

Worldconnectors statement

THE FUTURE OF INTERNATIONAL COOPERATION

RESPONSE TO WRR REPORT



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2010

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WORLDCONNECTORS THE ROUND TABLE FOR PEOPLE AND THE PLANET

FOREWORD

In January 2010, the Dutch Scientific Council for Government Policy (WRR) presented its report *Less Pretension, More Ambition: Development Aid that Makes a Difference*, recommending fundamental changes in the organisation of Dutch development aid. This report is likely to influence the direction of Dutch policies in the field of international cooperation in the coming years. The Roundtable of Worldconnectors (RTW) has discussed the report in detail, and endorses most of its analyses and recommendations.

The RTW – assisted by a wide range of external advisors – developed three short statements that are meant to complement the Council's report. The first statement is a general reaction, in which we support the plea to focus on managing the global public goods. This recommendation goes to the very core of what the Worldconnectors stand for. The other two statements deal with the need for complementary governance. As the WRR report takes a predominantly state-oriented perspective, the role and potential of other sectors of society remain somewhat underexposed. With the second and third statement we therefore highlight the unique and crucial roles of the private sector and civil society.

We believe that together these three statements make a valuable contribution to the ongoing debate about the future of Dutch policy on international cooperation.

Sylvia Borren and Herman Wijffels, co-chairs of the Round Table of Worldconnectors
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Worldconnectors statement The future of International Cooperation

Response to WRR Report

I. WORLDCONNECTORS VISION DOCUMENT

Coherent policy to manage the global commons
Dutch International Policy requires a new approach

Worldconnectors Vision Document in response to the Report on International Cooperation “Less Pretension, More Ambition” by the Scientific Council for Government Policy (WRR), published in January 2010.

This document is based on a dialogue on the WRR Report at the Worldconnectors Round Table meetings of 16 February 2010 and 27 May 2010 and two Steering Group meetings. It has also been formed by the consultation process initiated by Worldconnectors among business actors: see Annex I for the results. Another priority for the Worldconnectors in the context of this debate is gender empowerment and diversity. With regard to this we refer to our recent statement on this theme on our website (www.worldconnectors.nl). A reaction to the WRR report regarding gender formulated by the Dutch Wo=Men network can be found in Annex II.

The debate on the WRR Report on the innovation of international cooperation has been facilitated by The Broker. A number of Worldconnectors contributed to the debate on this online platform. For contributions by Ruud Lubbers, Jos van Gennip, Herman Mulder, Sylvia Borren, Johan van de Gronden, Ton Dietz, Paul Hoebink and many others, please see: <http://www.thebrokeronline.eu/en/Special-Reports/Towards-a-global-development-strategy>

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Last January, the Dutch Scientific Council for Government Policy (WRR) presented a report entitled *Less Pretension, More Ambition: Development Aid that Makes a Difference*, recommending fundamental changes in the organisation of Dutch development aid. According to the WRR, more attention is needed for the management of global public goods. This refers to finding global solutions to interconnected problems, such as hunger and the food crisis, water and energy scarcity, climate change, loss of biodiversity, and global inequality.

With this short statement, we particularly wish to underwrite the WRR report’s position on the importance of ‘the global public goods’. Global public goods are the goods that should be available to anyone worldwide without exclusion, in a ‘non-competitive’ manner. The Worldconnectors themselves prefer to use the term ‘global commons’, referring to all that is of common interest to people and the planet. This is a value-driven dynamic concept that has both a social and an ecological dimension. Within the social dimension our common interest is in peace, safety, stability, equity, welfare, etc. It is the context within which people can live their lives with dignity. Within the ecological dimension our common interest is in the sustainable management of the world’s natural resources, such as forests, oceans, soil, flora and fauna. Managing the global commons means maintaining and developing both dimensions in the interest of humankind.

Protection and advancement of the global commons is everyone’s responsibility and is in everyone’s interest.

The tragedy of the global commons agenda is that, in our present competitive world, when something is everyone’s responsibility it can easily become no-one’s responsibility. In this sense the ‘race to the bottom’ is happening very much today (example: the oil leakage in the Mexican Gulf). Inequality and environmental degradation lead to loss of life, insecurity, war and risks – and to a less stable world. It is therefore in our own individual and collective enlightened interest that men, women and children all over the world are able to participate in social-economic and political processes. This is essential now and in the coming decades of global population growth. A stable, safe and sustainable world is particularly important for the Netherlands, as our economy depends for a large part on trade with other countries. Put in a pro-active way: Wo-Mankind can and should transform its relationships with the planet and itself from a utilitarian and competitive model to a cooperative one that can lead to great (and diverse) potential for all. This requires an ethical and practical commitment to life in all its diversity.

This requires a true mind shift, away from the (postcolonial) paradigm that has been dominant during the last fifty years. The traditional aid agenda has generally been driven by a combination of guilt, human concern, and our own Dutch vested interests. Western countries (and the multilateral institutions they dominated) influenced development processes in developing countries in many ways through aid and its associated conditionalities, and

through their own incoherent economic and climate policies. That time is now over. We need a new model of international policies based on the fact that in this time of globalisation, everything and everyone is interdependent. This holds true not only for individuals or countries, but also for political, economic, social, and ecological systems. This means that we must find a new balance in international power relations and new systems of checks and balances to be able to safeguard and develop the global commons, which are essential for both the survival of the planet and for our own future.

