

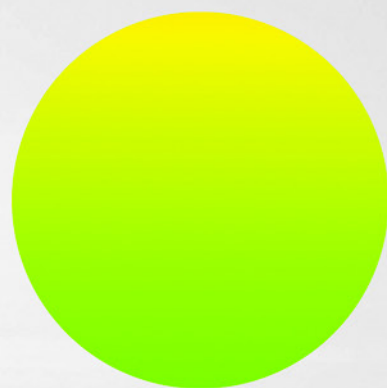
CAF

Report

Annual Forum

2024

Sovereignty and Fair
Interdependence:
The Global South and
the Democratisation of
Prosperity





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Report Annual Forum 2024

Sovereignty and Fair
Interdependence:
The Global South and
the Democratisation of
Prosperity

Kuala Lumpur, Malaysia | 02-03 December 2024



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Introduction & Acknowledgments

Under the title *Sovereignty and Fair Interdependence: The Global South and the Democratisation of Prosperity*, the Common Action Forum 2024 was held in Kuala Lumpur on 02 and 03 December 2024 at the Four Seasons Hotel, at the very heart of the city. With an intensive programme divided into three public sessions, three closed-door workshops, and a central keynote address by **H.E. Prime Minister Anwar Ibrahim**, this edition was shaped by the participation of ministerial figures, international economists, politicians, negotiators, activists and other experts.

Thematically, the forum looked at the challenges an increasingly unpredictable and protectionist economic order pose for the Global South and thus to the majority of humanity. Looking into the reform of the **International Financial Architecture**, the opportunities of **technology, welfare and climate justice**, and into the ultimate emergence of **a new development order** CAF_2024 reflected on long-haul objectives and short-term strategies to ignite lasting change. In doing so, the forum touched upon crucial issues in the rethinking of production, innovation, cooperation and trade, including

industrial policy planning, technology transfers, the world-changing potential of South-South Cooperation, and various paths and hurdles for international reform.

Common Action Forum 2024 was made possible through the collaboration with our esteemed partners, the Khazanah Research Institute (KRI) and Third World Network (TWN), two renowned organisations decisive in shaping a fairer, more equitable world.

"The founding values of the Western order stand before us naked and without merit".

Wadah Khanfar

Opening Remarks: Wadah Khanfar

Neither Historical Determinism nor a Fatal Destiny: The Future of Humanity Is in Our Hands

The world order is in the midst of a sensitive and dangerous transformation. The centres of power are shaking, and the Western paradigm of thought finds itself in clear decline. Ultimately, humanity wonders how it can survive this great transformation. **Common Action Forum's (CAF) Chairman and Co-founder, Wadah Khanfar**, called in his keynote, to explore the possibilities opened up by this time of change, as well as learn the historical lessons of the last 300 years. Throughout this time, civilisations, empires, and political systems succeeded each other, dismantling the fallacy of historical determinism. The current degrading system is not an unavoidable destiny. It is not the system in which humanity must live forever.

The wars, conflicts and genocides the world witnesses today live on air are being perpetrated with the full complicity of the great powers, laying bare the foundational values of the liberal order, the same ones with which it has hitherto justified its own supremacy. Far from avoiding it, it has placed conflict into the centre of gravity of our lives, into the core dynamics of international politics and the global economy. Some have lived under the shadow of the Western system for so long that it has become hardly possible to even imagine anything beyond it.

To explore new paradigms, new patterns of thought, we must shake off determinism, fatalism, and the fallacy of immobility.

Imagination Beyond Immediacy

In addition to leaving behind the centrality conflict, we must overcome the short-sightedness that drives contemporary decision-making. Most of the world's main centres of power seem permanently bound by immediacy, focused on surviving the next electoral cycle, the next budget, the next mandate... without ever really looking beyond. Building the future remains the neglected moral duty of the great intellectuals of our time, of our *intelligentsia*, but also of our very ruling classes. And so it is also the global citizenry's duty not to allow those who govern us to keep returning to their desks and offices only to draft more budgets, laws and campaigns while still blinded by this immediacy.

Philosophers, visionaries, thinkers, sages... Throughout history, we held many names for those who dared look beyond, who dared to imagine, to convince those around them with notions of righteousness and justice that managed to pass the test of time. And there is a different way, indeed, above short-termism, profits, and partisan rationales beyond immediate victories and ravaging conflicts. The world may look dark, but as it crumbles, the crushing weight of the dominant paradigm feels lighter every day. It is time to truly think about tomorrow, embracing new systems that can bring us different outcomes so that we may survive and leap into the next phase of our human evolution.



Main Keynote: Anwar Ibrahim

Prime Minister of Malaysia

Combatting Built-in Exclusion with Reform

Introduced by **Dr Nungsari Ahmad Radhi, Chairman of Khazanah Research Institute (KRI)**, the keynote by **YAB Dato' Seri Anwar Ibrahim, Prime Minister of Malaysia**, illustrated how the global order born from the Cold War, defined by a single hegemon, is now breaking down. Yet, as the old unipolar world recedes, the shape of things to come remains uncertain. We stand at the critical juncture where our choices will determine whether multipolarity leads to a more equitable world or a more profound division. One of two possible futures ahead is a strengthened multilateralism that advances inclusivity, reduces inequality, and enables decisive action on challenges like climate change. The other is a path towards block formation and increased contestation between powers. This future risks entrenching the dominance of wealthy nations and reducing multilateralism to a tool of power blocs. The choice is clear: We need inclusivity, sustainability and more pronounced justice. We need a more robust and fundamentally different multilateralism, one defined by global rules prioritising equitable development and holding a genuine voice for developing nations, but also equipped with strong mechanisms to fight crimes against humanity.

Poverty reduction has not just stalled. The pandemic pushed over 120 million people once again into extreme poverty. Today, we bear witness to the first rise in poverty in 20 years, with almost 1/10 of humanity living in extreme poverty. By 2030, 600 million human beings may face hunger. These outcomes are not coincidental. They arise from a system that was not designed to be inclusive. The Global South faces challenges shaped by policies meant without its full participation. From compounding climate impacts and conflicts to economic instability and vicious cycles of debt distress, they have all been worsened by this exclusion.

1. The International Financial Architecture

Today's financial system still carries the DNA of the Bretton Woods institutions: serving the Global North at the expense of the Global South. As rich countries remain staunchly reluctant to even consider the possibility of minor shifts, developing nations face worse market access and higher borrowing costs despite having similar risk profiles. During times of crisis, they struggle to access essential liquidity while debt repayments siphon away resources crucial for basic public service.

Illustrating this asymmetry, let us remember how, during a history-defining moment like the COVID-19 pandemic, the International Monetary Fund (IMF) released 650 billion USD in Special Drawing Rights, two-thirds of which flowed to wealthy nations, leaving those in greatest need with just the scraps. Even in the face of adversity and when cooperation proves essential, the system refuses to change. This is how global governance fails: by entrenching inequality instead of dismantling it.

2. The Global Trading System

Despite the arbitrations of the World Trade Organization (WTO), the world continues to bear unfair trading practices, protectionist policies, and non-tariff barriers that undermine developing nations. With export markets now highly concentrated and dominated by large corporations and digital platforms that drive down labour incomes and worsen inequality, global trade no longer offers developing nations a ladder up the value chain. Geopolitical restrictions, inward-focused industrial policies and unilateral climate actions further hinder an indispensable global green transition. Even the current intellectual property regime, once designed to reward innovation, now imposes substantial barriers to

"We stand at the critical juncture where our choices will determine whether multipolarity leads to a more equitable world or a more profound division".

technological transfer, undermining progress in key areas like climate change and health security.

In light of this, the world must remember that international trade must not only be free but also humane and equitable. We must call for a thoughtful reform of overall global trade and intellectual property frameworks to promote inclusive, sustainable development and bolster innovation as we expand access to technology. Thus ensuring we build a world where all nations can contribute to our collective prosperity.

3. Climate Finance & Climate Justice

The climate crisis continues to intensify, with the past decade being also the hottest in Malaysia since our records began in 1850. As this forum took place, extreme flooding ravaged the country, with 150,000 evacuated. Here, as in most of the world, devastating storms, floods and droughts hit the most vulnerable populations harder. Public institutions and government agencies, as well as banks and businesses, they must all come together in facilitating finance to tackle the crisis and the endeavour of reconstruction. This is the time we must show compassion and commitment, not only in Malaysia, but throughout the world.

"From compounding climate impacts and conflicts to economic instability and vicious cycles of debt distress, the challenges the Global South faces have all been worsened by its exclusion from international decision-making instances".

"We shall not forget that all past efforts to undertake democratic reform of the UNSC failed primarily because of the opposition of the so-called democratic countries".

