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Towards an NIEO that is inclusive and equitable

Multilateralism must be redesigned in order to address the systemic flaws in the existing international economic order and build a new, inclusive and equitable international economic order (NIEO) that is able to address new and emerging challenges, including ongoing violent conflicts, a cost-of-living crisis, and unsustainable sovereign debt burdens, made worse by growing geopolitical concerns and geoeconomic fragmentation, according to a new report by the United Nations Secretary-General.

• Towards a new, inclusive and equitable international economic order — p2

..... ALSO IN THIS ISSUE

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CONTENTS

Website: https://twn.my

CURRENT REPORTS

Towards a new, inclusive and equitable international economic order -p2

Third Committee adopts key resolution on right to development -p7

Global trade to reach all-time high in 2024 amid an uncertain outlook — p11

Proposed fisheries subsidies deal tilts level playing field against South — p14

US\$47 billion appeal launched for 2025 amid growing global crises — p18

WFP seeks US\$16.9 billion to respond to global food needs next year — p20

Internet use continues to grow, but stubborn digital divides persist — p22

OPINION

New approaches urgently needed to tackle resurgent social crises — *p25*

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Towards a new, inclusive and equitable international economic order

A new report by the United Nations Secretary-General has called for a redesign of multilateralism in order to foster consensus on joint actions for a New International Economic Order (NIEO) that is just, fair, equitable and able to address new and emerging challenges.

by Kanaga Raja

PENANG: "Multilateralism must be redesigned to achieve the necessary reforms which address systemic flaws in the existing international economic order and build a new, inclusive and equitable economic order," according to a new United Nations report.

In a report (A/79/320) to the seventy-ninth session of UN General Assembly, the UN Secretary-General said this will also strengthen the United Nations' capacity to deliver on sustainable development, including by facilitating joint global action to reduce global systemic risk and strengthen resilience.

At the centre of the multilateral system, the United Nations provides an inclusive forum for addressing current challenges and fostering consensus on joint global actions for a New International Economic Order that is just, fair, equitable and able to address the new and emerging challenges for the benefit of people and the planet, said the report.

The report provides an updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development.

It said these include a slow and uneven recovery from the coronavirus disease (COVID-19) pandemic; multiple ongoing violent conflicts; a continuing cost-of-living crisis; increasingly unsustainable sovereign debt burdens; prospects of tepid economic growth; and more frequent and devastating climate-related disasters.

It said the situation is made worse by growing geopolitical concerns, geoeconomic fragmentation and an uneven distribution of the benefits of technological change. The report also reviews the role of the UN and makes actionable policy recommendations to overcome those challenges, in the context of the New International Economic Order.

Recommended actions include the need to further develop measures of sustainable development that go beyond gross domestic product; systematic support for broader technology diffusion and adoption; meaningful reforms of the international financial architecture and the multilateral trading system; and reinvigorated multilateralism that can help deliver on sustainable development commitments.

Background

According to the report, fifty years have passed since the adoption of the Declaration on the Establishment of a New International Economic Order (General Assembly resolution 3201 (S-VI)) and the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI)).

"Since then, the world economy has witnessed dramatic changes, with developing countries gaining growing economic and political influence and achieving improved quality of life for their citizens. Progress has been uneven, however, new challenges have emerged and the main principles of the Declaration and Programme of Action remain valid to this day."

It said many of these principles have been reaffirmed in the outcomes of major United Nations conferences and summits in the economic, social and related fields, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of

the Third International Conference on Financing for Development and the Paris Agreement.

In the two years since the issuance of the previous report on the New International Economic Order (A/77/214), the world has continued to suffer from interconnected shocks and crises that have hit vulnerable populations and countries the hardest and reversed progress on sustainable development, it noted.

The report said challenges range from a slow and uneven recovery from the COVID-19 pandemic; deleterious effects of a prolonged war in Ukraine and violent conflicts in Gaza, the Sudan and many places around the world; an ongoing cost-of-living crisis; increasingly unsustainable sovereign debt burdens; prospects of tepid economic growth; and more frequent and devastating climate-related disasters.

It said the situation is made worse by geopolitical tensions and fragmentation, leading to sluggish trade growth, reducing global economic dynamism and disrupting established global supply chains.

Rapid technological change – potentially an important driver of sustainable development – has been concentrated in a few countries and poses the risk of leaving developing countries further behind, it added.

The report noted that international efforts to address the confluence of crises so far have had limited success, causing the Sustainable Development Goals to appear increasingly out of reach.

At the same time, it said that there is a growing consensus on the need for enhanced multilateral action, stronger development cooperation and a meaningful reform of the international financial and trading systems.

Development challenges

The report said that after the adoption of the 2030 Agenda, there was some early progress towards achieving the Sustainable Development Goals.

However, it said that progress in poverty reduction and health outcomes, such as reduced child mortality, was slower than between 2000 and 2014, and some areas, such as undernourishment and primary school completion, saw little to no improvement since 2015.

Overall, the Secretary-General said

that the world was off-track to achieve the Goals even before the start of the COVID-19 pandemic.

From 2020, a confluence of crises has caused severe setbacks to the Sustainable Development Goals across the globe, he added

As a result of COVID-19, around 120 million people fell back into extreme poverty in 2020, causing the first increase in the global extreme poverty rate in 20 years. Around 9 per cent of the world's population currently lives in extreme poverty, totalling more than 700 million people.

"Inequality between countries is projected to have risen 4.4 per cent between 2019 and 2020, the largest such increase in three decades."

Around 600 million people could face hunger in 2030, about 119 million more than in a scenario without the COVID-19 pandemic and without the war in Ukraine. Amid a worsening climate emergency, more people are now suffering from disasters, with an increase in the number of affected people going from 1,169 per 100,000 between 2005 and 2014 to 1,980 per 100,000 between 2013 and 2022.

Beyond their immediate effects, shocks and crises can have long-lasting impacts on sustainable development, the report said.

"Without adequate protection mechanisms, even households that were non-poor before a crisis can fall into a poverty trap. When shocks and crises are recurrent, the risk of long-lasting development setbacks and poverty traps is higher, since repeated shocks reduce the coping capacities of both Governments and households."

The report said risks are greater for less developed countries with fewer resources to provide social protection and enact counter-cyclical policies and for households that are closer to the poverty line.

"Some countries are more vulnerable to shocks, such as climate-related disasters, putting them more at risk of development setbacks."

Since the issuance of the previous report on the New International Economic Order in 2022 (A/77/214), global economic growth has returned to (relatively weak) pre-pandemic levels, albeit with large differences between countries and regions, the report pointed out.

After slowing from 3.1 per cent in 2022 to 2.7 per cent in 2023, global gross domestic product (GDP) growth for 2024 and 2025 is expected to remain at similar levels

Among developing regions, East and South Asia enjoy solid GDP growth at an expected rate of 4.6 per cent and 5.8 per cent in 2024, respectively, thanks to robust demand and improved global trade.

"Growth trajectories in Africa and Latin America and the Caribbean are lower, owing to still-tight monetary conditions and structural weaknesses. In turn, growth in Western Asia remains weighed down by geopolitical tensions."

Current growth trends in developing countries are insufficient to allow for meaningful convergence with the developed world, except for a small group of fast-growing economies.

In particular, the report said growth in least developed countries remains far below Sustainable Development Goal target 8.1 of at least 7 per cent, despite a slightly improved outlook for 2024 and 2025 – of 4.8 per cent and 5.3 per cent, respectively, up from 4.2 per cent in 2023.

The report also said global investment growth has been declining since 2021 (from 5.1 per cent in 2021 to 3.7 per cent in 2023), owing to a sharp reduction in developing economies, amid high real interest rates, tight fiscal space and geopolitical risks.

Global trade fell by 3 per cent in value terms in 2023, as trade in goods contracted by 5 per cent while trade in services grew by 8 per cent, thanks to a continued recovery in international tourism and transport.

Global trade flows have started to recover in 2024, but geopolitical tensions and escalating freight costs pose challenges. Overall, trade growth in 2024 and 2025 is expected to remain below pre-pandemic levels, it said.

Global headline inflation has declined sharply, from 8.1 per cent in 2022 to 5.7 per cent in 2023, but it remains above its pre-pandemic average.

In developing countries, consumer prices increased by a cumulative 21.4 per cent between January 2021 and December 2023, hampering the post-COVID-19 economic recovery.

The report said food inflation remains high in many developing countries, owing to limited pass-through from declining international prices, weak local currencies and climate-related shocks.

In the first quarter of 2024, developing countries saw a mean year-on-year increase in food prices of about 10 per cent.

Amid geopolitical tensions and weather-related challenges, international food and energy prices may come under renewed pressure, which could exacerbate already high levels of food insecurity and hunger, it warned.

It said that declining headline inflation means that the global monetary tightening cycle may be about to end.

However, continued concerns about inflationary pressures may cause rates to stay higher for longer. While the European Central Bank first cut interest rates in June 2024 and the Federal Reserve Board of the United States of America is expected to cut rates later during the year, the timing and magnitude of further cuts remain uncertain.

Higher-for-longer rates in the United States and Europe may delay rate cuts in developing countries, weighing on investment outlook and prospective growth, said the report.

Global public debt as a share of GDP reached 94.4 per cent in 2023. This was below the 99.2 per cent recorded in 2020, but 11 percentage points above the prepandemic level.

The recent decline was mainly driven by developed economies and developing countries in Western Asia and Latin America and the Caribbean.

By contrast, public debt in lowincome countries reached record levels in 2023 and remained elevated in least developed countries, at close to 60 per cent of GDP.

High sovereign debt burdens and still-high global interest rates mean that debt service continues to weigh heavily on the fiscal space of developing countries, said the report.

In 2024, Governments in Africa are projected to spend on average over one quarter of total public revenues on interest payments, crowding out muchneeded social spending and investment in sustainable infrastructure.

Meanwhile, developed countries have long benefited from an international financial architecture that has evolved to meet their needs, resulting in lower interest rates on their sovereign debt. Despite a small increase in recent years, interest payments as a share of public revenues have remained low in these countries, at about 6 per cent.

Debt burdens are becoming increasingly unsustainable for many developing countries. Currently, 55 per cent of least developed countries and other low-income countries are at high risk of debt or in debt distress.

The report said of these countries, four have requested a debt restructuring under the Group of 20 Common Framework for Debt Treatments. Two other countries have completed or are undertaking a debt restructuring under the Heavily Indebted Poor Countries Initiative

It said several other countries are engaged or have announced interest to restructure their debt through bilateral negotiations.

Shocks & crises

The recent confluence of crises has affected all countries, but its impact has been highly unequal, depending on the vulnerability and resilience of people and societies, said the report.

It noted that a lack of equitable access to financial resources and advanced technologies, spillovers from volatile international financial markets, and continued vulnerabilities to terms-of-trade shocks have left many developing countries more exposed to such crises.

In least developed countries, where an average of 25.4 per cent of the population were living in extreme poverty in 2018, this share rose to 29.7 per cent in 2021, more than in any other country group.

"Increases in hunger and food insecurity are of particular concern in Africa, where 33 countries were in urgent need of external food assistance as at March 2024."

When school closures began in 2020, only one in six of the poorest children had access to the Internet, causing many to fall behind on education, the report further said.

Learning losses were compounded where Governments had to cut back on education spending as a result of fiscal constraints – as was the case in 65 per cent of low- and lower-middle-income countries.

Some countries are more vulnerable than others to the growing frequency and severity of natural hazard-based disasters, it noted.

For instance, recent estimates show that low- and lower-middle-income small island developing States have experienced five times more deaths owing to climate change-attributable disasters between 2000 and 2022 (adjusted for population size) than non-small island developing States in the same income group.

Across all income groups, average attributable economic losses were higher in small island developing States than in non-small island developing States, both as a percentage of GDP and as a percentage of Government revenues, it added.

Countries that are more vulnerable to shocks and crises need to strengthen their preparedness, resilience and response capacities to protect their populations. Investment in the Sustainable Development Goals is key to reducing vulnerabilities, the report underlined.

Yet, financing gaps for Sustainable Development Goals investments that were significant before 2020 have only increased in recent years, with estimated financing needs ranging between \$2.5 trillion and \$4 trillion annually.

It said countries with limited fiscal space and State capacities, and countries that are more vulnerable, will need support from the international community – including through access to affordable and stable long-term finance – to mitigate the social, economic and environmental impacts, strengthen resilience for the future, and advance sustainable development.

Sustained improvements will require a reform of the international financial and trade systems, to facilitate access to international finance on equitable and fair terms, enable a productive insertion of all countries in international trade, reduce vulnerabilities to external shocks (including through reduced commodity dependency) and facilitate much-needed technology transfer, it added.

It said eligibility for concessional financing currently depends mainly on countries' income per capita. To better address individual development needs and reduce vulnerabilities, there is a need to further explore and develop measures that go beyond GDP. Political momentum for such measures has picked up in recent years.

Highlighting the opportunities and challenges of frontier technologies, the report said the rapid advancement of artificial intelligence has opened the door

to a host of new applications that have the potential to boost economic productivity and accelerate sustainable development.

However, the actual economic impact of artificial intelligence is still unclear and may take a long time to become apparent. While there is uncertainty about what the most promising sectors would be for applying generative artificial intelligence in different developing countries, there have been some early positive results in areas such as health care, disaster response, agriculture and education, it added.

