IBON INTERNATIONAL

Policy Brief

October 2020

Is the "new normal" really new?

Systemic change or a re-established old system?

The current economic order and neoliberal globalisation are at a turning point. The IMF has been anxious that the previous year, 2019, was "a year of protests in so many places," rooted in "a sense of growing inequality," "lack of opportunity," and "of mistreatment of certain groups in society."[1] The UN Department of Economic and Social Affairs (UN DESA) also admits that globalisation is facing an "existential crisis," as the UN DESA argues for a "more effective" globalisation[2] to manage the multiple crises of health, the economy, and climate, today.

The International Monetary Fund (IMF) has also been on the defensive "against a dramatic retreat from globalisation," maintaining that "global trade" by itself leads to lower costs, higher incomes and lower poverty. The IMF and the World Trade Organization (WTO) insist that "keeping markets open helps everyone."[3] The Organisation for Economic Co-operation and Development (OECD) says that "trade, not protectionism" will help fight the novel Coronavirus disease (COVID-19).[4]

But this system and its assumptions have faced criticisms even from policymakers, now echoing long-running but long-unheeded concerns of people's movements. The UN

Secretary General António Guterres, in mid-July 2020, called out "the lie that free markets can deliver healthcare for all," adding "that [e]conomies that were colonized are at greater risk of getting locked into the production of raw materials and low-tech goods – [which is] a new form of colonialism."[5] He also called out the long-running dominance of world powers in Bretton Woods institutions (for instance, US domination in the IMF-World Bank, among others) as evidence of a "refus[al] to contemplate the reforms needed to change power relations in international institutions."

Today's recession and the multiple crises are not all too far removed from the non-recovery after the 2008 crisis, as the recession was already preceded by years of increasingly larger corporate giants and private wealth, slowing world production and investment, debt troubles, and rising unemployment, hunger, and economic and political grievances of the people.[6] This should clarify claims that the 2020 recession is "unprecedented," or just an "external shock."

The COVID-19 pandemic and the lockdowns did not cause the crisis, but rather accelerated the problems. Working peoples in the global North and the South have been significantly worse off. This is in stark comparison to the so-called losses of multi-billionaires, many of whom even gained from the crisis. For example, in the course of a stock market decline and "recovery" within March to May 2020, and bailouts, Forbes claims that the world's 25 wealthiest people are even wealthier by USD 255 billion.[7] Around USD 66 billion was added to the wealth of the non-US billionaires in the world's 25 wealthiest.[8]

While a quarter of the United States (US) labour force was unemployed, the net worth of US billionaires grew 15% between March 18 and May 19, from USD 2.9 trillion to USD 3.4 trillion.[9] While Jeff Bezos, CEO of Amazon, was racking up wealth, workers held strikes across different branches against poor working conditions and the health risks,[10] and workers across the global South faced stark unemployment and lack of incomes.

Prior to the current recession, even international institutions such as the UN Conference on Trade and Development (UNCTAD) were questioning neoliberalism while forwarding a policy of more state regulation for the world economy.[11] The 2020 crisis further set back trade and investment liberalisation, so-called "open and free markets," with economies locked down, trade restricted, and the stoppages in production centres for months such as in China. The pitfalls of deregulation, including of finance, were revealed as fickle financial investors quickly exited from many Southern countries in fear of pandemic and recession. The privatisation, of hospitals, other health services, of housing and water, was exposed for worsening the impacts of the pandemic to the people in many countries.

These crises also have political implications. Certain governments have used the pandemic as a pretext to suspend civil-political rights, through criminalisation and repression against civil society and even "lockdown violators." The UN Office of the High Commissioner on Human Rights (OHCHR) noted the "highly militarised" measures such as in China, Sri Lanka, and the Philippines.[12] Repression amid the pandemic was also documented in the United States, Kenya, Turkey, Palestine, India, El Salvador, among others. As of September 2020, at least 44 countries have measures impeding the right to free expression, 47 countries that are intruding on privacy, and 129 countries that restricted assembly.[13] While consolidating states' rule, these leave people's economic and social grievances unaddressed.

This overall situation has driven international institutions to look into the economic and financial systems and norms that brought us to this critical point, along the way 1) adopting economic measures in the last months to "rescue the economy," and 2) offering proposals, early on, for a post-COVID "new normal."

