Executive Summary

What trends and forces are shaping the future of development cooperation in 2020? To answer this question HIVA, Research Institute for Work and Society (KU Leuven), launched a scenario planning process in which experts, policy makers, opinion makers and practitioners from within the development sector and beyond participated. This executive summary lists crucial trends determining the context of development cooperation, gives a taste of the three future scenarios that were developed as though starters for a more future proof discussion on development cooperation, and summarizes emerging findings and implications for development actors. The full report and supporting material can be found on www.hiva.kuleuven.be/11LeerstoelOS/english/11ChairDC.
Development cooperation in 2020?
Executive summary
Outcomes of the first research of the 11.11.11 Research Chair Development Cooperation - June 2012

Which trends and forces are shaping the future of development cooperation in 2020? To answer this question HIVA, Research Institute for Work and Society (KU Leuven), launched a scenario planning process in which experts, policy makers, opinion makers and practitioners from within the development sector and beyond participated. The scenario planning resulted in the identification of 15 driving forces of change, and in the development of three scenarios for the context of development cooperation in 2020. While recognizing that they are only three out of many equally plausible others, these scenarios for the future aim to increase awareness about the uncertain and fast-changing context for development cooperation and to help development actors in coping with and integrating this uncertainty in the sector's and organisations’ strategies. The driving forces of change, the three future scenarios and an overview of emerging findings will be briefly presented in this executive summary.

1.1 Driving forces of change
Putting together insights from different stakeholders in development cooperation as well as from literature on development cooperation, the research identified a set of highly unpredictable trends that could have a major impact on the future context of development cooperation:

- **Global development in a multipolar world?** How are the emerging economies re-shaping our world economically, politically, and socially?

- **Expanding financial crisis?** Will it trigger more regulation and European integration, should we expect business-as-usual or are we heading for a global economic melt-down? And how does ‘development’ happen in such an uncertain setting?

- **How will climate change and climate policy affect global development?** Whatever happens, climate change (policy) will surely affect the agenda, actors, funds and funding channels in development (cooperation). But how?

- **Saved by technology?** How will technological innovations change development needs and development cooperation?

- **More poor in middle income countries (MICs) and West?** Will the ‘new bottom billion’ change the way we look at poverty?

- **The growing scarcity of (natural) resources?** What will ‘development’ mean in a world that is reaching its limits and where access to and use of natural resources is extremely unequal?

- **The public response to growing inequality?** Will the growing inequality be answered by a public outcry or by increasing entrenchment?

- **Civil society under threat?** Is civil society more and more under threat worldwide, and are Western NGOs entering into a midlife crisis?

- **The private sector pushed onto the development agenda?** Is the rise of the private sector on the development agenda pushing a development model that prioritises growth before redistribution?
- **Is the state again in the shadow of other actors?** Are we seeing the end of internationalisation of aid, and an increase of bilateral aid in view of the own national interests?
- **The proliferation and diversification of development actors?** In which ways do the growing number and variety of new development actors in developing economies, emerging and developed economies challenge the traditional development field?
- **Impact of migration on North and South?** What are the implications of migration from the South on processes of development and how will migrant communities change the views on development (cooperation)?
- **Power shift to the local level?** Will the increasing emphasis on the role of local governments in developing countries lead us to a globalised, but decentralised world?
- **An expanding instrumentarium to work for development?** Does the expansion of the instrumentarium lead to blurring borders between aid and development?
- **Unbalanced demographic growth?** How will the rising and unbalanced demographic growth put more pressure on the poorest regions and cities and what does it mean for development?

### 1.2 Scenarios

The selection of highly influential but unpredictable global trends was used to compose three possible scenarios for the context of development cooperation in 2020. These scenarios do not predict what *will* happen. Instead they aim to offer plausible and comprehensive stories of what *might* happen, allowing users to become more aware of their own assumptions about the future, and to imagine, monitor and anticipate game-changing events. The extracts from the three scenario stories here below - respectively ‘Lonely Neighbours’, ‘Paradigm Shift’ and ‘Cold Green’ - give an idea of what the world could look like in 2020. The full scenario stories, including backcasting to the present and the main drivers of each scenario can be found in the full research report or online.