Despite great potential benefits, unintended consequences and intentional misuse or artificial intelligence can also harm economic, social and environmental outcomes and human rights, it warned.

"This includes the risk of job losses and increased inequality owing to greater automation and a shift in global value chains which is driven by technologyenabled re-shoring."

While the expected impacts of generative artificial intelligence on labour markets and productivity are still unclear, recent analysis points towards greater exposure of higher-skilled occupations and higher impacts on more developed economies.

The report said rapid developments in digital technology, social networks and artificial intelligence applications pose threats to data security and privacy, reinforce biases and have turbocharged ways to spread misinformation and disinformation.

It said high levels of energy consumption, water use and electronic waste are also causing concern. At the same time, uneven access to new technologies and market dominance by a small number of companies are increasingly turning existing technology divides into development divides.

Whether developing countries will be able to benefit from green energy and other frontier technologies depends on the access to, and affordability of, these technologies.

It also depends on countries' readiness to innovate, adapt and employ these technologies for economic, social and environmental development goals, while avoiding potential risks and drawbacks, the report suggested.

Some countries are better placed than others to take advantage of opportunities, but all countries need to develop strategies to overcome constraints and ensure they

are not left behind, it said.

According to the report, a new consensus for international trade is needed to promote technological capacity, innovation and resilience in developing countries, including through more flexibility in intellectual property rights and technology transfer.

"Countries with lower capacities will require additional support, including in the form of official development assistance (ODA)."

It said rapid technological change can worsen inequalities between and within countries, pointing out that the development and commercialization of frontier technologies is dominated by a small number of countries.

For example, in smart manufacturing, 90 per cent of all patenting activity is concentrated in 10 countries.

In green technologies, this is even more pronounced, with just seven countries accounting for 90 per cent of patenting activity. With the exception of China, these are all high-income countries.

By contrast, it said most developing countries, especially least developed countries and other low-income countries, lack the necessary enabling factors (including skills, infrastructure and access to financing) to successfully innovate in these areas and/or to access and benefit from these technologies.

Along with a lack of access to affordable frontier technologies owing to existing patent regimes, most of these countries lack technology absorption capacities, it added.

"As digital technology continues to evolve, so does the nature of digital divides. Most people now live in areas that are covered by mobile Internet; in 2023, 82.0 per cent of the population of least developed countries was covered by at least a third generation (3G) mobile services network, up from 53.2 per cent in 2015."

Yet, the divides between countries are larger than ever when it comes to fifth generation (5G) mobile services networks, which are critical for frontier technologies such as artificial intelligence.

In 2023, only 2.7 per cent of the population of least developed countries was covered by at least a 5G mobile network, compared with 11.7 per cent in lower-middle-income countries, 56.7 per cent in upper-middle-income countries, and 88.6 per cent in high-income

countries.

Furthermore, the gaps in Internet usage between countries remain large (at 35.4 per cent of the population in least developed countries, compared with 93.2 per cent in high-income countries), mainly owing to the relatively high cost of Internet access and digital devices, said the report.

It said other measures also show persistent technology divides between countries. A comprehensive assessment that includes Internet performance, skills, research and development activity, industrial capacity and access to finance, finds that high-income countries consistently outrank middle- and low-income countries.

By region, countries in Latin America and the Caribbean lag behind other developing regions, and countries in sub-Saharan Africa are the least prepared to use, adopt and adapt frontier technologies. According to these measures, low-income countries fell further behind countries at the technology frontier between 2008 and 2021, while many upper-middle-income and some lower-middle-income countries moved closer to the frontier.

Persistent and, in some cases, growing technology divides can exacerbate the slowdown in technology diffusion that has been observed in recent decades, said the report.

"While the concentration of the development of frontier technologies is not problematic in itself, it becomes a problem when traditional channels of technology diffusion become less permeable, hampering productivity growth and sustainable development."

Reasons for the slowdown in technology diffusion include the greater complexity of innovations that require a higher level of skills and complementary investments for their adoption and adaptation; a tight and complex web of intellectual property rights protections; increasing trade barriers; and other strategic policy restrictions, such as reshoring, near-shoring or de-risking of supply chains, said the report.

A particular challenge in the case of artificial intelligence is the shortage of available online training content in languages other than English.

Harnessing the potential benefits from technological progress, while avoiding risks and drawbacks, requires coherent national science, technology and innovation strategies, it underlined. The report said successful technology diffusion and adoption also requires international financial, technical and capacity-building support, to help overcome persistent technology divides.

"This should be accompanied by an enabling international environment that facilitates developing countries' productive insertion into global value chains; provides adequate, balanced and effective protection of intellectual property rights; and promotes multilateral guardrails such as the proposed digital compact."

Fifty years ago, Member States declared that international cooperation for development is the shared goal and common duty of all countries (General Assembly resolution 3201 (S-VI)).

Today, multilateral cooperation must be redesigned and reinvigorated to reflect current realities and realignments so that the world can effectively tackle current and future challenges, said the report.

Amid recurrent and converging crises that have set back sustainable development and widened the gulf between developed and developing countries, and rapid technological progress whose benefits are not equitably shared, there is an urgent need and an opportunity for change, it added.

Financial architecture

The report also said there is a growing consensus on the need to reform the international financial architecture, including to address growing debt challenges, enhance the global financial safety net, scale-up concessional financing for Sustainable Development Goal investments and make the international tax architecture transparent, fair and unbiased.

International trade must be revived as the powerful engine for sustainable development it has been in the past, including by countering recent trends towards more unilateral trade measures and geoeconomic fragmentation.

"At the centre of the multilateral system, the United Nations provides an inclusive forum for addressing current challenges and fostering consensus on joint global actions for a New International Economic Order that is just, fair, equitable and able to address the new and emerging challenges for the benefit of people and the planet."

It said the international financial

architecture – the set of international financial and monetary frameworks, rules, institutions and markets that have evolved since 1945 – has come under increasing pressure.

"Recent decades have been marked by highly volatile international capital flows and recurring financial and economic crises."

Developing countries face highly unequal access to financial markets, higher borrowing costs compared with developed countries with similar risk profiles, limited access to liquidity in times of crisis, and heavy sovereign debt burdens that are in many cases crowding out public investment in the Sustainable Development Goals, said the report.

"The lack of equitable representation in decision-making bodies, especially the International Monetary Fund (IMF) and the World Bank, has hampered reform efforts that could improve developing countries' access to international financing."

The report said a meaningful reform of the international financial architecture requires action in several areas, including to (a) reduce the risk of debt distress including through further improvements to the Common Framework for Debt Treatments and concrete steps toward a permanent sovereign debt restructuring mechanism; (b) increase access to concessional long-term financing including through increases in the capital bases of multilateral development banks, better financing terms, and a massive increase in climate finance, without crowding out official development assistance; (c) enhance contingency financing - including through new uses for special drawing rights, more flexible IMF lending, and other improvements to the global financial safety net; (d) make international tax cooperation fully inclusive and more effective including through a United Nations framework convention on international tax cooperation; and (e) fulfil the longstanding commitment to strengthen the voice and participation of developing countries in the governance arrangements of international financial institutions.

Role of trade

The report also said that it has been long debated whether trade can play the role of an engine of growth for developing countries by supporting a virtuous circle connecting jobs, investment, productivity, and incomes.

While export-oriented policies have shown some remarkable success in the past, more recently, the development outcomes from trade for developing countries – especially through their integration into global value chains - no longer seem to translate into dynamic moving up the value chain like they did in East and South-East Asia.

According to the report, multiple and recurrent crises like COVID-19, the worsening impacts of climate change and a growing number of violent conflicts are disproportionally affecting developing countries, making it more difficult for them to improve their share in global trade, which itself has become less dynamic.

It said the decline in global trade during 2023 was more pronounced in developing countries, whose imports and exports fell by an average of 5 per cent and 7 per cent, respectively.

The report noted that global goods trade declined in most sectors, but it declined by more than 10 per cent in apparel, chemicals, energy metals, office equipment and textiles, which are some of the major export sectors for developing countries.

"The subdued outlook for global trade in 2024 and 2025 remains subject to significant downside risks, such as persistent geopolitical tensions, rising shipping costs, and high levels of debt weighing on economic activity in many developing countries."

Vulnerable developing countries also face continuing challenges to integrating into the global trade of both goods and services, as rising digital trade threatens to further exacerbate existing inequalities, said the report.

The report said the declining share of developing countries in global trade is accompanied by rising export market concentration, with increased ability of large firms and digital platforms to extract increasing rents.

Empirical evidence suggests that part of the surge in the profitability of top multinational enterprises – a proxy for the very large firms dominating international trade and finance – together with their growing concentration, has acted as a major force pushing down the global labour income share, thus exacerbating personal income inequality.

It has also led to unequal trading

relations even as some developing countries have deepened their participation in global trade, it added.

Several factors have contributed to growing trade fragmentation and a nonlinear relationship between trade and development in recent years.

According to the report, these include a rise in the utilization of geopolitical-related trade restrictive measures, such as non-automatic licensing, incomplete rebates of value added tax on exports or even outright bans, inward-looking industrial policies, re-shoring, near-shoring and de-risking, and trade related unilateral climate actions.

Those trade measures, which include curbs related to high-technology components and critical minerals, are also posing new challenges to a green transition.

The report said that making trade

work for sustainable development requires maintaining an open, rules-based, transparent, and non-discriminatory multilateral trading system and international trade policies that support sustainable development goals.

A new consensus on international trade should accommodate policy priorities such as building resilient supply chains, delivering decent jobs and enabling more flexibility in intellectual property rights.

It should support technological capacity and innovation in developing countries, and it should further strengthen South-South trade cooperation.

It said reforms to reinvigorate the World Trade Organization should be accompanied by the reinstatement of an effective dispute settlement mechanism. (SUNS 10124)

Third Committee adopts key resolution on right to development

The Third Committee of the United Nations General Assembly recently adopted a key resolution that urged all States to undertake the necessary policy formulation and measures required for the implementation of the right to development.

by Kanaga Raja

PENANG: The Third Committee of the United Nations General Assembly (UNGA), at its seventy-ninth session, adopted a resolution on the right to development, in which the General Assembly amongst others, acknowledged the need to strive for greater acceptance, operationalization and realization of the right to development at the international level.

In the resolution adopted by the Third Committee, which deals with social, humanitarian and cultural issues at the United Nations, the General Assembly urged all States to undertake at the national level the necessary policy formulation and to institute the measures required for the implementation of the right to development as an integral part of all human rights and fundamental

freedoms

The resolution also recognized that, "despite continuous efforts on the part of the international community, the gap between developed and developing countries remains unacceptably wide, that most of the developing countries continue to face difficulties in participating in the globalization process and that many risk being marginalized and effectively excluded from its benefits."

In this regard, the General Assembly expressed its deep concern over "the negative impact on the realization of the right to development owing to the further aggravation of the economic and social situation, in particular of developing countries, as a result of the effects of international energy, food and financial crises, as well as the increasing challenges

posed by global climate change and the loss of biodiversity, which have increased vulnerabilities and inequalities and have adversely affected development gains, in particular in developing countries."

The resolution further stressed that South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation and hence should not result in a reduction of North-South cooperation or hamper progress in fulfilling existing official development assistance (ODA) commitments.

The resolution (A/C.3/79/L.28) adopted by the Third Committee on 13 November by a vote of 129 in favour to 25 against and 30 abstentions, was introduced by Cuba, on behalf of the Non-Aligned Movement (NAM).

According to a report of the Third Committee's proceedings published by Global Policy Forum's Global Policy UN Watch (Issue No.9), Cuba said that the text takes note of the decision of the Human Rights Council in its resolution 54/18 to submit to the General Assembly a draft International Covenant on the Right to Development for discussion, negotiation and subsequent adoption.

"Although this will doubtless be a complex process, the Non-Aligned Movement is determined to ensure that it can have a successful outcome for the benefit of generations today and to come," said Cuba.

According to the Global Policy Forum report, Cuba said that draft resolution L.28 is based on "the undeniable and unequivocal existence of the Right to Development in keeping [with] resolution 41/128, of this Assembly and the 2030 Agenda for Sustainable Development."

Cuba said that "those voting in favour of the text will be sending a clear signal about the recognition of this human right under which every person and all peoples are able to participate in economic, social, cultural and political development and able to also avail themselves of their other human rights."

According to the Global Policy Forum report, the United States, which voted against the resolution, said while the importance of sustainable development is clear, "we are concerned that the Right to Development resolution creates a detrimental narrative which seeks to elevate the process of development above human rights."

According to the Global Policy Forum, the US said the resolution shifts focus from an approach that respects the central importance of human rights to development to one that prioritizes development above human rights, and thus tilts the decades-long balance between these two imperatives.

"The Right to Development identified within the text appears to protect states instead of individuals; states do not have human rights, they guarantee them to individual human beings," the US further said.

The US was of the view that the Right to Development "is not recognized in any of the core UN human rights conventions, does not have an agreed international meeting, and is not recognized as a universal right held and enjoyed by individuals."

The Global Policy Forum report also cited Hungary, speaking on behalf of the European Union and its Member States, which also voted against the resolution, as saying that "the EU and its Member States have maintained their position as the largest global official development assistance provider."