Effective climate action depends on adequate financing. Without sufficient funds, energy transition and climate adaptation remain out of reach for many developing countries. Despite their long-standing commitments, developed nations have consistently fallen short of providing adequate climate finance. Current figures simply pale in comparison to the wealth that flows from the global south and into the north, with some estimates pointing to a northward wealth drain of 152 USD trillion, while annual debt service payments to global creditors amount to 50 billion USD. To achieve climate resilience for all while we abolish poverty, we must build together a more balanced flow of resources capable of supporting those in greatest need.

4. Multilateralism and the UN Security Council

The United Nations Security Council's (UNSC) outdated structure and decision-making processes prevent it from fulfilling its mandate. The veto power has paralysed it, while the lack of representation from regions such as Africa and Latin America reflects a bygone era. Instead of being a vehicle for action, the UNSC has too often become an instrument of deadlock. We see

the consequences in places like Gaza, with the persecution of the Rohingyas or with the war in Ukraine. Until the veto itself can be abolished, we must establish clear regulations governing its issuing. The veto must be banned in cases of mass atrocities, require broader support from both permanent and non-permanent members, and be subject to ratification by the UN General Assembly (UNGA) through a simple majority.

We stand, therefore, at a critical juncture for global justice. This change is imperative in moving towards a fairer and more accountable system, one that upholds justice and action. However, in this bid, we shall not forget that all past efforts to undertake democratic reform of the UNSC failed primarily because of the opposition of the so-called democratic countries. Today, Israel's actions against the Palestinians constitute clear war crimes, collective punishment and genocide, a blatant affront to the norms of international law and fundamental human rights. This undermines the very foundations of the global order we all depend on. Might we all remember that history has already shown us the power of moral solidarity: it took decades and innumerable tribulations, but in the face of apartheid in South Africa, the world united to isolate a regime that had abandoned the principles of humanity.



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1st session

The Emergence of a New Development Order

"The care economy can help build a stronger society by improving the participation rates of female labour and boosting birth rates amid the rapid depopulation of Asian societies".

Liew Chin Tong

Rewiring Our Minds to Reshape Our Economies

After World War II (WWII), Asian economies grew rich by exporting to the United States (US). Starting with Japan, followed by South Korea, Taiwan, the so-called Four Tigers, and China, their societies grew massively, and the increase in productive capacity was partly supported by a rapid acquisition of tech—including Artificial Intelligence (AI). The Association of Southeast Asian Nations (ASEAN) currently counts about 670 million inhabitants. At current growth rates, estimates suggest it could reach 800 million within 20 years, which could represent a middle-class society equivalent in size to China's present domestic market. Asia's middle classes, however, are stagnating under the current export-focused model, and even beyond the Middle-Income Trap, the immediate future looks ripe for trade-based conflict.

By setting up this context throughout his keynote at the Common Action Forum 2024, **Malaysia's Deputy Minister of Investment, Trade and Industry, Mr Liew Chin Tong**, highlighted two main challenges ahead for the region's development, which will ultimately pertain all of the Global South: overcoming dependence on the US market while expanding throughout the region and beyond, including Africa and the Middle East. This means creating middle classes capable of satisfying their own demand but also supporting their development in places other than the West. Creating enough decently paid jobs for those burgeoning middle classes they aspire to is a starting point. However, a changing world and new development models will also ultimately demand a change of mindset.

Its young population specialises in low-paid positions while the region got rich by becoming a hub for low-cost production. In moving

"BRICS represents a coalition that ensures the centrality of multilateralism, speaking out against unilateralism, protectionism and populism, calling for respect for international law and for a reformed global order that is equitable, inclusive and representative".

David Evan Malcomson

strategically towards higher incomes and higher-value sectors, Asia must change its ways, "rewiring its mind". The semiconductor industry embodies this challenge: while several of Malaysia's *semicon* companies produce chips for cars, its trade-agreement-driven, export-focused industry has barely any connection with Malaysia's own automobile sector. Thus, a crucial element in reimagining and reconfiguring the economy will be to link innovation and everyday problem-solving in a horizontal manner, embracing innovation while managing to protect jobs in the wake of an ever-advancing AI.

However, unlike in industrial assembly lines or mass agricultural production, the care economy is one among a wide range of sectors escaping the logic and risks of AI. In our health systems and in the care of our children and elders, most positions are not easily replaced by machines. **The care economy can help build a stronger society by improving the participation rates of female labour and boosting birth rates amid the rapid depopulation of Asian societies. It can also ultimately boost investment by raising trust in the system's capacity to care for the elderly,** aligning with one of the biggest concerns of the savings-inclined middle classes of the region. Sustaining crucial sectors like this, however, requires fair and thorough progressive taxation, and for decades, Asian economies have been locked in a tax-lowering race to appeal to the rich and the multinationals. Here, overcoming the logic of a crumbling developing model also means taking a 180° turn: to finance a robust economy, Asia must tax.

Multilateral Umbrellas Ahead of the Storm

From rising conflict and resource competition to rising inequalities, mass migration and the climate

crisis, the great challenges afflicting humanity today can only be addressed under a functioning multilateral umbrella. Humanity shares a common destiny in a changing world, and still, as we all witness the shifting in the balance of power, not only do the institutions of global governance not reflect this new reality, but in their current configuration—ridden with asymmetries, particular interests, and formal privileges—, they sometimes hinder crucial cooperation. The Global South bears the brunt of most of the gravest global challenges, and even when it represents the vast majority of humanity, it continues to be underrepresented in the frays that are to tackle them.

This is the rationale behind the rise of new multilateral arrangements and spaces, such as the BRICS: complementarily addressing global problems by promoting economic, political and people-to-people cooperation in an open, inclusive and genuine spirit, working among emerging markets and developing countries to uphold international justice and equality and foster a strong external environment. What BRICS is not, as **Ambassador David Evan Malcomson, South Africa's High Commissioner to Malaysia**, explained in CAF_2024, is an institution designed as an alternative to something or in opposition to something. The same applies to the financial institutions that have emerged within its framework, such as the New Development Bank (NDB), which many continue to refer to as an alternative to the World Bank and the IMF.

In their bid to intimidate sovereign nations, **the binarism and zero-sum mentalities that try to portray BRICS as a breakaway project represent the most dangerous aspects of the old world order.** Those are the same rationales that are pushing us into avoidable conflict. Overcoming them for the sake of a better future also means protecting and supporting spaces

"Neither North nor South can flourish independently in this interconnected world. Strengthening South-South cooperation can help in balancing the power play".

Rashmi Banga

"Colonial economic architecture was not designed for development, SDGs, or human rights. So why do we expect the same hierarchical, abusive, non-democratic, extractive, violent structures to produce justice?".

Fadel Khaboub

for non-alignment, spaces beyond and opposed to traditional international Manichaeism, where all strategic partners can be equally important. In this spirit, institutions such as the BRICS actually embody the centrality and defence of multilateralism in today's world.

Balancing the Trade Power Play

Four years ago, the COVID-19 pandemic caused global extreme poverty to rise for the first time in 20 years. That crisis brought us to where we are now, with the poorest half of the world's population owning just 2% of the world's wealth, while the richest 10% own 76%. Half of the world's low-income countries are at high risk of debt. Global investment growth has declined since 2021, and global trade growth in 2025 is projected to remain below pre-pandemic levels. It remains true that parallel, rapid advances in digital technologies promise to greatly enhance the potential for sustainable development. Still, those also pose new risks, like fertile ground for misinformation, disinformation, and other dangers inherent in social media and AI.

By presenting this outlook at CAF_2024, **Dr Rashmi Banga, Chief of the United Nations Development Research Branch**, illustrated the many social development investment opportunities the world has lost since, reminding that the World Social Report recently estimated the cost of converging impacts of global crises at 52 trillion USD. In tackling this threat, especially in the face of further compounding existential challenges, the international community must strive to redesign cooperation to first reflect and then comprehensively address its current realities and vulnerabilities. This includes prioritising economic indicators beyond GDP—capable of illustrating multidimensional poverty and inequalities—and engaging in extensive, constructive reform.

Nationally, revisiting trade and investment agreements and dispute settlement mechanisms will be crucial to expanding policy space. From delivering basic human rights—including decent labour—to developing secure, resilient digital & physical infrastructure, the world must unshackle itself if it aims to redesign production, consumption and trade, and the fact it will take time should not make it any less of a priority. In that regard, facilitating technology transfers and cross-border scientific diffusion, particularly in green and public-health-related technologies, will demand targeted national policies and a multilevel cooperation that can embed them in an effective, global approach.

