also with its negative sides such as imperialism with all its consequences). Particularly in times of increasingly simple right-wing political rhetoric, it is important to highlight: Democracy is more than majority rule. Rather, the principles of a democratic system must encompass central aspects such as 1) Do policy-makers act in the interest and for the good of all people? 2) Does political decision-making follow democratic, participatory and transparent rules? 3) Is the protection of basic liberties ensured?

Do the political institutions act in the interests of the citizens?

Democracy is politics for the people – this means that political decisions and actions must centre on

the equality of all people and their opportunities in life. But in fact, reality shows an enormous exacerbation of inequalities. The 2016 Oxfam publication according to which one percent of the world population owns more wealth than all the rest drew a lot of attention.¹ This trend has also affected European countries, as has been pointed out in recent years by leading economists such as Thomas Picketty, as well as the OECD. Unemployment in Spain was at 20.4 percent in March 2016, youth unemployment in Greece was at 48.9 percent.² Millions of people in Europe are threatened by homelessness or are already homeless.³ In Germany, income inequalities mainly affect marginalised groups. In mid-2016, the proportion of unemployed people threatened by poverty was at 58 percent.⁴ Meanwhile, the greater the social inequality in a country, the lower the political participation of social groups poor in terms of income and education. These people are thus less represented in the political sphere, there is hardly any advocacy for them, and they are taken into account to a lesser extent in political decisions.

The governments and established parties in Europe have not found any answers to these widening gaps in the societies and the growing inequalities, or have even furthered them. For example, in Germany, the Agenda 2010 of the SPD-led government mainly focussed on the expansion of the low-wage sector. Concerning differences in pay between men and women, Germany is bottom of the league in European comparison. In France, a labour law reform restricting the rights of workers and e.g. simplifying layoffs is currently to be implemented in the face of enormous social protests. In the UK and other countries, the privatisation of health care is being pushed – with cutbacks mainly concerning access to and the scope of services. And the disclosures of Lux Leaks and the Panama Papers show how little the political elites are interested in creating fairer and more transparent

1 Oxfam (2016).

2 Eurostat (2016).

3 European Observatory on Homelessness (2014).

4 Deutscher Paritätischer Wohlfahrtsverband – Gesamtverband (2016).

tax systems. All these factors result in people fundamentally turning their back on political institutions. According to a Europe-wide survey, more than 60 percent of EU citizens have no trust in their national parliaments and governments.⁵

The major parties are being punished for this throughout Europe with a loss of votes and members. Parties (AfD, Front National, UKIP, Dansk Folkeparti, FPÖ, Perussuomalaiset) that have anchored undemocratic principles mainly towards minorities in their statutes and agitate against the basic freedoms of religion, gender, sexuality, the press or the judiciary increasingly benefit from the dissatisfaction with established parties. All those who are weaker or different, be they refugees, homosexuals, single parents, unemployed, religious minorities, fall by the wayside.

Does political decision-making follow democratic rules?

Democratic institutions must be based on openness and accountability. A lack thereof contributes to disenchantment with politics. The decisions of policy-makers, which often lack transparency or legitimacy, have a direct impact on people's lives.

For instance, this applies to various current developments in the framework of the EU, the level to which political decisions are increasingly being shifted. Example 1: The Euro crisis, during which the Eurogroup directed the bank bailout and also decided on the austerity measures for Greece. The Eurogroup only meets informally, has no treaty-based or democratic legitimacy and only publishes a summary, but no minutes of its meetings. Example 2: The European Commission's programme of measures for better regulation, adopted in May 2015, which is intended to simplify legislation in the EU and reduce burdens for companies. In fact, it promotes far-reaching efforts at deregulation and goes hand in hand with the establishment of two new bodies without democratic control. Example 3: The preliminary application of trade treaties such as CETA or TTIP, whose parts

may enter into force under exclusive EU competence before national parliaments can vote on them.

In addition, the influence under which such political decisions are made is often not sufficiently transparent. In particular, the exertion of influence on policy-makers by corporations has severe impacts on sociopolitical decisions. The example of the automotive industry, one of the most important lobby groups in Germany: Between 2010 and 2014, its donations to the parties represented in the German parliament amounted to approximately six million euros. During the same period, it became publicly known how extensively the car industry had been involved in the development of the efficiency label for cars and the EU directive on CO₂.⁶ The example of trade policies: In 2015, Corporate Europe Observatory (CEO) convincingly showed that 88 percent of the TTIP lobby talks between representatives of the EU and interest groups were held with corporate lobby groups, and, in comparison, only 9 % with non-profit organisations.⁷ In addition to the influence on legislative processes, there are lawsuits brought by companies against democratic decisions, such as the lawsuit brought by Vattenfall against Germany because of the nuclear phaseout, by Philip Morris International against Uruguay because of a stricter law on cigarette packaging, or by Monsanto against California because of plans to classify glyphosate as carcinogenic.

Is the protection of basic liberties ensured?

Democracy includes the possibility of open criticism. Freedom of expression and the press is its central foundation. According to Amnesty International, however, the freedom of expression and the press was arbitrarily restricted in at least 113 countries in 2015.⁸ As a result, the freedom of the press value according to Freedom House was at a worldwide 12-year low; only 13 percent of the world population actually enjoyed genuine freedom of the press in

⁵ European Commission (2015).

⁶ Cf. Lobbypedia on the German Association of the Automotive Industry under https://lobbypedia.de/wiki/Verband_der_Automobilindustrie.

⁷ CEO (2015).

⁸ Amnesty International (2016).

terms of comprehensive media coverage, safety of journalists and little influence by governments.⁹ But not only the freedom of the press is threatened worldwide. The freedom of expression and particularly the room for manoeuvre for civil society are being greatly restricted worldwide. In Turkey, for instance, since Recep Tayyip Erdogan took office, more than 2000 charges of insults to the president have been filed. In Russia, a law has been in force since 2012 according to which politically active organisations that receive funding from abroad have to register as “foreign agents”. As a consequence, the work of affected organisations can be effectively shut down. For instance, their funding is subject to intense scrutiny, and they are forced to publicly defame themselves. Non-compliance is threatened with financial sanctions and imprisonment. In India, the licences of more than 9000 Indian organisations were revoked in 2015 alone.

Although the German government keeps emphasising the importance of civil society worldwide, in the past years it has concluded trade agreements with Latin American states that have been proven to contribute to the repression of unions, and it has declared states as safe countries of origin as part of the tightening of its asylum policy, even though minorities are known to be persecuted there. At the same time, Germany only ranks 16th out of 180 in the 2016 World Press Freedom Index, according to Reporters without Borders. Among other things, the organisation criticises: “[In Germany], too, journalists have been surveilled by the state in recent years, for instance when researching right-wing movements.”¹⁰

Other examples also attest to the restriction of basic liberties in Europe. In France, the state of emergency was further prolonged after the terrorist attacks; the range of legally covered options now includes warrantless nighttime apartment searches, bans on public assembly and house arrests for presumably dangerous persons. Critics warn against the excesses of police work and the violation of liberties. In Poland, the independence of the judiciary is increasingly

being restricted. In Hungary, the government clamps down on organisations campaigning against social injustice. In Finland, development organisations have their budget cut, and this is publicly touted as a political success. And despite a ruling of the European Court of Human Rights (ECHR) for the protection of whistleblowers, those who disclose social wrongs, the violation of laws or even of human rights are still threatened with imprisonment in Europe. The trial against Lux Leaks whistleblowers Antoine Deltour and Raphael Halet is a current example of this.

SDGs and democracy – Where to start?

Our society and the basic democratic order according to which we structure it are threatened worldwide. In the coming years, we will be facing many more difficulties. Combating terrorism vs. restricting liberties. Freedom of opinion vs. racist polemics. Protest against the lack of transparency of political institutions vs. risk of destabilising those same institutions and thereby paving the way for undemocratic alternatives. Freedom of information and communication in a globalised world vs. domination of the internet by corporations and surveillance by governments.