**Scenario 1: lonely neighbour**

New year 2020 sets off in a divided world. The power and influence of different international and multilateral governance structures has eroded over the years. Policy choices are made at a regional level, where blocks of geographically clustered countries set the new geopolitical scene. Politics within each of the regional blocks lead their own life, determined by the political and economic stronghold in whose influence sphere they are situated. In Latin-America Brazil sets the trend, in Asia China, India and Indonesia each head their own influence sphere, in the Middle East, Turkey and Iran vie for power, a European block is lead by Germany, and USA’s influence sphere shrunk to North-America. As cross-border problems continue to affect the welfare and well-being of citizens everywhere, the regional blocks developed their own approach to address them. The different regional policy choices go all the way from repression, dictatorship and resource depletion to people’s democracy and the protection of the rights of mother earth. Economic relations between the blocks continue but are shaped, more than in the past, by competition and protectionism. Energy resources and arable land are crucial geopolitical assets and the rivalry to access them, especially in Africa, frequently escalates in conflict. International media houses are increasingly instrumentalised by the powerful economic and regional blocks, and take part in a ‘name and shame’ communication about other regions, slowly brainwashing the general public. Despite the regional policies to address them, global challenges are not addressed adequately and worsen. By
2020, conflict and global problems are reaching their peak at enormous social and environmental costs. An overall crisis is setting in, with escalating conflict and food- and water scarcity as main drivers. This might force the multipolar world into reaction. Either one block will stand up as a new global leader, or the crisis will force the different blocks to some sort of global cooperation after all.

In Lonely Neighbours, government is an influential actor in development cooperation. Loose international agreements mean a decline in binding commitments, and leave room to set a development policy at the regional level. Where development cooperation takes hold, intraregional solidarity and cooperation become the norm. As for the remaining interregional development cooperation, the pressure for a policy determined by geopolitics and characterised by conditionalities related to access to resources and security issues will be high. Private sector’s adaptive capacities are put to the test: on the one hand varying regional policies put limits to the free market and set region-specific rules, on the other hand there is less international regulation. Multinational and transnational business is the one actor whose policies can affect the global level. A crucial question is whether business, while adapting to the fragmented and competitive playing field, can bypass government inertia and take initiatives that address global unsustainability. Civil society is mostly divided by the regional boundaries and increased polarisation. Lobbying and advocacy happen at regional institutions, on regional political agendas and driven by regional values and norms. Civil society organisations’ (CSO) partnerships are on a more equal base and CSOs in general are locally rooted, but they also tend to have a rather limited (regional) scope. Global networks trying to push for global governance still exist, mostly as online transregional networks, but are the underdog. An important question for all actors is how to reinforce African countries in this survival of the fittest. An even bigger question for all actors is how to restore confidence in global governance.

Scenario 2: paradigm shift

New year 2020 is celebrated in a world that is marked by diversion and contestation. We live in a crises stricken world, but gradually new openings emerge. An instable financial and economic system, protracted food- and water crises in developing countries and the swelling ranks of environmental refugees demonstrate daily that the dominant economic and political structures are faltering. ‘More of the same’ is not considered an answer. There is a strong awareness that we need to change the way we do things. A growing number of people, communities, politicians, companies, organisations, intellectuals feel empowered to experiment with ways to divert human development onto a more sustainable route. Most experiment at the local level, some at the global level. Western agents of change are challenged by reformers in the emerging economies and developing countries, as they too look for alternatives but come up with radically different ones. Challenging and innovative ideas and practices put pressure on the political and economic establishment, but they are diverse, all rooted in and shaped by their own interests and local reality. There is no common understanding on how to reach sustainable development. There is no master plan. A synergy into one consensus idea for an alternative socio-economic and political model is far off. Instead many different visions, forces and interests - from progressive to reactionary - contest each other and are engaged in an ongoing power struggle. The heat is on, but forces that protect the status-quo remain dominant.