For working peoples, especially in the global South, crucial questions would be: do these measures address people's needs—from healthcare and other social services, living wages, among others? To what extent do the current "new normal" proposals constitute a break from the old system of economic and policy norms that brought us to these troubled times? To what extent could the aims of "new normal" proposals create conditions for the full scope of people's rights, from the social, economic, and cultural rights, civil-political rights, and even the right to shape development paths?

WHAT HAVE BEEN RECENT ECONOMIC AND SOCIAL MEASURES AMID THE COVID-19 PANDEMIC?

There have been bailouts, stimulus packages, and debt relief as immediate lifeboats for the world economy in the short-term. International institutions are aware that if the effects of the crisis on the people are ignored, it could lead to problems for the current system amid "deepen[ing] inequality, intensifying public discontent and weakening trust in institutions".[14]

Bailouts to jumpstart the old economic engine

Many governments implemented bailouts to encourage business activity. Internationally, stimulus packages were quickly prescribed, all with the intention to keep the system afloat, as for example, there are rich economies in the OECD that "collapsed" by as much as 20 to 30 percent.[15] The biggest economies of the world, in the Group of 20 (G20), released trillions to save the system from a quick collapse, and for a so-called "sustainable recovery" to happen.[16]

In the case of one of the biggest economic centres, the US, the government was quick to bailout major corporations, including weapons producers such as Boeing. The US government, like in 2008, also saved the finance markets of the ultra-wealthy. Supposed wage handouts to unemployed and workers proved to be slow and rife with issues.[17][18] Many health workers and "frontline" workers were forced to continue working even without protective equipment. In the European Union (EU), bailouts were steeped with conditionalities, are oriented to bailout corporations, and led to creation of new ways for governments to rack up debts.[19]

"Debt relief:" To reinforce financial shackles?

Debt relief is another lifeboat for many countries, in the face of a real threat of a debt crisis. Without full cancellations or repudiations, foreign debts especially of Southern countries have been increasing; the portions of government revenues for debt payments have been in the same upward trend.[20] Historically, many Southern countries have been driven to be dependent on agricultural, energy, and minerals exports,[21] as sources of foreign currency to keep paying foreign debt, and, in the name of "financial integration," have been made reliant on foreign capital in general.

With many economies grinding to a halt, the G20 economies moved to temporarily suspend poor countries' debt payments to them, granted on condition they would avail of *more* debt from the International Monetary Fund (IMF).[22] Many institutions are calling to "restructure" debts or to adjust the terms of payments such as by delaying payment deadlines, wherein creditors can ensure that even though they do not get their money today, at least they could secure getting it tomorrow.

For the creditors and many debtor governments as well, a full-blown debt crisis would mean worse, and could drive peoples' discontent towards governments, and call attention to chronic indebtedness and unequal economic relations among states. For many governments, "restructuring" economies in the global South for "quick recovery" means quickly keeping the money flows back on track.

These continue as multilateral banks such as the IMF-World Bank, the Asian Development Bank (ADB) and continue billions of loans (and some grants) for both governments and businesses as COVID-19 assistance. Such money is for countries to "address" COVID-19 quickly, prevent the threat of paralysed economies for long periods of time (e.g., due to lockdowns), and thus continue to re-open for capital accumulation as soon as possible.

The World Bank is vocal by May 2020 that USD 160 billion[23] in new concessional loans and grants will also be used to "maintain the private sector" and economic recovery. The IMF indicated by April a USD 1 trillion capacity[24] to lend – of which billions are already billed for more loans on terms lower than market rates. The IMF sees the stimulus packages are basically for a return of the old economic engine, noting that "this [returning] growth should lead to a greener, smarter, fairer world in the future."[25]

WHAT HAVE BEEN CURRENT PROPOSALS FOR A "POST-COVID" NEW NORMAL?

With the growing opposition to neoliberalism and how it worsened the crisis for the people, shapers of development conversations have sprung up to shape future trajectories. World powers and international institutions are impelled to offer a "new normal," a "post-COVID" economy. This became a coordinated effort among international institutions to define global economic reforms.

Current rhetoric pushes for so-called "green recovery," "digitalisation," for social protection spending, as well as to "boost productive investments", all within the sustainable development agenda. Among the major conversations, even before the current recession, is the idea of a "Green New Deal." With the pandemic, there emerged a similar agenda about "building back better," for "a greener, smarter, and fairer" economy as a "new normal."