"In 2023, EU collective ODA reached 95.9 billion euros, accounting for 42% [of] global ODA," said Hungary.

"While states have the primary responsibility and obligations for the full realization of human rights, every individual person must be always and everywhere recognized as a rights holder. Lack of development can never be used as a pretext by states not to fulfill the human rights obligations," it added.

Hungary said that it is aware of the "diverging" views on the Right to Development, particularly on drafting a legally binding instrument that the resolution refers to.

"There are still many pending questions on both the substance and form of the instrument. For consensus to emerge, it is important to consider such views and questions," said Hungary, according to the Global Policy Forum report of the proceedings of the Third Committee.

Key resolution adopted

In the resolution adopted by the UNGA Third Committee on 13 November, the General Assembly took note of the consolidated report of the Secretary-General and the United Nations High Commissioner for Human Rights concerning the promotion and realization of the right to development.

It acknowledged the need to strive for greater acceptance, operationalization and realization of the right to development at the international level, while urging all States to undertake at the national level the necessary policy formulation and to institute the measures required for the implementation of the right to development as an integral part of all human rights and fundamental freedoms.

The resolution supported the realization of the mandate of the Working Group on the Right to Development, and recognized the need for renewed efforts with a view to overcoming the existing political impasse within the Working Group and to fulfil at the earliest its mandate as established by the Commission on Human Rights in its resolution 1998/72 and the Human Rights Council in its resolution 4/4 of 30 March 2007.

It stressed the importance of the core principles contained in the conclusions of the Working Group at its third session that are congruent with the purpose of international human rights instruments, such as equality, non- discrimination, accountability, participation and international cooperation, as critical to mainstreaming the right to development at the national and international levels, and underlined the importance of the principles of equity and transparency.

The General Assembly took note, in this regard, that through its resolution 54/18 of 12 October 2023, the Human Rights Council submitted to the General Assembly the draft international covenant on the right to development for its consideration, negotiation and subsequent adoption.

The resolution noted the presentation to the Working Group at its nineteenth session of the set of standards for the implementation of the right to development prepared by the Chair-Rapporteur, which is a useful basis for further deliberations on the implementation and realization of the right to development.

It called upon Member States to contribute to the efforts of the Working Group in the achievement of its mandate.

The General Assembly stressed that it is important that the Chair-Rapporteur

and the Working Group, in the discharge of their mandates, take into account the need:

- (a) To promote the democratization of the system of international governance in order to increase the effective participation of developing countries in international decision-making;
- (b) To also promote effective partnerships such as the New Partnership for Africa's Development and other similar initiatives with the developing countries, particularly the least developed countries, for the purpose of the realization of their right to development, including the achievement of the Sustainable Development Goals;
- (c) To strive for greater acceptance, operationalization and realization of the right to development at the international level, while urging all States to undertake at the national level the necessary policy formulation and to institute the measures required for the implementation of the right to development as an integral part of all human rights and fundamental freedoms, and also while urging all States to expand and deepen mutually beneficial cooperation in ensuring development and eliminating obstacles to development in the context of promoting effective international cooperation for the realization of the right to development, bearing in mind that lasting progress towards the implementation of the right to development requires effective development policies at the national level and a favourable economic environment at the international level;
- (d) To consider ways and means to continue to ensure the operationalization of the right to development as a priority, including in the context of the recovery from the COVID-19 pandemic, through equitable and fair access for all countries, particularly developing countries, to vaccines and medicines as global public goods, sharing the benefits of scientific progress, financial and technological support and debt relief;
- (e) To mainstream the right to development into the policies and operational activities of the specialized agencies, funds and programmes of the United Nations system, as well as in the policies and strategies of the international financial and multilateral trading systems, bearing in mind in this regard that the core principles of the international economic, commercial and financial spheres, such as

equity, non-discrimination, transparency, accountability, participation and international cooperation, including effective partnerships for development, are indispensable in achieving the right to development and preventing discriminatory treatment arising from political or other non-economic considerations in addressing the issues of concern to the developing countries.

The General Assembly stressed that South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation and hence should not result in a reduction of North-South cooperation or hamper progress in fulfilling existing official development assistance commitments, and encouraged Member States and other relevant stakeholders to incorporate the right to development into the design, financing and implementation of cooperation processes.

It reaffirmed the commitment to implement the goals and targets set out in all the outcome documents of the major United Nations conferences and summits and their review processes, in particular those relating to the realization of the right to development, recognizing that the realization of the right to development is critical to achieving the objectives, goals and targets set out in those outcome documents.

The resolution also reaffirmed that the realization of the right to development is essential to the implementation of the Vienna Declaration and Programme of Action, which regards all human rights as universal, indivisible, interdependent and interrelated, places the human person at the centre of development and recognized that, while development facilitates the enjoyment of all human rights, a lack of development may not be invoked to justify the abridgement of internationally recognized human rights.

The General Assembly further reaffirmed that development contributes significantly to the enjoyment of all human rights by all, and called upon all countries to realize people-centred development of the people, by the people and for the people.

It called upon all States to spare no effort in promoting and protecting all human rights for all, including the right to development, in particular while implementing the 2030 Agenda for Sustainable Development and recovering

from the negative effects of the COVID-19 pandemic, as it is conducive to the overall enjoyment of human rights.

It stressed that the primary responsibility for the promotion and protection of all human rights lies with the State, and reaffirmed that States have the primary responsibility for their own economic and social development and that the role of national policies and development strategies cannot be overemphasized.

The General Assembly reaffirmed the primary responsibility of States to create national and international conditions favourable to the realization of the right to development, as well as their commitment to cooperate with one another to that end.

It also reaffirmed its commitment to international cooperation and multilateralism and its strong support for the central role of the United Nations system in the global recovery from the COVID-19 pandemic.

The General Assembly further reaffirmed its resolution 74/274 of 20 April 2020, in which it recognized the importance of international cooperation and effective multilateralism in helping to ensure that all States have in place effective national protective measures, access to and flow of vital medical supplies, therapeutics, medicines and vaccines, in order to minimize negative effects in all affected States and to avoid relapses of the COVID-19 pandemic.

It called upon Member States and relevant stakeholders to strengthen international cooperation, as well as their support for multilateral efforts and for the central role of the United Nations system, in order to mobilize a coordinated global recovery from the adverse social, economic and financial impact of the COVID-19 pandemic on all societies that contributes to the realization of the right to development and leaves no one behind.

The General Assembly expressed concern about all cases of human rights violations and abuses by transnational corporations and other business enterprises, which underline the need to ensure that appropriate protection, justice and remedies are provided to the victims of human rights violations and abuses resulting from their activities, and underscored the fact that these entities must contribute to the means of implementation for the realization of the

right to development. It reaffirmed the need for an international environment that is conducive to the realization of the right to development.

It emphasized the critical importance of identifying and analysing obstacles impeding the full realization of the right to development at both the national and international levels, including in the context of the response to and the recovery from the COVID-19 pandemic.

The General Assembly reaffirmed that, while globalization offers both opportunities and challenges, the process of globalization remains deficient in achieving the objectives of integrating all countries into a globalized world, stressed the need for policies and measures at the national and global levels to respond to the challenges and opportunities of globalization if this process is to be made fully inclusive and equitable, and recognized that globalization has brought disparities between and within countries and that issues such as trade and trade liberalization, the transfer of technology, infrastructure development and market access should be managed effectively in order to mitigate the challenges of poverty and underdevelopment and to make the right to development a reality for everyone.

It recognized that, despite continuous efforts on the part of the international community, the gap between developed and developing countries remains unacceptably wide, that most of the developing countries continue to face difficulties in participating in the globalization process and that many risk being marginalized and effectively excluded from its benefits.

The General Assembly expressed its deep concern, in this regard, about the negative impact on the realization of the right to development owing to the further aggravation of the economic and social situation, in particular of developing countries, as a result of the effects of international energy, food and financial crises, as well as the increasing challenges posed by global climate change and the loss of biodiversity, which have increased vulnerabilities and inequalities and have adversely affected development gains, in particular in developing countries.

It encouraged Member States to give particular consideration to the right to development in the implementation of the 2030 Agenda for Sustainable Development, and emphasized that the 2030 Agenda promotes respect for all human rights, including the right to development.

It urged developed countries that have not yet done so to make concrete efforts towards meeting the targets of 0.7 per cent of their gross national product for official development assistance to developing countries and 0.15 to 0.2 per cent of their gross national product to the least developed countries, and encouraged developing countries to build on the progress achieved in ensuring that official development assistance is used effectively to help to meet development goals and targets.

The General Assembly recognized the need to address market access for developing countries, including in the sectors of agriculture, services and nonagricultural products, in particular those of interest to developing countries.

It called once again for the implementation of a desirable pace of meaningful trade liberalization, including in areas under negotiation in the World Trade Organization, the implementation of commitments on implementationrelated issues and concerns, a review of special and differential treatment provisions, with a view to strengthening them and making them more precise, effective and operational, the avoidance of new forms of protectionism, and capacity-building and technical assistance for developing countries as important issues in making progress towards the effective implementation of the right to development.

The resolution recognized the important link between the international economic, commercial and financial spheres and the realization of the right to development, stressed in this regard the need for good governance and for broadening the base of decision-making at the international level on issues of development concern and the need to fill organizational gaps, as well as to strengthen the United Nations system and other multilateral institutions, and also stressed the need to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting.

It also recognized that good governance and the rule of law at the national level assist all States in the promotion and protection of human rights, including the right to development, and agreed on the value of the ongoing efforts being made by States to identify and strengthen good governance practices, including transparent, responsible, accountable and participatory government, that are responsive and appropriate to their needs and aspirations, including in the context of agreed partnership approaches to development, capacity-building and technical assistance.

The General Assembly recalled the Political Declaration on HIV and AIDS: Ending Inequalities and Getting on Track to End AIDS by 2030, adopted on 8 June 2021 at the high-level meeting of the General Assembly on HIV and AIDS, and underscored the importance of enhanced international cooperation to support the efforts of Member States to achieve health goals, including the target of ending the AIDS epidemic by 2030, implement universal access to healthcare services and address health challenges.

The resolution also recalled the political declaration of the third highlevel meeting of the General Assembly on the prevention and control of noncommunicable diseases, adopted on 10 October 2018, as well as the political declarations of the second high-level meeting of the General Assembly on the fight against tuberculosis and the General Assembly high-level meeting on pandemic prevention, preparedness and response, both adopted on 5 October 2023, with their particular focus on development and other challenges and social and economic determinants and impacts, particularly for developing countries.

It further recalled the political declaration of the second high-level meeting of the General Assembly on universal health coverage, adopted on 5 October 2023, in which it was reaffirmed that health is a precondition for and an outcome and indicator of the social, economic and environmental dimensions of sustainable development and the implementation of the 2030 Agenda for Sustainable Development.

The General Assembly stressed its commitment to Indigenous Peoples in the process of the realization of the right to development, reaffirmed the commitment to promote their rights in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security, in accordance with recognized international human rights obligations and taking into account, as appropriate, the United Nations Declaration on the Rights of Indigenous Peoples, adopted by the General Assembly in its resolution 61/295 of 13 September 2007, and in this regard recalled the high-level plenary meeting of the General Assembly known as the World Conference on Indigenous Peoples, held in 2014.

It recognized the need for strong partnerships with civil society organizations and the private sector in pursuit of poverty eradication and development, as well as for corporate social responsibility.

The General Assembly called upon the specialized agencies, funds and programmes of the United Nations system to mainstream the right to development into their operational programmes and objectives, and stressed the need for the international financial and multilateral trading systems to mainstream the right to development into their policies and objectives.

It requested the Secretary-General to bring the present resolution to the attention of Member States, United Nations organs and bodies, the specialized agencies, funds and programmes of the United Nations system, international development and financial institutions, in particular the Bretton Woods institutions, and non-governmental organizations.

It decided to convene a one-day highlevel segment of the General Assembly, in the margins of the general debate of the Assembly at its eighty-first session, in order to commemorate the fortieth anniversary of the Declaration on the Right to Development.

The resolution requested the Secretary-General to submit a report to the General Assembly at its eightieth session and an interim report to the Human Rights Council on the implementation of the present resolution, including on efforts undertaken at the national, regional and international levels in the promotion and realization of the right to development, and invited the Chair-Rapporteur of the Working Group and the Special Rapporteur to present an oral report with a similar scope and to engage in an interactive dialogue with the Assembly at its eightieth session. (SUNS 10120)

Global trade to reach all-time high in 2024 amid an uncertain outlook

While global trade is poised to hit an all-time high of nearly US\$33 trillion in 2024, the outlook for 2025 is clouded by growing uncertainty amid the risk of expanded trade wars and ongoing geopolitical challenges, according to UN Trade and Development (UNCTAD).

by Kanaga Raja

PENANG: Global trade is set to hit an all-time high of nearly US\$33 trillion in 2024, up US\$1 trillion from the previous year, largely driven by a 7 per cent rise in services trade, according to UN Trade and Development (UNCTAD).

In its latest Global Trade Update, released on 5 December, UNCTAD, however, warned of growing uncertainty in the trade outlook for 2025 on account of the risk of expanded trade wars and ongoing geopolitical challenges.

According to UNCTAD, global trade is expected to maintain its upward trajectory in the second half of 2024.