In that line, **it is of the utmost interest of the Global South to promote the reform of the WTO to facilitate low-income economies to return to a development-centric approach to trade.** Albeit a long-term objective, this must start with a vehement, coordinated opposition to geopolitically-motivated trade restrictions within its framework. Inward-looking industrial policies, reshoring, nearshoring, supply chain de-risking, and unilateral trade-related climate measures—such as the ban on maritime shipping—threaten Global South economies, particularly the lower-income ones, by consistently undermining their shares of global exports.

Disruptive Cooperation Against Colonial Design

Contrary to those who argue that colonialism is a thing of the past, colonial economic structures persist today, emulating the role imposed on the Global South during the imperial era. This is the role of a supplier of cheap, raw materials to the industrialised nations, but simultaneously, that of a consumer of their technologies and industrial produce. As **professor Fadel Khaboub, president of the Global Institute for Sustainable**

Prosperity, denounced, this is particularly true in the case of Africa. The continent also is the place *par excellence* where obsolete technologies and no longer-needed assembly line manufacturing outputs are cynically outsourced under the guise of “development cooperation”, “job creation”, or “technical assistance”. The overall global *economic* architecture was not designed for universal development, economic justice and sustainability. Its hierarchical, extractive, inherently violent and non-democratic structures are fundamentally unable to produce those outcomes.

This year alone, Africa is paying off 163 billion USD in debt, leaving little fiscal space to invest in education, health, infrastructure or climate action. In systematically addressing debt distress, though, the world cannot lose sight of the fact it is but a symptom of these deeper, structural issues. The fundamental sources of external debt in Africa and much of the global South can be summarised in the structural conditions imposed on its food and energy matrix, as well as its manufacturing base. Less than 100 years ago, Africa was the breadbasket of the colonial powers. As soon as African countries began to gain their independence, the Global North kickstarted widespread agricultural subsidising policies, committing their producers to core crops and forcing Africa and much of the Global South to specialise in cash crops (coffee, tea, tobacco, etc.) for exports. Today, the continent imports 85% of its food. The same is true for its energy deficit: Angola, its second largest fuel exporter, imports 80% of its fuel from international markets. Until very recently, Nigeria imported 100%. Not only have African nations always been denied access to the capacity to independently survey, drill and refine oil, but even with the collectively largest renewable energy potential on the planet, they attract less than 2% of financing and are denied the science to manufacture and deploy renewables at scale. The International Renewable Energy Agency (IRENA) has estimated that, with current

technologies, the continent would produce 1000 times its anticipated renewable energy needs by 2040, completely replacing fossil fuel exports.

As for the conditions to develop a proper manufacturing base, African nations are forced to import not just the food for their citizens and the fuel to power their factories but also the machines, spare and intermediate components and even the packaging. This forces them to produce low-value-added products for exports while importing high-value-added ones—that can sometimes even quadruple the value of their exports—locking them at the bottom of the value chain and in a perpetual cycle of structural deficit. Ultimately, this weakens their currencies relative to the USD, forcing governments into widespread subsidising of food and fuel to lessen the impact on social majorities, and into trying to strengthen the exchange rate by borrowing further—restarting the cycle anew.

Against this backdrop, South-South cooperation is not that much an option as it is a crucial economic and geopolitical necessity. Strategically investing in food and energy sovereignty—renewable energy infrastructure, agroecology, etc.—is not just indispensable to address the debt distress cycles, but it coincidentally happens to be a climate solution. As for industrial policies, **coordinated regional planning can unlock the potential of a continent of small countries holding all of the critical minerals needed for the clean energy revolution and the youngest labour force on the planet.** Indeed, proper industrialisation requires economies of scale. Still, the African continent has the population base of China and the potential for a bigger, resource-rich economy, with vast complementary possibilities of productive specialisation amongst dozens of countries. Dividing the value chain you want to achieve across a bloc with a pre-negotiated distribution—including profit shares, labour specialisation, etc.—can serve to unify an African perspective. This would allow

"In this era of deglobalisation and supply chain disruption, resource-based manufacturing can spearhead a new development model. Relying more on domestically available resources and locally owned companies is crucial for long-term success".

Keun Lee

for the prioritisation of development and collective self-reliance, as well as investment in well-being and crucial productive infrastructure.

Facing "De-Globalisation"

The 2008 global financial crisis was the first of a series of major blows that have compromised globalisation as we knew it, from production and supply networks to trade and finance systems. Successive events like 2016's Brexit, the US-China trade war, the COVID-19 pandemic, and the Russo-Ukrainian War had even further cascading impacts on multilateral trade relations and the overall fragmentation of global value chains. Subsequently, the 2023 US interest rate hike mass-exported inflation and currency depreciation to emerging economies, some of which had been struggling throughout.

The prospects of even further disruption and the changing tides in the global value chain offer opportunities for rethinking growth and catch-up development models, which in itself carries a rethinking of the role of the state in the planning, funding and promoting of crucial industries as put by **Dr Keun Lee, Distinguished Professor of Economics at Seoul National University (SNU)**. The renowned economist underlined referential cases of "detour" paths, like Malaysia's high value-added, export-oriented resource-processing model. However, there is a growing range of non-linear paths opening up for developing economies, all based on securing innovation and local ownership. This includes short-cycle IT manufacturing and assembly manufacturing—the East Asian model—, short-cycle IT-service-based or creative industries-based growth—exemplified by countries like India—, as well as a number of combinations or sequencings of those three, especially in the case of larger economies like those of BRICS members.

Despite its relative failure in the automobile sector, Malaysia has grown past the upper-middle income threshold. It continues to rise thanks to resource-processing manufacturing while focusing on some of its most valuable and domestically available resources—palm oil, rubber and petroleum products. **The Malaysian case is determined by an active industrial policy that moves away from traditional manufacturing models and towards an innovation-driven industry.** This drive has catalysed capability building and local ownership, promoting vertical integration of supply and distribution networks nationally and among its ASEAN peers.

The Malaysian palm oil industry alone is the country's second-largest contributor to trade and fourth-largest contributor to its gross national income, with larger surpluses than the electric and electronic products (E&E) sector, especially since 2006. However, as stated, these outcomes result from thorough industrial planning and strategic policy action, including bold nationalisation. Starting with the 1981 Dawn Raid, in which the Malaysian government secured a majority stake within the Guthrie Corporation via rapid acquisition. This careful action forced management back to the country and effectively reclaimed about 800 km² of key economic & agricultural assets held by foreign entities since colonial times.

The rippling effect of this strategy wasn't just the subsequent takeovers of other foreign-owned plantation companies but also a series of political trade rows between Malaysia and the wider European Union (EU) regarding palm oil and crop-based biofuels. However, in an era increasingly marked by de-globalisation, protectionism, and the disruption of global value chains, relying on local resource processing as a source of development and growth seems to have paid off significantly. Foreign Direct Investment (FDI) is certainly still

to be invited, but a sustainable, onward-looking strategy must consider it a starting point, a way to bring in and develop know-how that can give way to locally-owned industries. The Malaysian case also highlights how continued stewardship of the state is a key success factor: trade promotion, R&D investment, and tax incentives supported the transition of the industry from raw oil production to processing and distribution, making it more sustainable and environmentally friendly and allowing the overall transformation to take root.



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2nd session

Fixing Global Inequality through Climate and Health Justice

"The right to health is not just a policy goal. It is a moral and social imperative".

Dzulkefly Ahmad

The Assets of Welfare

Climate justice and public health—or the lack thereof—are among the most significant factors shaping the rise in global inequality. Both factors exacerbate asymmetries by disproportionately affecting marginalised populations, particularly in the Global South. As it is widely acknowledged, these regions contribute the least to greenhouse gas emissions and yet face the brunt of the consequences. This includes extreme weather events and ecosystem disruption, which increase the prevalence of old and new diseases and undermine food security, straining their already fragile healthcare systems.

Following his cabinet peer's reflections from the previous session, **Dr Dzulkefly Ahmad, Malaysia's Minister of Health**, dedicated his keynote to outlining how economic injustice is irredeemably interlinked to health and climate and, thus, the necessity of a comprehensive and critical approach that can tackle them together. The Minister underscored how Malaysia has strived to build a healthcare system that serves all, guided by the notion that health in itself constitutes a fundamental right. Together with much of the world, the country faces both the increasing threat of rapid vector-borne outbreaks—compounded by the scourge of anti-microbial resistance—and the quiet blight of non-communicable diseases—catalysed by obesity and an ageing population. From the climate-related resurgence of malaria, dengue and tuberculosis to the rising prevalence of cancer, cardiovascular diseases and cerebrovascular accidents, those most at risk often lack access to adequate healthcare. This is true in terms of effective therapeutics and, crucially, early diagnostics and vaccines.