1. How new are the "Green New Deals"?

All the versions of the idea of a "Green New Deal" refer to the original "New Deal." The first Deal launched welfare within capitalism in the US during the Great Depression of the 1930s. The theoretical roots of this program were the ideas of British economist John Maynard

Box 1: Some major articulations of the "Green New Deal"

The origins of the talk of a Green New Deal dates back to 2003,[37] but only gained its current traction after the 2016 US elections. Here are some of the origins of the major uses of the "Green New Deal" after 2010:

- **2019, US Democrats' "Green New Deal"** — This gained some level of traction within US electoral politics in 2019 with certain candidates of the Democratic party. It calls to stop fossil fuels entirely, shift to "clean manufacturing," support sustainable small-scale farming and land use, while focusing on high-wage jobs, economic security, and consultative processes for people in the US.

- **Mid-2019 onwards, the UNCTAD's "Global green new deal"**— Certain divisions of the UNCTAD explicitly oppose neoliberalism and the "predatory rent-seeking" or "crocodile capitalism" they believe has "broken the social contract" of the Bretton Woods system and the pre-neoliberal order. They pin the problem of rising inequality to neoliberalism.

  They wish to "rebalance development" globally through full and decent employment and liveable wages; closing socio-economic gaps; participatory politics in economic decision-making; and decarbonising growth. They forward "reform measures to make debt, capital and banks work for development and finance a [green new] deal". Internationally, they forward progressive taxation, a sustainable development fund replenished by unfulfilled aid commitments, rules-based foreign debt restructuring, controlling capital flows, and more capital for public banks.

- **Late 2019 onwards, the European Union Green Deal** — It is a USD 1.1 trillion "climate-focused infrastructure and decarbonisation plan" conceived in late 2019: for the end of new greenhouse emissions gases by 2050; "de-coupling" economic growth from resource use; and that "no person and no place is left behind." There is the "greening" of the capitalist economy. It is eager to renew the idea of a "social contract" between the state elites and the people.

Sources:

Recognizing the duty of the Federal Government to create a Green New Deal, H.R. 109, 116th Congress. 2019. https://www.congress.gov/bill/116th-congress/house-resolution/109/text

Gallagher, Kevin P. and Richard Kozul-Wright. 2019. "A New Multilateralism for Shared Prosperity: Geneva Principles for a Global Green New Deal." https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2441

European Commission. 2019. "The European Green Deal." https://ec.europa.eu/knowledge4policy/publication/communication-com2019640-european-green-deal_en

Keynes, who espoused that government spending must play a central role.

This system eventually befell a crisis during the late 1970s, which then ushered the transition into what was later known as neoliberal policies. Today, with neoliberalism itself in crisis, there is another call to retreat to a "fair" capitalism —with social protection and considerable state spending, compared to neoliberal state-market relations where the states' main role is to fashion legal norms for foreign investment and their shareholders. The "Green" in the "Green New Deal" refers to the idea of an energy transition amid the climate crisis.

2. A "new normal," a "great reset," and "building back better" for whom?

Other international institutions are also endorsing versions of the "new normal," economic "recovery," and a "post-COVID" economy. The IMF-WB, the ADB, the OECD are all appealing for a fairer, green, smarter, resilient and sustainable economy, and "inclusive and sustainable development." The OECD joins calls

Box 2. The chorus for a "new normal": "Green" transition and "recovery"

- **The IMF** is aware that "green" infrastructure and energy are business opportunities, and thus they are facilitating these shifts, "including by being clear around the risks to businesses during the transition to a low carbon economy."
- **The World Bank** appeals to renewable energy and related SDGs, to "place sustainable energy at the heart of economic stimulus and recovery measures."
- **For the ADB**, green recovery includes investments in digital infrastructure. By investing in "green recovery," the ADB highlights the importance of e-commerce systems that keep production and consumption disruptions to a minimum. For instance, supporting urban agriculture means providing spaces for urban gardens and internet services for agriculture e-commerce.
- **The G20** "commit to support an environmentally sustainable and inclusive recovery."
- **The OECD** is pushing a call to address "long-term emission reduction goals, factor[s] in resilience to climate impacts, slow[s] biodiversity loss and increasing circularity of supply chains [i.e. production chains that reuse, remanufacture waste]." The OECD pushes for government roles in "increas[ing] private finance" for "nature-based" solutions (e.g., storing carbon in soil) criticised by CSOs as falling short of system change. They also encourage "green" business behaviour.

