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INTRODUCTION
21st Century governance

In 2019, if global leaders had been asked whether they could envisage a near future scenario in which international aviation would come to a stand-still, with the hospitality industry on ‘pause’ and citizens requested to confine their lives to single household interactions – as hospitals become overstretched and under-resourced to cope with needs – the majority would have stated that such a scenario was unimaginable, or even the stuff of science fiction. Confident as some may be in the ability of governments and/or global institutions to mitigate crises and, when not possible, manage them efficiently, a catastrophe of such proportions seemed well beyond the scope of what we deemed collectively plausible. This is all the more true as a result technological advances, which can so easily give us a false sense of having more power and control over the world’s destiny than is realistically possible.

While the COVID-19 pandemic represents its own crisis of governance, it has exposed much deeper challenges that go to the very heart of the state-society relationship – shedding light on growing inequality, the perils of the mounting climate crisis, the fragility of our democratic systems, the limits of our economic models, the exponential rise of threats to human rights and the seemingly infinite challenges and opportunities associated with technological advances. As the range of actors and issues involved in shaping governance expand in number and complexity, the pandemic has accelerated the need to seek clarity on the nature of governance today and the implications of these trends for how global development actors think about and engage in governance-related issues. Indeed, in this time of great change and upheaval, it is imperative to ask: how is power exercised, by whom, to what ends and to what effect? And, what is the role of development actors in this ever-changing landscape?

It is tempting during times of change to focus on exceptionalism: on the unprecedented nature of what we are living through; such thinking not only orients us towards focusing on change rather than continuity, but also makes us forget that many generations before us have encountered similar or greater challenges and mustered countless effective and innovative – as well as limited or ill-thought – responses. In 1995 one of the most influential scholars of international relations, James N. Rosenau, stated: “in this time of continuing and profound transformations, too much remains murky to project beyond the immediate present and anticipate long-term trajectories. All one can conclude with confidence is that in the twenty-first century the paths to governance will lead in many directions, some that will emerge into sunlit clearings and others that will descend into dense jungles.” Over twenty-five years later, this is a conclusion that could well have been written today. As we embark further, therefore, into a new decade, it is helpful to explore how trends in 2021 specifically are transforming governance and what in the development actors’ toolbox can still prove useful on the one hand, and where their approaches may also need to transform in response on the other.

Objectives of this study

This study entitled, ‘Horizon Scanning: The Future of 21st Century Governance: Trends, threats, challenges and opportunities’ was commissioned by the United Nations Development Programme (UNDP) Oslo Governance Centre (OGC) and undertaken by an independent expert. The OGC, a Global Policy Centre, is an applied research and policy hub which advances global dialogue and knowledge on inclusive and transformative governance for peaceful, just and inclusive societies.

OGC supports UNDP and other development actors to better understand through research, policy dialogue and by drawing on learning from UNDP’s network of country offices how to advance SDG 16 implementation and monitoring for inclusive, peaceful and just societies, as well
how inclusive and transformative governance can support progress towards all SDGs.

Consequently, the study forms part of OGC’s mandate as a leading policy centre on governance to keep abreast of global developments, track governance trends and foster adequate responses in support of UNDP’s governance work globally, while also deepening dialogue amongst partners in the international community on collective responses to common challenges. Rather than a ‘one-off’ exercise, OGC envisions keeping this process ‘alive’ through more regular horizon scanning that also provides an opportunity to convene, assess and re-calibrate governance efforts in light of changing contextual dynamics and trends.

The horizon study is designed to provide a synthesized and structured review of current and emerging issues as they relate to governance, and as they are perceived by non-UN institutions at the end of 2020/beginning of 2021. The specific objectives of this study are three-fold:

- First, to explore the global contextual changes that currently shape governance, particularly through a COVID-19-sensitive geo-political lens;
- Second, distil governance-related trends, threats, challenges and opportunities in late 2020 and early 2021 and as perceived by non-UN governance-related institutions through the prism of seven governance-related facets (state-society relations, the social contract and public institutions; rule of law, human rights and justice; mediation, peacebuilding and international security; economy, trade, investment and financial flows; environment, natural resources and climate change; information, communication, data and the digital revolution; culture, daily life and the experience of governance); and,
- Third, to analyse the implications of these trends for development actors including, but not limited to, UNDP.