These different "pandemics" demand a shift of focus **from curative to preventive care, health promotion and timely interventions**, which, in turn,

"During the COVID-19 crisis, no effort was made to require that vaccines developed with public funding become a common good".
Ellen t'Hoen

demand a prioritisation of resources. Ultimately, innovations and collaboration should now be guided by principles of equity, sustainability, but also affordability. A new, transformative vision for public health must, too, "rewire its mind", daring to reimagine the role of the state, the role of research institutions and the role of the private sector, especially domestic companies: bold leadership, cross-ministry collaboration and capacity building, encompassed with sustainable, structural improvement in sanitation, disease surveillance and effective, comprehensive industrial policies aligned with health outcome objectives.

Narrowing the Technological Divide

Contrary to what many seem to believe, the Global South holds significant pharmaceutical manufacturing capacity. The Human immunodeficiency virus (HIV) epidemic, for example, is being tackled globally thanks to the pharmaceutical prowess of middle-income countries such as India, Indonesia and Brazil. This is a story of the success of humanity's push to eradicate infectious diseases, even when the history of generic antiretroviral treatment is mired with intellectual property (IP) barriers. In tackling the COVID-19 pandemic, however, a crisis of unforeseeable risks and ramifications, the world revealed many great moral and procedural rifts, not just in terms of crisis management but in achieving actual justice.

While antiretroviral production can be tackled with relatively simple, small molecules, responding to the 2020 pandemic demanded much harder access to vaccine technologies. **Ms Ellen t'Hoen, director of Medicines Law & Policy**, reminded the forum that, while sufficient untapped manufacturing capacity was documented in the early stages of the outbreak, the means to share the IP and technology to tackle this existential threat were as lacking

as much of the political will. The World Health Organisation (WHO) attempted to preempt these circumstances by establishing frameworks for a COVID-19 technology access pool to coordinate the transfer and manufacturing capacity for an effective, global response. By the time the vaccines reached the market, the IP was held by large corporations with no intention to collaborate.

COVID-19 vaccines were developed with public financing. Producers received about 6 billion USD in direct financing and over 30 billion in advance purchase commitments. Strikingly, no efforts were made by the US or the EU to require these technologies, developed with public money, to also become a public, common good the world could share. The silver lining came after a long and contentious process when the so-called Group of 65 managed to temporarily waive IP obligations under the WTO. Precedents like this may have been helpful for medicines but less so in the case of complex therapeutics, where a proactive technology transfer is needed to release the crucial manufacturing potential of the developing world. Just like with Free Trade Agreements (FTA), the international community needs to carefully consider revising global rules or putting new ones in place. **The WHO pandemic treaty and the upcoming review (2025) of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) are crucial opportunities to change course.** Beyond being a mere framework for the patenting requirements of products and processes, the latter has had a tremendous mark on the innovation and technology access of the Global South.

It will remain crucial, though, to continue to build new facilitation instruments and strategies to leverage regional markets and to put public interest back at the helm. Initiatives like the EU Commission's union-wide compulsory licensing mechanism are examples of how regional markets

"The ravages of COVID-19 underlined the importance of countries and regions having their own methods to deal with outbreaks".

Dr. Sanjeev Krishna

"Historically, the West is just the beneficiary of a long flow of technological innovation stemming from the East and the South".

Vicente Yu

can be leveraged in forcing rights holders that refuse to license IP, something regional blocs within the Global South could consider. Initiatives like financing and enabling Technology Transfer Hubs—like the mRNA Hub—that can reverse engineer technology and provide it to other middle-income countries with manufacturing capacity also highlight the need for a common, strategic approach.

Collective Self-Reliance

Taking up the torch from Ms t'Hoen, **Dr Sanjeev Krishna, Professor of Molecular Parasitology at Medicine St George's, University of London (SGUL)**, praised the aspiration of self-reliance in revitalising the role of public initiatives. The physician underscored how the 2020 pandemic and its biased and mismanaged global response exposed the need for complementary mechanisms and solutions embedded at a national and regional level. Crucially, COVID-19 will not be the last public health crisis the world will face, and half of its population as well as 60% of the pathogens on the WHO's Priority List, lack adequate diagnostics facilities.

In 2021, the health ministries of Malaysia and Thailand, together with other industry actors, developed a groundbreaking hepatitis C drug that reduced the cost of a 12-week full-course treatment from 80,000 USD to less than 500. This was not done via public-private partnerships but public-public ones, channelling the many R&D capacities of several countries, together with the initiative of a not-for-profit drug development enterprise, the Drugs for Neglected Diseases initiative. This example illustrates the feasibility of public initiatives that strive for "collective self-reliance" and its global implications. Alternative models can transform health care to benefit those out of reach in the Global South but also,

eventually, provide solutions for the widening disparities in the advanced economies.

Following up on the Minister's words, Dr Krishna doubled down on strategically affordable diagnostics and therapeutics, underscoring the role of comprehensive research and collaboration. With a strong healthcare R&D ethos, well-developed know-how and a diverse population, countries like Malaysia are uniquely positioned to spearhead this push. Still, a wider scope of South-South leadership and cooperation will be decisive. **Promoting further product development partnerships (PDPs) and lowering barriers within the cooperating nations will allow efficient uptake of proven, safe, and effective interventions, as well as an increased market and better economic incentives for developing new therapies.** As concluded by the workshop "*Advancing access to diagnostics and therapeutics in Southeast Asia*", which took place in Kuala Lumpur immediately before CAF_2024, leadership will prove as crucial as focusing on a return on impact and not on returns on investment: although impacts may be harder to assess, they encompass the broader maintenance of wellbeing in society, environmental welfare, and the inclusivity of societal benefits. Malaysia's newly formed International Affordable Diagnostics and Therapeutics Alliance (IA-DATA) is a crucial example of this strategy: it aims to bring together stakeholders across ASEAN to address the healthcare needs of low- and middle-income countries by focusing on point-of-care diagnostics, drug repurposing, and innovative platform technologies to reduce manufacturing costs.

Fighting Climate Gatekeeping

Describing the current plight of humanity, **international lawyer and independent consultant Vicente Yu** brought up Antonio Gramsci's quote on the "time of monsters", that *interregnum*

between an old world in agony and a new world struggling to be born. Old certainties of colonialism, imperialism, and post-WWII hegemony are now fading away, and humanity is still struggling to find new ones to fill the gaps.

As posed by Mr Yu, when addressing global cooperation to fight the climate crisis, the debate is two-fold. On one hand, the conversation is about coordinated national, regional and global policy responses. On the other, about enabling means of implementation. Progress in the former, but not in the latter when it comes to developing nations—the vast majority of humanity—will not produce real outcomes when it comes to climate justice. The G-77's experience throughout the climate negotiations of the last decades illustrates the growing uncertainties building up this contradiction, especially during the recently convened COP29.

Climate Finance, self-evidently, the single most important item for a fair and coordinated green transition, has been a treaty obligation of developed countries for over twenty years, dating back to the signing of the United Nations Framework Convention on Climate Change (UNFCCC), subsequently built upon by the Paris Agreement. The 100 billion USD target should have been met by 2020, but it was pushed to 2025 by the developed nations. So far, this has not been achieved either. When in the Baku Conference of the Parties (COP), the chairman of the G77—speaking on behalf of 134 countries—announced that the developing world will need 500 billion USD a year by 2030 to be able to do their part in solving the climate crisis, the advanced economies replied that all they can afford is \$300 billion a year by 2035. Simply put, when it comes to global international cooperation, the Global South can no longer rely on Western nations to do their part. They failed to honour their international obligations by the time the Global Financial Crisis hit, and it is expected

that they will feel even more disempowered and insecure about their place in the world going forward.

Even in this time of radical uncertainty, however, **the world needs to hold on to international arrangements to address global challenges. As imperfect as the structure may be, they still reflect concepts of fairness and justice, as well as hard-fought frameworks like equity and common but differentiated responsibilities.** One of the gaps that need to be addressed most urgently under this framework is the North-South climate divide. Developing nations have thoroughly assessed and exposed the technology they require access to, but most technological innovations relevant to climate action are still taking place exclusively in developed countries. Never mind the irony that, throughout world history, technological advancement and innovation flowed into the West from the East and South. Once the West acquired this edge, it would use it to take over their resources and make their populations hostages.

Sovereignty and Fair
Interdependence:
The Global South and
the Democratisation of
Prosperity

**Common Action
Forum**

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3rd session

Challenges of a Post-Growth Financial Architecture

"The international financial system must re-centre its ethos in protecting the most vulnerable. For this, it will be imperative to decolonise economics and engage with other schools of economic thinking".