The 2030 Agenda is not an end in itself. It only becomes relevant when linked to the questions central to our society. This requires a strong civil society that serves as a corrective, a watchdog of the decision-makers and a voice of the weak. The protection of basic liberties worldwide must unconditionally prevail over economic and geostrategic decisions. Likewise, political decisions must be brought back into democratically legitimised, transparent, just, equal and free institutions. For this purpose, the public good and the elimination of inequalities must be prioritised, which urgently requires a restriction of the lobbying influence of corporations. Last but not least, political will is required that is guided by long-term perspectives and the pursuit of social justice, that takes a clear stand against slogans with easy solutions and assumes responsibility. Right now, all this is wishful thinking with regard to most governments worldwide and in Europe.

⁹ Freedom House (2016).

¹⁰ Reporter ohne Grenzen (2016).



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German economic and trade policy

We need a fresh start

BY JÜRGEN MAIER

Economic and financial policy is the core of policy-making. In order to make a difference, one has to influence economic and financial policy. This is especially true for policies that aim at greater sustainability. In principle, this may be a banal insight, but in political practice the environmental movement, development organisations and others committed to sustainable development have tended to stay out of everyday politics in matters of economic policy. The theoretically ambitious ideas for a sustainable economy that originated in the environmental movement virtually never had any practical political relevance – one of the rare exceptions being the Ecological Tax Reform in 1999, which, however, was tacitly buried after only a few years.

Results of a misguided foreign trade policy

This has now begun to change. This is less to the credit of the discourse on sustainability but rather presumably an inevitable result of the fact that today's

economic policy is producing ever fewer winners and ever more losers all over the world and is consequently facing a crisis of legitimacy. Already in the 2008 financial crisis and the subsequent Eurozone crisis, it dawned on many people that our economic system, to which there is supposedly no alternative, is fundamentally non-sustainable. Since the Earth Summit in 1992, economic policy has moved far away from the imperatives of a sustainable economy in nearly all Western industrialised countries as well as in many emerging countries.

Under the auspices of neoliberal ideology, governments have concluded trade agreements – first and foremost the WTO treaties – with which they have reduced the possibilities of regulation necessary for a transformation towards sustainability through new international treaties with a lot of clout. All trade treaties explicitly prohibit differential treatment of products according to their manufacturing methods: A T-shirt is a T-shirt, no matter whether the seam-

stresses were exploited or decently paid. A computer is a computer, no matter whether its manufacturing involved contaminating the environment or doing it justice. Sustainability plays no role in trade agreements, apart from inconsequential preambles or so-called “sustainability chapters” which, in contrast to the remainder of the treaties, lack the mechanisms for implementation.

The result comes as no great surprise: In the age of boundless global competition, it is a clear competitive advantage when production chains – also called “value chains” – are globalised and outsourced to as many countries as possible whose circumstances permit this exploitation and depletion of the environment. Not only the multinational corporations of the North but also the elites of the emerging countries profit splendidly from this system.

However, this has little to do with “development”, and nothing to do with “sustainability”. The fatal consequences periodically hit the headlines when catastrophes such as the Rana Plaza collapse in Bangladesh or the toxic mudslide in Rio Doce in Brasil occur. Yet, other than worried faces and “voluntary self-commitments” that are difficult to monitor, there are usually no consequences.

The mesh of international trade treaties practically no longer allows for a regulation of such production chains for the purpose of increased sustainability. This is not an operational glitch, but rather exactly the purpose of the kind of globalisation that has been systematically pushed since 1992 and still is. This blockade against regulating in the public interest would be taken to the extreme with the TTIP project. TTIP envisages “regulatory cooperation”, which was primarily demanded by the German government and would qualify any attempt at pushing sustainability by means of higher standards or other regulatory measures as a “trade barrier” to be avoided and would threaten it with investor-state lawsuits because of the “threat to legitimate profit expectations”.

The protagonists of world trade

Besides the United States, the main protagonist of this policy is the EU, on which its member states have

conferred the political competence for trade policy. However, the European Commission’s Directorate General for Trade does not act in a vacuum. While Trade Commissioner Malmström is one of the most powerful members of the Commission (because, in contrast to most of her colleagues, she is responsible for a communitised policy field), the governments of the member states determine all essential questions through the Trade Policy Committee of the European Council. This committee decides on negotiating mandates, receives negotiation reports, instructs the Commission on the details of the conduct of negotiations – all this in complete secrecy, of course. No-one gets to see the minutes, the agendas, no-one learns how the respective governments vote or what they demand, reject, decide on. Nobody finds out whether a government’s voting behaviour in Brussels corresponds to its public declarations. Yet potentially it has a huge impact whether third states are granted better access to the European agricultural market as a concession for the export interests of the automotive industry, for example. Whether such deals are made in a trade agreement is effectively decided only by a handful of people from the economic ministries and the Commission.

There is hardly any democratic control of European trade policy: In the parliaments of the member states, such as the Bundestag, hardly any competent trade specialists are left, since hardly any competences are left. Only if the member states disagree can the Commission shape policies itself to a significant extent. The European Parliament can directly influence neither negotiating mandates nor the negotiation strategies. Moreover, after two decades of *de facto* consensus on an economic policy characterised by neoliberalism to which allegedly “there is no alternative”, most parliaments have anyway given up on controversially debating about the right economic policy, so that until recently, the parliaments showed little interest in gaining more influence on trade policy. Thus, today trade policy in the EU is clearly the domain of the governments. Under the cloak of considerable secrecy, until recently Europe’s executive branches have been able to do as they pleased, largely unaffected by the public or by parliamentary opposition. They have gone through with their policies with remarkable continuity, practically unaffected by

any kind of changes in government. Germany as the EU's dominant economic power and the world's top exporter naturally exerts a determining influence. To be more precise, the Federal Ministry for Economic Affairs and Energy does.

Foreign trade surpluses for all?

In view of the economic realities, it can be said that the ministry has had remarkable success in doing so. Trade policy has successfully opened up markets worldwide. The German export surplus is steadily growing; in 2015, it amounted to a full 247.8 billion euros. Statistically, every person living in Germany generated 2,750 euros of export surplus with respect to the rest of the world. Unfortunately, it is impossible for the world as a whole to generate an export surplus. One country's export surplus is inevitably the trade deficit somewhere else. It doesn't take rocket science to understand that it cannot be sustainable if one country increases its export surplus to ever higher levels year after year – at the expense of the rest of the world. This imbalance has long been causing enormous problems for the world economy. Outside of Germany, this is openly debated; in Germany itself, it is taboo. Increasing the export surplus is and remains undisputed state doctrine.

By now, the German export surplus has reached record highs of eight percent of the gross domestic product (GDP). According to the EU rules, permanent current account surpluses of more than six percent are a problem for the Eurozone. Germany has already been exceeding this value continuously since 2007.

The German export success has long been undermining its own foundations. Within the EU, even France can no longer keep up with the German export machine. The single currency, the euro, results in a systematically undervalued currency in Germany – the basis of the extreme export success – and a systematically overvalued currency in France and Southern Europe. In 2015, France's economic weakness and the diminishing purchasing power of increasing portions of the population led to the country dropping to second place in the ranking of German trade partners for the first time. The first place is now held by the US. The US, however, is the country with the largest

trade deficit in the world – the US election campaign vividly demonstrated the dislocations this may lead to. The sharp economic downturn in China clearly illustrates the dangers of such an extreme orientation towards exports as pursued by Germany. If all others run out of steam, they will buy less. How sustainable is it to want to further increase this export surplus?