In Paradigm Shift, the proliferation of development actors and agendas has seriously shaken up development cooperation. Governmental actors are in a difficult position because of the
competition between the needs and opportunities at national/local level and the need for international solidarity. A decrease in ODA, the decreasing tolerance of emerging countries towards outside interference in national policy and the rise of a hypercritical and capricious civil society pushes government towards an extremely cautious and pragmatic development cooperation policy. Bilateral donors are reluctant to give direct support to civil society actors. The pressure to choose for safe and politically neutral interventions is high. Government risks becoming the only actor, besides some purely charitable organisations, to get stuck in ‘old school’ development cooperation. The rise of new and old civil society actors everywhere brings a whole range of new actors, with very different and conflicting backgrounds, to the fore. Government subsidies for civil society decreased, cheap communication technologies became widely available, and organisations in the global South became stronger and more rooted in local communities and local values. This makes partnerships more equal, but it also makes finding the right partner more important and more difficult. Organisations in the global South take on a bigger role in setting the development agenda, and demand of their counterparts in industrialised countries that they address the unsustainable development model at home. For private sector actors the main challenge is to overcome the prisoner’s dilemma that prevents many of them to be a ‘first mover’. There is a growing divide: on the one side private sector actors that are reinventing themselves to become ‘winners’ in a context of resource crisis and shifting cultural values, on the other side private sector actors that remain stuck in unsustainable business models and fight for status-quo. With the growing number of experimental ideas and practices, there is also a bigger demand for innovation and a big potential to forge cross-sectoral alliances. To benefit from the lessons learned in experiments and initiatives elsewhere and to lobby successfully in defence of (one of the many) ideas or issues, networking and entering into alliances is crucial for all actors.

Scenario 3: cold green

New year 2020 is celebrated in a world with a prospect of sustainability, but only in ecological terms. Natural disasters combined with economic instability finally raised enough political will and public support to address global environmental problems. Strong international environmental regulation is now in place and implemented successfully. Climate change is largely under control, the scarcity of water, land and energy resources is still a reality but manageable. Yet these successes have come at a grave cost. They do not respect the right to development in developing countries, and they do not take into account the disproportionate effects the policy measures have on the poor. Therefore a number of perverse side-effects of the green policies have resulted in a lack of progress for the excluded in society, in developing countries, the West, and in the emerging economies. As a result, the relative power of the ‘haves’ continues to rise, while the ‘have-nots’ continue to be pushed to the margins. Development cooperation is instrumentalised for the sake of the CO2 reduction obsession of governments in the West and the BRIC countries. By 2020, inequality is becoming unsustainable and African countries, who are instrumental in keeping climate change in check and producing green energy (for the EU), start looking for ways to join forces and challenge the power balance.

In Cold Green, different actors involved in development still pay lip service to a broad interpretation of sustainable development, but in practice their focus is strongly on the ecological aspect. Governmental aid is oriented towards programmes which focus on green farming, production according to eco-standards, and the strengthening of government actors to...
monitor international eco-standards. These programmes are increasingly implemented through public-private partnerships, and market-driven forms of cooperation between private business and charity. This is fuelled by the strong focus on results-based aid and the focus on quick wins (e.g. vaccinations). Family planning programmes in Africa to decrease birth rates are back ‘in’, and a significant part of the aid funds are also invested in awareness raising campaigns in Western and BRIC countries themselves, focusing on the importance of a low carbon life, lower consumption patterns, and local production and consumption. The private sector as well orient itself to the new reality. However, fair trade certification is often reduced to the monitoring of eco-standards, with rather weak financial and social working conditions. Many CSOs are also incorporated in this system by excessive funding for green development programmes. Funding for trade unions, watchdog and policy-advocacy CSOs is reduced for two main reasons: (1) populist governments want to avoid destabilising the fragile economic and fiscal situation worldwide, and (2) with the growth of South-South cooperation and growing importance of financial flows outside the aid system, developing countries became more assertive and allergic towards aid with political conditionalities (governance, human rights, democracy). However, a number of CSO groups continue to push the social dimension on the agenda, supported by new communication technologies, organised through coalitions, and partnering with social movements and trade unions.

Schematic overview of the 3 scenarios
The table underneath highlights the main features of each scenario in terms of main storyline, participants, critical uncertainties, driving actors, winners and losers, risks, opportunities, and challenges.

