

**APRCM POSITION PAPER FOR 2017 HIGH LEVEL POLITICAL FORUM
“Eradicating Poverty and Promoting Prosperity in a Changing World”**

Asia-Pacific Regional CSO Engagement Mechanism (RCEM) is a civil society platform of more than 540 organisations aimed to enable stronger cross constituency coordination and ensure that voices of all sub-regions of Asia Pacific are heard in intergovernmental processes in regional and global levels. The platform is initiated, owned and driven by the civil society organisations (CSO), and seeks to engage UN agencies and Member States on sustainable development issues/processes. As an open, inclusive, and flexible mechanism, RCEM is designed to reach the broadest number of CSOs in the region, harness the voice of grassroots and peoples' movements to advance development justice.

This submission is made by the Asia Pacific Regional Civil Society Engagement Mechanism (RCEM). As an inclusive and transparent civil society platform expanding on the major groups¹, the RCEM has established a model of regional partnership capable of both enhancing accountability to citizens and supporting the most important ingredient for sustainable development - local, powerful social movements dedicated to advancing development justice. We continue to assess efforts to achieve sustainable development through the lens of ‘Development Justice’, a model demanded by RCEM members that requires Redistributive Justice, Economic Justice, Environmental Justice, Gender and Social Justice and Accountability to the Peoples.

This submission is drawn from inputs and statements from the Asia and Pacific CSO Forum 2017 statement for APFSD entitled “Prosperity for Whom? Asserting Development Justice in a Changing Asia and Pacific”. The submission contributes to the 2017 HLPF in 4 areas: (1) Assessment of progress toward the theme “Eradicating poverty and promoting prosperity in a changing world”, (2) Systemic Barriers to achieve poverty eradication and sustainable development, (3) Strengthening Means of Implementation and Global Partnership, (4) Strengthening Accountability for the Peoples.

I. Assessment of progress toward the theme “Eradicating poverty and promoting prosperity in a changing world”,

Two years into the implementation of the Agenda 2030, the world continues to be characterized by growth on one hand, but widening inequalities in wealth, power and resources between and within countries, between rich and poor, and between men, women, LGBTIQ, across different age groups and disabilities, and others.²

Rising inequality remains a major problem. While in 2015, the richest 62 individuals collectively owned the same as 50% of the world population, in 2016 the number only eight men own a net wealth of 462 billion USD - equal to the net wealth of 3.8 billion people. Asia-Pacific shows a similar trend. According to Asia-Pacific Wealth Report 2016, the Asia-Pacific region now leads the world in High Net World Population and Wealth. Asia-Pacific HNWI wealth grew 9.9% in 2015 to USD 17.4 trillion, which is 5.8 times more than the 1.7 % ‘Rest of the World’ (RoW) growth rate. Compounding this, the HNWI

¹ RCEM coordinates the work of 17 constituencies and 5 sub-regions of Asia and Pacific. In addition to the 9 major groups, RCEM also work with constituencies of fisherfolks, people living and affected by HIV, people with disabilities,

² The 2016 year-end update report of the Economic and Social Survey of Asia and the Pacific released by ESCAP acknowledged that while Asia and the Pacific has indeed experienced growth, it “has not translated into commensurate increases in decent jobs, which has also contributed to heightened income inequality”.

population grew by 9.4% to surpass 5 million, growing 3.5 times the RoW growth rate of 2.7%.³ In one day, **Vietnam**'s richest man earns more than the poorest Vietnamese person earns in 10 years. **Indonesia**'s 4 richest billionaires have as much wealth as 100 million Indonesians and the richest **Indonesian** billionaire earns enough off the interest of his wealth per year to lift 20 million Indonesians out of extreme poverty.

This system is further promoted by the dominating neoliberal economic order. In the name of prosperity, it is justifying the various injustices committed against peoples and the planet whilst promising continuous growth – in extraction, production, consumption and waste – generating vast amounts of pollution and bringing the Earth closer to environmental points of no return.

In the past year, there also has been a rise of political parties and governments (or state actors) that engage in extremism and carry out rhetoric and policies that further restrict and impair freedoms and human, civil, and political rights. Groups including but not limited to women, older persons, human rights defenders, farmers, youth, indigenous peoples, dalits, trade unions, and environmental activists continue to be subjected to exclusion and criminalization and even violence and killings.

II. Systemic Barriers to achieve poverty eradication and sustainable development

APRCEM reaffirms our position that tackling systemic drivers of inequality must be central to the annual review of Agenda 2030 to ensure the agenda is truly universal and addresses the roots structural causes of poverty. Systemic drivers of inequality include neoliberalism, fundamentalism, militarism and patriarchy, which are largely co-constituent with each other and they need to be collectively broken down in order to achieve development justice and progress on the SDGs. The following barriers require a response by governments:

Land and Resource Grabbing. Securing rights to lands, territories and resources is a core priority if the world is to achieve the SDGs. They cut across and underpin all the Goals and require comprehensive responses. Currently, land grabs facilitated by militarization and control of agrochemical TNCs on agriculture are widespread. In India, 300,000 farmers committed suicide from 1995 to 2014 while 2035 farmers are leaving agriculture every day. From 2003 to 2013, 5 million family farmers left agriculture in Indonesia. Furthermore, in the name of promoting clean energy and combating climate change, at least 200 large dams have been built across the Asia-Pacific region. These projects have displaced millions of indigenous families. In India, indigenous peoples constitute 40% of the people whose lands are deprived and those who are evicted and displaced by various development projects including dams.