Trade in goods increased by approximately 1.5 per cent quarter-over-quarter (QoQ) in Q3, while services trade grew by around 1 per cent, it said.

According to the UNCTAD nowcast, this positive momentum is expected to continue into Q4. As a result, global trade is set to exceed its 2022 record, reaching nearly US\$33 trillion in 2024.

UNCTAD said this record high is largely driven by an annual 7 per cent increase in services trade, while goods trade is projected to grow by about 2 per cent in 2024 and remain below its 2022 peak.

Overall, global trade is expected to expand by about US\$1 trillion (or 3.3 per cent) in 2024, with both goods and services contributing approximately US\$500 billion each, said the report.

It said that prices for traded goods increased slightly in Q3 2024 but are expected to remain stable in Q4 2024.

Overall, UNCTAD said that prices for traded goods are projected to remain unchanged on an annual basis.

"Throughout 2024, global trade trends continued to follow the gradual increase that began in the second half of 2023."

The report said that during the last

four quarters, trade growth in developing countries generally outpaced that of developed countries.

However, it said this trend inverted in Q3 2024, with trade growth largely driven by positive trade dynamics in developed economies. Imports for this group grew 3% for the quarter, while exports increased 2%.

According to UNCTAD, Japan recorded the strongest quarterly growth in goods exports (5%) and the highest annual rise in services exports (13%).

The United States saw merchandise imports rise 4% both quarterly and annually, with exports increasing 2% on the year and 1% in the quarter.

The European Union maintained robust growth in services trade, with both imports and exports expected to stay positive for the year.

In contrast, developing regions struggled during the same period. Imports fell 1% for the quarter, while exports rose by just 1%.

Trade growth in East Asia stalled, and some of the largest Asian developing economies saw negative growth.

China saw goods imports decline 1% for the quarter and goods exports fall 2%, while services imports dropped 1% for the quarter.

However, services exports continued to grow, up 9% quarterly and 9% annually, with services imports rising 17% for the year.

India posted declines of 1% in goods imports and 3% in goods exports for the quarter but saw services imports and exports both increase by 1%. On the year, goods imports rose 4%, while exports grew 2%, said UNCTAD.

Overall, trade in services substantially outpaced merchandise trade growth in 2024, although this was partially due to services price inflation, said the report.

It said that both merchandise and services trade experienced positive quarter-over-quarter growth in Q3 2024 globally, with expectations for continued growth in Q4, also driven by front-loading in anticipation of potential changes in United States trade policy.

Trade in services is expected to finish the year on a positive note, but its strong growth in early 2024 appears to have significantly tapered off in the second half of the year, it added.

Uncertain outlook

Looking into 2025, UNCTAD said moderating global inflation, stable economic growth forecasts and improving business activity point to continued positive momentum in global trade for early 2025.

However, this trend is expected to face substantial challenges, it warned.

"Potential shifts in United States trade policy, and the increased use of industrial policies in many countries, are likely to negatively influence global trade growth."

In addition, the report said that the threat of renewed and expanded trade wars, along with ongoing geopolitical tensions, casts uncertainty on the outlook for global trade in 2025.

According to UNCTAD, among the factors making the global trade outlook very uncertain for 2025 are shifts in the United States trade policy stance; ripple effects of trade restrictions; increase in subsidies and trade restrictive measures; US dollar impact on global trade; and lower shipping costs.

The United States is anticipated to adopt a more protectionist trade policy. In this context, new tariffs may not only be directed at specific products, but rather implemented more broadly, said the report.

Moreover, tariffs could be affecting not only geopolitical adversaries but also key trading partners, particularly those with higher tariffs and significant trade surpluses with the United States, it added.

According to UNCTAD, based on 2023 figures for trade in goods, these include China (about \$280 billion trade surplus), India (\$45 billion), the European Union (\$205 billion) and Viet Nam (\$105 billion).

It said that other nations with trade surpluses, such as Canada (\$70 billion), Japan (\$70 billion), Mexico (\$150 billion) and the Republic of Korea (\$50 billion), may also face some risks, despite imposing relatively lower tariffs on US imports or having established trade agreements with the country.

"Even modest changes in United States tariffs will have substantial effects on global trade dynamics, given the United States's role as a major consumer market and the interconnectedness of cross-border value chains," said the report.

Unilateral and highly restrictive trade policies frequently prompt retaliatory actions creating a cycle of escalating trade barriers which may eventually involve also third parties, said UNCTAD.

"Moreover, tariffs applied to specific segments of global value chains often have a ripple effect, impacting not only the targeted industries and countries, but also the entire value chain."

It said even in the absence of actual tariff increases, the mere threat of tariffs and possibility of retaliatory actions fosters a less predictable global trade environment, which can negatively impact not only international trade but also investments and overall economic growth.

The prioritization of national concerns and the urgency of fulfilling climate commitments will likely continue to shape changes in both industrial and trade policies into 2025, the report suggested.

It said that a rise in traderestrictive measures and inward-looking industrial policies designed to support the production of sustainable and environmentally friendly products is expected to negatively affect the growth of international trade, particularly in strategic sectors.

Geopolitical tensions and United States policy shifts are expected to potentially lead to an appreciation of the United States dollar, the report further said.

However, it said that possible interest rate cuts in 2025 could also weaken the dollar.

"Since most commodities and international transactions are priced in United States dollars, its value is crucial for global trade. Consequently, uncertainty about the dollar's strength creates uncertainty in global trade."

UNCTAD also said in the second half of 2024, there has been a reduction in demand for container shipping, as

reflected by a significant decrease in the Shanghai Containerized Freight Rate Index.

While these indices indicate lower shipping costs, they also indicate lower global demand both for intermediate inputs and processed goods, it added.

Trade trends

Highlighting some trade trends in the major economies, UNCTAD said merchandise trade showed mixed trends among major economies in Q3 2024.

It said China and India trade growth, albeit still positive on an annual basis, saw imports and exports contract in Q3, while Brazil's trade growth slowed but remained positive both on an annual and quarterly basis.

The Republic of Korea export growth also decelerated yet stayed the highest among major economies annually.

Conversely, trade accelerated in several major economies. Japan and South Africa saw strong Q3 growth, though their annual performance stayed negative, said the report.

Similar trends were also observed for the Republic of Korea's and European Union imports.

The United States stood out with robust trade growth on both annual and quarterly bases, particularly driven by imports, said UNCTAD.

Services trade continued to grow in Q3 2024, but at a slower pace compared to annual figures, suggesting that the positive trend in services trade may have plateaued for most economies, it added.

Growth remained strong in the trade in services for the European Union and the Republic of Korea, as well as in Brazil's and the Russian Federation's imports, and in China's exports.

However, the report said imports of services for China saw a substantial deceleration, turning negative in Q3 2024.

"In Q3 2024, developed countries reversed a previous downward trend, with both imports and exports showing robust growth."

In contrast, developing countries saw weaker trade performance, with quarterover-quarter growth falling below the annual average, and in the case of imports turning negative.

Still, the report said that developing countries' trade largely outperformed developed countries' trade on a yearly basis.

South-South trade growth was negative in Q3 2024, primarily due to below-average trade growth with the East Asian region, it added.

"Most regions experienced positive overall trade growth during Q3 2024, however, trade contracted in the West and South Asia regions, as well as in imports for the Pacific region."

Export growth slowed in East Asia and Africa but increased in North America and Europe, UNCTAD said.

Intra-regional trade growth was generally positive in Q3 2024, except in North America and Africa, it added.

On an annual basis, trade growth was stronger in North America and East Asia, while negative in Europe, the region comprising the Russian Federation and in the Pacific region.

The report said since the second half of 2022, there has been a significant shift towards more politically aligned trade relationships.

"This shift suggests that bilateral trade has increasingly favoured countries with similar geopolitical positions, a trend often referred to as "friend-shoring". By the second half of 2023, this trend began to stabilize."

At the same time, global trade has become more concentrated around major trading partners, although this trend started to reverse in 2024, it added.

Geoeconomic issues continue to play a significant role in shaping key bilateral trade trends. These factors not only impact trade between the major economies but can also influence their trade dynamics with other trading partners, the report underlined.

Another significant factor impacting bilateral trade is the ongoing reshaping of value chains, it observed.

At the sectoral level, the report said trade growth has shown significant variation across sectors over the past four quarters.

It said that this diversity is particularly evident in Q3 2024, where global trade growth was most pronounced in information and communication technology (ICT) sectors, such as communication and office equipment, as well as in apparel.

According to UNCTAD, trade in communication equipment grew 13% for the quarter, significantly outpacing the sector's modest 1% annual increase.

Imports and exports of office

equipment rose 13% for the quarter - in line with the sector's strong 15% growth for the year.

The apparel sector posted a robust 14% quarterly increase in trade - in stark contrast to its 5% annual decline.

On the other hand, the report said that the global trade value declined for sectors such as road vehicles, textiles, metals, and energy. Road vehicles saw a 3% drop in trade values in the third quarter due to slowing demand, but the sector is still expected to post 4% growth for the year.

Energy trade fell 2% for the quarter and 7% on the year, while metals imports and exports declined 3% both quarterly and annually, and textiles trade dropped 4% in the quarter, with no growth reported for the year.

UNCTAD said on an annual basis, global trade remains negative in several sectors, including apparel, chemicals, energy, metals, and other manufacturing industries.

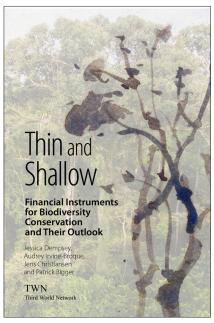
This heterogeneity highlights the uneven recovery and shifting dynamics within global trade, with some sectors continuing to lag while others experience growth, it explained. (SUNS 10134)

Thin and Shallow: Financial Instruments for Biodiversity Conservation and Their Outlook

Jessica Dempsey, Audrey Irvine-Broque, MJens Christiansen and Patrick Bigger

This paper examines the track record of private financial mechanisms aimed at funding conservation of biological diversity. It finds that, due to lack of rigorous and consistent benchmarks and monitoring, these investments may not necessarily safeguard biodiversity and could even, in some cases, have adverse impacts. Further, despite decades of attempts to draw private capital to biodiversity protection, the quantum of finance remains limited, especially in the highly biodiverse countries of the Global South where it is most needed.

Written for a research project established by a group of central banks and financial supervisors, this paper cautions these authorities from deploying resources towards promoting such biodiversity-focused private financial instruments. Instead, the supervisory bodies are urged to step up policy coordination to address drivers of biodiversity loss in the financial system.



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Proposed fisheries subsidies deal tilts level playing field against South

The provisions of a revised draft text on Additional Provisions on Fisheries Subsidies concerning subsidies contributing to overcapacity and overfishing appear to be heavily tilted in favour of the big subsidizers.

by D. Ravi Kanth

NEW DELHI: The revised draft text issued by the chair of the Doha fisheries subsidies negotiations at the World Trade Organization on 29 November, aimed at reaching a final agreement at the upcoming General Council meeting on 16-17 December, appears to have tilted the level playing field in favour of the big subsidizers, with weak disciplines and less stringent notification requirements, said people familiar with the development.

The seven-page revised draft text on Additional Provisions on Fisheries Subsidies (TN/RL/W/285) issued by the chair, Ambassador Einar Gunnarsson of Iceland, has incorporated the issue of forced labour raised by the United States in yellow highlight (indicating insertions and/or deletions needed before final adoption).

It states: "C. 2 (a) any vessels and operators for which the Member has information that reasonably indicates the use of forced labour, along with relevant information to the extent possible; and ..."

It implies that the issue is up for negotiations between the US and China with some other countries, said a capital-based official who preferred not to be quoted.

The Additional Provisions are riddled with footnotes denoting several caveats for the big subsidizers if they can demonstrate before the Committee on Fisheries Subsidies, with varying time-lines, that they are taking adequate measures to maintain the stock or stocks in the relevant fishery or fisheries at a biologically sustainable level, the official said.

In contrast, the chair did not accord the same treatment to India which consistently demanded the inclusion of language in the revised draft text on nonspecific fuel subsidies, the official added.

Even though the big subsidizers are reported to have contributed to the

problem of the global depletion of fish stocks through their tens of billions of dollars in subsidies contributing to overcapacity and overfishing, including distant-water fishing nations like China and the European Union, they are allegedly being "let off the hook" with manageable notification requirements, said people familiar with the provisions of the revised draft text.

In stark contrast, the developing and graduating least-developed countries only managed to secure marginal improvements to special and differential treatment (S&DT) while leaving the crucial issue of transition periods for graduating least-developed countries as well as for India and Indonesia in square brackets.

The chair also appears to have brushed aside the demand from several developing countries, particularly India, that the revised draft text be anchored on the UN Paris Climate Change Agreement (2015) framework of "common but differentiated responsibilities (CBDR)", said several fisheries negotiators, who asked not to be quoted.

The mandate for the fisheries subsidies negotiations was decided at the WTO's 11th Ministerial Conference (MC11) in Buenos Aires, Argentina in December 2017, in accordance with the United Nations Sustainable Development Goal (SDG) 14.6.