The single-market foundations of the extreme export success are also coming under pressure. An essential cause for the high competitiveness of the German economy lies in a systematic policy of cost reduction: Especially the wage dumping, which is pronounced compared to the rest of Europe, results in a division of German society and also of the societies in Europe, which is creating more and more tensions. Since the introduction of the euro, the level of real wages in the Eurozone has increased most slowly in Germany. Meanwhile, a third of the people in Europe have been left behind economically and provide fertile soil for protest movements of all kinds. For decades, the elites in the Federal Republic of Germany were convinced that the export successes of the land of the economic miracle were the foundation for prosperity. This equation no longer holds. The price to be paid for the export success increasingly exceeds the benefit. Aligning all of society with "global competitiveness" destroys social cohesion. That wage and social dumping are supposed to increase competitiveness must not be denied – it is part of the troika conditions for the Eurozone crisis countries. This race to the bottom is the opposite of sustainability.

The insistence of the EU and the US on an aggressive policy of market opening and deregulation is also the main cause for the blockage of the multilateral trade system, the WTO. Since the first ministerial conference of the newly founded WTO in Singapore in 1996, the EU and the US have gone to great lengths to force the developing countries into ever more concessions. Having failed in this regard in the WTO, after the turn of the millennium they increasingly reoriented towards bilateral, regional and sectoral agreements, in which the developing countries had less political muscle and were thus in a worse position. African countries, in particular, felt the effects – to this day, by revoking the existing trade agreements (Lomé and Cotonou Agreements), which were more oriented

towards development policy, and the concomitant trade preferences, the EU exerts enormous pressure on many African countries to ratify the “Economic Partnership Agreements” with the EU. For now, they are still successfully resisting. Unfortunately, in this dispute the “fair trade instead of free trade” rhetoric of the Federal Ministry for Economic Cooperation and Development is nowhere to be seen in practice. Especially the EU trade policy towards Africa is increasingly becoming a root cause of migration. When the German Minister for Agriculture, Christian Schmidt, convened his “milk export summit” in October 2015 in order to export the politically induced milk surplus, unfortunately nobody asked how many more African farmers we still intend to ruin. A third of the EU’s milk exports are already going to Africa in the form of milk powder – the local farmers cannot compete with this. Even French farmers can no longer contend with the aggressive German agricultural dumping and are blocking the border crossings in protest every once in a while. But the EU wants ever more opening up of markets, to the point where the last tariff, the last “trade barrier” has fallen. Whoever thinks it is “sustainable” to ruin peasant farming all around the world as well as in one’s own country and to leave global agro-multinationals in control of the markets has not understood the concept of sustainability.

More and more people understand these connections. The Europe-wide movement against TTIP is developing more and more into a movement that not only calls for a different trade policy but also questions the economic policy behind it. In the age of globalisation, foreign trade policy can no longer be separated from the rest of economic policy. In view of all these problems, it is high time to critically take stock whether the EU’s trade policy is still appropriate. The Commission and the EU governments will have none of that. Amid the applause of the European Parliament and the governments of the member states, the Commission defiantly announced a “new” EU trade strategy called “Trade for All” in October 2015, effectively merely confirming its old policy, but aiming to “communicate better”. A backward document, an outdated policy.

Alternatives are urgently needed

We therefore need an extensive, unbiased public discourse in all countries in Europe about what kind of trade and economic policy we actually want. What do or don’t we want to achieve with it, whom should or shouldn’t it serve. How do we want to decide on it, and so on. No-one, including the environmental associations, the unions and the German Cultural Council, will be able to get all they want in such a discourse. But its results will be much more widely accepted in society than today’s elitist decisions that lack transparency and are clearly producing more and more losers and opponents of this policy. One result will certainly be more sustainability, since the interest groups and activists advocating this are systematically being excluded in today’s trade policy.



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Money is not everything, but without money everything is nothing

The financial aspects of the implementation of the 2030-Agenda

BY WOLFGANG OBENLAND

Already when the Sustainable Development Goals (SDGs) were being formulated, especially the countries of the global South, organised in the Group of 77 (G77), had argued in favour of prominently anchoring in the SDG catalogue also the means for implementing the goals. This was also a lesson learned from the MDGs, where this had not been done. For this reason, the catalogue of the SDGs includes both targets for the implementation of the individual SDGs and an independent Goal 17 that deals exclusively with the means of implementation. It consists of five paragraphs with targets touching on all areas of the 2030 Agenda. In addition, the 3rd International Conference on Financing for Development took place in Addis Ababa in July 2015. In its outcome document, the so-called Addis Ababa Action Agenda, this conference formulated measures for implementing the sustainability agenda.¹

Besides potential regulatory and institutional measures, both the 2030 Agenda and the Addis Action Agenda assert that an ambitious sustainability policy will only be realisable with additional financial means. This involves enhancing the mobilisation of domestic resources, increasing the funds for official development assistance (ODA) and also using private capital for the purposes of sustainable development.

On this topic, the World Bank had published a much-noted paper with the programmatic title *From Billions to Trillions – Transforming Development Finance in the preparation process of the 2030 Agenda*.² Its core statement is: Instead of billions, which were still being budgeted for realising the MDGs, trillions (including public and private funds) will be needed for realising the goals of the 2030 Agenda.

¹ United Nations (2015).

² Cf. World Bank et al. (2015).

Domestic resources

Numerous countries of the global South have made progress in mobilising domestic resources in recent years. From 2000 to 2012 alone, their public revenue increased from around 6 trillion to a total of 7.7 trillion US dollars. Nevertheless, the tax ratio (the tax revenue as a proportion of the gross domestic product) remains low in many countries of the South; only half of them have a tax ratio of more than 15 percent.³ Thus, much remains to be done for further increases in revenue of the countries of the South in order to finance the urgently needed investments and expenditures, e.g. for establishing public infrastructure, social security and public education and health systems.

Increasing or more effectively and efficiently generating tax revenue plays a central role in further increasing the revenue from domestic sources. International cooperation can also contribute to this. On the one hand, tax administrations need to be sustainably established and strengthened in many countries; on the other hand, the countries' cooperation in tax matters needs to be expanded. The *Addis Tax Initiative* was therefore initiated by the German government in cooperation with the governments of the Netherlands, the UK and the United States at the conference in Addis Ababa for the purpose of strengthening tax administrations.⁴ When it was launched, 32 countries had joined the initiative, including France and Switzerland, but also countries of the South, such as Ethiopia, Ghana and Indonesia. In their joint declaration, the (donor) countries committed to collectively doubling the funds for the technical cooperation in the area of taxes and domestic resource mobilisation by 2020.⁵

Financial flows that severely reduce the public revenue of many countries are important in this connection. The financial flows that are illegal in the

narrower sense and stem from criminal activities are only the tip of the iceberg. The losses that are caused by outflowing illicit financial flows, be it through crime, corruption or – the lion's share – tax avoidance practices of transnational corporations, are much more severe, particularly for the economic and social systems in countries of the global South. The Washington-based research institute Global Financial Integrity estimates that approx. 7.8 trillion US dollars have flowed out of countries of the global South in the period from 2004 to 2013, of which 1.1 trillion US dollars in 2013 alone. 83.4 percent of this is due to intra-corporate offsetting tricks and other tax avoidance tricks of transnational corporations.⁶

But financial flows not only have a source, but also a destination. While no reliable figures are available on where the financial flows ultimately end up, certainly Germany, too, needs reforms concerning the susceptibility of its financial system to money from dubious sources. Since 2009, the Tax Justice Network has been assessing the extent of secrecy on tax issues of different legal fields and countries with its Financial Secrecy Index. Based on 15 indicators, it collects information on banking secrecy, the availability of ownership information, the efficiency of financial authorities, the exchange of data between the authorities of different countries and money laundering. Germany ranked 8th in 2015, so it is one of the greatest secrecy jurisdictions worldwide.⁷ The Tax Justice Network considers Germany to be in need of considerable reform with respect to combating money laundering and cooperation with foreign tax authorities.