Sources:

Georgieva, Kristalina. 2020. "From Great Lockdown to Great Transformation: IMF Managing Director's Opening Remarks, US Chamber of Commerce." IMF, 9 June. https://www.imf.org/en/News/Articles/2020/06/09/sp060920-from-great-lockdown-to-great-transformation

World Bank. 2020. "COVID-19 Intensifies the Urgency to Expand Sustainable Energy Solutions Worldwide." 28 May. https://www.worldbank.org/en/news/press-release/2020/05/28/covid-19-intensifies-the-urgency-to-expand-sustainable-energy-solutions-worldwide

ADB. 2020. "6 Ways to Jumpstart a Green Recovery from COVID-19." 5 June. https://www.adb.org/news/features/6-ways-jumpstart-green-recovery-covid-19

G20. 2020. "Communiqué: G20 Finance Ministers and Central Bank Governors Meeting." 15 April. https://g20.org/en/media/Documents/G20_FMCBG_Communiqu%C3%A9_EN%20(2).pdf

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to "build back better" for a "resilient recovery."[26] The IMF and the big business-driven World Economic Forum (WEF) both refer to a "great transformation"[27] or a "Great Reset of capitalism."[28] These are articulated within active policy such as the Paris Climate Agreement, and the global development goals. Major international institutions are joining the choir.

DO CURRENT POLICY PROPOSALS TACKLE STRUCTURAL ISSUES?

The question of the "new normal" faces the possibilities of either starting a process that breaks from the current economic order, or transitioning to a refurbished face of systems that retain their character against people and planet. This is a process now accelerated amid the pandemic and the recession.

Do current proposals tackle the structures that led us to our crisis today? Would the proposals block prospects for systemic changes by settling with, in the World Economic Forum's words, a "great reset of capitalism"? Do the proposals for a post-pandemic "new normal" mark a shift to a people-centred and sustainable economic system? Do any of them point to development paths shaped and led by workers, farmers, women, Indigenous Peoples, the urban poor, and their organisations in the global South?

Box 3. The chorus for a "new normal": Stimulus, social protection, "inclusive" capitalism, "sustainable investment"

- After decades of privatisation, **the World Bank** now highlights "improving" education and health by public spending. It stresses these to reignite growth, by working with "the private sector and get[ting] money directly to people" to create more businesses.
- After decades of neglecting inequality, **the IMF** now claims that their "research shows that inequality damages societies." Amid growing discontent, the IMF claims they "must support countries' efforts in calibrating their social policies to reduce inequality, protect vulnerable people." This takes the form of temporary targeted cash transfers to increase working peoples' spending amid unrealised profits from unsold commodities.
- The **OECD** now claims that any stimulus and recovery, including debt-financed spending, must "emphasis[e] other elements that improve well-being, such as income, job quality, housing and health." It also claims that any "green transition" must include progressive taxation to supposedly address workers' concerns. It claims that there is a need for "improving employer-employee relationships" for stronger social cohesion.
- Across **the UN system**, and even among multilateral banks such as **the AIIB**, there is the continuing drive to make the private sector, especially institutional investors and big finance, link with "sustainable development." Corporations are expected to continue being major actors in ideas of "building back better." A Citigroup representative once said in a UN Financing for Development meeting that we must "reimagine capitalism."

Sources:

World Bank. 2020. "Countries Can Take Steps Now to Rebuild from COVID-19." 2 June. https://www.worldbank.org/en/news/press-release/2020/06/02/countries-can-take-steps-now-to-speed-recovery-from-covid-19

IMF. 2020. "The Path Forward: The Global Economy. Washington Post Live: IMF Managing Director Kristalina Georgieva with David Ignatius, Washington Post Columnist." 3 June. https://www.imf.org/en/News/Articles/2020/06/03/tr060320-the-path-forward-the-global-economy

Georgieva, Kristalina. 2020. "A Global Crisis Like No Other Needs a Global Response Like No Other." IMF Blogs, 20 April. https://blogs.imf.org/2020/04/20/a-global-crisis-like-no-other-needs-a-global-response-like-no-other/

OECD. 2020. "Building back better: A sustainable, resilient recovery after COVID-19." 5 June.

The structural roots of climate crisis

A limit of current proposals is found in how they do not tackle the historical origins of the climate and ecological crisis: in system of corporate giants, such as those responsible for 71 percent of the emissions in the previous decades.[29] Instead of addressing the systemic roots of the climate emergency, there is a tendency to capitalise on the market for "green" and "sustainable investments" as a business opportunity.