The Buenos Aires mandate states: "Building on the progress made since the 10th Ministerial Conference as reflected in documents TN/RL/W/274/Rev.2, RD/TN/RL/29/Rev.3, Members agree to continue to engage constructively in the fisheries subsidies negotiations, with a view to adopting, by the Ministerial Conference in 2019, an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity

and overfishing, and eliminate subsidies that contribute to IUU-fishing recognizing that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations."

The UN SDG 14.6 states: "By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation."

Revised draft text

Article A of the revised draft Additional Provisions on Fisheries Subsidies (document W/285) on subsidies contributing to overcapacity and overfishing states:

A.1. No Member shall grant or maintain subsidies to fishing or fishing related activities that contribute to overcapacity or overfishing.

For the purposes of this paragraph, subsidies that contribute to overcapacity or overfishing include:

- (a) subsidies to construction, acquisition, maintenance, modernisation, renovation, or upgrading of vessels;
- (b) subsidies to the purchase or maintenance of machines and equipment for vessels (including fishing gear and engine, fish-processing machinery, fishfinding technology, refrigerators, or machinery for sorting or cleaning fish);
- (c) subsidies to the purchase/costs of fuel, ice, or bait;
- (d) subsidies to costs of personnel, social charges, or insurance;
- (e) income support of vessels or operators or the workers they employ except for such subsidies implemented for subsistence purposes during seasonal closures;
 - (f) price support of fish caught;
 - (g) subsidies to at-sea support; and
- (h) subsidies covering operating losses of vessels or fishing or fishing related activities.

Footnote 2 states: "For greater certainty, the subsidies listed in this provision shall not be deemed to contribute to overcapacity or overfishing when granted or maintained in

accordance with Article A.1.1."

Article A.1.1 (a) states: "A subsidy is not inconsistent with Article A.1 if the subsidizing Member demonstrates that measures are implemented to maintain the stock or stocks in the relevant fishery or fisheries at a biologically sustainable level. Such demonstration shall include an explanation of how those measures ensure, or can reasonably be expected to ensure, that the stock or stocks in the relevant fishery or fisheries are maintained at a biologically sustainable level and shall be made through a notification by the subsidizing Member as soon as practicable and no later than six months after a new subsidy program comes into effect, and thereafter in the Member's regular notifications of fisheries subsidies under Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement) and Article 8.1 of the Agreement on Fisheries Subsidies (AFS)."

Effectively, under the above flexibility, big subsidizers such as the US, Japan, Korea, the EU, China, Canada, and Australia among others will be exempted from the prohibition on fisheries subsidies if they comply with the notification requirements based on the sustainability criterion.

Further, the subsidizing members are required to provide notifications containing the following information: (i) conservation and management measures in place; (ii) status of the fish stocks (e.g., overfished, maximally sustainably fished, underfished, or unknown) and the reference points used, and whether such stocks are shared with any other Member or are managed by a Regional Fisheries Management Organization or Arrangement (RFMO/A); (iii) catch data by species or group of species as compiled by a Member; and (iv) information on the fleet capacity as compiled by a Member.

A.1.1 (b) of the revised draft Additional Provisions states:

"With the exception of Members covered by Article B.5 and notwithstanding Article A.1.1(a), for a developing country Member that is:

- (i) neither amongst the 10 largest providers of fisheries subsidies by annual aggregate level of fisheries subsidies as notified to the Committee on Fisheries Subsidies (the Committee) under Article C 3:
- (ii) nor significantly engaged in fishing or fishing related activities in any

Food and Agriculture Organization of the United Nations (FAO) Major Fishing Area farther than one FAO Major Fishing Area beyond the one(s) adjacent to the Member's coast:

a subsidy is not inconsistent with Article A.1 if the subsidizing Member demonstrates through its regular notifications of fisheries subsidies under Article 25 of the SCM Agreement and Article 8.1 of the AFS that measures are implemented to maintain the stock or stocks in the relevant fishery or fisheries at a biologically sustainable level."

However, the chair appears to have ignored the principle of common but differentiated responsibilities, which has not been taken into consideration, said several fisheries negotiators. In fact, he is required to take into consideration the per capita level of subsidies.

"The picture changes if you consider the per capita level of subsidies as compared to the aggregate level of subsidies," said a fisheries negotiator from a developing country who asked not to be quoted.

The provision in Article A.2 (a) concerning distant-water fishing appears to be further diluted through the insertion of "to the greatest extent possible", allegedly giving a carve-out to China and the EU.

The provision now states: "Members shall refrain, to the greatest extent possible, from granting or maintaining subsidies contingent upon, or tied to, actual or anticipated fishing or fishing related activities in areas beyond the subsidizing Member's jurisdiction (whether solely or as one of several other conditions). If such subsidies are nevertheless granted or maintained, the requirements in subparagraph (b) shall be met."

Instead of abolishing subsidies to distant-water fishing, the chair appears to have allowed these two members to manage their subsidies through flexible demonstration requirements, said negotiators familiar with the provisions.

Given the rather poor record of members in complying with agriculture subsidy notification requirements, the big subsidizers could be tempted to find "escape routes" to overcome the notification requirements in the Committee on Fisheries Subsidies, said negotiators who asked not to be identified.

S&DT

In the chair's draft Additional Provisions, the issue of special and differential treatment (S&DT) is dealt with in Article B.

Article B.1 (a), dealing with the least developed countries, states: "Article A.1 shall not apply to LDC Members. A Member that graduates from the LDC category may grant or maintain the subsidies referred to in Article A.1 to fishing or fishing related activities for a maximum of [...] years after the date on which the decision of the UN General Assembly to graduate that Member from the "Least Developed Countries" category becomes effective."

This implies that graduating LDCs, which were given a period of four years in the previous draft, now have to negotiate "a maximum of [...] years", a process that could result in hard bargaining as well as some divide-and- rule practices, said an LDC negotiator who asked not to be quoted.

Article B.1 (b) states: "Subsidies granted or maintained under subparagraph (a) shall be exempt from actions based on Article A.1 of these Additional Provisions and Article 10 of the AFS for a period of two additional years after the end of the period referred to in the second sentence of subparagraph (a)."

Articles B.2 to B.5 of the draft Additional Provisions relate to S&DT for developing countries.

For instance, on the issue of de minimis, Article B.2 states: "A developing country Member may grant or maintain the subsidies referred to in Article A.1 if its share of the annual global volume of marine capture production does not exceed 0.8 per cent as per the most recent published FAO data as circulated by the WTO Secretariat. A Member remains exempted until its share exceeds this threshold for three consecutive years. It shall be re-included in Article B.2 when its share of the global volume of marine capture production falls back below the threshold for three consecutive years."

This is a specific flexibility accorded primarily to the ACP (African, Caribbean and Pacific) group of countries, many of whom have a share in volume terms in the global fish catch that is less than 0.8 per cent.

Article B.3 (a) states: "A developing

country Member not covered by the special and differential treatment provided for in Article B.1 or Article B.2 may grant maintain the subsidies referred to in Article A.1 to fishing or fishing related activities within its EEZ, and in the area and for species under the competence of an RFMO/A through which the Member is authorized to engage in such fishing or fishing related activities, for a maximum of [...] years after the date of entry into force of these Additional Provisions. A developing country Member intending to invoke this provision shall inform the Committee in writing within one year of the date of entry into force of these Additional Provisions."

According to Article B.3 (b), "Subsidies granted or maintained under subparagraph (a) shall be exempt from actions based on Article A.1 of these Additional Provisions and Article 10 of the AFS for a period of two additional years after the end of the period referred to in the first sentence of subparagraph (a)."

Article B. 3 (c) states: "A developing country Member to which subparagraph (b) applies may request no more than two two-year extensions of the period referred to in that subparagraph through the Committee. The Committee shall take into account the specific circumstances of that Member, and shall give due and sympathetic consideration to developing country Members that demonstrate concrete progress toward implementing Article A.1."

The above provisions leave India, Indonesia, and other developing countries to negotiate on the "maximum of [...] years" after the date of entry into force of these Additional Provisions.

In the previous draft text (WT/RL/W/279), the chair had suggested a period of 10 years for S&DT for developing countries.

As for small-scale and artisanal fishing or fishing-related activities, Article B.4 (a) states: "A developing country Member may grant or maintain the subsidies referred to in Article A.1 for small scale and artisanal fishing or fishing related activities that are primarily low income, resource poor or livelihood in nature as operationally defined by that Member."

In addition, Article B. 4 (b) states: "A developing country Member availing itself of subparagraph (a) shall, in its

regular notification under Article 25 of the SCM Agreement and Article 8.1 of the AFS, notify the subsidies provided under this provision and provide its operational definition(s) of the fishing or fishing related activities referred to in subparagraph (a), and promptly inform the Committee of any modifications thereafter."

In a similar vein, Article B.5 states: "Subsidizing developing country Members are encouraged to make a binding commitment not to avail themselves of Article B.1, Article B.2, Article B.3 and Article B.4."

While such explicit conditions are being suggested for developing countries who did not contribute to the problem of overcapacity and overfishing, the ten largest subsidizers are allegedly being accorded "kid-gloves" treatment, said people familiar with the additional provisions.

Article C.1 of the draft Additional Provisions dealing with notification and transparency states: "Article 25 of the SCM Agreement and Article 8 of the AFS shall apply to these Additional Provisions, with the additions provided for in Article A, Article B, and this Article."

The chair appears to have complied with the US demand by inserting language on forced labour in Article C.2 (a), though it is up for further negotiations between the US on the one side, and China and other developing countries, on the other.

Article C.2 states:

"Each Member shall notify the Committee in writing on an annual basis of:

(a) any vessels and operators for which the Member has information that reasonably indicates the use of forced labour, along with relevant information to the extent possible; and

(b) a list of any agreements in force, or existing arrangements, for obtaining access to the fisheries resources of another coastal Member or non-Member, and such notification shall consist of:

(i) the titles of the agreements or arrangements; and

(ii) a list of their parties.

A Member may meet this obligation by providing an up-to-date electronic link to the Member's or other appropriate official web page that sets out this information. This notification may be presented either individually or jointly by Members who are parties to an agreement or arrangement."

According to Article C.3, "Each Member shall notify to the Committee information that is necessary for the determination of its annual aggregate level of fisheries subsidies, building upon its existing notifications under Article 25 of the SCM Agreement and Article 8.1 of the AFS. The first notification of this information shall be submitted not later than 240 days from the date of entry into force of these Additional Provisions. Thereafter, this information shall be provided in the Member's regular notifications of fisheries subsidies under Article 25 of the SCM Agreement and Article 8.1 of the AFS. Each Member shall submit this information through a template the content and form of which shall be previously adopted by Members."

Article C.4 states: "Within one year from the date of entry into force of these Additional Provisions, the WTO Secretariat shall compile and make publicly available a list of Members and their respective annual aggregate levels of fisheries subsidies, on the basis of the information referred to in Article C.3. The list shall be ranked in descending order by annual aggregate level of fisheries subsidies. The list shall be updated in accordance with the cycle of regular notifications under Article 25 of the SCM Agreement and Article 8.1 of the AFS. For the purpose of establishing the list, the WTO Secretariat may request technical clarifications from the subsidizing Member concerning the notified subsidies. The Committee shall review the list at its regular meetings."

Article C.5 states, "Nothing in these Additional Provisions requires the provision of confidential information, including confidential business information."

Other provisions

Article D.1 (a) of the draft Additional Provisions states: "Not later than five years after the date of entry into force of these Additional Provisions, the Committee shall review their operation. This review shall assess, in particular, the overall impact of these Additional Provisions on overcapacity and overfishing, distant water fishing or fishing related activities, aggregate levels of fisheries subsidies, and aggregate levels of subsidies contingent upon, or tied to, actual or anticipated fishing or fishing related activities in areas beyond national jurisdiction, and

whether these Additional Provisions have increased economic benefits to small island developing state Members and LDC Members from the sustainable use of marine resources. The review shall also identify any necessary modifications to further strengthen the operation or improve the effectiveness of these Additional Provisions, taking into account their objectives and UN Sustainable Development Goals target 14.6 and target 14.7. Such modifications may include quantitative limitations or reduction commitments to subsidies of the major subsidizers. If either the aggregate levels of subsidies or aggregate levels of subsidies contingent upon, or tied to, actual or anticipated fishing or fishing related activities in areas beyond national jurisdiction have increased, the Committee may recommend quantitative limitations or reductions unless it determines that other modifications are more appropriate. In considering any modifications to these Additional Provisions, the Committee shall take into account the information provided under Article A.2 (c) and Article C.3."

The Committee on Fisheries Subsidies shall report its findings to the Council for Trade in Goods.

The chair states, in Article E.1 of the revised draft Additional Provisions, "These Additional provisions together with the AFS, constitute the comprehensive disciplines referred to in Article 12 of the AFS and achieve the comprehensive agreement on fisheries subsidies in accordance with paragraph 4 of the Ministerial Decision on the AFS adopted at the Twelfth Session of the WTO Ministerial Conference ..."

Paragraph 4 of the MC12 Ministerial Decision states: "Notwithstanding Article 9.4 of the Agreement on Fisheries Subsidies, the Negotiating Group on Rules shall continue negotiations based on the outstanding issues in documents WT/MIN(21)/W/5 and WT/MIN(22)/W/20 with a view to making

recommendations to the Thirteenth WTO Ministerial Conference for additional provisions that would achieve a comprehensive agreement on fisheries subsidies, including through further disciplines on certain forms of fisheries subsidies that contribute to overcapacity and overfishing, recognizing that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations."