Official development assistance funds

In addition to the measures formulated in the individual SDGs and the domestic public revenue, official development assistance funds will also continue to be necessary for many countries for implementing the 2030 Agenda. Already in 1970, the industrial countries had promised to make 0.7 percent of their gross national income (GNI) available for financing

³ Ibid., p. 6f.

⁴ Cf. www.taxcompact.net/activities-events/addis-tax-initiative.html.

⁵ Cf. www.taxcompact.net/documents/Addis-Tax-Initiative_Declaration.pdf.

⁶ Cf. Kar/Spanjers (2015).

⁷ Cf. <http://www.financialsecrecyindex.com/>.

official development assistance. This ratio has so far only been met by a few governments – a factor that has been straining the negotiations on the distribution of the financial implementation of sustainability programmes for years. Only six countries kept their ODA commitments in 2015: Denmark, the UK, Luxembourg, the Netherlands, Norway and Sweden.

On April 13, 2016, the OECD published the preliminary figures for 2015 for the members of its Development Assistance Committee (DAC). According to these figures, their ODA expenditures increased by 6.9 percent (adjusted for exchange rate and inflation) in a year-on-year comparison. In absolute terms, however, the ODA decreased from 137.2bn US dollars (2014) to 131.6bn US dollars (2015). The apparent contradiction is due to the rise in the exchange rate of the US dollar. The ODA ratio of the OECD DAC members (ODA as a proportion of the gross national income (GNI)) is stagnating at 0.3 percent.

The main reason for the increase in ODA figures was that the costs for refugees in the host countries were increasingly being included. The DAC rules allow the expenditures of public bodies for the sustenance, care, medical services and services for (primary) education for persons from developing countries fleeing from persecution, war or serious unrest to be included in ODA. The first twelve months of the stay can be included. OECD-wide, the included domestic costs for refugees have increased from 6.6 to 12bn US dollars and thus account for 9.1 percent of total ODA. If these costs are excluded, the ODA has only increased by 1.7 percent in real terms, and in absolute terms it has even decreased dramatically: Without the costs for refugees included, it amounted to 130.6bn US dollars in 2014. In 2015, it was down to 119.6bn US dollars.

The ODA reported to the OECD by the German government also increased greatly due to the refugee costs. It amounted to 17.8bn US dollars in 2015, compared to 16.6bn US dollars in 2014 (an increase of the ODA ratio from 0.42 to 0.52 percent). The ODA-eligible expenditures for refugees increased from 171m in 2014 to 2.993bn US dollars in 2015. This corresponds to about a sixth of total German ODA. Mainly the areas of accommodation and care (mainly pursuant

to the German Asylum Seeker Benefits Act) as well as (primary) education through day-care centres, schools and language/integration courses were taken into account in the reporting for 2015. The German government points out that the expenditures for refugees that are eligible for ODA are not to be equated with the total expenditures of the federal, state and municipal levels taken together. The figures for 2015 refer to asylum applications already granted. For 2016, Germany will base its reporting on the asylum applicants, like other OECD donor countries, and no longer on the number of granted applications. Applications from so-called “safe countries of origin” are already not being taken into account.⁸

Of course there is an urgent need to sufficiently fund the care for and integration of refugees in Germany, and in particular to provide the municipalities with better financial resources for this purpose. However, it is misleading to declare these funds as ODA. Civil society organisations have been criticising this practice for years. The additional tasks in the refugee sector should be financed through additional funds. This also applies to the funds of the Federal Ministry for Economic Development and Cooperation (*Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung*, BMZ) for combating root causes of migration, including for adaptation to the effects of climate change. Increasing them is urgently required and must not occur at the expense of other tasks of the 2030 Agenda.

Even after the costs for refugees are included, the German ODA falls far short of the 0.7 target, even though the BMZ’s budget was increased by 893m euros to 7.407bn euros in 2016. According to the BMZ, this is the highest increase since the ministry was founded. In 2017, the BMZ’s funds are to increase to a lesser extent, and after 2017 they are even expected to slightly decrease or stagnate.

⁸ Cf. Federal Ministry for Economic Cooperation and Development (2016): Bericht des Bundesministeriums für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) an den Haushaltsausschuss des Deutschen Bundestages. Anlage zu BMF-Vorlage 29/16 vom 6. April 2016. Berlin.

ODA figures and included expenditures for refugees in 2015

country	ODA (in million US dollars)	ODA ratio (in percent of the GNI)	change in ODA between 2014 and 2015 in percent	domestic expenditures for refugees (in million US dollars)	expenditures for refugees in percent of total ODA	change in ODA between 2014 and 2015 in percent, without costs for refugees
Australia	3,222	0.27	-11.1	-	-	-11.1
Austria	1,207	0.32	15.4	324	26.8	-7.4
Belgium	1,894	0.42	-7.8	228	12.0	-12.2
Canada	4,287	0.28	17.1	213	5.0	17.3
Czech Republic	202	0.12	11.4	15	7.2	9.3
Denmark	2,566	0.85	0.8	397	15.5	-6.8
Finland	1,292	0.56	-5.7	39	3.0	-7.7
France	9,226	0.37	2.8	374	4.0	3.4
Germany	17,779	0.52	25.9	2,993	16.8	5.8
Greece	282	0.14	38.7	58	20.6	20.5
Iceland	39	0.24	11.3	3	7.1	11.0
Ireland	718	0.36	1.9	1	0.1	1.8
Italy	3,844	0.21	14.2	982	25.5	7.5
Japan	9,320	0.22	12.4	0	0.0	12.4
Korea	1,911	0.14	8.3	-	-	8.3
Luxembourg	361	0.93	-1.2	-	-	-1.2
Netherlands	5,813	0.76	24.4	1,326	22.8	15.4
New Zealand	438	0.27	1.7	17	3.8	1.9
Norway	4,278	1.05	8.7	463	10.8	2.5
Poland	442	0.10	16.8	9	2.1	14.3
Portugal	306	0.16	-16.1	1	0.4	-16.3
Slovakia	86	0.10	23.3	2	2.0	0.4
Slovenia	62	0.15	21.1	6	9.0	10.3
Spain	1,604	0.13	1.5	32	2.0	0.4
Sweden	7,092	1.40	36.8	2,397	33.8	9.9
Switzerland	3,538	0.52	6.7	473	13.4	7.1
United Kingdom	18,700	0.71	3.2	408	2.2	2.1
United States	31,076	0.17	-7.0	1,206	3.9	-7.2
total	131,586	0.30	6.9	11,965	9.1	1.7

Source: www.oecd.org/dac/stats/ODA-2015-detailed-summary.pdf

Climate financing

At the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in Paris in November and December 2015, the governments agreed on a second important component of the sustainability agenda after the adoption of the 2030 Agenda. The so-called *Paris Agreement* is to replace the Kyoto Protocol, which will expire in 2020, and the goals it sets include limiting global warming through anthropogenic climate change to 1.5 or 2°C above pre-industrial levels – mainly through limiting the emissions – and taking adaptation measures for the unavoidable effects (cf. also Chapter II.10 of this report). The reduction of emissions and the adaptation measures will involve financial burdens (but also potential cost savings).

It is therefore disappointing that the Paris summit has not resulted in any progress on the issue of climate financing. Already at the climate conference in Copenhagen in 2009, the countries of the North had committed to making an annual 100bn US dollars available for climate protection measures in the developing countries from 2020 onwards. However, they are to come not only from public but also from private sources. Part of these funds are to be handled by the Green Climate Fund created for this purpose.⁹ However, the fund has so far only received financial

commitments amounting to 9.9bn US dollars.¹⁰ The German government has promised a little more than ten percent of this (1,003m euros). Thus, there is still an enormous financing gap. For this reason, the countries of the South had demanded to include binding financial obligations and a timeframe for fulfilling the 100bn goal in the Paris Agreement.