Encouraging "green" business behaviour reaches its limits when faced with the issues of market power, control over resources, and the unsustainable neoliberal production and consumption patterns.[30] Claims to circular supply chains are similarly challenged in a system reliant on extracting resources especially from the global South.

The claims to a "green" transition, as framed by many international finance institutions and advanced industrial states, can serve to cut short the broadening opposition to the climate crisis that increasingly direct the responsibility to transnational corporations.

Supposed "social protection" and "social cohesion"

Today's claims for bringing back social protection and stronger public services originate from long-running opposition of people's movements and

Box 4. The chorus for a "new normal": A bigger push for "digital economies"

- The WTO highlights the growing use of e-commerce and digital technology as the pandemic brings the WTO e-commerce rules to the forefront, rules rejected by CSOs. These trade-related measures are not new but outstanding issues that have long stagnated at the WTO, that are now being promoted in seizing the opportunity of the crisis.
- The IMF claims that "digital transformation is a big winner from this crisis" since there are opportunities of "e-commerce, e-learning, e-transfers, e-payments, and e-governance."
- The ADB encourages both large corporations and micro, small and medium enterprises (MSMEs) to take advantage of digital technology and shift their processes to "help the economy open up," in terms of work arrangements, health services, education, payment systems, and international trade and global supply chains.
- The OECD pushes for an increased use of digital technologies for TNC-driven production chains—which can help the "resilience and reduce the likelihood of disruptions" in production. For them, automation and digitalisation of industrial processes enhance the efficiency of production and reduce emissions. They also call for supporting capital-holders to digitalise.
- The UNDESA speculates that the "online economy" as a "new reality," with a supposed increase in economic activities online will eliminate many existing jobs, while creating new jobs in the digital economy. They claim that public-private partnerships – building partnerships with private technology companies, social entrepreneurs, can represent an effective way for governments to meet "people's needs."

Sources:
WTO. 2020. "WTO report looks at role of e-commerce during the COVID-19 pandemic." https://www.wto.org/english/news_e/news20_e/rese_04may20_e.htm
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civil society to austerity, privatisation, liberalisation and denationalisation.[1]

Civil society must remain vigilant given how international finance institutions and multilateral development banks are now working double time in their lip service to social protection and inclusion—concerns long unaddressed by these same institutions which have imposed policy norms that drove race-to-the-bottom wages especially for working women, eroded spending for healthcare, education and other social services, and eradicated previously hard-won rights.

1 Denationalisation refers to the process where a previously nationally state-owned company, service, or property is sold to a private business.

The history of the original New Deal itself shows that government spending for social services can exist alongside capital concentration—requiring any boost in social protection to be accompanied by more shifts that tug at the system's roots.

Claims to distribute the "benefits of growth" without addressing the social, economic and political relations underpinning such inequalities would be insufficient. Among the systemic barriers that must be addressed are the power of corporate giants and finance capital; the roles of multilateral organisations and banks in shaping international norms that favour big private sector; and the lack of power of peoples and their organisations in the global South to shape the development paths of their countries.

The most influential actors in international development conversations now realise that the dire state of social services have threatened profit-driven growth, as business operations will be interrupted if large sections of the working people cannot go to work for health reasons.

States' and multilateral institutions' rhetoric also risk fashioning mere acceptance of the problems created by the neoliberal order: via the question of how to bring back "trust" of governments and corporations. The OECD, for instance, is appealing to the idea of a "good relationship" between capital and labour, in the name of "social cohesion"—neglecting previous findings that the growth of incomes for capital meant lowered wages and dismal conditions for labour.[31]

Technology, TNC-captured trade, deepening exploitation

The calls for "digitalisation" for the new normal must also be scrutinised, including the big business-driven faith in the "Fourth Industrial Revolution" of information technology.[32] These claims for a post-COVID world economy offer the introduction of technology as solutions, while leaving unaddressed the issues of *private and corporate control* that are behind monopoly of technologies, and their use to labour exploitation in value chains.

Information technology, and their use in work processes, is already applied to facilitate labour exploitation, irregular and informal work arrangements, and the lower wages in the global South (e.g., business process outsourcing, organising global production chains of starvation wage-labour through networked computers, irregular work in the "gig economy"). Big business-driven automation increases profit margins without the need to pay more wages.