International Policies for managing and developing the global commons go beyond ‘aid’ or ‘development cooperation’, which as concepts and in practice are still based on the North-South paradigm, unequal power relationships and the exploitation of old and new scarcities. The new international approach requires an acknowledgement of our global interdependence, and requires all governments, corporates and civil partners to move beyond short-term vested interests and power positions towards working together in order to save our planet: both its bio-diversity and its peoples, in all their cultural diversity. This means finding new solutions together for climate change, the food crisis, water and energy shortage etc, as well as finding ways to engage the potential of all men, women and young people in a cooperative and non-competitive manner. Some call this an evolutionary shift from competition to cooperation that is necessary for the survival of this planet and its people.

This new approach requires a pro-active Dutch international policy and practice. The Dutch government needs to push for better management and development of the global commons and must therefore have coherent policies in place in the national, European and international arenas. We call upon the Dutch government to prioritise this global commons agenda. We underwrite the WRR’s plea for more coordinated knowledge development on the themes of international policy and the global commons. There is a need for more cooperation and knowledge-sharing between northern and southern academics. There is a world to be won (literally) by moving towards a better understanding of the global commons, which includes not only conservation, but also development of new potential – per definition of and for our planet and peoples.

Besides the role of governments and academia the Worldconnectors wish to highlight the roles of civil society and the private sector. The WRR report concentrates mostly on interstate development. But this alone has not been able to reach the poorest of the poor. One out of every seven people still goes to bed hungry. Hunger is a source of conflict and disease. It is not only inhuman,

but also a source of much conflict and unnecessary misery – and of course a terrible loss of human (women’s) potential. The rapid growth of the world population – which by 2050 may have risen to more than 9 billion – makes the need to combat hunger and solve water and energy scarcity even more urgent. With new green solutions, extremely productive human energy can be harnessed for the global commons and sustainable economies.

Active citizens can play many different roles in a diversity of national and international initiatives: taking part in implementation projects, acting as watchdogs, conducting research and influencing policies and the public mindset. The increasing force of young people in these processes should not be underestimated and could be further stimulated.

The also applies to the private sector. Because the Netherlands has a tradition of international trade, the Dutch corporate sector can make a significant difference, by being coherent and by creating opportunities for decent, green work. We therefore ask that the broad private sector, in all its diversity, play a greater role in debates and policy development with regard to the global commons. We ask them to ‘live’ the decent work agenda and the four core labour standards of the ILO, which have been underwritten by the private sector itself as well as by Trade Unions and Governments.

See Annex 1 for a statement compiled by a working group in which representatives from the Dutch business world participated.

Within this context, the Worldconnectors wish to highlight the key position of women. Women can play a crucial role in local development, agriculture, micro-financing, social cohesion, education and healthcare, as well as in finding new local solutions for water and energy scarcities. The ‘feminization of poverty’ that is currently taking place can be transformed if the inequality between the sexes is addressed and if women are stimulated to use their qualities, energy and voice to achieve sustainable development. This is why the Worldconnectors ask (as an essential addition to the WRR report), that governments, companies and civilians cooperate to increase the role of women in all aspects of their organisations, in order to achieve the much needed coherence in international policy and its effective implementation. In this sense solving the gender gap and stimulating women’s leadership at local, national and global level must be a central element of the new Dutch international policies for the management and development of the global commons. See Annex 2 for a reaction to the WRR report by Wo=Men, as well as Annex 3: the Worldconnectors own statement on Gender and Diversity.

The WRR report has sparked much debate, but it has still received insufficient contributions from outside ‘the sector’. So far, neither the academic community, nor

civil movements related to environmental protection, human rights, peace and global security, have been very actively engaged in the debates surrounding the WRR report. The Worldconnectors therefore call upon these groups to also reflect and react. Likewise, we call upon the various Ministries to define a vision and actively engage in shaping a new international policy approach, since a broad coherence of policy and practice are central to a new Dutch approach towards the Global Commons.

For the Worldconnectors the most important recommendation of the WRR is their plea for a broad and coherent international cooperation policy which, in our view, should be centred around the global commons agenda, and which will require stronger global governance with a clear role set out for the corporate sector and civil society.

All the other concrete recommendations in the WRR report should be carefully checked for their effect in strengthening the global commons agenda. The WRR's recommendations (e.g., economic development beyond poverty alleviation, a country-specific approach, professionalisation, ending the discussion about the 0.7%, ten countries for bilateral support, and the creation of an NLAID) can all be analysed in terms of their positive or possibly negative effects on the role in developing global commons policies and practice which the Netherlands is able and willing to play in the international arena.

To summarise: the new Dutch international policy should be driven by an uncompromising dedication to good management and to the development of global commons (not least because this is of enormous importance for the Netherlands itself). This new approach demands systematic and coherent policy development and cooperation between the Dutch government, the private sector and civil society, as well as a collective commitment to increase the role of women at local, national and global level.

The Worldconnectors see it as their role to support this process and would like to initiate a process of structural interaction between the different stakeholders to deal with this new concept of managing and developing the Global Commons.

The Worldconnectors

II. PRIVATE SECTOR

Worldconnectors Working Group Business & Development Cooperation: “More entrepreneurship, coalitions and ambition”

The Working Group was chaired by Herman Mulder, member of the Worldconnectors Steering Committee and Nanno Kleiterp, CEO of FMO and member of the Worldconnectors.

This paper is a direct follow-up to the Worldconnectors Roundtable of 16 February 2010, during which it was decided that, under the coordination of Jos van Gennip, a number of constituent sectors of the Worldconnectors would provide input for a joint comment on the WRR Report “Less Pretension, More Ambition”.