To realize sustainable development, it is imperative to secure land rights of indigenous peoples, rural women and small scale farmers as the recognition, protection and promotion of their land rights would not only contribute to eradicating poverty, ending hunger and achieving gender equality but also will help ensuring a sustainable implementation of SDG 9 and with the respect the land rights of indigenous peoples, farmers and rural women and girls.

Militarism and Conflict - the rising militarism and conflicts waged by rich countries and their state forces pose aggression to the people. In Asia-Pacific, the intensification of militarization is linked to foreign capital and investment. Many communities affected by large-scale projects such as corporate farming and extractive industries have become targets of military operations, illegal arrests and detention of their leaders and even killings of activists.

³ <https://www.capgemini.com/news/asia-pacific-now-leads-the-world-in-high-net-worth-population-and-wealth-finds-the-asia-pacific>

On a larger scale, the show of military strength integrated with the economic and political influence is the new norm in a multi polar world. Asian countries are moving towards regional economic integration by means of bilateral trade agreements and regional institutions such as ASEAN that impose development aggression projects that have negative socioeconomic and environmental impacts.

Militarism and conflict deter the realization of SDGs. The failure to identify the root causes of this systemic barrier such as control and monopoly of resources by rich countries will only exacerbate the conflicts on the distribution of wealth, and will deepen the disparity between Asia- Pacific and the countries in the North.

Patriarchy and Fundamentalism - there have been gains in political participation of women with the enactment of gender quota laws, the formation of commissions on women, introduction of gender budgeting and development plans geared towards women's empowerment. This however, is juxtaposed against the increasing inequality in the region. Patriarchy and fundamentalism are still strong in Asia-Pacific. Fundamentalisms limit opportunities, participation and autonomy for some members of the population and cause whole groups of people to be 'left behind'. Women are marginalized resulting in economic, political and cultural oppression. Together, these systemic barriers worsen poverty and inequality, violate people's rights, and commit massive damage to the planet, displace women forcing them to migrate from their villages and countries into vulnerable work. Women's cheap labour is viewed as a source of competitive advantage for corporations, thereby keeping their wages low. Women and girls are the largest producers in agriculture and informal sectors; yet they own and control the least amount of resources. Women defending their land and livelihoods are often subjected to intimidation and violence as fundamentalisms and patriarchy threaten the human rights of women and girls and prevent their ability to have control over and make informed decisions over their bodies, and the ability to express their sexuality free from discrimination, coercion and violence. Added to this pervasive harmful traditional practices such as female genital mutilation and early, child and forced marriage have adverse consequences on the sexual and reproductive health of girls and women, inhibiting their ability to fully participate in society.

While Goal 5 sets some important targets that measure some of the consequences of patriarchal policies, a more holistic review of the systemic causes of inequality would allow the intersectional nature of the Agenda to be interrogated. Challenging gender inequality requires directly challenging economic policies, institutions and accounting that have entrenched social inequalities and often undermined the regulatory capacity of States.

Corporate Capture - The unbridled drive of many trans-national corporations for 'profits' has overtaken their concern for 'people and planet'. The achievements of generations of struggle of the people are under continuous and systematic attack, as powerful trans-national corporations and a handful of immensely wealthy people are writing the rules of the global economy. Of the largest economies in the world, 51 are now corporations. The revenue of the top 200 corporations exceeds the value of the economies of 182 countries combined. As state sovereignty and policy making power has been diminished and increasingly handed to the private sector, no corresponding system to ensure regulation and accountability of the private sector has emerged. Trans-national corporations and their supply chains hardly account for violating fundamental principles and rights. They capitalize on precarious working conditions characterized by low wages, inhumane working conditions and lack of social protection, as this would ensure higher profits. They disregard the harmful effects of their operations to the environment and the health of the community. These need to be addressed to ensure the 2030 Agenda acts on the root causes of poverty; addresses inequality across societies, sectors; promotes health of the citizenry; and builds on people-led industrialization that promotes prosperity for all.

Economic, Financial and Trade Measures that Impede Development Justice and Sustainable Development - The current retrogression to protectionism by the aggressive globalisers of the recent past amplifies years of unfair and unequal rules already pushed in the multilateral trading system, which has now been surpassed in many ways by the proliferation of BITs and FTAs, but sought to be multilateralised through the "new issues" at the WTO. This includes the tightening of intellectual property rights which constrain access to affordable and urgent medicines and seeds for farmers, greater restrictions in investment and competition policy which constrain the ability of developing countries to industrialize, diversify and boost productive capacity and the Investor-State Dispute Settlement (ISDS) system, which imposes a chilling effect on public regulations to protect the most vulnerable communities, public health and equity, the environment, wage policies and macro-prudential policies.