The drive for an even more high-technology economy, as applied to financial technology, e-commerce, and even agriculture production chains, functions to boost the neoliberal trade regime and "open markets" amid the effects of lockdowns and the recession. For instance, more small and medium enterprises (SMEs) can be integrated and in turn dominated by corporate giants.

The current digitalisation discourse does not tackle the reality of the market power of corporate giants in the research and development, design, manufacture, and deployment of technologies for economic purposes. A renewed agenda of shifting to digital technology that neglects the need for bigger socio-political and economic shifts would be, in essence, a continuation of business-as-usual though more "high tech."

The claims to support "productivity" attempt to frame the question between either a so-called "productive" development path against the neoliberal "financialised" economies that saw large growth of speculation, and "unproductive" fictitious capital—despite the common foundation of wealth and capital accumulation that characterise both systems.

There is a need to address the private capture and power over technologies, and their use to facilitate big business activities. In the global South, there remains the need to affirm strategic industrial policy and rural development as conditions for addressing the divide in basic access to technology. These would be necessary conditions in any future digital shift. In terms of implications in governance, digitalisation as led by corporate giants in technology also faces issues regarding surveillance, basic privacy concerns, and even support of repressive regimes—which also block the people's right to shape development.

The insistence of neoliberal trade, and big business

Neoliberal globalisation remains an important idea for major shapers of development and trade conversations. "Free" trade and investment, central to these conversations, were shaken prior to the pandemic with the US-China "trade war" of mutual tariffs that already scaled protectionist measures.

Now, the WTO drums up support for tariff reductions and facilitating more liberalisation in e-commerce, medical and food products, as it is worried that the pandemic is stoking "protectionist policies" amid border and economic lockdowns and stoppages of corporate production networks.[33]

Within the emerging visions for the "new normal" from major international institutions, big business would still play central roles. The IMF Managing director, in a June 2020 conference of the US Chamber of Commerce, talked of their unity "for the simple concept that private sector-led growth improves opportunities for people everywhere."[34]

WHAT COULD THE PEOPLE FORWARD IN AIMING FOR SYSTEM CHANGE?

The systemic drivers that brought the world to the current crisis and the worsening poverty and inequalities that peoples face must be addressed at their roots. Achieving this means moving beyond the two "poles" of neoliberalism or state-interventionism within the system of corporate giants and capital-holders. What is required is not just a "recovery" or "reset", but system change. This could only be premised on people's sovereignty in countries as well as in international arenas.

The challenge for international institutions, including the UN system, is to realise the rhetoric on social and economic rights, such as that of expanding systems for the universal provision of quality public services, debt cancellations, and addressing the disparities across countries. Reforms in international governance, as well as international economic policy, are crucial building blocks for a more comprehensive systemic change.

Civil society organisations are also asserting that essential international reforms must be implemented for a "decolonial, feminist, and just transition,"[35] in which multilateral governance must be reformed towards more spaces for developing countries.

Urgent short-term proposals: Building blocks for a new system

In the short-term, global action must directly address the rights, needs and welfare of Southern peoples amid the COVID-19 pandemic.[36] People's organisations and civil society could forward these policy proposals and demands that serve as urgent building blocks for longer-term, systemic shifts—towards a people's "better normal"—where people's rights and sovereignty are primary, and the current domination of big business and elite-led states are reversed.

Box 5. Some ways forward for system change

The international system could take up short-term proposals such as:

- Forward working people's rights, especially of working women
- Democratise immediate responses, reverse repressive and militarist norms
- Cancel debts, fulfil development finance commitments
- Climate justice, not bailouts for polluters
- Halt and review trade and investment agreements

Long-term trajectories could include:

- Working people's leadership in development planning to prioritise rights
- Addressing the layers of oppression facing women
- A development finance and economic architecture that does not drain Southern resources
- World economic shifts that address the systemic roots of inequalities and the climate crisis
- A multilateralism outside neo-colonial relations

1. **Forward working people's rights, especially of working women**—The foundation of all urgent policy responses must be people's rights: such as to health and to development, to working people's rights and to social services, free healthcare, water supply, and adequate mass housing. States must build adequate and accessible public healthcare systems. Sufficient and accessible assistance, must be guaranteed as a minimum, together with the basic rights of working people to livelihoods, living wages, and the right to join in, and form, their own organisations and unions.