Bhumika Muchhala

The Global Financial (dis)Order

As thoroughly exposed by **Dr Bhumika Muchhala, senior advisor at Third World Network (TWN)**, the financial system has given much freer reign to the economically powerful to do as they wish, largely through a deregulated, liberalised and pro-creditor bias and international crisis management systems. In the context of today's international currency hierarchy, capital account liberalisation, the floating of exchange rates, inflation targeting and fiscal discipline, as well as speculators, financialisation and growing debt distress all have prevailed. The aggregate effect for developing countries is but a significantly reduced policy space to exercise national development strategies that achieve a social contract of public services and goods provision, diversified and dynamic production networks and regulation of foreign investment and capital flows. Ultimately, **this has created and consolidated socioeconomic inequities, historic power asymmetries, and financial instability, exacerbating the climate and ecological crisis while proliferating a global underclass.**

The COVID-19 pandemic exposed the extent of this imbalance: even in facing an existential threat that demanded cooperation above all else, wealthy nations were granted access to almost unlimited finance at near-zero interest rates, enabling them to increase health spending and finance massive stimulus and social protection programs, shielding their economies from economic shock. Meanwhile, many developing countries were fully hit by the turbulence and shut out of financial markets, unable to access affordable financing. The result was a severe recession and sharp increases in poverty, unemployment and hunger.

And then the war came, adding to the inadequacy of our monetary systems. Interest rate hikes by

"The Global South needs to seriously consider pacifist non-alignment, as there will be no progress and an inclusive and sustainable development in a world at war".

Jomo Kwame Sundaram

major central banks in 2022 in response to rising domestic inflation triggered currency depreciations in at least 90 developing countries—hitting more than 10% in over a third of them. Simultaneously, the USD appreciated by almost 20%. This has led to one of the most severe and synchronised monetary contractions in modern economic history, with significant cascade effects: outflows of capital, increased import bills, tightening of financing conditions—as foreign borrowing became ever more expensive—, decreases in foreign reserve levels, shrinking of the labour share of income and, in particular, a worsening of sovereign debt through increased bond spreads and higher cost of servicing foreign denominated debt. In response, domestic rates also tightened, generating an economic contraction as domestic borrowing became unaffordable and firms and businesses froze hiring, wages, and enacted layoffs. The cost of servicing these increased debt levels skyrocketed. By mid-2024, 54 developing countries reportedly spent more than 10% of their public revenues on interest payments alone, up from 30 countries a decade earlier.

A Maze of Debt Distress

To top that off, as **Dr Jomo Kwame Sundaram, Research Advisor at KRI**, reminded in the session's keynote, advanced economies' current delivery of Official Development Assistance (ODA) is under 0.3% of their national income. That figure is less than half of the 0.7% agreed upon in 1969, the most modest option then on the table in the name of global development. More importantly, more and more of it is now commercial and conditional, and less of it concessional, creating loans and not grants, and adversely affecting the terms on which developing countries receive it, dragging them with unrelated token commitments and priorities dictated by so-called donor countries, often at

odds with their own. Climate finance is a clear example of this issue: the countries most affected by climate change lack access to affordable finance for crucial adaptation endeavors, with most funds available focusing on mitigation. Crucially, only 17% of the Sustainable Development Goals (SDGs) targets are on track. Nearly half are showing minimal or moderate progress, and trends for more than a third have stalled or even gone backward. Ultimately, framing SDG achievement in terms of financing requirements and pushing unconventional policies like quantitative easing as purported solutions to the global financial crisis led developing nations to mass borrowing from commercial sources. Together with raising interest rates retrospectively impacting their debt, this has meant a tremendous capital outflow from developing economies, particularly the poorest ones.

On top of it, the operations of credit rating agencies currently widely display dysfunctions and bias, monopolistic power, conflicts of interest, pro-cyclicality, and lack of accountability, all of which have created systemic financial risks in every crisis over the decades. Credit rating downgrades have become overt threats of reputational damage, loss of market access, and increased borrowing costs. To make things worse, the climate credit scores penalise developing nations for climate-induced disasters they suffer most and have no part in creating, with recent cases like those of Pakistan, Namibia and Saint-Martin to stand as testimony. On top of that, rating agencies also disincentivise private creditors from participating in debt relief by automatically raising the risk of default on privately held debt.

It must be emphasised that **the massive cost of borrowing itself is a key structural driver of indebtedness. Many developing countries have to borrow at rates 2 to 4 times higher than the**

We need major bold ideas to start anew, but we can't overlook possibilities within the current system. The Global South must use its collective leverage to liberate crucial policy space..."

Andrés Arauz

US and 6 to 12 times higher than Germany. These are increased transfers to creditors, with profound implications for the fiscal space to finance development and climate resilience, but also basic public goods & services, especially healthcare and education. 3.3 billion people today now live in countries that spend more on interest payments than health care. 2.1 billion, in countries that spend more on interest payments than education. Importantly, this system is not gender-neutral. Women as a group endure a disproportionate share of economic contraction by way of gender-based inequalities, given low wages and their position in labour-intensive and precarious global value chains, but also in the care economy.

Hidden Figures and the Hegemony of Metrics

Dr Andrés Arauz, former Minister of Knowledge and Human Talent and former COO of the Central Bank of Ecuador, reflected on how IMF's statistics and the narrative of pundits and analysts continually emphasise the size of Global South's external public debt, conveniently leaving out gross external assets. The loopholes and evasion mechanisms in our financial systems favour local and non-resident elites, as well as multinational corporations, in accumulating assets offshore in tax havens. In the case of Latin America, 80% of money stashed abroad by the influential players in local economies is actually in the US, mainly in Miami. In a similar guise, African economies are pictured as indebted, but they are actually net creditor countries if you consider the foreign assets of residents. In that regard, it must be remembered that, unlike what most seem to believe, international reserves are not hosted by the central banks of the world anymore. Official reserves have undergone extensive privatisation, and so it's the banking systems themselves that hold most of those external assets. By itself, this factor has

"Some of us reject calling it an 'architecture', but it shouldn't just be a financial system either. It must be a fiscal system. One that is fair, transparent, responsible and principle-based".
Attiya Waris

significantly contributed to reducing policy space, both in terms of development-focused foreign action and everyday economic management.

There is also a rarely-spoken-about contingent kind of debt that's been looming and growing over the last few years, one that is not part of the official statistics and is not clearly visible in budgets. The so-called arbitration awards from investor-state dispute settlement "tribunals" like the International Center for Settlement of Investment-related Disputes at the World Bank (ICSID). **These organisations have accumulated tremendous claims against states for exerting their right to regulate and find policy space. If the foreign investor is not paid promptly, the amount then becomes an unaccounted part of the foreign debt.**

Furthermore, in facing debt restructuring when it is already too difficult to continue paying—a scenario that will probably be all too familiar for many developing nations in the future—, they formerly had to deal only with creditors. Now, insurance mechanisms called Credit Default Swaps (CDS) facilitate the access of vulture funds into the restructuring framework. Specialised in buying discount sovereign bonds, these funds seek out opportunities to profit from countries in economic distress. Unlike other creditors who may agree to a restructuring or a partial repayment, they demand the full face value of the bonds plus interest and penalties, maximising their return. In facing vulture funds, nations become embroiled in aggressive and prolonged litigation tactics that may include asset seizures, the disruption of foreign operations, significant reputational damage, and the diversion of resources away from recovery efforts. The organisation that determines that even a minor restructuring process is considered default is the International Swaps and Derivatives Association (ISDA), another much-overlooked instance of the current international financial system.

A Global Fiscal Architecture

In her intervention, **Professor Attiya Waris, the UN's Independent Expert on foreign debt, other international financial obligations, and human rights**, illustrated the underlying dilemmas and power dynamics shaping a global financial system that, in her words, should be more of a global fiscal system. While so many nations struggle to sustain their essential services, let alone finance climate goals and SDG achievement, with global inequality reaching an all-time high, corporate profits continue to soar. It is no secret the current global tax system is riddled with loopholes enabling tax avoidance and capital flight, draining developing economies of liquidity. Estimates point at loss of revenue is estimated to be between 240 billion USD and 600 billion annually. In this context, high-income countries have made all imaginable efforts to derail the convening of a UN Framework Convention on International Tax Cooperation that would see all nation-states negotiate with equal voting rights. The pretence has been to avoid duplicating the OECD's effort, an organisation they control.