The EU, the US and their allies increasingly count on mobilising private capital for closing the financing gap. This also explains the decision of the Board of the Green Climate Fund of July 2015 to accredit Deutsche Bank as the first private implementing entity. Deutsche Bank can thus receive funds from the fund in order to make them available for climate-friendly investments as a financial intermediary, possibly mixed with its own financial means. A broad alliance of civil society organisations vehemently criticised this decision. For them, the partnership with a bank that is involved in various scandals and is moreover regarded as one of the largest financiers of coal projects is a bad signal and damages the reputation of the fund.¹¹

⁹ Cf. <http://news.gcfund.org/>.

¹⁰ Cf. <http://www.greenclimate.fund/contributions/pledge-tracker> (as of May 23, 2016).

¹¹ Cf. "Green Climate Fund Accreditation of Deutsche Bank Sparks Concern about Integrity and Reputation of Fund" (<http://us.bo-ell.org/2015/07/09/green-climate-fund-accreditation-deutsche-bank-sparks-concern-about-integrity-and>).

Development of the BMZ budget 2015–2020

(in million euros)						
	2015	2016	2017	2018	2019	2020
	actual value	target value	ceiling			
	6.513,656	7.406,751	7.955,172	7.923,315	7.923,012	7.923,012
year-on-year change (in percent)		+13,7	+7,4	-0,4	±0,0	±0,0

Source: BMF (2016)

“Private” forms of financing

There is a consensus that the demands of a universal sustainability agenda can no longer be met with “traditional” public means. This is not really a new insight, however. “Sustainable development” has never been financed through public funds alone, but through both public revenues and investments from civil society and the private sector.

With this in mind, in order to ensure the contribution of the private sector for sustainable development, the Addis Ababa Action Agenda recommends a range of instruments for promoting investments in addition to traditional measures for promoting economic development (e.g. enhanced access to financial services and loans, strengthening capital markets in developing countries, capacity building, provision of loan default guarantees, remittances from migrant workers). The main focus is on investments in infrastructure in the countries of the global South.

In order to deal with problems and potential conflicting interests in financing these investments, the Addis Ababa Action Agenda formulates the establishment of a Global Infrastructure Forum. Drawing on existing mechanisms and under the aegis of the multilateral development banks, it is to make sure that the existing instruments for promoting investment and the investment funds are better coordinated and harmonised and that the various actors, from national development banks to multilateral organisations, cooperate better.

Great weight is given to the combination of public and private funds. In principle, this cooperation can take two forms: a collaboration of public and private actors in making financial means available (so-called blended finance) or the joint implementation of projects and programmes in the framework of public-private partnerships.

Blended finance plays a large role for example in covering high-risk loans through public guarantees, such as issued by the Multilateral Investment Guarantee Agency (MIGA), whose equivalent in Germany are the so-called Hermes covers. However, it can also take other forms, such as a mix of private and public

loans on different terms in order to reduce default risks and to ensure that projects that are otherwise difficult to implement are profitable for the private investors. Moreover, the instruments of blended finance are very close to so-called leveraging instruments, which are designated for money from official development assistance.

An example of such an innovative instrument is the *Climate Risk Insurance Initiative* which was already presented by the German government at the G7 summit in Elmau. It aims to insure people and countries in the global South against the acute effects of climate change, for example extreme weather phenomena. However, since there is no functioning market for this due to the lack of return prospects (mainly because of the great probability of loss), the initiative aims to make it profitable for insurance companies to develop products for direct or indirect insurances in countries of the South. The BMZ provides 150m euros of seed capital, which is to serve mainly for covering the default risk of the insurers. The concept was developed by the Gesellschaft für Internationale Zusammenarbeit (GIZ) in cooperation with the Kreditanstalt für Wiederaufbau (KfW) and the reinsurance company Munich Re.¹²

Another trend expressed in both the Addis Ababa Action Agenda and the 2030 Agenda is the growth of global partnerships and multi-stakeholder initiatives of public and private actors (not to be confused with the project-related PPPs). Such global initiatives have sprung up like mushrooms in the past years. They are based on the insight that governments are not the only actors in international cooperation. Instead, they should cooperate, in interaction with international organisations, with civil society and especially with the private sector, in order to solve the great global problems together. In order to avoid stifling these cooperations in the presumably omnipresent bureaucracy and inflexibility of intergovernmental structures, they are usually established outside of the existing multilateral system and are meant to act in a pragmatic, solution-oriented, flexible, efficient and unbureaucratic manner.

12 Concerning the details, cf. GIZ (2015).

So far, these expectations have not been fulfilled. It is not even documented whether new and additional funds have actually been generated through the new global initiatives on a large scale, let alone whether the self-defined substantial goals have been achieved. On the contrary, there is a risk that they rather increase the need for political coordination, exacerbate the fragmentation of the international system and weaken existing UN organisations.¹³

Furthermore, disappointment among civil society groups is caused by the failure to implement plans to create new opportunities for public revenue in innovative ways. Options under discussion include the financial transaction tax (FTT) and air passenger duties. The international community seems to have largely abandoned these approaches. While innovative sources of financing are still mentioned e.g. in the Addis Ababa Action Agenda, the term is redefined and is now used for describing the instruments mentioned above for linking public and private financial means.

At least there seems to be some progress in the EU with respect to the financial transaction tax. In the framework of the so-called Enhanced Cooperation, ten governments agreed in principle on the definition of the tax base for an FTT in December 2015 and resolved to conclude the negotiations in June 2016. Together, the ten governments account for a full 60 percent of the EU's economic performance, including Germany.¹⁴

Noble aims – and rocky roads to their realisation

In April 2016, the first governmental conference on the means of implementation for the 2030 Agenda took place in New York in the framework of the newly created Financing for Development Forum. The Forum is to monitor the implementation of the results of the Addis Ababa conference as well as of the corresponding decisions of the 2030 Agenda. However, the Forum did not live up to this claim at its first meeting. Instead of establishing standards for the coming years and agreeing on the content and form of the monitoring, the governments indulged in mutual accusations and could not even agree on how to interpret the results of the FfD conference a mere nine months before. This was reflected in the brevity of the decisions reached.¹⁵ Hopefully, these are only teething problems. For without vigorous promotion and effective financing of the implementation agenda, the 2030 Agenda will remain a pretty document with limited clout.

¹³ For in-depth information, cf. Adams/Martens (2015), in particular Chapter 6.

¹⁴ For current information, see www.steuer-gegen-armut.org/politisches/europa/verstaerkte-zusammenarbeit.html. When this report went to print, it was not foreseeable whether the negotiations on the FTT in the framework of the Enhanced Cooperation would succeed or fail – in part because of the upcoming UK vote on remaining in the EU.

¹⁵ Cf. United Nations (2015).



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Users obtain information on SDG indicators.

Counting what counts

The politics of indicators

BY CLAUDIA SCHWEGMANN

The 2030 Agenda has the potential of setting a new course for Germany and all other countries of the world for a more peaceful, more just future within the planetary boundaries. For the 17 Sustainable Development Goals (SDGs) to be implemented, it is important to continuously review progress in all relevant policy areas. Only then will it be possible to intervene at an early stage if it becomes clear that the measures taken by policy-makers are not sufficient to achieve the ambitious goals of the Agenda.

One form of progress review is qualitative analysis of the political decisions and processes. The advantage of such an analysis is that all relevant factors and complex connections can be taken into account. The disadvantage is that a qualitative analysis is often difficult to communicate and does not necessarily allow a clear statement on whether progress has been achieved or not. For this reason, in politics qualitative analyses are often supplemented by quantitative indicators.

The 2030 Agenda includes 169 targets that concern a large number of policy areas, some of which are quite comprehensive. Indicators are essential for monitoring the progress of such a complex endeavour and making that progress manageable in political communication.

