

Editorial

In today's political climate, it is challenging not to approach leftist pronouncements regarding the need for the 'radical reform' of global governance structures with scepticism, particularly amid a sustained onslaught on alternative political-economic models from various sectors of the capitalist apparatus. In this collection of thoughtful essays, Sundaram demonstrates that critical thinking not only is possible in times of emergencies, such as the Covid-19 pandemic, but also extends to envisioning a future of reform beyond mere recovery. The contributions represent the outcomes of a scholar's endeavour to harness his and his colleagues' expertise to address the challenges posed by current global circumstances. Anis Chowdhury is a co-author on most of the pieces.

At the heart of Sundaram's reflections lies a profound concern deeply rooted in empathy and compassion. He reflects on the exacting circumstances thrust upon individuals and communities by the harsh capitalist model, particularly within the context of the Covid-19 pandemic and its aftermath. Sundaram and his various co-authors contend that, while increasingly interconnected, interdependent systems may facilitate standardised policy responses to global crises but that these responses often are framed to the detriment of developing countries. In the case of the Covid pandemic, the uniform adoption of containment policies in different parts of the world, despite varying social and economic conditions and some nations' reluctance, resulted in insufficient relief measures for vulnerable populations and businesses in precarious situations, particularly within the informal sector. Moreover, the absence or limited scope of social protection mechanisms dealt another blow to households already brought to a standstill by the lockdowns. This underscores the coercive nature of policies that emanate from the global North towards less developed countries. It serves as another example, if any was required, of the tension and irreconcilable disparity between the rhetoric and actions of global North nations in addressing global developments that disproportionately impact countries in the global South.

The disciplining of policy conduct occurs on two fronts: within financial markets, where countries strive to secure loans in capital markets, and in informal multilateral fora. Despite a glaring deficit of representativeness and legitimacy, these fora—exemplified by the G20 and G7—have gradually assumed the roles once held by traditional multilateral agencies like the United Nations, which have seen a decline in substance and authoritative capacity. These constraints are no longer just conjunctural. They have evolved into a fundamental framework within which countries, big and small, must operate.

For developing countries in particular, the scope for action is hindered by predatory lending practices that perpetuate dependence on private financial institutions as well as entities like the World Bank and the International Monetary Fund (IMF). Developing countries are also hindered by international practices and regulations that safeguard the economic advantages of the global North. Recent events, such as the UN vote on international tax cooperation, highlight the steadfast opposition of the global North, particularly the OECD countries, to regulations that promote a fair playing field, curb tax evasion and foster economic equity. This opposition persists in a context where evidence 'suggests that improving international tax cooperation could significantly reduce illicit financial flows, a scourge that deprives economies, especially those in the developing world, of critical funding. For all countries, illicit flows can fuel crime, destabilizing societies'.¹

However, both the IMF and the World Bank maintain significant sway over the economies and economic policy-making of developing nations. As Sundaram reveals, the World Bank has been pressuring governments in developing countries to endorse private (particularly foreign) investments through the promotion of public-private partnerships (PPPs). The Bank advocates 'de-risking' these partnerships, essentially transferring the risks to governments and privatising the profits. This 'guidance' entails the redistribution of risk from private investors to governments, obliging

them to shoulder contingencies and absorb potential failures by private partners. Meanwhile, these governments are expected to forsake social policy priorities and retreat in their role of the ‘night watchman’, as described by Thandika Mkandawire.²

Sundaram is one of a handful of leading voices in development thinking that advocate for substantial reform of the global financial system to promote development. As such, he takes full measure of the urgency of various issues, and some of these are featured in the current Special Issue, delving into the impacts of the Covid-19 pandemic.

Sundaram underscores the uneven and challenging economic recovery in the developing world, attributing the catastrophic and unsustainable economic conditions to increased fiscal deficits, debt distress and escalating external debt in low- and middle-income countries (LMICs). His writings explore the possibilities and the means to ensure equitable access to sustainable healthcare and address the sluggish economic recovery faced by developing nations.

Sundaram prefers bold proposals over quick responses to burning issues. He is known for his courageous, unorthodox positions in the global economic field. In his fearless and unconventional stances in the global development discourse, he advocates for new capital account management measures and substantive financial intermediation to counter the adverse effects of financialisation. Sundaram emphasises the need for greater accountability and greater responsibility from multilateral financial institutions, including entities like the World Bank and the G20. He does not shy away from audacious statements, such as suggesting that the US’s and EU’s refusal to temporarily suspend specific intellectual property provisions within the World Trade Organization (WTO) for Covid-19-related tools could be considered grounds for prosecution for genocide at the International Criminal Court. Sundaram argues that the enforcement of intellectual property rights, particularly after the 1994 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), not only led

to the scarcity of and restricted access to life-saving vaccines and medicines. Worse still, the denial of waivers by Western countries and the pharmaceutical industry reflects the prioritisation of profit over lives and national interests over global cohesion.

In the context of climate change and the compounded challenges experienced by impoverished nations during the Covid-19 pandemic, Sundaram contends that the historic failure of COP26 can be attributed directly to wealthy countries’ failure to uphold committed financial support. Similarly, the unmet pledges of the Alliance for a Green Revolution in Africa (AGRA) have adversely impacted the advancement of agroecology initiatives that were aimed at ensuring food security and fostering sustainable development.

In his analysis of these and other topics, Sundaram always employs a sober and matter-of-fact language, occasionally punctuated by power-packed statements, such as the following: ‘All governments must try their best to prevent protracted recessions from becoming extended depressions.’

Notes

1. See the AU statement on Resolution A/C.2/78/L.18/Rev.1 at <https://au.int/en/pressreleases/20231122/un-general-assembly-member-states-have-voted-majority-125-favor-adopting#:~:text=The%20resolution%20A%2FC.2,for%20Africa%20and%20the%20world>. Accessed 29 November 2023.
2. Mkandawire, T. (2001). Thinking about developmental states in Africa. *Cambridge Journal of Economics*, 25(3), 289–313.

Godwin R. Murunga
Executive Secretary,
CODESRIA
&
Amy Niang
Senior Programme Officer,
CODESRIA