In reality, by pushing its framework, the Organization for Economic Cooperation and Development (OECD) has embarked on a deliberate attempt to sabotage developing nations. This is also true for the IMF, which has abused its role in debt renegotiations to force countries to adopt it and give up on pursuing alternatives even before they knew key details. This framework is ineffective by design, establishing a watered-down 15% tax rate so pierced by exemptions that its real figures will be even lower. That, together with the fact it is structured as an additional consumption tax and not as a corporate one—meaning revenue will be proportional to expense—, actually determines the poorest countries will get next to nothing. This framework will not just allow for a significant share of the multinational's profits to be exempt from the

"We should not wonder how multilateralism can replace states failing to deliver global public goods but how it can ensure that weak states become strong, engaging internationally from a stable and focused position".
Richard Kozul-Wright

tax; it will barely disincentivise them to shift profits to tax heavens, meaning these spaces and the technology they use will continue to thrive.

Still, International financial institutions have not always been as biased as they are today. Several developing economies happened to be fairly represented at the founding of the Bretton Woods conference in 1944. By 1947, developing countries held 47% voting rights in the system. Yet, in 2011, that figure had fallen to 11% of the voting power in the IMF board, with only the recent enlargement of BRICS raising it to approximately 20%. The lack of relevance of a block encompassing 84% of the world population contrasts with an inflated sense of EU single market dominance that keeps the institution swayed to European interests.

The recent UN Pact for the Future contains a chapter on transforming global governance, which includes many financial architecture issues, particularly mobilising additional financing and liquidity support to developing countries. Crucially, however, while the Pact makes many sensible proposals, it could not reach a consensus on specific commitments and actions. Most reforms to global economic governance in the past two decades have been pre-agreed de facto by the G20, G7 and G8, meaning 90% of the world's countries were not directly represented at the negotiating table. **The Pact of the Future is a beginning, not an endpoint. It will be continued next year by the World Summit on Sustainable Development —03 - 05 March 2025, in New Delhi, India—and the Fourth International Conference on Financing for Development—30 June - 03 July 2025, in Seville, Spain.** The latter is expected to adopt a successor document to the 2015 Addis Ababa Action Agenda. As for December 2024, the negotiating draft is a mixed bag of positive and negative proposals. The highlight is that it aims to explore the need for a multilateral sovereign debt restructuring

mechanism, as well as to include standardised state-contingent debt clauses. Importantly, there is a proposal to consider a global agreement on the importance of capital account management and another to consider a global regulatory framework for the asset management industry.

Policy Space Outside the Box

As elucidated by **Dr Richard Kozul-Wright, professor of Sustainable Structural Transformation at SOAS**, it is unquestionable that the world is much more complex than it used to be. Nations, economies, and supply chains have become much more interrelated, and thus, increasingly overlapping transboundary poly-crises have become much more challenging to manage. National governments must cede parts of their sovereignty to bodies capable of dealing with challenges countries can't solve independently. Indeed, we need incremental reforms to the existing multilateral institutions, but that in and of itself will not be enough. Systemic reform aside, we will require different mechanisms to handle the debt problem and the indissociable matter of urgent climate financing.

In this regard, the main challenge ahead has become one of perspective. The world is torn between analysing globalisation, resources, supply or even health and climate change through the unsustainable, extractive lenses of the market and maximalist liberal-minded international bureaucrats who lack the capacity and the pragmatism to deal with real problems—as illustrated by the unstoppable rise in inequality of the last two decades. Simply put, many of the ambitions of the international community cannot be delivered through the international institutions we all support and want to see strengthened, not without contesting the power of speculative and

footloose capital and most of the preaches of globalisation that have dominated the world for the last two decades.

As already illustrated, not only is it pointless to expect institutions like the IMF, the WTO or the World Bank to think outside the box, but in fact, their current iterations dedicate much of their energy to limiting or even preventing innovation altogether, securing those who may profit from inequality and power asymmetries to the last consequences. Just in dealing with the climate crisis, their core proposal is still to scale up public-private partnerships and have institutions continue to assume market risks when joining with private actors in delivering public goods. This remains the dominant way of thinking about the financing gap in the developing world despite never having delivered as a model, even in the face of an existential threat. Meanwhile, the potential of a vast ecosystem of public institutions at national, regional and international levels remains largely untapped. Public-public partnerships can deliver public investment and finance services or even marry those to policy objectives in ways the public-private partnerships haven't done and can't do. All the way from treasuries to central and development banks, sovereign wealth funds, and public pensions, a whole array of potential sources of leverage has not been effectively mobilised in meeting the kind of development and climate challenges that not only developing countries face but also advanced economies. We must pursue policies capable of engaging these resources independently of the tides of international power politics and the failures of the multilateral system.

And as corporations and footloose capital raise bids in controlling international institutions, the world must refrain from oversimplifying the so-called "hollowing to the state". This is not simply a North-South issue because it occurs as much in

developed countries as it does in the developing world. It's also a strengthening of state capacities in support of mobile capital. There's been a diminution of state capacities in some areas, such as the care economy, the welfare states, and social security. Still, the state's capacity to support and prosecute in favour of intellectual property rights, for example, has increased significantly. Ultimately, the international rules of the game are designed by states. Power is and will remain an incredibly important part of the operations of the International division of labour and the global economy. So, ultimately, **strong multilateralism will be determined by the existence of strong states, and too many states in the Global South are ultimately weak.** Ultimately, we should not be wondering how to have multilateralism replace states failing to deliver global public goods, but how can it ensure that states themselves themselves strong, have the fiscal and policy regulatory policy space to strengthen on essential delivery, so that when they engage at the international level they do so from a stable and focused position.

Core Proposals

Leading by Example: South-South Cooperation for Creative Change

Upon the compounding threat of climate change, crushing debt, supply disruption and an increasingly unstable and militarised world, incremental change is simply not enough anymore. Yet, it is not necessary to reinvent the wheel. Despite being in a given asymmetric position, the Global South must seize the chance to coordinate and join forces in international fora, working within the system to stretch the possibilities while simultaneously daring to innovate with the resources and tools at hand.

East Asia, for example, has enough financial space for even bolder innovation than it has displayed, and its history of thorough research and economic stability throughout the ravages of the 1980s should stand as testimony to its know-how. Financial distress has recently pushed some into unexpectedly bold moves—with once-shunned strategies such as debt monetisation, monetarily conservative countries like Indonesia or the Philippines have allowed their central banks to lend directly to national treasuries. Humanity must regard, if not support, those who dare to think outside the box when all too many are still restrained by an orthodoxy whose rules collapsed so long ago.

Now that the UNGA has voted overwhelmingly to begin formal negotiations on international tax cooperation, the world must remember that UN Framework Conventions can go into effect even if not all countries ratify them, meaning many can take shape even without US congressional approval. In the short term, just as we've seen regarding strategic de-dollarisation, the Global South will likely exhibit a diverse and fragmentary approach, but it's in its interest and that of all humanity to build a collective pragmatism that can leverage mutual interests. **Moving even further**

from financial constraints will demand even more exhaustive work from all possible actors to evaluate available policy space and persuade potential members of the viability and efficacy of new alternatives—and the reliability of their governance models—. Progress might be slow, but history teaches us that once they reach sufficient size, true alternatives develop their own gravitas.

Rethinking Development and Production:

- **Reimagining the role of the state to reimagine development itself by planning, deploying and sustaining complex industrial policies.** Uncertain times have opened opportunities for several non-linear catch-up development models, with some of them, like high value-added resource-processing ones, presenting specific advantages in the face of likely supply chain disruptions in the future. Careful industrial policy secures capacity building and sustainable local innovation and ownership, promoting vertical integration of supply and distribution networks at a national and potentially regional level. This sees a limited role of foreign direct investment and the continued support of the state via trade promotion, R&D investment and tax incentives.
- **Implementing targeted domestic policy measures to assimilate imported technology.** The measures mentioned above demand multilevel cooperation as much as targeted national policies, also in the field of technology transfers. Optimising the advantages of current frameworks from a national standpoint will be crucial in innovating and adapting technology to domestic productive requirements—to eventually develop endogenous tech.
- **Transitioning from curative to preventive care models, focusing on affordability, and adequately supporting the care economy.** The former will optimise resources and improve health justice, catalysing the crucial role of the state; the latter

can improve the participation rates of female labour, boosting birth rates and raising public confidence. Sustaining the care economy, however, requires a **return to fair and comprehensive taxation at a state and an inter-state level.**

- **Revisiting trade and investment agreements and dispute settlement mechanisms will be crucial to expand the policy space that the above demand.** To redesign production and consumption, it is necessary to also redesign cooperation and trade, unshackling economies in time to build a new development order. The fact it will take time should not make it any less of a priority.