   Health workers around the world, of which 70% are women, must still be provided necessary support. Women who carry the burdens of care work at home as well as other tasks as workers in factories, fields, and other workplaces, must be supported economically as well as assured of protection and redress amid state or intimate violence.

2. **Democratise immediate responses, reverse repressive and militarist norms**—People's organisations must be able to substantively shape economic plans and health measures that affect them and to hold states accountable. States must reverse the current waves of criminalisation and repression against grassroots initiatives and organisations. Resources currently used for militarisation and the bolstering of repressive functions of state security forces

must instead be re-allocated to social assistance and health measures.

People's political participation must be fostered, with transparent and effective public information as a minimum. People's organisations would need to hold states to account to ensure protection of democratic rights against violations of economic rights. Peoples' creative, cooperative efforts are most valuable in times of crisis; they must be allowed to conduct initiatives to respond to grassroots needs, and such initiatives must be supported by national actors and the international community including through aid and political support.

3. **Cancel debts, fulfil development finance commitments**—Immediate debt cancellations for Southern countries are imperative, for debts due in 2020 and even up to 2022 with no interest, charges, and penalties. Longer-term, even permanent, cancellations must also be options. New emergency assistance should be in the form of grants and not loans, and any relief or additional finance must be free from conditionalities. States must re-allocate the billions away from creditors' interests towards social service spending.

   Donor countries must do their part by upholding their historical commitments and responsibilities in official development assistance (ODA) and development effectiveness to all Southern countries. ODA from donor countries in the Development Assistance Committee of the OECD must commit to, and even exceed, the target of 0.7% of Gross National Income (2019 flows accounted for only 0.3% of GNI), which must be provided in unconditional grants. New public finance for COVID-19 spending must be additional to ODA, and must match the scale of the crises.

   Donors must also provide aid flows directly to people's organisations, community initiatives, and civil society responding to the pandemic. States must ensure that people's organisations have substantive voices in ensuring that aid flows to where they could fulfil people's needs, and in determining aid allocations for emergency responses and long-term development. States must uphold the mandate of ODA for the public interest, and reverse trends in using aid to "mobilise" for-profit finance with unproven development results.

4. **Climate justice, not bailouts for polluters**—Governments' economic "rescue" packages should not be used to further bailout corporate giants and banks, or to support projects that prop up extractivist and fossil fuel-driven paradigms. Public funds should be used to ensure a paradigm shift of economies, while protecting people's livelihoods and their rights. Climate finance to the global South, framed around principles of social equity, climate justice, ecological balance, and people's rights, must primarily be through grants and not loans.

5. **Halt and review trade and investment agreements**—Governments should stop negotiating all on-going trade and investment agreements, and should heed long-running demands for an alternative trade and investment framework that prioritises people's needs and development. Free trade agreements (FTA) generally only benefit developed countries and Southern countries' elite-led governments with private interests. Trade liberalisation has also damaged domestic industries and, consequently,

contributed to food insecurity and poverty. Southern countries should instead focus on sustainable domestic production and national industrialisation, while ensuring the safety and protection of farmers and workers, to cater to peoples' needs.

The need for ambitious, long-term changes: System change by and for the people

Ambition to move beyond the current system is crucial in responding to climate, health and economic crises affecting peoples. A "recovery" of capital accumulation is not required by the situation, but rather economic sovereignty of peoples. Short-term demands must be accompanied by more fundamental, long-lasting trajectories for systemic changes. Some essential trajectories in the long term—a "people's better normal"—could include the following ways of addressing systemic barriers nationally and internationally:

- **Working people's leadership in development planning to prioritise rights**—The people's right to development, that is, the power and even leadership of peoples and their organisations in shaping development processes and long-term economic policy, must be realised as a foundation. Planning processes for national development must be strengthened, and be institutionalised if currently inexistent, and more importantly, democratised. International arenas must enable a broader and more substantive participation of people's organisations and civil society.

  Policy, instead of the neoliberal priority of "good climates" for capital, must prioritise people's needs and economic and civil-political rights, from land, livelihoods and jobs, living wages, food sovereignty, especially of working women. Such a rights-based and people-powered democracy presupposes that repression against working people's organisations and civil society is far from being a norm; their roles in national processes are instead supported, and their self-organisation promoted.