It was decided from the outset that the Working Group should have an open and broad character and should include representatives of businesses from the Netherlands, local businesses in the South and the coordinating platforms IDH and VNO.

The Business Working Group included representatives from the following companies, respectively organizations: AKZO Nobel (Veneman), Unilever, Ahold, TNT, Philips, Shell, Rabo Foundation, VNO, IDH, BiD, SNV(Elsen), FMO, EZ, as well as the Worldconnectors Hans Eenhoorn, Leontien Peeters, Ruud Lubbers, André Veneman and Dirk Elsen. The discussions within the Working Group were highly engaged. Koen Kusters (DPRN and member of the Worldconnectors Support Team) helped to compile the reports.

In addition, informal consultations took place with i.a. Koenders, Heemskerk, Rinnooy Kan, Brouwer (DGIS) and with Wientjes (VNO). Also Worldconnectors Johan van de Gronden and René Grotenhuis offered comments on earlier concepts.

The Working Group held 2 meetings, with intensive consultations taking place between these.

The Recommendations are broadly supported by the members. The Working Group intends to go into more depth with some of its recommendations, notably (4) Financial Innovation and (6) Globalisation Platform.

Global context:**public goods and international challenges**

We need to fundamentally change our traditional view of the world and our resulting actions. Economic growth is necessary for the creation of jobs and for the social agenda (health, education), but if unchecked comes at the expense of our natural habitat. Globalisation comes with a prize (broad-based access to skills, markets, finance), but also at a price (interdependencies, contagion): “the tragedy of the commons”. The global public & common goods agenda (poverty, nutrition/food security, water & sanitation, resource depletion, ecosystem degradation, climate change, biodiversity loss, energy) is massive, complicated and urgent.

Moreover, most of these public & common goods are increasingly scarce, yet they are severely under-priced. Considering the inevitable global demographics, with a 40% increase in the population over the next 40 years, the urgency of these issues will only increase, as will the need for a change in our consumption patterns. The recent banking, economic, and sovereignty crises have exacerbated this problem and may well be followed by a broad-based social crisis which will also affect the EU. The international development agenda urgently requires an integrated approach to global prosperity, nature stewardship, responsibility and justice.

The financial capacities of governments, particularly in many of the OECD countries, have been seriously impaired, limiting their ability to play their hitherto dominant role, whilst there are also worrisome trends towards nationalism and protectionism. This seriously affects the creation of new international policy frameworks as well as effective implementation to address these global challenges, as the climate conference in Copenhagen recently showed. The Netherlands, as a small country with an open economy, is particularly vulnerable to these trends.

The WRR report ‘Less Pretension, More Ambition’ articulates the need to address these issues and provides the Dutch government with a useful framework to initiate a broad public debate on the redesigning of traditional international development cooperation. One of the important tasks of the new cabinet will be to develop a broadly shared vision on the role of Dutch society as a whole in a globalising, yet fragmenting world. The prominent roles of the Dutch government in international development cooperation and of the Dutch private sector (both for-profit and not-for-profit) in both the international and the sustainability arenas offer a real opportunity for them to play a leading role in redefining international development cooperation.

Given the limited size and resources of our country, choices need to be made in the global public goods debate. These choices need to be based on our own political, social and economic strengths and priorities in order to offer solutions towards a sustainable world community, in particular for those at the bottom of the pyramid.

The importance of public and private collaboration to meet these challenges

The government cannot accomplish this task by itself. Only coherent, efficient and effective collaboration, based on a “common but differentiated responsibility” between nations and stakeholders in both the domestic and international public and private sectors, will effectively address the global priority issues. Both public and private sectors are operating in the public domain, utilising and benefiting from the public goods, but also causing major “public bads”.

Businesses in developed and developing countries have many proven capabilities, resources and, increasingly, an interest in effectively addressing the public goods challenges in their operational strategies. However “making markets work for a better world” requires regulatory and policy frameworks to be clear, supportive and effective. Opportunities for capitalising on and leveraging the “complementarity” of public and private sectors and realising the synergies of such public-private collaboration are plentiful: innovations in the field of climate change (e.g. cleaner technologies) and food (e.g. extra nutritional foods), knowledge development together with research centers/universities and development of sustainable supply chains (e.g. cocoa, soy, palm oil, timber, cotton).

The private sector at the core

The WRR report correctly focuses on the importance of economic growth for developing countries. Without growth, there is no development and no means to reduce poverty. The business sector is the most important driver for realising economic growth and the creation of jobs. A well functioning business sector will:

- *Create employment:* according to the survey “Voices of the Poor” more than 70% of the world’s poor believe that the best way of escaping from poverty is to get a job;
- *Stimulate innovation and productivity growth:* essential for structural and sustainable economic development;
- *Have an ethical founding:* the Ruggie Framework “Protect, Respect, Remedy” with respect to Human Rights offers a sound basis.
- *Generate government tax income:* with these resources governments can supply a basic infrastructure and basic necessities and also decrease their dependency on donor funding;

- *Create a middle class*: a prerequisite for a stable society.

By stimulating entrepreneurship in an environmentally and socially sustainable way people will be given the opportunity of becoming self-sufficient.