Redefining Cooperation and Trade:

- **Doubling down on cooperation by repurposing regional multilateral frameworks and complementary economic blocs, like ASEAN and BRICS, into spaces to identify common interests and challenges.** This would bolster a common agenda that can agglutinate Global South positions in other key instances—UN, WTO, OECD, IMF, etc.—impacting crucial areas for transformation and policy space expansion, like debt challenges, international justice, trade agreement review, and the scaling-up of the financial safety net. By exploring the full cooperation potential of these complementary spaces, the Global South can develop leverage to incentivise the fulfilment of pre-existing, hard-fought agreements.

- **Supporting coordinated regional development to mitigate market dependence and lack of proper funding.** Strategically investing in food and energy sovereignty—renewable energy infrastructure, agroecology, etc.—is a way to address debt distress cycles and the climate crisis. Coordinated regional planning can unlock the industrial potential of regions with diverse capacities and resources, like ASEAN and Africa. Still, it also demands as much leadership and vision as access to development finance and clear implementation roadmaps. This will require a concerted effort not just from governments but also from compromised academic institutions and market actors, as well as civil society.

- **Promoting an overhauling reform of the Trade Organisation to facilitate low-income economies**

to return to development-centric approaches to trade. This must start with a vehement, coordinated opposition to geopolitically-motivated trade restrictions within its framework, as they undermine developing countries' shares of global exports.

- **Doubling down on a common push for a fair taxation framework as a prelude for further financial reform.** In a crucial time for development and climate resilience, the OECD framework for a global minimum tax will fail to mobilise critical sums. It will barely disincentivise highly adaptive evasion mechanisms, like tax havens. The recent UN Pact of the Future contains sensible yet unspecific proposals. It has nonetheless laid the groundwork for 2025's World Summit on Sustainable Development and the Fourth International Conference on Financing for Development. Promising initiatives have the potential to reach the final discussions, like multilateral sovereign debt restructuring mechanisms and standardised state-contingent debt clauses, as well as the need for a global agreement on capital account management and a regulatory framework for the asset management industry. Coordinated diplomatic action in those and future instances will be decisive to further Global South interests. This momentum can be supported by promoting **the creation of more positions for independent experts on debt, regionally and transnationally, and by wider organising of civil society at national and community levels.**

- **Facilitating technology transfers and cross-border scientific diffusion, particularly in green and public-health-related technologies,** will demand as much targeted national policies as multilevel cooperation. The WHO pandemic treaty and the upcoming review (2025) of the WTO's TRIPS Agreement are crucial opportunities for a multilateral change of course. There is room to explore the strategic and maximal use of IPR flexibilities under the latter. Still, promoting new instruments and strategies remains crucial to put public interest back at the helm of pharmaceutical industries. Technology Transfer Hubs and regional compulsory licensing mechanisms can make a difference.

- **Promoting further product development partnerships (PDPs) in crucial sectors like health**

and climate technologies, fostering regional, collective self-reliance, and lowering barriers within the cooperating nations will allow efficient uptake of proven, safe, and effective interventions. In turn, these provide an increased market and better economic incentives for developing new therapies. In this endeavour, leadership will prove as crucial as focusing on a return on social and environmental impacts and not on returns on investment.

- **A New Deal for Asia: Malaysia's chairmanship of ASEAN, starting in 2025, can lead by example, setting the stage for a new era of inclusive, collectively self-reliant economic cooperation.** By facilitating knowledge sharing, comprehensive, coordinated production and joint R&D, the region can sustainably unleash the full potential of its wits, resources and manufacturing capabilities. Compromising with the support of the least developed economies will contribute to climate resilience, the diversification of global supply and to economic and productive integration, but can also illustrate how collective action can change the course of humanity.

Reshaping the Financial Order:

- **Striving to create debtors' clubs.** Just like the Paris Club or the London Club offer bondholders and even multilateral lenders spaces to coordinate negotiation strategies, developing nations would benefit significantly from information exchange and coordinating common positions. Enough coordination could see the simultaneous triggering of defaults to push for major reforms of the international financial system.
- **Pushing for comprehensive reform or complete, collective withdrawals of the international investor-state dispute settlement system.** This begins by challenging the ISDA and especially by leaving ICSID, the clearest example of a neo-colonial institution exerting influence and restricting policy space for Global South countries.
- **Pushing for a new global pact on capital flight by activating existing IMF articles of agreement.** Article VIII 2(b) can make capital flight contracts unenforceable in the countries receiving the capital and re-focus the responsibility over outflows and

returns. A central, mid-term objective should be **overhauling the IMF's articles of agreement** to ensure that no single country or small group of countries has veto power to redesign its quotas and access limits and to reform its sources of finance.

- **Promoting Special Drawing Rights (SDRs) as a form of debt-free support.** They have already been used to shield the advanced economies from financial distress. They can be transformed from a purely monetary borrowing pool into a guarantor of sustainable development rights, allowing it to become a means of payment with more Global South countries in its basket.: 25% of the wealthy nation's unused SDRs could cancel 100% of all the IMF loans, with them still keeping 75%. Only 33% could cancel the World Bank's International Development Association (IDA) loans altogether.
- **Decolonising economics.** All of the above are practical, available means to a common, necessary end: the international financial system must re-centre its ethos in protecting the most vulnerable and guaranteeing material and moral justice. In doing so, it must redefine mainstream economics by engaging with other schools of thought, first reflecting on and then comprehensively addressing its current realities and vulnerabilities. Redefining the state's role in innovation, prioritising multidimensional economic indicators or even focusing on returns on impact instead of on investment are among the many mindset changes needed for extensive, constructive reform. The tenets of neoclassical economic orthodoxy have already been proven unfit for purpose, yet their historical momentum continues to lead the world into a path of relentless extraction and destruction. The free market does not autonomously correct inefficiencies; risk is just not as calculable as it was once believed, and societies are much more than an aggregate of selfish individuals. Our world is complex and uncertain, and our societies are composed of unequal class structures yet hold the still untapped potential of collective action. The most important domains of economics continue to be production and human welfare, and thus, ensuring equality, diversification, and redistribution is the best guarantee for resilience and prosperity.

"Humanity has already exceeded planetary constraints. From the ramifications of climate change to the threats of biodiversity loss, understanding our ecosystems is still a crucial piece of the puzzle for a sustainable new economic order. And we cannot do it on our own".

Chee Yoke Ling

"Times of chaos are also times of opportunity. We can't just do things the old way. We must build new alliances, innovate new methods, and experiment with new partnerships, tuned with the hopes and aspirations of the world's majorities".

Yin Shao Loong

"The world needs counterbalances to hegemonic thinking. Society is not just economic capital. Society is what emerges in due time to reclaim values of collectivity, solidarity and care. No free market will give us that".

Rafael Heiber

Conclusions

In her conclusion speech, **Chee Yoke Ling, Executive Director of Third World Network (TWN)**, proudly praised the ways in which Malaysia has dared to lead by example, stressing how a small country can always think big. By strategically planning industrialisation, burrowing and foreign direct investments, the country is a unique story of success among developing economies, catalysing domestic strengths while keeping public service and nation-building as core tenants. In a time when it's no longer "shameful" to speak about industrial policy, with so many other Global South economies choked by the trap of external debt, it has become crucial to underscore the role of the state and state companies in consolidating true development. The private sector will remain indispensable, and yet, **clear policy, planning, coordination and commitment are more important than ever. Humanity has already exceeded all planetary ecological constraints, and collectively, understanding and protecting our ecosystems is a condition that will determine our shared future.** Building new economies and a new international order that is sustainable is an endeavour that we simply cannot undertake alone.

On his part, Yin Shao Loong, **Deputy Director of Research at Khazanah Research Institute (KRI)**, highlighted that times of chaos like those we face are also marked by opportunity, with urgency facilitating and catalysing transformative change.

For decades, Malaysia worked itself out of the middle-income trap. Still, as they witness the engines of Western economies stall, dragged by complacency, stagnation and deindustrialisation, **developing nations must acknowledge it's just not possible to keep doing things "the old way". The South must build new alliances, innovate new methods, and experiment with new partnerships, daring to redefine North-South relations but especially South-South cooperation** in forging a development order tuned with the hopes and aspirations of the world's majorities.

Calling for a multipolar future in which humanity is not defined by pledging allegiance to this or that hegemonic power, **Common Action Forum's (CAF) Vice-Chairman and Co-Founder Dr. Rafael Heiber** wrapped up the event, reminding the audience of a quote by Margaret Thatcher. One that in the last 30 years, regrettably, seems to have turned into a self-fulfilling prophecy: "There is no such thing as a society". Indeed, **to decolonise minds as much as systems and reimagine society itself, the world will need counterbalances to hegemonic thinking. We can employ the full lexicon of neoliberal thought in bidding to reclaim and democratise prosperity, but we won't have the conditions to really do so without recovering public power.** Society is not just economic capital. Society is what emerges in due time to reclaim values of collectivity, solidarity and care. And the market will never give us that.