- **Addressing the layers of oppression facing women**—An important component of national and international shifts would be addressing the gendered realities that leave women worse off. Accountability systems must be strengthened in cases of state violence against women, as well as violence in intimate contexts. It is key to shape social contexts to address the forms of women's oppression, such as to end patriarchal, institutionalised state violence and individual violence via boosting education and healthcare instead of police or military spending.

  Attention must be given to end the economic oppression of working women, such as in garment production chains in the global South. The public sector must not only deliver services but also create socialised, community-driven systems that do not leave childcare or healthcare responsibilities unequally to individual parents or to women health- or childcare workers. These are some conditions to drive the self-organisation of women in communities and workplaces, and for greater women's participation in development processes and in shaping political and economic conditions that affect the people.

- **A development finance and economic architecture that does**

not drain Southern resources—This means a reorientation of Southern economies supported by international norms. This could mean shifting away from dependency on foreign financing and foreign investment for extractivism, land grabbing and low-waged labour, towards prioritising strategic industrial policy and rural development, improve the internal dynamism of domestic economies and realise people's rights.

Norms must not encourage continuing debt dependence of Southern countries. Promotion of progressive taxation of corporations and wealth (not tax incentives for corporations), and curtailing illicit financial flows such as tax havens, must be the rule for domestic resource mobilisation. Aid commitments of 0.7% of GNI must be realised even in the long term, as a historical responsibility especially of former colonising states, and not as a tool of foreign policy in the forms of tied aid and its use to "mobilise" foreign private capital interests.

- **World economic shifts that address the systemic roots of inequalities and the climate crisis**—Changing the development finance architecture requires broad changes in the foundations of the world economy. The systemic nature of the problems that existed before the current crises, and were exposed and extended by the pandemic and recession, point in this direction. The neoliberal dogma—of privatisation of social services; the trade and investment liberalisation that resulted to starvation wages and TNC-driven production chains; the deregulation of economies; and financial integration—must be abandoned.

  At the same time, the direction must go beyond state interventionism while maintaining elite-led power relations of states and the profit motive in economic life, as the latter are both foundational roots of social inequalities and the exploitation of labour capacities (especially of Southern labour) which concentrate wealth only for a few. The paradigm shifts, beyond the neoliberal or state interventionist variants of monopoly capitalism, are also essential to address the climate crisis as both systems have historically been driven by corporate giant polluters.

- **A multilateralism outside neo-colonial relations**—A renewed multilateral governance, as the UN Secretary General rightly claims, must not be founded on the dominance of traditional or rising world powers. Multilateralism must be recast to move outside the "new forms of colonialism" against Southern countries through the international institutions dominated by world powers.

  International reforms could mean giving more spaces for developing countries, which must be accompanied by shifts in national power relations towards working peoples. International development conversations and governance must be premised on broader participation of people's organisations and civil society, instead of the significant roles of big private sector.

  Ambition for a renewed multilateral governance, in the end, could also mean possibilities of heeding movements that have long been calling into question the functions of international institutions such as the IMF, the World Bank, the

WTO, even the ADB, due to these institutions' legacy and continuing policy of shaping pro-big business state institutions and rules. Relations among states must be based on non-interference, mutual cooperation, international solidarity, equality, and respect for sovereignty.

In both these short-term shifts and longer-term trajectories, the roles of working peoples and their organisations are essential. It is the people and their organisations—in the global South, the unions, organisations of peasants, women, Indigenous Peoples, the urban poor, migrants, workers in the health sector —who have borne the starvation wages, land dispossession, austerity and the neoliberal erosion of rights. They are the most significant stakeholders for fundamental, systemic changes that will uplift economic conditions and create development for the people.

The pandemic and recession further brought to the fore the crises of neoliberal globalisation, through the multiple crises in health, economic, climate and governance. The challenge for the international system is to contribute to charting development paths by and for the people, with shifts in power relations for working people's strong influence and even leadership in all aspects of development policymaking and practice, as a critical way to create long-lasting solutions to demands on healthcare, social services, living wages, land and other economic rights. Short- and medium-term measures responding to the crisis today must set in motion such a long-term shift to change the social order nationally and internationally. ■

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Thomas G.

IBON
INTERNATIONAL

IBON International engages in capacity development for people's rights and democracy around the world.

3rd Floor IBON Center
114 Timog Avenue,
Quezon City
1103 Philippines
Tel +632 9277060 to 61
local 203 & 207
Fax +632 9276981

Email
editors@iboninternational.org

Web
iboninternational.org