**Methodology**

This study is underpinned by an inductive methodology, i.e., no specific definition of governance is used a priori to guide this work. On the contrary, the driving force of the research was to understand how other stakeholders view, understand and engage with governance. The purpose, therefore, was to caste the research ‘net’ as widely as possible to capture a broad array of thoughts, perspectives and insights on what governance in these challenging times means. A very broad understanding of governance as ‘the action or manner of governing a state’ is used throughout the report to help serve as a reference point for the trends that are identified. The only other ‘frame’ given to the work were seven key pre-selected thematic areas of governance, selected to be as broad and encompassing as possible with a full understanding of the inter-relationships and inter-linkages between them; indeed, these thematic areas – selected as follows – are in fact inseparable and intertwined, but used as a framework to simplify a complex reality: state-society relations, the social contract and public institutions; rule of law, human rights and justice; mediation, peacebuilding and international security; economy, trade, investment and financial flows; environment, natural resources and climate change; information, communication, data and the digital revolution; culture, daily life and the experience of governance.

Three key criteria were used to select the institutions that would form part of this review. First, given that the research is commissioned by a UN entity, the decision was taken to focus on non-UN actors and institutions (with the exception of the World Bank and the UN University). Second, the actors selected to form part of this research should be focused on governance-related issues, falling into one or more of the above seven categories. A starting point for this work was the Think-Tank and Civil Societies Program of the Lauder Institute at the University of Pennsylvania which, since 2006, has led the Global Go To Think Tank Index Report. Since governance work goes beyond the work of think-tanks, International Financial Institutions, development banks, regional and sub-regional organizations and economic communities – along with leading NGOs and other relevant institutions – were then integrated into the list on the basis of the knowledge of the researcher and a desk review. Following a peer review by representatives from the UNDP Oslo Governance Centre, other entities considered relevant to the objectives of this research were then also added. Third: geographical representation was considered vital; as such, the research includes governance-related entities from North America;
Europe; Asia; Central/South America; Oceania; Middle East and North Africa; Sub-Saharan Africa. As and where needed, the review was supplemented by focused desk research on key themes, or substantiation with news sources.

The lead researcher then spent ten days reviewing the websites of selected institutions. A total of 257 institutions were included in this review, including:

- 28 from North America;
- 57 from Europe;
- 16 from the Middle East and North Africa;
- 33 from Sub-Saharan Africa;
- 35 Asia;
- 20 from Central/South America;
- 8 from Oceania; and,
- 47 from Nordic countries.

The website of each governance-related institution was reviewed for ‘recent publications’, ‘papers’ and/or ‘policy blogs’; given the rapidly changing nature of the current context – both due to the COVID-19 pandemic and changing geo-political configurations – a decision was taken to focus on research papers produced in the last quarter of 2020 and the beginning of 2021. These materials were then reviewed with the goal of identifying trends, challenges, risks and opportunities associated with governance and the findings were analysed according to the seven themes.

The findings that emerged from this research are subject to several limitations. The first is time; with the time available, it was not possible to spend any significant amount of reading/researching any one institution; it was, therefore, not possible to read the articles in any in-depth manner – rather the goal was to get the ‘gist’ of focus areas and themes. The second is power; an obvious fact that became increasingly evident during the course of the review: institutions from the global north generally speaking have significantly more resources to invest in publications than those from the global south. As such, while significant efforts were expended to ensure representation in the course of this study, it is probable that the views of the global north are comparatively more represented than those in the global south; moreover, powerful institutions from both the global north and global south are over-represented. The third is researcher limitations and bias: the researcher’s mother tongue is English, and she is a fluent French speaker. The translation function was used as much as possible, but this had limitations when it came to publications that had to be downloaded to be read as translating these would have been too time-consuming to be feasible. Moreover, the extent to which an issue was considered ‘new’, ‘interesting’, ‘innovative’, and/or ‘worthy’ to be included in the research is evidently a subjective matter that depends upon the researcher’s own views and experiences. The findings presented in this study are, therefore, not the fruits of a rigorous scientific exercise but the product of a comprehensive albeit high-level and cursory review and analysis of ‘what’s out there’ when it comes to 21st century governance.

It is important to note what this study is not. This study does not reflect the views of the United Nations broadly speaking, nor of UNDP specifically; therefore, the report does not necessarily reflect what UNDP believes to be current governance trends. On the contrary, the purpose of this exercise was to look beyond the United Nations to get a better understanding of how the diversity of non-UN actors – regional and sub-regional organizations, non-governmental organizations, think-tanks and research institutions – around the globe think about and engage with governance. Driven by curiosity and the desire to be reflective and inclusive in how it engages with pressing challenges, the study is an outward facing opportunity for UNDP and other international development to enrich their own understanding of where the world is now when it comes to governance. The findings of this study represents a moment in time – a ‘snapshot’ of how governance-related entities engage with the theme of governance one year into the pandemic.