With respect to the business sector, a distinction needs to be made between the role of local businesses in developing countries and the role of the Dutch multinationals. As mentioned above, the local private sector plays an essential role in reducing poverty. Special attention needs to be given to micro-entrepreneurship and SMEs. They employ the most people and create the largest share of new jobs, including those for poor and low income workers. For the development of the economy they play a crucial role in helping markets to operate and grow sustainably. They are, however, restricted in their development by a lack of access to the required skills, technology, markets and finance, as well as being hampered by a weak business climate.

Through their direct investments and/or value-chains, the Dutch multinational companies are increasingly involved in local development, typically at the community level. They resource, produce and distribute locally. They are also increasingly moving from a defensive approach to corporate social responsibility towards a more active approach in which it is becoming part of the operational strategy of their core business: corporate social responsibility gives access to very promising markets.

Linkages between the international and local private sectors are of the utmost importance, as multinational companies create opportunities for local companies to expand their business, to export or to distribute more widely. They also transfer expertise, technology and new business models and have a certain amount of leverage in influencing sustainable value chain development.

It is important to underline the fact that the activities of international companies in developing countries are undertaken out of strategic self-interest. Next to their core activities, some companies carry out additional activities through their foundations. With these additional resources, combined with their expertise, some companies can create an additional development impact in areas not (yet) covered by their normal business activities.

An often overlooked aspect of the Dutch business landscape is the existence of vibrant cooperatives between smallholders which increase their scale and influence in national and international markets.

A call for collaborative action

The challenge of directly reaching the bottom billion still

remains, with role of women warranting special attention. Donors, local governments and civil society organisations are important actors in the provision of the basic necessities for these people. Business, civil society organisations and knowledge institutions in The Netherlands should collaborate more in developing community and business leadership, entrepreneurship, multi-stakeholder collaboration and change management. We call upon the Dutch multinational business actors to work effectively together with all such stakeholders, both in developing and developed countries, to create ways in which their resources and activities can contribute to realising the full potential of poor communities and their markets.

Recommendations

A. A NEW, COMPREHENSIVE FOCUS

1. Focus on entrepreneurship

Entrepreneurship should be the engine for the self-development of people, communities and countries. The international development agenda should therefore be focused on sustained economic and job growth enabled by skills, technology, finance and access to markets. Dutch contribution should be in line with this by further prioritising technical assistance, investing in micro-businesses and SMEs and the creation of green jobs in both the informal and formal sector, in order to alleviate extreme poverty and at the same time build a thriving middle class. The role of women should be particularly focussed upon. Corporate foundations and corporate volunteering should be further facilitated by legal and fiscal incentives.

2. Focus on sustainable value chains

International trade flows (including their financing) are core drivers for global economic growth and offer the opportunity for government, businesses and civil society organisations to work closely together. As an example, in 2009 the CEO's of 54 Dutch companies presented a EUR 525 million investment package to the government in order to facilitate combining forces to accelerate the mainstreaming of trade in sustainable commodities. It is recognised that this proposal not only serves the direct business interests of the Dutch trade and industry, but also delivers development in the countries of production.

3. Focus on customer behaviour

The marketing of sustainable and fair products should be actively encouraged for end-customer business; this is an important driver for "greening" the planet, responsible business conduct and fair prices and wages for the smallholder and employees at the beginning of the supply chain. Although this is primarily business-driven, governments can accelerate this development by

their own purchasing policy and by encouraging businesses in the area of verification standards.

4. Focus on financial innovation

Traditional grants should in principle only be provided once and for a defined period. The exit from aid/subsidy dependency should be included in the grant conditions. In financial markets new hybrid instruments are being developed to facilitate such exits, but regulatory and fiscal regimes should further facilitate this. Such instruments are also geared to measure, manage and compensate positive social and ecological impacts of the projects/interventions. Grants should be increasingly supplemented with instruments such as loans, equity and guarantees. These instruments offer an efficient use of scarce government funds and have the benefit of stimulating all parties to achieve the envisaged outcomes and impacts.

B. A NEW GOVERNANCE MODEL

5. Redesign the government's role

The Dutch Government should not only improve its own internal policy coherence (as recommended by the WRR Report), but go beyond this by fully exploiting its convening power and catalytic function within the diverse sectors in Dutch society with an interest in international development. Its policies and priorities should not be constrained by the OS-budget, but rather be driven by facilitating and leveraging the interests, capabilities and resources of the relevant actors, including the Dutch business sector. Multi-sector cooperation that recognizes such complementary characteristics would serve its own political objectives as well as the interests of the other actors involved. As outlined in the preamble the new Dutch government should develop a clear vision on the role of Dutch society as a whole.

6. Create a Dutch globalisation platform

In order to effect the multi-sector collaboration set out in paragraph (5), a National Globalisation Platform should be created, whose role would be to mobilize and share knowledge, expertise, networks and views on the risks and opportunities. The complementary role of all Dutch actors, including the government, would be strengthened in the globalisation agenda. Members of the Platform would include senior representatives from all relevant ministries, the business sector, knowledge centres, civil society organisations (including organisations focusing on labour, nature, human rights, development, religion, diaspora), the media and youth actors (a structure similar to the Worldconnectors). The Platform should position The Netherlands as a leading thinker and actor in international development cooperation.

