

**Intervention at the Morning Hearing on Sustained and Inclusive Economic Growth
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Bhumika Muchhala
Third World Network and Women's Major Group member

Excellencies, Ladies, Gentlemen, Colleagues, I am very pleased to have a brief opportunity to make some comments on this extremely important topic of macro-policy, trade, debt, infrastructure and energy issues.

Infrastructure and public-private partnerships

1. In yesterday's discussions, there was repeated mention of the need for 'inclusive and sustainable industrialization' and the central role of investment in infrastructure. However, there are fundamental precedents to approaching infrastructure investment in a way that fosters rather than derails economic and social rights and equitable development, such as institutional mechanisms that ensure robust regulation and enforcement, that are integrated into a national development strategy.

2. Questions must also be asked as to: WHAT kind of infrastructure is being prioritized? WHO will the infrastructure project serve? In what way? Will sustainable employment and social development gains be created, and will the most vulnerable sections of society be included?

3. A major concern is that of institutional agendas ranging from the G20, the MDBs, IFIs and regional bodies, that are channeling infrastructure projects through PPPs, or public-private partnerships. **While the advantages of PPP-type arrangements are predicated on the availability of private finance and the lack of public funding, the fiscal costs and risks of PPPs to the state are often hidden.**

4. These costs and risks include:

(a) Explicit and implicit contingent liabilities and debt risks: Public guarantees for public-private partnerships, often of huge sums, which the state is required to pay in the event of project failure or risk, have serious implications for sovereign debt risks;

(b) Governance for equity, access or affordability, and development results: Is the infrastructure service accessible and affordable to the poor and vulnerable segments of society, including women, and is it facilitating development results? Governance also concerns pervasive patterns of tax evasion, transfer misplacing and regulatory loopholes in PPPs. (The connection here to the aggressive expansion of investor power through FTAs/BITs is significant).

5. In short, there is a fundamental concern that: PPPs are socializing the costs while privatizing the benefits of infrastructure --- thus worsening inequality in income and access.

6. Central to the problematic issues involved in PPPs and the regulatory agency of the state is the notion of the **developmental role of the state** -- In that the state needs to play a pro-active developmental role in the governance of the economy, the regulation of the market and in ensuring that economic growth creates decent work and translates into equality, opportunity and well-being through ensuring the economic and social rights of people, including women's rights.

Global financial and economic governance:

1. Reforming persistent democratic deficit in global financial governance, particularly the IMF, G20 and BIS/FSB as a necessary component of the Post-2015 development agenda -- to honor the voice and agency of developing countries who are so fundamentally impacted by IFI policies but have no say in deciding on them.

2. In particular, the role of the member states in the United Nations General Assembly in discussions, proposals and decisions of global economic governance is of critical importance. Member states of the General Assembly exemplified in the wake of the 2007-8 financial crisis that they were not only committed but also quite capable in formulating cogent analyses and proposals for the reform of the international financial architecture, and through the constructive proposals for a sovereign debt restructuring mechanism that have been made by various UN agencies.

PLAN OF ACTION and ANALYSES needed:

1. At the conclusion of the post-2015 journey, the finale will not be about goals that can be memorized and recited, but rather about the extent to which the SDG outcome and the post-2015 framework summons the political will for genuine transformation on both structural and institutional levels.

2. Plan of Action, which includes a robust analysis of key systemic issues and the means of implementation to carry them out, Such a structure would recognize from the outset that sustainable development requires, as a precedent, adequate policy space for human rights-based development and a development- and environmentally-friendly global economic environment.