Requirements for meaningful indicators

“Indicators” and “monitoring” may sound technical and far removed from the real world. In fact, we deal with indicators on a daily basis and quite naturally, since they make our everyday lives easier. For instance, body temperature in degrees Celsius and body weight in kilogrammes are possible indicators for health. We read in the papers about the proportion of job seekers out of the total number of employable adults or about the number of open positions in order to get information on the labour market. Indicators such as the voter turnout or the satisfaction with politicians are regularly used for making statements

on the satisfaction with politics in our country. However, for indicators to be meaningful for communication, they need to fulfil a number of characteristics.

First of all, it should be noted that all indicators rely on some notion of which goal should be achieved and what steps are necessary to achieve it. For instance, the indicator of CO₂ emissions per capita, which is frequently mentioned in the media, is based on the well-founded assumption that CO₂ contributes to global warming and that this warming has negative impacts e.g. on the sea level. Thus, good indicators must be **based on assumptions, or, better yet, on theory**.

Furthermore, indicators must be **valid**, i.e. they must actually measure what they purport to measure. In order to monitor complex contexts such as the implementation of the 2030 Agenda, so-called proxy indicators are often required. Such indicators measure a phenomenon essential to the respective policy area, whose change can be representative of the development in an entire policy area. For example, the proportion of women in parliaments or in governments can be considered as a proxy indicator for the position of women in society as a whole. The question of validity is particularly relevant if indicators are combined into indices, as this requires a decision on the weight that an individual indicator has in an index.

Another basic prerequisite for good indicators is that they are **precisely defined and S.M.A.R.T** – i.e. specific, measurable, attainable, relevant and time-bound. An indicator should be defined precisely enough to make clear what is measured, and how. The timing should be chosen such that goals that are to be achieved in 10 or 20 years are broken down into short-term subgoals. This is the only way to make sure that governments do not delegate achieving such goals to their successors. Ideally, an indicator should also be chosen such as to allow for direct conclusions for policy-making.

Lastly, indicators – where possible and reasonable – are also required to be **comparable**. In many indicators, this involves correlating two quantities, e.g. CO₂ emissions with the population size (emissions per capita). Often, this is the only way to make reasona-

ble comparisons among countries. To continue the example: Comparing emissions at the country level, such as Germany's emissions with China's, would make little sense. Combining two quantities into one indicator is sometimes extremely difficult and value-based. Concerning the issue of a fair distribution key for refugees, for example, the number of persons in need of accommodation can be placed in relation to the area of a country, to the per capita income of its population, to the population size, etc., and of course also to combinations of such quantities.

The 2030 Agenda emphasises the aim to “leave no one behind” in achieving the goals. This ambition should also be reflected in the indicators. It should be possible to **disaggregate** indicators that describe the social, economic or political situation of individuals according to different groups of persons.

Good indicators should use **existing data sources** as far as possible. The 2030 Agenda takes up many issues which have been discussed in other international processes, in some cases for years, and which are the subject of international agreements. In choosing suitable indicators for measuring the implementation of the 2030 Agenda, existing international agreements and existing monitoring processes should be taken into account. Finally, the **availability of data** is also crucial for choosing good indicators. This is still a great challenge at the global level – and not only there. For example, the availability of data for measuring the 55 indicators of the Millennium Development Goals was problematic during the entire reporting period from 2000 to 2015. According to the report *A World That Counts*, even in the years with the best data availability at least 60 percent of the necessary figures at the national level were lacking.¹

The availability of data is a challenge mainly in countries of the global South, whose statistical capacities are still insufficient. But in Germany, too, there are social and political issues on which no data are available. For example, no official data are being collected on homelessness in Germany.² Other data are

1 Cf. Data Revolution Group (2014).

2 Cf. www.zeit.de/gesellschaft/2015-07/obdachlose-keine-statistik.

available in aggregated form but not broken down by region, income, gender or migration background. The data revolution called for by the UN is thus also relevant for Germany to allow monitoring of the 2030 Agenda. The implementation of the Agenda in Germany should therefore be accompanied by a review and possibly the expansion of the capacities of the Federal Statistical Office. Regulations that fundamentally limit an expansion of the data collected by the Statistical Office (such as the omnibus principle) should be revised. Moreover, it is crucial to compile an overview of the data that are already being collected and processed by individual ministries in the context of international reporting obligations. It must be emphasised that the availability of data would not primarily benefit external review but is rather a prerequisite for making appropriate political decisions within the executive.

Implementation review of the 2030 Agenda at the international level

During the development of the 2030 Agenda, it was emphasised early on that indicators and data would have to play an important role in monitoring the implementation of the Agenda. Already in 2013, the UN Secretary-General's High-Level Panel of Eminent Persons on the Post-2015 Development Agenda formulated recommendations for the new global Sustainable Development Goals and emphasised that the new Agenda would have to be accompanied by a "data revolution".³ In his synthesis report on the 2030 Agenda from December 2014, *The Road to Dignity by 2030*, the UN Secretary-General also describes progress measurement by means of clear indicators as an important prerequisite for successful implementation of the new Agenda.⁴ In the same report, the UN Secretary-General recommends three levels of progress review:

- I **National level:** The most important level is an inclusive progress review at the national level, based on existing processes.

- I **Regional level:** Regional *peer reviews* based on existing multilateral institutions and international processes such as the OECD Peer Reviews or the African Peer Review Mechanism.

- I **Global Level:** At the annual meetings of the High-Level Political Forum on Sustainable Development (HLPF), the individual countries are called upon to voluntarily report on their implementation of the 2030 Agenda and to exchange experiences. In addition, the implementation of the Agenda in individual subject areas is to be discussed at the HLPF meetings. Existing international fora are to be used for evaluating the international partnership, including the provision of financial means for the 2030 Agenda.

In the 2030 Agenda, the signatories commit to systematic follow-up and review processes. These processes are to be voluntary and are to be advanced mainly at the national level. Furthermore, they should be designed in an open, participatory and transparent way, take into account human rights, especially of disadvantaged groups, and build on existing review processes. The Agenda also stipulates that there should be an international set of indicators that is to be complemented by national indicators. For the progress review at the global level, the UN Statistical Commission established the so-called Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) in March 2015, in order to develop concrete indicators for the Sustainable Development Goals.⁵

The members of this expert group represent UN specialised agencies and national statistical offices from 27 countries, including Germany, and between June 2015 and March 2016 they developed an official proposal for indicators for the SDGs.⁶ In the context of this work, an online consultation was conducted, in which representatives of states, of UN organisations and of non-state organisations were able to comment on the drafts of the IAEG-SDGs and submit their own proposals. In March 2016, the IAEG-SDGs then pre-

³ Cf. High-Level Panel of Eminent Persons on the Post-2015 Development Agenda (2013).

⁴ Cf. United Nations (2014).

⁵ Cf. <http://unstats.un.org/sdgs/iaeg-sdgs/>.

⁶ Cf. United Nations (2016).

sented the consolidated proposals in the annual session of the UN Statistical Commission. The proposals include 230 individual indicators, some of which are already fully developed while others still need to be further specified. Moreover, for some indicators the data have been lacking so far. The compiled list as a whole is not yet final. Existing gaps are to be gradually closed. The preliminary proposals of the IAEG-SDGs will be presented for approval to the ECOSOC in July 2016 and to the United Nations General Assembly in September 2016.

The 2030 Agenda and the IAEG-SDGs indicators apply to all countries worldwide, but their applicability to the national contexts of the UN member states is limited. From a German perspective, the IAEG indicators exhibit several weaknesses:

I Indicators do not refer to the national level: In parts, the indicators refer only to the international level. For instance, Indicator 5.6.2 is to measure the number of countries with laws and regulations for access to sexual and reproductive health care. The indicator does not provide any information about an individual country and is thus not useful for national monitoring. In all, at least 29 of the 230 indicators are not suited to the national level.