7. Focus on themes and more countries

The new governmental approach should be more theme or issue driven, rather than focusing exclusively on a limited number of countries (as the WRR Report suggests). The 0.7+ 0.1 % might be applied more effectively by using it catalytically or in addition to what businesses and development organisations can achieve. The Dutch business sector with their multi-country approaches could accelerate and expand their roles more actively in developing countries and, very importantly, in the communities if the Dutch Government were to make broader use of its political and diplomatic weight. We have already shown that forming public-private partnerships (both nationally and locally) with the business sector, civil society organisations and the public sector in developing countries could enhance the efficiency and effectiveness of the Dutch development contribution. In these partnerships both the developing and the Netherlands-based industries would benefit from playing to our strengths. The recognised excellence of the Dutch industrial, financial and advisory business sectors should be exploited to the fullest extent. This would include themes such as sustainable agriculture, renewable energy, water management & sanitation and affordable and effective insurance and pension schemes.

C. IMPORTANT CONDITIONS

8. Focus on international norms and sector standards

The current Review of the OECD Guidelines for Multinational Enterprises with The Netherlands as chair of its Working Party offers an opportunity to deepen and broaden its applicable scope and scale. This is important for an international level playing field for Dutch businesses worldwide. Dutch companies (both large, medium and small internationally operating companies) should be further supported in playing a leading international role in sector round tables to establish acceptable business codes in accordance with the OECD Guidelines for Multinational Corporations. Also the ILO Decent Work Agenda should be implemented throughout the value/supply chain of companies. Public disclosure by companies (including those in the financial sector) on environmental, social, ethical and governance issues in their business operations should become the norm. The Amsterdam based Global Reporting Initiative (GRI) should continue to set the standard for this: integrated reporting by corporations should become "good practice". Civil society organisations could play an active role in setting and challenging such standards and implementing impact assessments

9. Focus on the new economy and the GDP of the poor

Climate change, ecosystems degradation and loss of biodiversity directly affect the "GDP of the Poor". Studies to attribute values to "Natural Capital" and

create a basis for payment for ecosystem services (PES) both in national accounting (“beyond GDP”) and company accounting should be actively promoted in government policy, academic work and business practice.

Herman Mulder & Nanno Kleiterp

7 May 2010

III. CIVIL SOCIETY RESPONSE

Civil Society’s role in development

Statement on the role of civil society, in response to the Report on International Cooperation “Less Pretension, More Ambition” by the Scientific Council for Government Policy (WRR).

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This statement complements two earlier statements by the Round Table of Worldconnectors that were prepared in response to the WRR report: 1) Coherent policy to manage the global commons - Dutch International Policy requires a new approach; and 2) Worldconnectors Working Group Business & Development Cooperation: More entrepreneurship, coalitions and ambition. Both documents are available on: www.worldconnectors.nl

Preamble

In the report “Less Pretension, More Ambition” by the Scientific Council for Government Policy (WRR) there is little attention for the role of civil society in development. Also, in its paragraphs on civil society, the report focuses on the organisational and financial set-up of Dutch civil society. The report lacks a reflection on the fundamental role that civil society plays, in each and every society, in the processes of social and societal development. With this statement, the Round Table of Worldconnectors (RTW) wants to draw attention to the crucial and autonomous role of civil society in development processes and in shaping a just and sustainable world – a role that is under increasing pressure.

We emphasise that civil society is not one entity; civic action has many forms. Moreover, civil society groups operate on the basis of different values. We too are not value-neutral. In this statement we therefore not only

describe the various roles that civil society organisations and initiatives can play, but we also promote a basic set of values that we believe should guide civic action.

Acknowledging that different civil society organisations operate on the basis of different interests and values, we explicitly subscribe to the Earth Charter and the Millennium Declaration. We believe that national and international civic initiatives that are based on the core values of justice, sustainability and connectedness play a crucial role in shaping the world of tomorrow. With this statement we call upon the Dutch government to acknowledge this unique strength and to use it.

The basics: civic action

Civic action is the basis of civil society. It starts with the agency of citizens as members of society, of those who want to act based on their responsibility as citizens. The United Nations uses the following definition: 'Civil society refers to the associations of citizens (outside their families, friends and businesses) entered into voluntarily to advance their interests, ideas and ideologies'¹. The term does not include profit-making activity (the private sector) or governmental activity (the public sector). Of particular relevance to the United Nations are mass organisations (such as organisations of peasants, women or retired people), trade unions, professional associations, social movements, indigenous people's organisations, religious and spiritual organisations, academic and non-governmental public benefit organisations. But civil society is not only about large groups. Also, small groups of people (in neighbourhoods, slums, etc.) with specific aims and interests, who organise themselves to achieve their goals, are part of civil society. Sometimes individuals express their agency by addressing issues and challenging existing structures of power.

Civil society groups do not always play a positive role; they can also function as a source of conflict or violence. Some civic movements have an outspoken dark side (such as racist movements) and recent experiences in Kenya and Nigeria illustrate how fragmentation and internal conflicts among civic actors have the potential to paralyse development processes. But with this statement we highlight the crucial role of civil society initiatives that aim to create 'social profit': a more vibrant society in which communities and networks flourish. We stress that organised citizens have played a crucial role in history. Important social changes (labour-rights, gender-issues, anti-discrimination legislation) are the result of civic action by individuals and communities. Just as the state and the market, civil society is a vital pillar in societies all over the world.

¹ The OECD uses in essence a similar definition: 'The multitude of associations around which society voluntarily organises itself and which represent a wide range of interests and ties.'

Global citizenship

Civic actions related to international development issues are often based on the notion of global citizenship; citizens give voice to their connection with people and communities elsewhere and to the fact that people share the planet and therefore bear a shared responsibility for the future. The notion of global citizenship is directly linked to the notion of the global common goods, which is becoming central in issues of global development.² Global citizenship does not mean that people detach themselves from the concrete reality in which they live. Global citizenship is rooted in local realities and in connections to these realities. Global and local are not opposites: the global reality is present in the local and the local reality is present in the global.