The key issue of **policy-coherence** between the SDGs and trade policies underscores the urgency of regulating for the public interest. The intersection between **trade and human rights** requires human rights impact and sustainability assessments and **in the context of SDGs, an SDG compatibility Impact Assessment**, of all trade and investment agreements, to ensure that they are aligned with the national and extraterritorial **HR and SDG** obligations of governments.

The **global tax system** has failed because more than half of the world's countries are currently excluded from the decision-making processes on global tax standards. An intergovernmental, transparent, accountable, adequately resourced tax body with universal membership, that leads global deliberations on international tax cooperation is needed under the auspices of the UN. Such a body will strengthen developing countries' capacity to generate significant sustainable financing for development through, for example, combating corporate tax dodging in developing countries and balancing the allocation of taxing rights between source and residence countries. It should also support the efforts of peoples in developing countries to develop their own progressive, rights based, equitable tax systems and laws, free of such pressures imposed by lenders and developed country governments. **Financial regulation** has not been implemented in a sufficient manner to address the social and economic damage wrought by the global financial crisis and economic recession of 2007-2010, let alone to prevent future global financial crises. The process of financialization is creating greater global inequality, instability and diverting finance from sustainable and equitable development sectors. Calls for restructuring the foundations of the international financial and monetary system, including those made in the UN World Conference on the Financial and Economic Crisis, have gone unheeded.

There is a critical need for **capital controls** and greater international macroeconomic coordination between capital flow source and destination countries to address large and volatile capital flows. The key obstacle to capital account management posed by FTAs and BITs has to be addressed.

Policy responses to balance of payments shocks must avoid **austerity measures**, including hiking interest rates, using reserves and borrowing from the IMF to maintain an open capital account and stay current on debt payments to foreign creditors and socializing private liabilities. Policy responses should instead seek to bail in international creditors and investors by introducing, inter alia, exchange restrictions and temporary debt standstills and use selective import controls to safeguard economic activity and employment.

Shrinking space for the Civil Society in Asia-Pacific - The last few years have witnessed continued shrinking spaces of the civil society all over the globe and likewise, the CSOs in Asia-Pacific have also been severely impacted. The constricting spaces for people's participation, for example, scrapping the bottom up approach, excluding CSO's as a member in Philippines 2017-22 plan, forced disappearances of human right activists in Bangladesh, regulations on foreign funding, rise of extremism in India, Pakistan

and many Asian countries are being reported. In Cambodia, there are serious apprehensions on the new Law on Associations and Non-Governmental Organizations (also called LANGO) curtailing the ability of civil society to congregate.

The above examples show that a free and vibrant civil society sector is seen as a threat by many governments that put ‘in place restrictions on their funding, taxing, membership, registration, and thus, their functioning’.⁴ We urge governments to fulfill their obligations to defend and promote human rights, and enable an environment conducive to democracy and open society and protect the rights of vulnerable communities.

III. Strengthening the Means of Implementation

SDG compatibility impact assessments led by Regional UN agencies in partnership with CSOs, of existing trade and investment agreements on the SDGs should be conducted together with an evaluation of potential environmental and socio-economic impacts of new and emerging technologies that are promoted as solutions to development challenges and crises. Capacity of UN, government and CSOs should be developed in this regard. Ensuring greater integration of ILO core labour standards and social dialogue, among others, into trade and investment agreements would help ensure their consistency with SDGs.

Growing public spending for infrastructure, interventions in social sectors and the need to deal with environmental challenges now call for strengthening tax systems. This requires additional domestic resource mobilization, and progressive tax systems. However, presence of tax competition, along with tax incentives that only benefit large corporations, impedes the generation of adequate public domestic resources for investment in development. Lack of space in debating and shaping norms of international taxation further hinders the ability of developing countries to generate domestic resources.

IV. Strengthening Accountability

To strengthen accountability at national levels, it is important that governments transparently design and share localised targets and indicators with citizens and stakeholders. Accountability must start with dedicating additional financial and other resources to implementing the 2030 Agenda instead of just rebranding existing activities. The SDGs are to be implemented by revitalizing the partnership for development, especially by involving the private sector. Governments must determine whether investments and business activities in their countries contribute to, or jeopardize, progress on the SDGs.

At international levels, it will also be important to encourage governments and other stakeholders to also share intentions, plans and investments. This creates forward-looking accountability in addition to the retrospective accountability of progress reporting. At regional and global levels, reviews must be at least as inclusive as the Open Working Group (OWG), but CSO engagement should not be limited to international experts and organisations, it must include those with direct connections on the ground that have stories to tell about when development leaves people behind.

⁴ <http://www.undp.org/content/undp/en/home/blog/2015/9/14/Protecting-and-ensuring-space-for-civil-society-.html>