Wadah Khanfar
OPENING REMARKS

Wadah Khanfar, co-founder and Chairman of the **Common Action Forum** is a leading voice in global media and policy innovation. As the former Director General of Al Jazeera Network, he transformed the organisation into one of the world's most influential media outlets. Under his leadership, the Common Action Forum has emerged as a vital platform connecting Global South perspectives, hosting ground-breaking dialogues between policymakers, intellectuals, and civil society leaders from over 40 countries.



YAB Dato' Seri Anwar Ibrahim
MAIN KEYNOTE

YAB Dato' Seri Anwar Ibrahim is Malaysia's 10th Prime Minister, leading the country's first unity government since November 2022. A long-time advocate for democratic reform and good governance in the Global South, he champions inclusive economic policies through his "MADANI Economy" framework. A prominent voice in South-South cooperation, Anwar Ibrahim combines his deep understanding of Islamic and Western traditions to advocate for a more equitable global order.



Nungsari Ahmad Radhi
WELCOME REMARKS

Dr Nungsari Ahmad Radhi is the Chairman of the Khazanah Research Institute (KRI). An economist, he is Chairman of Malaysia Airports Holdings Berhad and a board member of Bank Negara Malaysia, among other banks. He is a member of the Finance Minister's Advisory Committee, the Prime Minister's Policy Advisory Committee, and the National Economic Action Council. He has been an academic, parliamentarian and consultant, as well as a director and board member of several companies incorporated in the Ministry of Finance.

Participants

Once again this year, CAF would like to thank all the people who enriched our forum with their presence, ideas and hopes.



**YB Datuk Seri Dr Hj
Dzulkefly Ahmad**
2nd SESSION

H.E. Dr Dzulkefly Ahmad serves as Malaysia's Health Minister. This is his second term in this role, having previously held the position from 2018-2020. A toxicologist with a PhD from Imperial College London, he brings scientific expertise to public service. His current priorities include healthcare digitisation, implementing electronic medical records, and health financing reforms. He leads Malaysia's efforts to modernise the nation's healthcare infrastructure.



YB Tuan Liew Chin Tong
1st SESSION

YB Tuan Liew Chin Tong is Malaysia's Deputy Minister of Investment, Trade and Industry (MITI) since December 2022. He previously served as Deputy Defence Minister (2018-2020), Executive Director of Penang Institute (2009-2012), and Executive Director of Research for Social Advancement (REFSA) (2007-2011). Within MITI, he has spearheaded industrial policy and semiconductor strategy.



**Jomo Kwame
Sundaram**
3rd SESSION

Jomo Kwame Sundaram is a Research Adviser at KRI. He was Professor at the University of Malaya, Founder of the International Institute for International Development (IDEA), UN Under-Secretary-General for Economic Development, Research Coordinator of the G24 Intergovernmental Group on International Monetary Affairs and Development and Assistant Director-General for Economic and Social Development at FAO. He was awarded the Wassily Leontief Prize in 2007 for his contribution to advancing economic thought.



Yin Shao Loong
1st SESSION & CLOSING
SESSION

Yin Shao Loong is the Deputy Director of Research at Khazanah Research Institute (KRI). He focuses on industrial policy, climate change, and future technologies. He spent a decade working in federal and state government and another decade in civil society and academia.



David Malcomson
1st SESSION

H.E. Mr David Evan Malcomson currently serves as High Commissioner of South Africa to Malaysia. Among other contributions to South African diplomacy, he served as Minister Plenipotentiary at the South African Embassy in Beijing and Director and Chief Director of the NEPAD. He was also Sous-Sherpa for the BRICS, the IBSA, and the Indian Ocean Rim Association (IORA).



Fadhel Kaboub
1st SESSION

Dr Fadhel Kaboub is President of the Global Institute for Sustainable Prosperity and an Associate Professor of economics at Denison University. He is a member of the Independent Expert Group on Just Transition and Development, among other initiatives. His work has focused on designing public policies to enhance monetary and economic sovereignty and resilience in the Global South.



Keun Lee
1st SESSION

Dr Keun Lee, a former vice chair of the National Economic Advisory Council for the President of South Korea, is a Distinguished Professor of Economics at Seoul National University (SNU), a fellow at CIFAR, an editor at Research Policy, and the author, most recently, of Innovation-Development Detours for Latecomers: Managing Global-Local Interfaces in the De-Globalization Era (Cambridge University Press, 2024).



Vicente Paolo Yu
2nd SESSION

Mr Vicente Paolo Yu has worked as an independent expert consultant for various UN agencies and NGOs. He is currently a Senior Legal Adviser at the Third World Network and a Visiting Research Fellow at the UN Research Institute for Social Development. His substantive policy work has focused on the right to development, international environmental law, development economics, and South-South cooperation.



Goh Chien Yen
3rd SESSION

Goh Chien Yen is consultant on development finance with Third World Network (TWN). He was founder of Asia360 news, a regional current affairs newsmagazine and worked in DBS Bank as chief editor for its Group Research Department. He was also previously based in Geneva analysing international trade rules and policies for TWN.



Andrés Arauz
3rd SESSION

Dr Andrés Arauz is an economist with extensive experience in economic regional integration, finance and technology. He served as Minister of Knowledge and Human Talent, Deputy Minister of Planning and General Director of Ecuador's Central Bank. Leader of Movimiento Revolución Ciudadana, he was a candidate for the presidency of Ecuador in 2021 and a vice-presidential candidate in 2023. He was also the founder of the Dollarization Observatory.



Rashmi Banga
1st SESSION

Dr Rashmi Banga is the Chief of the UN Development Research Branch (DRB). She previously served as a senior economic affairs officer in UNCTAD and as an Adviser and Head of the Trade Division in the Commonwealth Secretariat. A winner of the Int. Economic Development Research Award from India Exim Bank, she has worked extensively on climate change, the digital revolution, South-South cooperation, industrial policy, and international trade.



Chee Yoke Ling
2nd SESSION & CLOSING SESSION

Chee Yoke Ling is the Executive Director of Third World Network (TWN). A lawyer by training, she has extensive experience engaging with civil society groups and developing country government policymakers on sustainable development issues, social justice and equity issues and the effects of globalisation on developing countries.



Ellen 't Hoen
2nd SESSION

Ms Ellen 't Hoen is the director of Medicines Law & Policy (ML&P). She is the founder and former executive director of the Medicines Patent Pool and also a Global Health Law Fellow at the law faculty of the University of Groningen. She has published widely and is the author of several books. She is a Prix Prescrire laureate, and in 2020, she was appointed Officer of the Order of Oranje-Nassau for her work on access to medicines.



Sanjeev Krishna
2nd SESSION

Dr Sanjeev Krishna teaches Molecular Parasitology at Medicine St George's, University of London (SGUL). A Fellow of the British Fellow of the Academy of Medical Sciences, he is an honorary consultant physician in infectious disease and medicine at St George's University Hospitals NHS Foundation Trust. He has been an advisor to multiple international bodies, including the World Health Organisation, as well as several biotech firms.



Attiya Waris
3rd SESSION

Dr Attiya Waris is the UN's Independent Expert on foreign debt, other international financial obligations, and human rights. She is also a professor of Fiscal Law and Policy at the Faculty of Law at the University of Nairobi, Kenya. Much of her work has focused on developing and strengthening the linkages between finance and development through taxation, debt and illicit financial flows, and raising living standards.



Bhumika Muchhala
3rd SESSION

Dr Bhumika Muchhala is a senior advisor at the Third World Network and Lecturer in International Political Economy at The New School. Her policy work encompasses multilateral processes in the global economic governance of the United Nations, the role of the Bretton Woods Institutions in developing countries, and the right to development through financial architecture reform.



Richard Kozul-Wright
3rd SESSION

Dr Richard Kozul-Wright is Professor of Sustainable Structural Transformation at SOAS, University of London. He worked for over 30 years at the UN, finishing as Director of UNCTAD's Globalisation and Development Strategies Division and responsible for its Trade and Development Report. He has published widely on economic issues and most recently co-authored The Case for a New Bretton Woods (with Kevin Gallagher).



Rafael Heiber
CLOSING SESSION

Rafael Heiber is the Co-Founder and Deputy-Chairman of the **Common Action Forum**. Geographer and Climatologist with a MSc in Territorial Planning and a PhD in Sociology, he is Adjunct Professor of Social Structure and Political Theory at the Charles III University of Madrid.



Photo Gallery