In the sphere of development, civil society groups can realise changes that state and market cannot. Micro-credit, for example, would never have been developed without civil society initiatives. The same is true for women's empowerment or the rights of a range of minorities such as inter-gender groups and/or indigenous peoples. Such civic actions tend to be guided by basic values of justice and sustainability. With this orientation, many civil society groups that are active in development have a much sharper profile with regard to their values and objectives compared to civil society in general.

Civil society as a strategic actor in development

The role of civic actors is indispensable in development, based on our view that the triangle of state (with its different layers and institutions), market (in all its diversity of self-employment, small and medium enterprises and large multinational companies) and civil society (in all its variety as already explained) is fundamental for a balanced and healthy society. This role is particularly crucial in a time when many societies are facing rapid social changes that affect solidarity and trust. These rapid changes are not only affecting economic and political structures but are also turning the social structures of societies upside down. For the social dimension of development, civic actors are more important than either state or market. Together, these three pillars are all needed for the balanced development of societies. We believe that civil society has at least five roles in development:

(1) Civil society as countervailing power

Civic actors play important roles as countervailing powers, advocacy agents and watchdogs on issues such as human rights, child labour, trafficking, gender violence etc. Organised civic awareness and civic actions are key

² See statement of the Worldconnectors entitled "Coherent policy to manage the global commons - Dutch International Policy requires a new approach" and chapter 8 of the WRR report.

to the checks and balances in any society. The role of civil society organisations to monitor and pressure large multinationals is evident, but civil society organisations also foster democratic processes and good governance, and strengthen accountability and transparency in development processes. In development, good governance is one of the key issues. Rampant corruption, lawlessness and irresponsible exploitation of natural resources are the most important impediments to sustainable development. The role as countervailing power is continuously challenged from a legitimacy perspective: to what extent is the advocacy and lobby of civil society organisations the genuine expression of the people or to what extent has civil society become a self-appointed part of the rituals which we know from large international gatherings and conferences?

(II) Civil society as steward of culture and identity

Many societies are facing rapid social changes and the breaking up of existing social patterns. Civil society groups play an important role in connecting diverse social systems and supporting people in coping with social change. Activities that may strengthen people's identities help to stimulate self-confidence and social participation, especially among people from vulnerable social and economic backgrounds. At the same time, herein lies one of the biggest challenges for civil society organisations. In safeguarding social patterns and the culture and identity of communities, some civil society organisations may become divisive and exclusive within societies, creating gaps between groups of different cultures, social class, sexual identities and religions (cf. racist groups).

We believe, however, that civil society organisations can and should stimulate social cohesion and social empowerment of communities, and create connections and relations between different communities. Building healthy societies cannot be a zero sum game in which strengthening one group means disempowering another.

(III) Civil society as service provider

The provision of services is an often overlooked role of civil society. In providing basic social services (education, health care, housing), civil society is an important alternative next to profit-driven providers and state provisions. The role of governments is to guarantee access, affordability and quality of social services, but that does not necessarily imply that the state itself should take on the provider's role. On the contrary, from the perspective of checks and balances, a distinction between standard-setting/control and the actual provision of services could be highly relevant. Service provision by civil society groups can strengthen people's ownership. For example, Trade Unions and Parents Associations can do much to increase the quality of education. The provision of services by civil society groups may be

particularly important in fragile states in the absence of state institutions. In countries like Sudan and the DRC, Christian and Islamic groups play an important role in providing basic services, thus functioning as a safety net for the populace.

We believe that the balance between subcontracting and autonomy is crucial. Fitting into a nation-wide system of basic social services can be compatible with the autonomy of civil society groups when there is mutual understanding, acceptance and dialogue with regard to their roles. When it is merely a subcontractor of the state, a civil society organisation loses its added value.

(IV) Civil society as incubator

Civil society groups may pressure state and market actors to develop new answers and to address social injustices. But they can also be the breeding ground for new and innovative answers which point the way forward. Examples are numerous. Just imagine where the issues of climate change, gender equity and micro-finance would stand if civil society groups had not been so actively involved. Likewise, civil society groups create new standards in international relations, for example the Fair Trade/Max Havelaar standards which are stimulating corporate responsible behaviour, and advocacy work around debt cancellation and the proposed financial transaction tax.

(V) Civil society as learning space

Civil society organisations are spaces to link and learn in order to develop the knowledge, the attitude and the behaviour of citizenship. In connecting to communities and in positioning their own issues and concerns within the broader society, people develop the virtue of citizenship. When people get engaged in development cooperation they learn about global citizenship and its consequences for what the WRR rightfully labels personal coherence³. Universities and knowledge centres are important as reference institutes for civil society. They provide knowledge and are critical advisers for civil society. Secondly, universities provide a learning environment in which people can develop themselves to become critical citizens who may later become leaders in civil society organisations, businesses or politics.

Besides this, civil society organisations appear time and again to be a learning ground for leadership. Part of the success of the transformation of South Africa from an apartheid state to a rainbow nation is due to the lessons learned by the leaders in the anti-apartheid struggle. The same goes for the transformation in Chile after the Pinochet dictatorship.