Paragraph 4 of the MC12 Ministerial Decision appears to have diluted the original mandate by removing the phrase "prohibit" OCOF subsidies.

In conclusion, it seems rather clear that the OCOF subsidies of the largest subsidizers like China, the EU, the US, Japan, Korea, and Chinese Taipei among others will not be "prohibited" but will continue on with manageable notification requirements, said people familiar with the revised draft text. (SUNS 10132)

Putting the Third World First

A Life of Speaking Out for the Global South

Martin Khor in conversation with Tom Kruse

Martin Khor was one of the foremost advocates of a more equitable international order, ardently championing the cause of the developing world through activism and analysis. In this expansive, wide-ranging conversation with Tom Kruse – his final interview before his passing in 2020 – he looks back on a lifetime of commitment to advancing the interests of the world's poorer nations and peoples.

Khor recalls his early days working with the Consumers Association of Penang – a consumer rights organization with a difference – and reflects on

PUTTING THE THIRD WORLD Speaking Out for the Global South

TWN
That World Network

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how he then helped build up the Third World Network to become a leading international NGO and voice of the Global South. Along the way, he shares his thoughts on a gamut of subjects from colonialism to the world trade system, and recounts his involvement in some of the major international civil society campaigns over the years.

From fighting industrial pollution in a remote Malaysian fishing village to addressing government leaders at United Nations conferences, this is Khor's account – told in his inimitably witty and down-to-earth style – of a life well lived.

Martin Khor (1951-2020) was the Chairman (2019-20) and Director (1990-2009) of the Third World Network.

To buy the book, visit https://twn.my/title2/books/Putting%20the%20TW%20first.htm or email twn@twnetwork.org

US\$47 billion appeal launched for 2025 amid growing global crises

The UN Office for the Coordination of Humanitarian Affairs has launched a massive US\$47 billion appeal for 2025 in order to provide critical assistance to 190 million people worldwide, ravaged by armed conflicts and climate-induced disasters.

by Kanaga Raja

PENANG: The UN Office for the Coordination of Humanitarian Affairs (OCHA) and humanitarian partners on 4 December launched an appeal for US\$47 billion to provide life-saving aid in 32 countries and nine refugee-hosting regions in the coming year.

In launching its Global Humanitarian Overview (GHO) 2025, OCHA said that an estimated 305 million people around the world will require humanitarian assistance next year.

According to the GHO 2025, while the \$47 billion is a sizeable amount, it pales in comparison to other global expenditures – it is less than 2 per cent of global military expenditure, around 4 per cent of the global banking industry's profits, and just 12 per cent of the fossil fuel industry's average annual free cash

OCHA said that armed conflicts are intensifying in frequency and brutality, forcing nearly 123 million people to flee their homes, while climate-induced disasters are ravaging communities, devastating food systems and driving mass displacement.

Meanwhile, older crises remain unresolved, with the average humanitarian appeal now spanning a decade, it added.

OCHA said the GHO for 2025 outlines carefully prioritized response plans, uniting over 1,500 humanitarian partners to provide critical assistance to 190 million people.

Despite donors' longstanding generosity, funding shortfalls persist. By November 2024, only 43 per cent of the \$50 billion appeal for that year had been met, it noted.

The consequences of under-funding are stark. 2024 saw an 80 per cent reduction in food assistance in Syria; cuts to protection services in Myanmar; diminished water and sanitation aid in

cholera-prone Yemen; and escalating hunger in Chad, said OCHA.

"In a world on fire, the most vulnerable – children, women, people with disabilities and the poor – are paying the heaviest price," said Tom Fletcher, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator.

"We must reset the world's relationship with people in direst need," Mr. Fletcher added.

"Their voices and agency must be at the heart of our response. We need a new level of global solidarity to fully fund these appeals, and bold political action to uphold international law," the senior UN official said.

"The humanitarian community is ready to deliver – for the war-weary survivor, the displaced family, the hungry child. We must make and win afresh the argument for humanity," said Mr Fletcher.

According to the GHO 2025, in 2025, 305 million people around the world will require urgent humanitarian assistance and protection, as multiple crises escalate with devastating consequences for the people affected by them.

It said the Southern and Eastern Africa region hosts the highest number of people in need (85 million), with the catastrophic crisis in Sudan accounting for 35 per cent of the total in the region.

This is followed by the Middle East and North Africa, where 59 million people require assistance and protection.

The report said while the Syria crisis continues to drive the highest magnitude of needs in the region - with 33 million people requiring assistance and protection inside Syria and in neighbouring countries – the severity of needs is unparalleled in the Occupied Palestinian Territory (OPT) and rapidly rising in Lebanon.

It said in West and Central Africa,

57 million people are in need, with the highest rise coming in Chad, due to the continued arrival of people fleeing Sudan in desperate need of refuge and support.

In Asia and the Pacific, 55 million people are in need, of whom more than half (30 million) are in Afghanistan, said the report.

"The deepening crisis in Myanmar continues to drive increasing needs, with 22 million people now requiring assistance and protection both inside the country and across borders."

It said in Latin America and the Caribbean, 34 million people are in need, including 15 million impacted by the Venezuela crisis.

Meanwhile, the report said in Europe, 15 million people remain in need due to the ongoing war in Ukraine.

There are two main drivers of these needs, both of which are man-made and therefore could be reversed with concerted and collective action, the report underlined.

It said the first is conflict, where civilians are bearing the brunt of a record number of armed conflicts marked by blatant disregard for international humanitarian and human rights law, including mass atrocities.

2024 was one of the most brutal years in recent history for civilians caught in conflicts and, should urgent action not be taken, 2025 could be even worse, the report warned.

It said by mid-2024, nearly 123 million people had been forcibly displaced by conflict and violence, marking the twelfth consecutive annual increase.

The global food security crisis is staggering, affecting over 280 million people daily as acute hunger spreads and intensifies, it added.

"Violence and displacement further prevent food production and block access to vital markets. And around one in every five children in the world – approximately 400 million – are living in or fleeing conflict zones."

The report said in 2024, four out of every five civilian fatalities in conflict worldwide occurred in countries with a humanitarian plan or appeal, with lack of respect for international humanitarian law (IHL) continuing to be the single most important challenge for protecting people in armed conflicts, according to the ICRC.

Grave violations against children have reached unprecedented levels in

multiple conflicts, with Sudan alone witnessing a 480 per cent rise from 2022 to 2023, it noted.

The number of United Nations verified cases of conflict-related sexual violence was 50 per cent higher in 2023 than the year before.

Meanwhile, the report pointed out that total global military expenditure has surged, reaching US\$2.4 trillion in 2023.

Climate crisis

According to the report, the second main driver is the global climate emergency. It is expected that 2024 will be the hottest year on record, marked by floods in the Sahel, East Africa and Europe, drought in Southern Africa and the Americas, and heatwaves across the globe.

It said in 2023, 363 weather-related disasters were recorded, affecting at least 93.1 million people and causing thousands of deaths.

It said in the same year, disasters triggered some 26.4 million internal displacements/movements with over three quarters caused by weather events.

Climate change is worsening disasters, making events like the devastating Horn of Africa drought (2020 to 2023) at least 100 times more likely, and increasing the likelihood and destructive power of major hurricanes, such as Hurricane Beryl in 2024, the strongest June hurricane ever recorded in the Atlantic, it added.

"The climate crisis is wreaking havoc on food systems, with droughts causing over 65 per cent of agricultural economic damages in the past 15 years, worsening food insecurity, especially in areas reliant on small-holder farming."

In the absence of meaningful action to end and prevent conflicts and halt global warming, people are facing increasingly prolonged crises, said the report.

"The average duration of a humanitarian plan/appeal is now 10 years, with plans/appeals in Central African Republic, Chad, the Democratic Republic of the Congo, OPT, Somalia and Sudan having run consecutively for over 20 years."

In 2025, the UN and partner organizations are appealing for over \$47 billion to assist nearly 190 million people across 72 countries, said the report.

It said that with significant increases

in funding required to respond to the escalating crises in the OPT and Lebanon, the Middle East and North Africa region now requires \$15.9 billion, accounting for 34 per cent of the Global Humanitarian Overview (GHO).

The escalating crisis in Sudan has increased funding requirements in Eastern and Southern Africa – which now require nearly \$12 billion, while in West and Central Africa, \$7.6 billion is needed, with Chad's appeal growing due to the continued arrival of Sudanese refugees.

The report said Asia and the Pacific now require \$5.1 billion, including an increase in Myanmar's appeal, while Europe needs \$3.3 billion, specifically for Ukraine.

It said across Latin America and the Caribbean, humanitarian partners are calling for \$3.6 billion, including a significant increase in funding required for Haiti, where escalating violence has driven rapidly rising needs.

Delivering under attack

As for humanitarian action undertaken in 2024, the report said by 25 November, the financial requirements for 2024 had grown to \$49.6 billion – up from \$46.4 billion at the beginning of the year – aiming to assist nearly 198 million people in 77 countries.

It said the increase was primarily driven by the intensification of war in both Lebanon and the OPT, drought in Southern Africa, Hurricane Beryl in the Caribbean and floods in Bangladesh, Nepal and Viet Nam.

It said during the year, humanitarian requirements also increased in several countries, including Chad, Ethiopia, Somalia, Syria, Venezuela, and Yemen.

"In Sudan, a Famine Prevention Plan was launched in April 2024, as the humanitarian community called for immediate action and resourcing in an attempt to avert the looming catastrophe."

Yet, despite enormous efforts made by humanitarians to tightly focus their response plans and appeals, funding did not keep pace with requirements in 2024, said the report.

Some \$21.2 billion – just 43 per cent of the amount required – had been received against the GHO requirements by 25 November 2024.

These shortages have impacted crises worldwide, especially those that are

globally neglected and chronically underfunded, the report stressed.

It said throughout 2024, underfunding, access constraints and attacks have forced humanitarians to scale back operations and reduce staff in many locations with tragic results.

For instance, in the past year alone, cuts in food and nutrition assistance have pushed millions toward starvation and left some at risk of death.

It said in the Democratic Republic of the Congo, more than 220,000 children with life-threatening severe acute malnutrition under age five went untreated by the end of 2024 due to under-funding.

In Chad, insufficient funding has worsened food insecurity, with the number of people facing crisis-level hunger rising from 3.4 million to 4.6 million

Similarly, the report said that in Haiti, 2 million people already experiencing severe food insecurity now face the possibility of famine or famine-like conditions due to a lack of funding and support.

In Afghanistan, funding cuts left entire districts without food assistance, while in Ethiopia, cereal rations were cut by 20 per cent.

Meanwhile, it said in Syria, the World Food Programme (WFP) reduced monthly food assistance by 80 per cent, serving only one third of the severely food insecure population.

Dire under-funding for protection and violations of international humanitarian and human rights law have left millions of people exposed to violence, exploitation and in unsafe conditions, the report further said.

For instance, it said in Myanmar, 2.1 million people were unable to access protection services while 1.1 million children faced heightened risks of violence, abuse and neglect.

"In Yemen, funding shortages forced cuts to protection services across six governorates, affecting mine victim support, civil documentation, housing, land, property services and child protection case management."

In addition, the report said gaps in water, sanitation and health care have increased the risk of disease and death.

In Uganda, strained resources left 11 out of the 13 refugee-hosting settlements unable to meet the minimum water standard of 20 litres per person per day,

despite rising numbers of new arrivals and deteriorating infrastructure.

In the Central African Republic and Chad, outbreaks of Hepatitis E and other water-borne diseases spread due to inadequate water and sanitation support, said the report.

It also said 2024 is already the deadliest year for humanitarian workers, surpassing last year's death toll of 280, with the vast majority of casualties being national aid workers.

On a positive note, the report said despite facing overwhelming challenges, humanitarian partners – in support of community-led responses – worked tirelessly to deliver life-sustaining and lifesaving assistance.

Nearly 116 million people received at minimum one form of humanitarian assistance in 2024, it added.

Some 72 million people were reached with food security interventions, including 58 million who received food assistance and 21 million with agriculture and livelihoods support, through Food

Security Cluster partners.

Nearly 23 million people across 29 countries gained improved access to water, sanitation and hygiene (WASH) services, including 5.8 million people in frontline regions of Ukraine, said the report.

"Over 26 million children and women accessed primary health care with the support of humanitarian partners."

The report said globally, UNICEF and partners ensured that 9.7 million children in crisis accessed formal or nonformal education, including 1.5 million children in Yemen and 544,000 children in South Sudan.

Humanitarian partners stepped up to assist unprecedented numbers of people who sought safety across borders, through nine regional plans, it added.

For instance, it said more than 849,000 Afghan refugees received assistance in Iran and Pakistan, while in Chad, humanitarians delivered critical support to nearly 800,000 people who fled conflict in Sudan. (SUNS 10133)

WFP seeks US\$16.9 billion to respond to global food needs next year

The UN World Food Programme (WFP) has appealed for US\$16.9 billion to aid 123 million of the hungriest people in 2025, equivalent to roughly what the world spends on coffee in just two weeks.

by Kanaga Raja

PENANG: The United Nations World Food Programme (WFP) is calling for US\$16.9 billion to assist 123 million of the hungriest people in 2025.

