

## THE FUTURE OF DEVELOPMENT POLICY IN A CHANGING MULTILATERAL CONTEXT

*Multilateralism is under threat along several dimensions: a building trade war, stalled global trade talks and the questioning of international institutions by prominent countries. Developing nations are already being affected. Aid flows to least developed countries are stagnating. The promotion of private financing risks displacing public funds. The number of bilateral trade agreements is increasing, favouring the powerful rather than the worst-off. The defunding of certain multilateral agencies affects women more than men. Inequality within and between countries remains unacceptably high and is in many cases rising. Poorer countries will suffer most from a failure to meet the Paris Agreement climate targets.*

*What do these trends mean for development policy? Should we press for a return to the old order, or is a pragmatic response required? Does instability herald opportunity? Might the emerging and existing institutions of the global South come to the fore? Could new, innovative forms of development policy emerge based on devolved, context-specific and country-led agendas? How should governments in the global South respond? What are the roles of the UN, multilaterals and bilateral trading partners and donors? Discussions during the session should lead to the identification of a set of key issues for further consideration as members decide the next CDP research project.*

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1. We face an inequality and climate crisis that is unprecedented across, between and within nations.

*“Climate change epitomises global social injustice and inequality; the poorest half of the global population is responsible for around 10% of yearly emissions. But it is they who are most vulnerable to the impacts of climate change and suffer the most from disasters. This cannot and must not continue.”*

2. The root cause of both inequality and climate is fundamentally the same - neoliberalism and a broken economic model.

*“Too many people in power still pretend not to see the impacts of climate change or entrenched inequality. It is easier to pretend that the elephant is not in the room, let alone two elephants, but sooner or later that active denial will become impossible, not least because those same leaders are the ones feeding the elephants.”*

3. The very system that exists to address such crises is itself suffering a crisis of confidence and capacity.

*“In the wake of the Second World War, the leaders of the world united in recognition that the world needed to change and they needed to work together in order to do it. That period gave us the Rules Based System as we now know it. So again today, 75 years later, in the face of new crises, we must commit to the same bold action: we must work together.”*

4. Populism is the reaction to this failed economic approach that has enriched elites and is destroying the planet.

*“The irony at the loveless heart of populism is that it is fuelled by the anger of people who feel that the current economic model has failed them. Populist leaders have wasted no time in exploiting this, and have directed that same anger against the very Rules Based System that could address the problem. It is presented as a quick fix to a century-old problem.”*

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