It starts with one

The notion of global citizenship is a call to action for

³ See WRR rapport page 273.

everyone. Each individual, in her or his capacity, can contribute to a better world. As the WRR report states, many of the world's problems are in some way or another connected to our own personal decisions. This is particularly true in the sphere of consumption – buying cheap clothes made in Asian sweatshops and the environmental effects of meat consumption. Civil society organisations play a crucial role in raising awareness about such issues by providing reliable information on the origin, environmental, social and gender impacts of products.

The potential of individuals to contribute to a more just and sustainable world is not limited to their role as consumers; individuals also make a difference through acting as 'responsible world citizens' at their place of work. It is often (small groups of) individuals from within a company, who are the main driving force behind a transition towards more sustainable business. For this the innovative force of young people is needed, but their creativity and energy would be immensely helped if established leaders also have the courage to take responsibility and come forward with unconventional proposals.

Civil society organisations play a role in bringing concerned individuals – both as consumers and professionals – together in new groups and networks. Moreover, civil society organisations make use of individual citizen's ideas and leverage (for example through signing petitions). Individuals may also be a starting point for new social movements. Here, the power of social media cannot be underestimated; one critical individual posting her or his concerns may result in a virtual community of thousands of people within only a matter of hours. Recent examples in Indonesia have shown that Facebook communities can generate significant political pressure.

Civil society as a dynamic force

Citizens put forward those issues that they think are important and, in so doing, they challenge the rest of society, which may effectively disrupt any existing status quo. Many civil society groups do not take for granted the comfort zones of institutions. Hence, they are crucial in shaping societal dynamics. But civil society itself is also dynamic, comprising a multitude of interests, norms and values, which may change over time. Also, civil society organisations tend to be dynamic in their way of operating. From an international perspective, for example, civil society organisations are more flexible than governments, who depend on either bilateral relations or slow and bureaucratic multilateral relations. The dynamic character of civil society is illustrated by the increasing number of local, national and international civil society networks, where different groups meet to exchange knowledge and to develop joint (lobby) activities based on common values. The dynamics of global civil society networks have

been increased tremendously by the ICT revolution. Information on human rights violations, illegal logging, ethnic and/or gender violence are distributed worldwide in a split-second, coalitions are built and maintained and knowledge and good practices are shared. New mobile technology will further enhance the connections between civil society organisations worldwide.

Civil society as global actor

The contemporary world is faced with many challenges of a global nature. Think of climate change, energy scarcity, the financial and food crises, inequality and poverty, migration, security and communicable diseases. In turn, these global challenges, have clear local consequences, felt by people 'on the ground' – from a farmer in Ethiopia having to deal with increasing climatic variability to a Dutch child who grows up in a neighbourhood that is increasingly fragmented along ethnic lines. This inspires us to make a plea for a truly global perspective that is grounded in the realisation that everything is fundamentally connected. The local and the global cannot be separated – the global includes the local.

This implies that we should do away with North-South thinking. The typical North-South perspective, which (implicitly or explicitly) is based on the idea that we in the North know what is best for the poor people in the South, is still all too common. In the modern world, however, this is an increasingly outdated view and this has implications for the relations between civil society groups and requires critical thinking about the relationships within the global civil society. Civil society organisations face a huge challenge to overcome the tradition of donor-recipient relationships and to strengthen the role of Southern civil society groups both as the main actors in the development of their own societies and as the main advocates for their own interests in the global arena.

The global perspective of those civil society organisations active in development positions them as important actors in relation to the management of the global common goods. For example, to protect the natural resources on which the whole of mankind and future generations depend, civil society organisations raise awareness and build alliances between people.

Civil Society in complementary governance

The Worldconnectors wholeheartedly support the WRR's plea for a focus on managing the global commons. Managing the global commons requires increased and improved collaboration between the private sector, governments and civil society. This has been labelled complementary governance in the Earth Charter. In the last couple of years we see more and more hybrid organisations in which the strict lines between state,

market and civil society have been blurred. This often takes the form of public private partnerships such as the Dutch Sustainable Trade Initiative (IDH), whose goal is to mainstream the social and ecological sustainability of the trade chains for a number of important commodities. There are older examples of hybrid forms too. One could argue, for example, that civic and private interests merged in Dutch (farmer) cooperatives, since they are value-oriented civic organisations that have, at the same time, a market perspective. Hybrid forms are there between all the three pillars (state, market, civil society). Political parties may be considered a hybrid form of civil society and the government. Organisations in basic social services (education, health) that started as independent civil society organisations have become implementers of government policies and regulations. And parts of the state have been privatised and operate as private entities within state structures.

We believe that, despite promising developments in which different sectors meet and look for common ground, there is still much scope to improve the collaboration and coordination between the different pillars of society. Multilateral agencies such as the UN and OESO, for example, are still failing to adopt a truly multi-stakeholder perspective. The same holds true for some civil society organisations that do not enter into a dialogue with others. We call for more (and more structural) attention to collaboration between the private sector, the government and civil society, based on the explicit recognition of the added value of each. In this light we would like to refer to the statement, prepared by representatives of the business community in response to the WRR report, entitled: 'More entrepreneurship, coalitions and ambition'.

Civil society in Dutch development policy

In the Netherlands civil society groups have played and play an important role and the Dutch 'polder model' reflects the multi-stakeholder approach that is a basic feature within Dutch society. The important role of civil society in development cooperation is not an exception: it is the application of the Dutch societal model within this domain. Therefore we endorse the analysis of the WRR that civil society's role in international cooperation can be a niche in which the Netherlands can present itself as a leading actor, deepening and renewing the role of civil society. The initiative to invest in a civil society knowledge centre can serve as an important building block for the Dutch international profile. This initiative has been taken by civil society organisations, knowledge institutes, universities and networks to deepen and exchange the current knowledge on the role of civil actors in development processes.