<table>
<thead>
<tr>
<th>Cold green</th>
<th>Lonely neighbours</th>
<th>Paradigm shift</th>
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</thead>
<tbody>
<tr>
<td><strong>Main storyline</strong></td>
<td>Environmental challenges are addressed but at a large social cost</td>
<td>A multipolar divided world, where global challenges are left unchecked</td>
</tr>
<tr>
<td><strong>Participants described it as ...</strong></td>
<td>Realistic</td>
<td>Exclusive</td>
</tr>
<tr>
<td></td>
<td>Realistic</td>
<td>Conflict prone</td>
</tr>
<tr>
<td><strong>Critical uncertainties</strong></td>
<td>Excessive environmental pressure &amp; effective global eco-regulation</td>
<td>Failing global governance, a multipolar world &amp; increasing resource scarcity</td>
</tr>
<tr>
<td><strong>Driving actor</strong></td>
<td>Private sector</td>
<td>Government</td>
</tr>
<tr>
<td><strong>Winners</strong></td>
<td>A new world elite; eco-business; regions vulnerable to climate change; everyone affected by environmental problems</td>
<td>Emerging economies; regional strongholds; multinationals</td>
</tr>
<tr>
<td><strong>Losers</strong></td>
<td>Everyone affected by inequality, especially the poorest people and developing countries; informal economy</td>
<td>International organisations; everyone affected by cross-border problems; regionally disempowered countries; African continent</td>
</tr>
<tr>
<td><strong>Risks</strong></td>
<td>Increasing inequality; unsustainable due to exclusion and social injustice; repression</td>
<td>Unabated global problems; economic and resource conflict; instrumentalised media and</td>
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<tr>
<th>Opportunities</th>
<th>Challenges</th>
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<tr>
<th>Opportunities</th>
<th>Strong environmental awareness; strong push for innovation; local production and consumption; funds for ‘green’ projects; a stepping stone to sustainable development?</th>
<th>Opportunity for socially just and environmentally sustainable policy at regional level: more embedded and involved in local context; possibility to disconnect from deregulated free market</th>
<th>People-driven and empowering; innovations in new partnerships (more equal partnerships, cross-sectoral partnerships); stepping stone to sustainable development?</th>
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<tr>
<th>Opportunities</th>
<th>Giving a voice to the excluded; poverty relief; fight for social justice on the international agenda; resisting instrumentalisation of eco-funding and regulation</th>
<th>Restore confidence in global governance; bridge regional differences; fight for global public goods</th>
<th>Making connections and building networks; scaling up good practices; agreeing on common agendas; building a new paradigm?</th>
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1.3 Emerging implications for development actors

When developing and contemplating the scenarios, different findings and implications emerge, some valid across the spectrum of actors, others concerning a specific actor. They are not presented as formal findings and recommendations but as food for thought, as observations, questions and propositions on which the different actors in development cooperation can discuss and act upon.

- **Experiment more, look for systemic solutions, be ready, aim to increase resilience.** The surge of new players in and outside ODA, and the growing complexity of development problems fundamentally challenge existing practices. Traditional development actors seem ill-prepared for a situation where there is no comprehensive or unifying agenda, where they are confronted with a proliferation of actors that do not want to be coordinated, and where the growing complexity makes it much harder to plan long term and to find leverage points for change. In this context, development actors need to learn more quickly and adjust their strategies in a flexible way. This increased experimentation should lead to the identification of practices that address the structural and political causes of underdevelopment. They also need to explore new forms of cooperation and partnerships, away from time-consuming and inflexible centralised bureaucratic control, and away from the purely market-driven solutions. In line with the analysis of Evans (2011), with shocks as the key drivers of change, development actors need to ‘be ready’ with concrete ideas, alternatives and solutions and take advantage of the political opportunities such shocks create. At the same time they also need to reduce the vulnerability and strengthen the resilience of the poor to help them face these shocks.

- **Focus on global and local redistribution, expect more critical recipient countries and don’t get stuck in North-South framing.** With development problems being increasingly global, with ODA transfers dwarfing against other financial flows and with majority of the poor now living in middle income countries (MICs), the relevance of traditional North-South framing decreases. Future development strategies should shift their focus from poverty reduction to redistribution, both at the local level, aiming for a mobilization of more domestic resources, as at the global level in recognition of the
shared responsibilities for global development challenges. Traditional development actors can also expect Southern governments to become more critical for politically oriented aid and conditionalities.

- **Put back on the radar: urbanisation, unbalanced demographic growth and geoengeneering.** These three trends are going largely under the radar of the development community. Development actors need to figure out how the development agenda can be brought more in line with these developments.