In launching its flagship 2025 Global Outlook, WFP said that the sum of US\$16.9 billion that it needs is roughly what the world spends on coffee in just two weeks.

According to WFP, 343 million people across 74 countries are acutely food insecure, a 10 per cent increase from last year and just shy of the record reached during the pandemic.

The country contexts in which WFP operates are becoming more complex, making reaching people in need more difficult and costly, it said.

A stream of global crises driven by escalating and overlapping conflicts, climate extremes and economic shocks has brought hunger to record levels, generating an unrelenting demand for humanitarian assistance, it added.

Yet, funding shortfalls in 2024 forced WFP to scale back activities, often leaving some of the most vulnerable behind.

"Global humanitarian needs are rising, fuelled by devastating conflicts, more frequent climate disasters, and extensive economic turmoil. Yet funding is failing to keep pace," said WFP Executive Director Cindy McCain.

She said: "At WFP, we are dedicated to achieving a world without hunger. But to get there, we urgently need financial and diplomatic support from the international community: to reverse the rising tide of global needs, and help vulnerable communities build long-term resilience against food insecurity."

According to the WFP's Global Outlook, food insecurity remains at highly concerning levels, with 343 million people estimated to be acutely food insecure across the 74 countries with WFP operational presence and where data is available.

The number of acutely food-insecure people is nearly 200 million above prepandemic levels, it said.

Immediate life- and livelihoodsaving assistance is required for 44.4 million people estimated to be in Emergency or worse levels of acute food insecurity in 2024.

Most alarming is the surge in the number of people facing catastrophic hunger, reaching unprecedented levels in this century, said WFP.

"Up to 1.9 million people are estimated to be on the brink of famine in 2024, primarily in Gaza and Sudan, but also pockets of the populations in South Sudan, Haiti and Mali."

WFP noted that famine has been confirmed in Zamzam camp in northern Sudan, which shelters hundreds of thousands of displaced people.

Conflict remains a key driver of food insecurity: in 2024, 65 percent of acutely food-insecure people live in fragile or conflict-affected situations, said the WFP report.

During the last decade, the number of armed conflicts has sharply increased by more than 50 percent, it added.

Armed violence is a key driver in 14 out of 16 hunger hotspots where food insecurity is expected to deteriorate in the coming months.

Recent and protracted conflicts have indeed been driving needs to catastrophic levels in Sudan, Gaza, Haiti, Mali and South Sudan, WFP pointed out.

Other hunger hotspots where conflict is a key driver include Burkina Faso, Chad, the Horn of Africa, Lebanon, Mozambique, Myanmar, Nigeria, Syria and Yemen.

By mid-2024, 122.6 million people had been forcibly displaced, representing a doubling compared to 10 years ago, said the report.

One in four developing economies – and over half of the economies facing fragile and conflict-affected situations

- will still be poorer by the end of this year than they were on the eve of the pandemic, it noted.

WFP also said that global public debt is at a record high, and amid high interest rates, debt servicing costs have sharply increased.

Half of the world's low-income countries are either already in debt distress or at high risk of debt distress.

"At the same time, food inflation remains stubbornly high in many places, diminishing purchasing power and putting access to food at risk for millions of households. Over the last four years, food prices have more than doubled in 26 countries globally."

Extreme weather events continue to exacerbate hunger and food insecurity, caused by a mix of lasting impacts from previous events and recently arising challenges, WFP further said.

The 2023-24 El Nino event has disrupted global weather patterns and agricultural production, with Southern Africa experiencing a regional-scale drought that led to major failures in national crop production, it added.

Maize production dropped by 50 percent in Zimbabwe and Zambia, depleting national and regional reserves, with similar impact observed in Malawi.

The severe impact on food security – following the resulting scarcity and high market prices – will be felt until early 2025, with more than 30 million people in need of food assistance, said the report.

Moreover, it said eastern Nigeria, northern Ghana and parts of Cameroon are experiencing drought conditions. In South America, drought-fuelled wildfires have ravaged vast land areas.

Subsistence farmers' production in Central America, particularly Guatemala, has been adversely impacted by irregular rainfall and extremely high temperatures.

While a La Nina event has not yet been declared, La Nina-like patterns are already in place across most areas where WFP works, said the report.

"Of most concern are drought conditions that could develop across the Horn of Africa, Afghanistan and other Central Asian areas, and drier-than-average conditions in the Middle East and Northern Africa region, affecting crop production and pasture resources."

In addition, WFP said vast areas of the Sahel, South Sudan, Sudan and several Asian countries have experienced exceptional flooding, affecting 12 million

people.

Moreover, ongoing record-high ocean temperatures are maintaining heightened concerns for hurricane formation and severe storms in Central America and the Caribbean.

The gap between needs and available resources remains considerable, with only 38 percent of the 2024 Global Humanitarian Overview funding requirements received as of November, said the WFP report.

"This is forcing a scaling back of assistance and a refocusing of efforts on the most severe needs. The funding crisis, along with persistent access constraints, forces WFP and its partners to leave some of the most vulnerable behind."

At the regional level, WFP said in Asia and the Pacific, where 88 million people struggle under the devastating effects of acute hunger, it will require US\$2.5 billion to respond to crises and enhance further shock-responsive social protection and anticipatory action initiatives.

With over 170 million acutely insecure people, Sub-Saharan Africa accounts for 50 percent of WFP's projected funding needs in 2025, it said.

The conflict in Sudan – where famine was confirmed in one location in August – is driving massive displacement with a spillover into neighbouring countries.

Conflict is also pushing millions into hunger in the Democratic Republic of Congo and the Sahel, while extreme climate events exacerbated by the El Nino phenomenon are deepening food insecurity across the Southern Africa region.

WFP said that it needs US\$8.4 billion to support its operations in Sub-Saharan Africa.

In the Middle East, North Africa and the Eastern Europe region where conflict is also causing food insecurity, WFP said it requires US\$4.9 billion for its operations.

It said that 40.8 million people in Latin America and the Caribbean are experiencing food insecurity, with 14.2 million being prioritized for WFP assistance.

WFP will need US\$1.1 billion to support vulnerable populations and scale up interventions to strengthen food systems, climate resilience and social protection in this region. (SUNS 10127)

TWN Gender Series No. 3

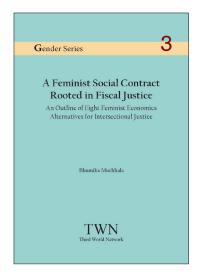
A Feminist Social Contract Rooted in Fiscal Justice

An Outline of Eight Feminist Economics Alternatives for Intersectional Justice

Bhumika Muchhala

The fiscal consolidation framework underpinning economic policy across much of the world has led to the erosion of critical public services and social infrastructure.

These cutbacks have disproportionately affected women, who face diminished access to essential services, suffer loss of livelihoods and bear an increasing burden of unpaid care work as a result. In light of the baleful impacts of gendered austerity, this paper puts forward a set of strategies spanning policy and practice – from progressive taxation to social movement building – aimed at advancing gender-equitable fiscal justice.



Available at https://twn.my/title2/series/gs/gs03.htm

Internet use continues to grow, but stubborn digital divides persist

While some 68 per cent of the world population are online in 2024, universal access remains a distant prospect, with one-third of the world population still offline, according to the International Telecommunication Union (ITU).

by Kanaga Raja

PENANG: While an estimated 5.5 billion people, or 68 per cent of the world population, are online in 2024, an increase of 227 million individuals from 2023, universal connectivity remains a distant prospect, as 2.6 billion people, one-third of the world population, are still offline, according to the International Telecommunication Union (ITU).

In its latest Facts and Figures 2024 report, the ITU said that internet use remains tightly linked to the level of development.

It said in high-income countries, 93 per cent of the population is estimated to be using the Internet in 2024. This contrasts with low-income countries where only 27 per cent of the population is estimated to be online.

In addition, connectivity challenges also remain in the least developed countries (LDCs) where only 35 per cent of the population is estimated to be online and landlocked developing countries (LLDCs) with only 39 per cent online.

In total, an estimated 2.6 billion people are offline in 2024, accounting for 32 per cent of the world's population.

"Facts and Figures 2024 is a tale of two digital realities between high-income and low-income countries," said ITU Secretary-General Doreen Bogdan-Martin.

"Stark gaps in critical connectivity indicators are cutting off the most vulnerable people from online access to information, education and employment opportunities. This report is a reminder that true progress in our interconnected world isn't just about how fast we move forward, but about making sure everyone moves forward together," Bogdan-Martin added.

"The world is inching towards universal access at a time that it should be sprinting," said Cosmas Luckyson Zavazava, Director of the ITU's Telecommunication Development Bureau.

"While we continue to make progress on connectivity, our advances mask significant gaps in the world's most vulnerable communities, where digital exclusion makes life even more challenging," he added.

"We must intensify our efforts to remove the barriers that keep people offline and close the usage gap, and renew our commitment to achieving universal and meaningful connectivity, so that everyone can access the Internet."

Connectivity trends

In 2024, fully 5.5 billion people are online. That represents 68 per cent of the world population, compared with 65 per cent just one year earlier.

The year-on-year growth rate is itself increasing, from 2.7 per cent just one year ago to 3.4 per cent this year, said the report.

"But the same figure tells us that 2.6 billion people, one-third of the global population, are still offline," it added.

It said Internet use remains tightly linked to the level of development. In high-income countries, 93 per cent of the population uses the Internet, approaching universality.

"This contrasts starkly with the situation in low-income countries, where only 27 per cent of the population is online."

While the annual growth rate in these economies averages 8.5 per cent in 2024, higher than in any of the other groups or regions, this is not sufficient to close the gap anytime soon, said the report.

In Europe, the Commonwealth of Independent States (CIS), and the Americas, between 87 and 92 per cent of the population use the Internet.

In the Arab States and Asia-Pacific

countries, approximately two-thirds of the population (70 and 66 per cent, respectively) do so, in line with the global average. By contrast, the average figure for Africa is just 38 per cent.

Universal connectivity also remains a distant prospect in the least developed countries (LDCs) and landlocked developing countries (LLDCs), where only 35 and 39 per cent of the population are online, respectively, said the report.

Addressing the issue of gender parity in Internet use, the report said that globally, 70 per cent of men are using the Internet, compared with 65 per cent of women.

This means there are 189 million more men than women using the Internet in 2024. This difference has been decreasing since 2021, when it stood at 277 million.

Gender parity is deemed to be achieved when the gender parity score, defined as the female percentage divided by the male percentage, is between 0.98 and 1.02. Like overall Internet use, gender parity is closely correlated with the level of development, said the report.

It said in recent years, the world has been moving gradually towards gender parity, with the gender parity score increasing from 0.91 in 2019 to 0.94 in 2024

The improvement is also reflected at the level of regions and country groups, with a notable exception: in the group of LDCs, gender parity has actually decreased, from 0.74 in 2019 to 0.70 in 2024

In the Small Island Developing States (SIDS) group, the gender parity score also decreased slightly: from a figure slightly above one, indicating that more women than men were using the Internet, it dropped to exactly one in 2024, indicating perfect gender parity.

The ITU said the SIDS are also a notable, positive exception to the strong correlation between gender parity and overall Internet use: they have achieved gender parity even though slightly less than two-thirds of the population use the Internet.

Among the ITU regions, gender parity has been achieved in the Americas, Europe and the CIS region. In the Asia-Pacific region, progress is fast, as the score improved from 0.89 in 2019 to 0.95 in 2024.

In the Arab States, on the other hand, the gender parity score has not improved, remaining at 0.86 during the same period. Finally, there is progress in Africa, but the region is still far behind the other regions.

The report also found that young people are more likely to use the Internet than the rest of the population, but the gap is shrinking.

Worldwide, 79 per cent of people aged 15 to 24 use the Internet, 13 percentage points more than among the rest of the population (66 per cent). This gap, observed in every region, has been slowly shrinking over the last four years.

In this age group, universality - at least 95 per cent of Internet users - has already been achieved in Europe, the CIS region and the Americas.

In relative terms, 15 to 24-year-olds in low-income countries are 1.9 times more likely to use the Internet than other individuals.

While this is the largest gap of any income group, it is a slight improvement from 2021, when the figure was 2.2.

The report highlighted little progress in bridging the urban-rural divide, except in the lowest income group.

Globally, 83 per cent of urban dwellers are using the Internet in 2024, compared with less than half of the rural population (48 per cent).

Of the 2.6 billion people not using the Internet, 1.8 billion live in rural areas, against 800 million in urban areas, it noted

The urban-rural gap, measured as the ratio of the two percentages, has been stuck at 1.7 over the last four years.

Unsurprisingly, the gap is smallest in regions with high Internet use penetration, such as Europe, where the ratio is just 1.1 – compared with 2.5 in Africa.

In all regions, progress has been modest over the last four years, and in the Asia-Pacific region, the gap has even widened slightly, from 1.6 to 1.7.

The report said this stagnation may be attributable at least in part to demographic and socio-economic shifts: as countries have urbanized in recent years, the resulting rural exodus could represent a "brain drain" that further depresses Internet use in the remaining rural population.

The gap between urban and rural areas thus varies significantly among the countries in different income groups.

The report said that in high-income countries, the gap is almost non-existent, with an average ratio of 1.1. By contrast,

in low-income countries, it remains a potent force, with just one rural dweller in six (16 percent) using the Internet, barely one-third the figure for urban dwellers.