Civil society organisations have played an important role in Dutch policy on development cooperation.⁴ Their share in spending ODA has always been smaller (20-25%) than bilateral and multilateral aid, but they have been the most visible part of development cooperation in Dutch society. For most Dutch citizens the work of civil society organisations is the most visible component of development cooperation, so that this to a large extent determines its image.

We believe that civil society organisations are important actors in a Dutch Society that is increasingly facing the challenge of how to cope with a globalised world. There is a tendency towards a more inward looking attitude in our society as a response to the economic, social, cultural and religious changes in society. Civil society organisations working in development have a role to play in creating an open society, in which the notion of global citizenship is the cornerstone of our living together in the diverse reality of today's world.

The policy of the Dutch government regarding civil society has increasingly been driven by subsidy systems in which financial regulations and accountability systems are dominant. Over the last decade an in-depth debate on the role of Dutch civil society organisations in development cooperation and their relation with the Dutch government has been absent, despite the existence of a regular dialogue and many meetings. There is an urgent need for a fundamental rethinking of that relationship. Dutch civil society organisations also need to reconsider their own role in a rapidly changing environment in which the North-South divide is becoming obsolete, the donor-recipient relationship with partner organisations needs transforming and the issues of the global common goods now appear as pressing as the basic social services that have been at the centre of their policies and practices to date.

Over the last decade there is a new form of civil society emerging in the Netherlands. The increase of Dutch citizens' contacts in developing countries (tourism, jobs) has led to private initiatives supporting concrete and small-scale projects in developing countries. These projects are characterised by direct personal contact, visibility and tangibility, private funding and little apparent overhead costs. Besides bilateral, multilateral and NGO channels in development cooperation, we could speak of a fourth channel: the 'do-it-yourself' sector.

The rise of the 'do-it-yourself' sector has triggered policy discussions on how to deal with increasing fragmentation.

⁴ See a.o. the policy paper of the Dutch Ministry of Foreign Affairs on civil society by Pieter Lammers (http://www.ontwikkelingisverandering.nl/uploaded_files/1Civil_society_en_structurele_armoedebestrijding.pdf)

From the essence of what civil society is – and regardless of the effectiveness criteria that guide the allocation of financial means – the increasing number of citizens active in development cooperation can only be applauded; it is a sign of active global citizenship. From a narrow perspective, i.e., related to the financing of civil society organisations, there is a real question about the extent to which the financing mechanism can follow this fragmentation of civil society. Here the question of effectiveness is at stake. We believe that Dutch development policy regarding civil society should start with a fundamental discussion on the role and contribution of civil society in development processes before formulating a policy on financing civil society. Principles that can guide such a policy were recently drawn up in the ‘Istanbul CSO Development Effectiveness Principles’.⁵

Civil Society: partner under pressure

There is broad acknowledgement of the role of civil society in international cooperation. The Accra Agenda of Action stated that they are ‘development actors in their own right’ and should be included in processes of policymaking and implementation. International networks like GCAP and Civicus are strengthening their positions in the international arena and are increasingly acknowledged as relevant and indispensable actors. The stronger position of civil society, however, may provoke counter-reactions from governments and the private sector. By challenging the state or the market, or by questioning existing power relations (gender, economy, military, ethnicity), civil society can seem provocative. Therefore, those in power often try to oppress those civil society organisations who advocate change and more justice. Too often these civil society organisations are seen as disruptive and subversive and are treated accordingly. Space for civil society is shrinking and the state-security discourse (and hence the all too easy branding of opposition groups as terrorists) is increasingly hampering civil society’s ability to bring issues of injustice and poverty into the open and into the public and political debate.

The shutting down or administrative control of civil society organisations, censorship and internet controls, the blocking of visas, break-ins, threats to families, rape, imprisonment and other human rights violations are becoming increasingly common.

Recommendations

For civil society

1. Civil society organisations should develop a clear **multi-stakeholder** strategy for engaging with government institutions and the private sector.
2. Civil society organisations working in development need to **reposition** themselves in the changing global environment in which both the North-South divide and the donor-recipient distinction are becoming obsolete. Global civil society should focus on strengthening civil society within each individual society and offering them the opportunity to present their case in the international arena.
3. Civil society organisations working in development should integrate issues related to the management of the **global commons** into their policies and practice. Projects and programs should be developed within a global common’s framework and should link the local and global realities.

For the Dutch government

4. Dutch development cooperation should develop a clear policy for its relationship with civil society. The focus during the last decade on subsidy regulations has suffocated a profound and **holistic debate** on the role in development processes of a broader range of civil society organisations (in the Netherlands and in developing countries).
5. Dutch development policy should **capitalise** on its worldwide historical investments in civil society by strengthening research on the role of civil society in development.
6. In international politics the Dutch government should work tirelessly within its bilateral and multilateral networks to uphold the principles of fundamental **human liberties** (freedom of speech, freedom to organise oneself) which are crucial for civil society.

⁵ These principles are part of a worldwide initiative to formulate standards of effectiveness for civil society in response to the Paris and Accra principles.

See: http://www.concordeurope.org/Files/media/0_internetdocument-sENG/3_Topics/Topics/20_CS0_effectiveness/Final-Istanbul-CSO-Development-Effectiveness-Principles_footnote.pdf