- **Get used to the private sector as a development actor.** The role of the private sector in development is debated simultaneously but separately by different groups of development actors. The debate mostly ignores the diversity of private sector actors and is biased towards the role of Western and multinational corporations. Development actors need to become involved in each other’s debates, invest in developing a shared language, talk about role division and experiment with new partnerships. Companies as well as other development actors need to build expertise on the different (existing and upcoming) trends and models that operationalise the inclusion of social and ecological sustainability in the core-business of the private sector.

- **Keep an eye on the private sector as a development actor.** The lack of regulatory frameworks, the short time horizon, and the slow uptake of new partnership and business models are limiting the developmental potential of business. A growing role of the private sector as an actor in development cooperation needs to be counterbalanced with the development of stronger trade unions to defend the decent work agenda; capacitated Southern governments and international governance structures to make sure business contributes to tax income and respects sustainability measures; and with a responsive CSO community that can monitor the practices of local and international industry. They should join forces in moving the debate from corporate social responsibility towards corporate social accountability and beyond.

- **Guard against the return of pragmatics and national interest in development cooperation.** With the failure of global governance institutions to come up with a just and coherent answer to a set of interlinked global challenges, and with the economic crisis, the heightened scrutiny towards public spending and the conservative political reflex, the mandates as well as the budgets of both bilateral and multilateral government actors are under pressure. Bilateral agencies could choose to give in to the pressures of massive proliferation of actors and budget cuts and specialise in technocratic development cooperation in order to boost efficiency. Being strong players in this specific field could make them complementary to other development actors, and therefore relevant. Or they could choose to specialise in connecting different development actors, and promoting cross-fertilisation and cross-sectoral partnerships. Specialising in this niche could also boost their relevance, but might be difficult to combine with their principal role as regulator. As for restoring confidence and trust in global governance institutions, that will be a challenge for all development actors.

- **Debate the role of the state.** Government is redefining its relations to other development actors and risks toning down its regulatory role in the process. A facilitation of and cooperation with business actors in the context of development, could come at the expense of the regulatory role of the government, undermining the efforts to increase transparency and accountability in business practices. And
instrumentalising CSOs could further hamper their ability to formulate systemic solutions to development challenges, and force them to go for quick fixes instead. It is important to ensure that the relations between government, private actors and civil society are defined based upon a thorough reflection and debate on the role of the state.

- **Civil society should explore alternative development models.** Inspiration and building blocks for alternative models can be found across a wide spectrum of disciplines, trends and mechanisms. The implication that all development actors need to ‘be ready’ could mean for civil society actors that they need to take up the challenge to bring these ingredients together in comprehensive and credible alternatives that can be put forward when a political window of opportunities opens up. To ensure legitimacy, public support and robustness of civil society alternatives to the current political and socio-economic model, grounding them in Southern civil society and across civil society disciplines would be crucial.

- **Civil society should work for/in more equal partnerships and take up the role of networker and broker.** The changing civil society fabric in the South and the need to cut across silos and extend cross-border connections has implications for the interpretation of external relations by all actors, but especially for civil society actors for who a deepening role as partner, broker, and networker could become a cornerstone for (internal and external) agenda setting and political work. Making or maintaining strong connections, with civil society actors in other silos or with changing or upcoming actors at home and elsewhere, could be a prerequisite for agenda setting at the global level, and for the formulation of credible, legitimate and comprehensive responses to the system crisis. At the same time the relationship between Southern and Western CSOs can be expected to become more complex. Western concepts of civil society might be challenged more systematically, and more conflicting views about development can become apparent. While a challenge, this can form the basis for more equal partnerships and coalitions, allowing (or forcing) Western CSOs to set agendas, discourses and strategies increasingly based on Southern perspectives.

### 1.4 Final remarks

The scenarios and the subsequent analysis of common threads throughout the scenarios lay the foundation for a comprehensive, yet flexible, framework that can be used by development actors in the analysis of future trends, opportunities and challenges as well as in the development of future visions and strategies. This means a lot of work still needs to be done. The findings and implications that emerged from the scenarios have been formulated at a general actor level. Further reflection and debate on what this means for each individual organisation and for its relations with other organisations or development actors, is needed.