I Indicators are not suited to the German context: Some of the IAEG-SDGs indicators are (yet) of little use for countries like Germany that have a high average income or lie in a moderate climate zone. Indicator 3.3.3, for example, measures the number of malaria deaths per 1,000 inhabitants; indicator 8.10.1 captures the number of ATMs per 100,000 adults. The responsibility of high-income countries is only taken into account for a part of the targets, and existing problems that particularly affect rich countries are not mentioned. SDG 10 on inequality within and among countries is an example of this. Target 10.3 demands the reduction of inequality and the elimination of discriminatory policies. Yet concrete indicators on discriminatory policies of rich countries, for example in tax agreements, are lacking.

I Parts of the targets are not covered: The 169 targets sometimes include several subject areas. For some

of these subject areas there are no indicators. For instance, Target 16.4 includes four large subject areas: illicit financial and arms flows, return of stolen assets and combating organised crime. Yet the IAEG-SDGs only formulates two indicators for this. The subjects return of stolen assets and combating organised crime are not represented in indicators.

I Indicators are not S.M.A.R.T: Finally, the IAEG proposed a number of indicators that are very imprecise and cannot be applied in their current form. For example, the “number of countries that have implemented well-managed migration policies” is proposed as Indicator 10.7.2 for Target 10.7 on migration. This indicator is extremely vague and thus cannot be measured. Indicator 2.4.1, which is to measure the proportion of agricultural area under productive and sustainable agriculture, is another example. In this case, defining what is “productive” and “sustainable” is being delegated to the national level, and thus international comparisons are not possible.

The monitoring and implementation of the 2030 Agenda requires not only good indicators but also a precise definition of the desired target values. Some targets of the 2030 Agenda define clear target values. However, many lack such a quantitative specification. For example, Target 14.3 demands minimising the impacts of ocean acidification. This target does not allow for a clear specification when the goal has been achieved and when it has been missed.

Of course a list of indicators does not make a monitoring system. So far, there has been a lack of clear guidelines at the international level on how to apply the IAEG-SDGs indicators and how national governments are to report on these indicators. It is also not yet clear what forms of review there will be in addition to the reporting on the indicators. One option in the international debate is that all 193 countries that signed the 2030 Agenda are to undergo an international implementation review at least twice by 2030. It is clear, however, that this international implementation monitoring is voluntary and has no sanctioning mechanisms. Countries that do not subject themselves to the international review or do not

achieve the desired aims face no consequences – as far as is currently known.

Progress review of the 2030 Agenda at the national level

The decisions of the 2030 Agenda (para. 78 and 79) encourage all countries to develop their own national implementation plans. The German government intends for the national implementation plan for the 2030 Agenda to be a newly revised National Sustainability Strategy.⁷

Germany has had a National Sustainability Strategy since 2002, and it has since been developed further several times. Another update that takes the 2030 Agenda into account is to be concluded by late autumn 2016.

The National Sustainability Strategy consists of a model, a specification of goals and indicators, the specification of seven national priorities, the description of the global responsibility and a chapter on further developing the Strategy and on monitoring.

The goals and indicators are divided into four overarching objectives: intergenerational equity, quality of life, social cohesion and international responsibility. Since 2002, the German government has been reporting on the state of the implementation of the Sustainability Strategy in the biennial *Indicator Report*. The four objectives are subdivided into 21 goals and are measured using 38 indicators.

Intergenerational equity

- Resource conservation (3 indicators)
- Climate protection (1 indicator)
- Renewable energy sources (2 indicators)
- Land consumption (1 indicator)
- Species diversity (1 indicator)
- Government debt (3 indicators)
- Provision for future economic stability (1 indicator)
- Innovation (1 indicator)
- Education and training (3 indicators)

International Responsibility

- Development cooperation (1 indicator)
- Opening markets (1 indicator)

Social cohesion

- Employment (2 indicators)
- Perspectives for families (2 indicators)
- Equal opportunities (1 indicator)
- Integration (1 indicator)

Quality of life

- Economic output (1 indicator)
- Air pollution (1 indicator)
- Mobility (4 indicators)
- Health and nutrition (5 indicators)
- Farming (2 indicators)
- Crime (1 indicator)

The focus of this Strategy is on the environment, for which 9 indicators are used. Social inequality, sustainable consumption, peaceful conflict resolution, responsible and safe migration and many other topics from the 2030 Agenda are missing in the current German Sustainability Strategy.

36 of the 38 indicators are measured with respect to optimal values, but these values are hardly broken down into short-term goals. For example, the current Sustainability Strategy sets the goal that by 2020 the share of renewable energy sources in final energy consumption should be 18 percent, and by 2050 it should be 60 percent.

Against the background of the ambitious goals of the Paris Climate Agreement, it is questionable whether these 60 percent are sufficient. The level of ambition seems rather low also for other indicators of the German Sustainability Strategy. For instance, in the area of education, the proportion of 18- to 24-year-olds without a school leaving certificate is to be below 10 percent by 2020.

The Federal Statistical Office publishes a biennial indicator report on the indicators of the German Sustainability Strategy, which is discussed in the Par-

⁷ Expressed e.g. in Federal Government (2014).

liamentary Advisory Council on Sustainable Development, in the German Council for Sustainable Development and in the German government. The report is largely unknown to the public. The non-attainment of goals is not linked to any sanctions.

The German government plans to anchor the 2030 Agenda in the German Sustainability Strategy. The responsibility for the German Sustainability Strategy and thus also the revision of the Strategy lies with the Federal Chancellery. In late 2015, the federal ministries were asked to develop proposals for indicators for the new Sustainability Strategy. These proposals for indicators are not public. Based on these proposals and the interministerial coordination, the government presented a draft of the new German Sustainability Strategy in late May 2016. A consultation on this draft is scheduled for summer 2016.

This draft emphasises the importance of the 2030 Agenda for the German Sustainability Strategy. Moreover, it defines the priorities of the German government with respect to the 17 SDGs and the existing and planned measures for implementing the SDGs in Germany and by Germany. The government proposes a total of 60 indicators for reviewing progress, of which 24 indicators are new and two indicators on the employment ratio refer to a new age group. 34 indicators were retained from the old Sustainability Strategy. In addition, five more indicators are to be developed in the future on food losses, sustainable public procurement, education for sustainable development, soil conservation and land consumption.

The fact that the German government has significantly increased the number of indicators is very welcome. Otherwise, the 2030 Agenda could hardly have been reflected in the German Sustainability Strategy. However, it is very problematic that the draft does not define any target values for the proposed indicators. A public discussion about what precise goals Germany should aim for e.g. with respect to mobility or the proportion of women in economic leadership positions will thus not be possible in the consultation phase. Moreover, some indicators are only rudimentarily defined – for example, with respect to fighting poverty (SDG 1). Other indicators need to be improved or replaced by more suitable

indicators. For example, this applies to the use of the Gini coefficient for distributive justice in Germany. Another central problem is that many policy areas in which Germany plays a role for global sustainability continue to be absent from the German Sustainability Strategy. These topics include the transparency of the international financial market, binding codification of corporate responsibility for human rights in all industries, and arms exports to crisis regions by German companies. The final draft of the new German Sustainability Strategy is to be adopted by the cabinet in late autumn 2016. According to information from the German government, the IAEG-SDGs indicators are not yet being taken into account in the revision of the Sustainability Strategy in 2016 due to time constraints.

Need for action for efficient progress review

All actors agree that implementing the 2030 Agenda requires efficient progress review. The UN Secretary-General, the UN Statistical Commission, national governments and civil society organisations emphasise the need for suitable indicators, data and monitoring processes for continuous progress review. However, the proposals for progress review that are on the table so far are insufficient and do not at all fulfil the 2030 Agenda's claim that business as usual is not an option. Both at the international and at the national level, the present indicators only cover the 2030 Agenda in parts. The special responsibility of the countries of the global North is not taken into account in many indicators, critical subject areas such as fair world trade and transparent financial flows are operationalised very vaguely, and the proposed indicators are only sometimes linked with ambitious target values.