Nevertheless, while in the three other income groups the gap has widened marginally, in the low-income group it is gradually narrowing, from 3.1 in 2021 to 2.9 in 2024, it added.

Another finding of the report is that the number of mobile broadband subscriptions is approaching the level of mobile-cellular subscriptions.

Worldwide in 2024, there are 112 mobile-cellular subscriptions per 100 inhabitants and 95 mobile broadband subscriptions, it said.

The latter have thus almost caught up to the former, following a period of rapid growth: thus, in the past five years, the annual growth of mobile broadband subscriptions has averaged five per cent, almost five times the rate for mobile-cellular subscriptions (1.1 per cent).

This can be explained by the evolution of consumption patterns towards data-based services and the phasing out of cellular-only services and offers, said the ITU.

Fixed broadband subscriptions have grown even more rapidly, at 5.9 per cent on average every year for the last five years.

Fixed-telephone subscriptions, on the other hand, continue to decline steadily, on average by 2.8 per cent per year for the last five years.

At 9.1 billion, the number of mobilecellular subscriptions exceeds the total world population by 12.1 per cent.

In high-income countries, there are about 138 mobile-cellular subscriptions per 100 inhabitants, almost twice the level in low-income countries (71 subscriptions per 100 inhabitants), said the report.

Among regions, the CIS has the highest penetration, with nearly three subscriptions for every two people (147 per 100 inhabitants), 1.5 times the penetration rate of Africa (98).

Penetration rates for fixed subscriptions are much lower than for mobile subscriptions, because fixed connections are usually shared by several people in a household.

Nonetheless, the report said the inequalities in access to fixed connections across countries are far higher than for mobile connectivity.

"Such connections are relatively

common in high-income countries (38 subscriptions per 100 inhabitants), but almost non-existent in low-income countries, due mainly to a lack of infrastructure, commonly the result of insufficient investment, regulatory challenges, and the high cost of expanding network coverage in underserved regions."

According to the report, Internet access keeps getting cheaper – but for many, fixed broadband remains a luxury.

It said in 2024, the two connectivity benchmarks, namely the data-only mobile broadband basket and the fixed broadband basket, have become more affordable in all regions of the world and for all income groups.

Globally, the median price of the mobile broadband basket, expressed as a percentage of gross national income (GNI) per capita, dropped from 1.3 to 1.1 per cent, while that of the fixed broadband basket dropped from 2.8 to 2.5 per cent.

Nonetheless, the report said lack of affordability continues to be a key barrier to Internet access, particularly in low-income economies.

"A wide gap persists between highincome economies and the rest of the world, despite small improvements."

It said that compared with the average mobile broadband subscriber in a high-income economy, subscribers in a lower-middle-income economy pay around 6 times as much of their income for such a basket, while subscribers in a low-income economy pay 19 times as much.

A fixed broadband subscription, where one is available, costs the equivalent of nearly a third of the average person's income in a low-income country, it added.

Globally, four out of five individuals 10 years or older own a mobile phone. Universal ownership, meaning a penetration rate of over 95 per cent, has been reached in high-income economies, the report further found.

This stands in contrast with lowincome economies, where only 56 per cent of the population aged 10 years and over own a mobile phone.

The gender gap in mobile phone ownership is comparable with that in Internet use. Globally, 77 per cent of females and 82 per cent of males aged 10 and over own a mobile phone, giving a gender parity score (0.93, i.e. skewed against women) that is marginally lower

than the corresponding score for Internet use (0.94), said the report.

As with Internet use, progress on gender parity in mobile phone ownership has been uneven in the past three years, it added.

Globally, women are about 7 per cent less likely to own a mobile phone than men - down from 9.4 per cent in 2021. Among those not owning mobile phones, women outnumber men by 31 per cent.

As with Internet use, gender parity is strongly correlated with income levels. The lowest gender parity scores are observed in low-income countries, the LDCs and the LLDCs.

It said since commercial deployment began in 2019, 5G coverage has increased to reach 51 per cent of the world population in 2024.

However, the distribution is very uneven: 84 per cent of people in high-income countries are covered, but only 4 per cent in low-income countries.

At the regional level, Europe boasts the highest 5G coverage, at 72 per cent of the population, followed by the Americas (63 per cent) and the Asia-Pacific region (62 per cent).

Coverage is much lower in the Arab States (13 per cent), the CIS (12 per cent) and Africa (11 per cent).

The report said where 5G is not available yet, 4G remains a very good alternative, available to 92 per cent of the world population.

In low-income countries, however, 4G only reaches about half the population (52 per cent), and 3G remains an important technology for connecting to the Internet

The report said that 3G or better is now available to 96 per cent of the world population. Bridging the "coverage gap", that is, covering the remaining four per cent that lie beyond the reach of a mobile broadband signal, is proving difficult: since crossing the 90 per cent threshold in 2018, global 3G coverage has increased by only five percentage points.

The largest coverage gap is in Africa, where 14 per cent of the population still does not have access to a mobile broadband network and therefore cannot access the Internet.

It said LDCs and LLDCs, having 15 and 14 per cent of their population, respectively, beyond the reach of mobile broadband, are falling short of target 9.c of Sustainable Development Goal 9: to "significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020."

Urban areas are generally prioritized for infrastructure roll-out, being more densely populated and hence more profitable, the report noted.

This explains why globally, 67 per cent of people living in urban areas have access to a 5G network, compared with only 29 per cent of those living in rural areas, a difference of almost 40 percentage points.

The report said the urban-rural gap affects all regions, ranging between 18 percentage points in the CIS region and 41 percentage points in the Asia-Pacific region.

In high-income countries, 90 per cent of the urban population has access to a 5G network, compared with only 58 percent of the rural population.

"In low-income countries, 5G is essentially unavailable in rural areas, and reaches only 10 percent of the urban population."

Areas without any mobile broadband coverage whatsoever (i.e. where the best available standard is 2G or lower) are only found in rural regions, said the report.

The proportion of the rural population affected by this coverage gap ranges from 2 per cent in Europe to 25 per cent in Africa. In LLDCs, 21 per cent of the rural population are not covered, while in LDCs it is 24 per cent.

"The biggest coverage gap is in rural areas of SIDS, where fully 39 per cent of the population are without any mobile

broadband access whatsoever."

The report also found that growth in Internet traffic remains strong, with mobile broadband data growing faster than fixed broadband.

In 2023, mobile broadband traffic around the world for the first time reached 1 zettabyte (ZB) (end-user Internet traffic). It is estimated that it will be close to 1.3 ZB in 2024. Fixed broadband traffic will reach 6 ZB in 2024, up from 5.1 ZB the previous year.

Given infrastructure availability and connection technology, data-heavy Internet use is mostly carried over fixed broadband networks, the ITU noted.

Nevertheless, since 2021, mobile broadband traffic has grown on average by 19.6 per cent annually, faster than the 15.2 per cent for fixed broadband traffic, said the report.

The average monthly mobile broadband traffic per subscription in high-income countries (16.2 GB) is roughly eight times that in low-income countries (2 GB).

Put another way, an average user in a high-income country generates more traffic in just four days than a user in a low-income country does in a whole month, said the ITU.

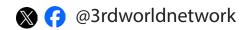
Though smaller than across income groups, regional disparities are still striking. The average monthly traffic in Africa is 3.1 GB per subscription, less than a quarter of the world average (13.9 GB) or one-sixth that seen in the CIS (19.1 GB), for example, it added. (SUNS 10128)

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New approaches urgently needed to tackle resurgent social crises

Jomo Kwame Sundaram* has argued that an "all-of-government" approach is crucial for developing countries to better cope with and reverse some of the worst social trends.

KUALA LUMPUR: Despite uneven economic recovery since the pandemic, poverty, inequality, and food insecurity continue to worsen, including in the Asia-Pacific region, which used to fare better than the rest of the Global South.

These trends are not new but have been around for some time. Food security has deteriorated worldwide for a decade and will likely worsen.

Food security measures are more indicative of well-being than traditional poverty measures, which reflect cash incomes subject to inflation and spatial variations.

After all, over half of the poor's incomes worldwide are spent on food.

Due to global heating and rising sea levels, seawater is entering rice fields in Vietnam, Bangladesh, and other countries.

Over ten Vietnamese provinces are affected, and less rice production will raise prices, worsening food insecurity.

There have been uneven and modest improvements in health indicators for the Asia-Pacific region, home to three-fifths of the world population.

More is needed for preventive health instead of the typical focus on curative services.

In this connection, governments should realise that revenue-financed health systems are more equitable and efficient than either private or social insurance systems touted by all too many consultants.

Grim trends

Today's macroeconomic situation differs from the Great Stagnation of the 1980s, which especially set back Latin America and Sub-Saharan Africa. Unlike then, recent downturns have also hit many Asian economies.

Recent ostensibly counter-

inflationary measures have deepened stagnation in much of the world.

Geopolitics increasingly redirects trade and investments as economic measures are increasingly weaponised.

The most vulnerable are most likely to suffer. The Sri Lankan and Pakistani economies have been in crisis recently as others struggle to avoid similar fates.

Debt distress demands attention, but international cooperation is crucial. After two and a half years of unnecessarily raised interest rates, the US Federal Reserve recently started lowering them at the end of the Northern Hemisphere summer

Why were those interest rates raised in the first place? Ostensibly due to inflation.

But higher prices in recent years have been mainly due to supply-side disruptions, not "excessive" demand.

Raising interest rates has not helped much, as demand-side contraction cannot address supply-side disruptions but only worsens macroeconomic stresses.

Exceptions

Higher interest rates have adversely affected the whole world, including Europe.

But unlike other central banks, only the US Fed is committed to achieving full employment. Such US exceptionalism is part of the problem.

However, most economies worldwide have suffered from higher interest rates, which have deepened economic stagnation.

The US has maintained full employment through fiscal policy and has borrowed cheaply from the rest of the world due to its "exorbitant privilege", which is denied to others.

However, Japan's and China's central banks have refused to follow the West in

raising interest rates. Hence, the pain in economies following their lead has been less severe.

Many governments' fiscal and debt problems have constrained social expenditures, typically the first victims of budget austerity measures.

Financialization

In recent decades, the Bretton Woods institutions have promoted financialization, often by invoking UN Sustainable Development Goals (SDGs) and climate financing slogans.

With the West's "quantitative easing" after the 2008 global financial crisis, slogans like "from billions to trillions" encouraged more government borrowing on commercial terms.

Rising interest rates from early 2022 have hit developing countries, forcing macroeconomic authorities to increase debt servicing.

Many countries struggle to service debt worldwide by cutting social spending. This has hit nations facing debt crises and governments trying to avoid more debt distress.

During the pandemic, some macroeconomic authorities resorted to policies previously eschewed.

Two Southeast Asian nations turned to "monetary financing" of pandemic spending: central banks lent directly to finance ministries, bypassing markets.

The International Monetary Fund also issued special drawing rights (SDRs). Such extraordinary measures are necessary to meet the SDGs and keep temperatures from rising over 1.5 degrees C above pre-industrial levels.

The Banks of Canada and England former Governor Mark Carney, now UN Special Envoy for Climate Finance and Action, has warned that the 1.5 degrees C threshold will likely be exceeded in under a decade.

The world cannot count on some miraculous future invention to reverse irreversible planetary heating processes and their many ramifications.

New realism

Pragmatism demands addressing realities faced. Many such problems are beyond the scope of the ministries

responsible for social spending, policy and protection.

Due to "re-shoring" and digitalisation, new investment fads will not create enough jobs.

New types of socially valuable employment are needed, with many touting the commercialisation of care work.

However, most of our society's less well-off will be unable to afford commercial care work unless their

incomes rise dramatically, which seems unlikely soon.

An "all-of-government" approach remains relevant for developing countries to better cope with and reverse some of the worst social trends.

Trying to do better with the limited resources available for social spending will only be adequate if the ministries responsible for macroeconomic policy, finance, and other related matters cooperate much better than ever.

Improved all-of-government cooperation and coordination work much better with a "whole-of-society" approach to better tackle the social challenges of our times. (IPS)

[* Jomo Kwame Sundaram, a former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought in 2007.]

The Potential Impact of UPOV 1991 on the Malaysian Seed Sector, Farmers and Their Practices

NurFitri Amir Muhammad

Malaysia has a unique and functional system in place for protecting intellectual property on plant varieties. Its Protection of New Plant Varieties Act 2004 provides for the granting of rights to plant breeders while also recognizing farmers' innovations and safeguarding exceptions for their rights to save, use, exchange and sell seeds.

This delicate balance could however be upended if Malaysia signs on to the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV 1991). Designed to further the interests of commercial breeders in developed countries, the UPOV 1991 regime will severely restrict the age-old farming practice of seed saving and promote corporate seed monopolies in its stead, thereby

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NurFitri Amir Muhammad

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undermining farming livelihoods, food security and agricultural biodiversity.

Drawing on rigorous research and interactions on the ground with domestic food farmers, this report sounds a clarion call to resist pressures for Malaysia to join UPOV 1991, and makes the case for a plant variety protection framework that is more attuned to the needs of the country's agricultural system.

Available at https://twn.my/title2/books/pdf/Potential%20Impact%20UPOV%20Malaysia.pdf