Both at the national and at the international level, the mechanisms of progress review envisaged so far are largely toothless. Two voluntary peer reviews at the international level within a period of 15 years will hardly be able to give impetus to an ambitious implementation. Also at the national level, the existing mechanisms for progress review of the Sustainability Strategy have not proven very effective in increasing pressure on policy-making.

From a civil society perspective, there are two conclusions from this stocktaking: Firstly, the official processes of progress review, especially at the national level, must be improved. Secondly, civil society actors must also fulfil their role as watchdogs and must actively participate in the monitoring of the 2030 Agenda.

Improving the official progress review

In order to ensure an ambitious implementation of the 2030 Agenda, the German government should improve and further develop the existing monitoring instruments of the German Sustainability Strategy. This further development should take four points into account:

- **Ambitious indicators for the German Sustainability Strategy:** The Sustainability Strategy of the German government should take all 17 SDGs adequately into account and reflect them in ambitious indicators with demanding target values. The number of indicators should not be so limited that they only selectively reflect the 2030 Agenda. At the level of the EU, the OECD, the World Bank and in international agreements, there are already indicators and data that reflect many goals of the 2030 Agenda. In addition, data sources and indices from civil society should also be taken into account. Ambitious target values should be defined for all indicators and broken down to annual or biennial targets.
- **Institutionalised involvement of non-state actors:** The 2030 Agenda emphasises the cooperation among actors from the public and private sector, science and civil society. There are already various efforts at the national level to bring these actors together. This dialogue and the involvement of different actors in society should be rendered more systematic and institutional for the progress review. In particular, a national dialogue on the relevant indicators and on desirable target values should be initiated.
- **Sustainability strategies at other political levels of decision-making:** Many political decisions relevant for social, economic and ecological sustainability

are not taken at the national level but at the European level, at the level of federal states or locally. The German government should therefore push for the 2030 Agenda to be anchored and effective progress reviews to be established also at these levels. The local level is important in particular for generating support of the Agenda by the population.

- **Communication:** Implementing an ambitious sustainability policy at all political levels can only succeed if it is backed by the public. Therefore, the communication of the 2030 Agenda and of the progress review is very important. So far, the German government has been publishing a biennial indicator report of the Sustainability Strategy, addressed to a rather professional audience. For a successful implementation of the 2030 Agenda in Germany, it is key to find ways for continuous and publicly visible reporting on the progress made and the challenges remaining. Such reporting should in particular also include comparisons with other countries, which are not very popular with politicians, because it is precisely these comparisons that find great public interest.

Civil society as a watchdog in the implementation of the 2030 Agenda

The essential responsibility for the progress review of the 2030 Agenda in Germany lies with the German government. In addition, civil society actors should fulfil their role as independent watchdogs and accompany the implementation of the 2030 Agenda in a critical and constructive way. Civil society actors should also participate in the progress review of the Sustainable Development Goals in the EU, at the national level, at the level of federal states and at the municipal level. The overall complexity of the 2030 Agenda and the multitude of subject areas, however, overwhelm individual non-state organisations. Individual organisations have neither the expertise nor the resources for following the implementation of the entire Agenda. This can only succeed if civil society works as a network. The coming years will therefore also pose a challenge for civil society organisations to improve their cooperation and find forms of cooperation that allow the expertise of individual organi-

sations on parts of the 2030 Agenda to be brought to bear. The 2030 Watch project of the Open Knowledge Foundation Germany is one example of what such a networked civil society monitoring could look like. It proposes indicators that complement the official indicators and looks for “data sponsors” for individual indicators who have expertise and possibly also data on a target (cf. <https://2030-watch.de/en/>).

There may be issues in the national and international sustainability debate that are more exciting than progress review, target values and indicators. For many actors at both the state and the non-state level, dealing with data may not be part of their everyday business and may require a certain effort. Nevertheless, reviewing the 2030 Agenda’s progress at different political levels is the proverbial “brass tack”. Only on the basis of data are we able to assess whether societal development is moving in the right direction and whether the pace is appropriate to the challenges and ambitions.

The present instruments of progress review at the international level and at the national level are insufficient. Not all topics concerning the special responsibility of the rich countries are reflected in these instruments, the processes of progress review proposed so far risk being toothless, and comparative assessments are being eschewed. Against this background, considerable improvements are necessary. The German government likes to see itself in a pioneering role in the 2030 Agenda. It should therefore act now in order to be a pioneer also in the progress review and set high standards internationally.



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List of abbreviations

ACP	African, Caribbean and Pacific countries	HLPF	High-level Political Forum on Sustainable Development
BMFSFJ	Bundesministerium für Familie, Senioren, Frauen und Jugend [Federal Ministry for Family Affairs, Senior Citizens, Women and Youth]	IAEG-SDGs	Inter-Agency and Expert Group on Sustainable Development Goal Indicators
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung [Federal Ministry for Economic Cooperation and Development]	ILO	International Labour Organisation
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women	IOM	International Organisation for Migration
CEO	Corporate Europe Observatory	KfW	Kreditanstalt für Wiederaufbau
CETA	Comprehensive Economic and Trade Agreement	MDG	Millennium Development Goal
COP	Conference of the Parties	MIGA	Multilateral Investment Guarantee Agency
CorA	Corporate Accountability – Netzwerk für Unternehmensverantwortung	MPI	Multidimensional Poverty Index
CSR	Corporate Social Responsibility	ODA	Official Development Assistance
DAC	Development Assistance Committee of the OECD	OECD	Organisation for Economic Cooperation and Development
DAX	Deutscher Aktienindex [German stock index]	PPP	Public-private Partnership
ECHR	European Court of Human Rights	S.M.A.R.T	specific measurable attainable relevant time-bound
EPA	Economic Partnership Agreement	SDG	Sustainable Development Goal
EU	European Union	TTIP	Transatlantic Trade and Investment Partnership
FfD	Financing for Development	UN	United Nations
FTT	financial transaction tax	UNDP	United Nations Development Programme
G7	Group of the seven large industrialised countries	USA	United States of America
G77	Group of 77	VENRO	Verband Entwicklungspolitik und Humanitäre Hilfe deutscher Nichtregierungsorganisationen e. V. [Association of German Development and Humanitarian Aid Non-Governmental Organisations]
GDP	gross domestic product		
GIZ	Gesellschaft für Internationale Zusammenarbeit		
GMG	Global Migration Group		
GNI	gross national income		

Imprint

Germany and the UN sustainability agenda 2016
A long way from sustainable

Publishers

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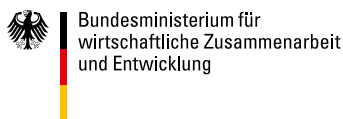
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Printing: Plump, Rheinbreitbach.

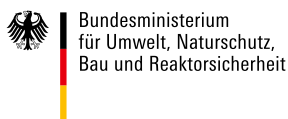
Printed on 100% recycled paper.

Funding

The contributions of VENRO and the Open Knowledge Foundation to this report were funded by Engagement Global on behalf of the



The contribution of the Forum Umwelt und Entwicklung was funded by the Federal Environment Agency and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. The funding was provided pursuant to a decision of the German parliament.



The contribution of the Global Policy Forum was funded by



The contribution of the Open Knowledge Foundation was funded using financial means of Bread for the World – Protestant Development Service and of



The positions presented here are those of the authors and do not necessarily represent the opinion of the publishers and/or the funding organisations.

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ISBN 978-3-943126-26-16

Berlin/Bonn/Osnabrück, July 2016

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