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1 Not including Nordic countries which were considered as a separate category.
PART 1: GLOBAL GOVERNANCE IN CONTEXT
1.1 The COVID-19 pandemic

Described by the Atlantic Council as a “grey swan event”\(^6\) – one that is predicted but never pinpointed in time – the COVID-19 pandemic that spread across continents throughout 2020 with devastating speed has often been analysed and certainly experienced through the lens of ‘exception’: a new and unusual phenomenon that took the world, unprepared as it was, by surprise. And yet, from a macro-historical perspective, “victory over epidemics is one of the many side effects of the birth and activity of the…modern nation-state”\(^7\); a victory made possible as a result of the combination of modern science and the organizational capabilities of the state.\(^8\) Governance, therefore, goes to the very heart of the pandemic – its anticipation, its management and the much-awaited recovery, as will be demonstrated throughout this paper through the transversal lens of the 7 major themes selected for exploration: state-society relations, the social contract and public institutions; rule of law, human rights and justice; mediation, peacebuilding and international security; economy, trade, investment and financial flows; environment, natural resources and climate change; information, communication, data and the digital revolution; culture, daily life and the experience of governance.

It is undisputed that the COVID-19 pandemic has transformed the socio-political and economic landscape of the 21\(^{st}\) century: it has forced us to reconsider not only how we interact with one another as individuals – in how we live, work, travel, educate our children and communicate with other human beings – but also as nation-states and political entities joined together through the forces of globalisation and the dynamics of overlapping political and economic institutions. In exposing the many “dangerous characteristics of our international system – xenophobia, isolationism, global distrust and disunity”, the pandemic has also confirmed yet again – in the words of Accord – that “we are only as strong as the weakest link in the chain.”\(^9\) These dynamics became evident through the lens of the spread of the virus, but will also be paramount in how the virus is addressed moving forward: the prospect of ‘vaccine nationalism’ risks hampering efforts to usher the world back towards some form of normalcy.\(^10\)

In this context, the achievement of the Sustainable Development Goals (SDGs) by 2030 seems increasingly challenging – if not out of reach or quite simply impossible. Indeed, this “formidable test to the global promise to leave no one behind”\(^11\) came at a time when the enduring and unequal effects of the climate crisis were becoming progressively evident and alarming. According to the Organization for Economic Co-operation and Development (OECD) and as a result of the pandemic and its effects, over 100 million more people will enter into extreme poverty, and 270 million people will go hungry; some estimates suggest “that the crisis will erode all human development gains made in the last decade.”\(^12\) While the virus neither discriminates nor respects borders, it does not affect all in the same way nor to the same degree: what is clear is that pre-existing “inequalities have shaped the distribution and severity of multidimensional impacts, creating different realities.”\(^13\) Put simply, while no country has escaped the crushing economic effects\(^14\), the response to the pandemic – including lockdowns, curtailed movement and border restrictions – have hit the poorest and most vulnerable the hardest creating a new division between those whose work could and could not continue from behind the at-home screen.

While the Development Assistance Committee (DAC) members raised 12 billion for COVID-19 and many Member States indicated that they will either protect or even increase development cooperation budgets during this period\(^15\), it is inevitable that ODA volumes will struggle to meet increasing demand in the context of a global
economic downturn. The pandemic has contributed to a collapse in the oil markets and the, albeit temporary, decimation of the aviation, tourism and cultural sectors. The ability of governments to respond to the challenges posed by the pandemic are evidently being stretched in unprecedented ways through policy interventions, often approached through the dichotomy ‘lives versus the economy’. Moreover, since COVID-19 represents the third major coronavirus infection of ‘pandemic potential’ this century, it is vital to assume that others will follow. As such, both recovering from the pandemic and ensuring reforms to make response and service delivery more resilient in the face of future pandemics are likely to be pressing concerns for many governments in the months and years ahead. When it comes to development aid, therefore, difficult choices are likely to emerge from the looming ODA funding crisis on the horizon.

From a governance perspective, the most pressing question is whether the pandemic has and will ‘merely’ accelerate pre-existing trends, or if the post-pandemic world will be profoundly different than it might otherwise have been; and, if profoundly different, in what ways and for better or worse? The ‘post-pandemic world’ is imbued with much hope; this moment in time is viewed as an opportunity, for example, to “rethink the evolution of the financial systems and international relations to make them fit-for-purpose for what could now be called a “new normal”, where green finance and sustainability will likely become key pillars” of the new world that emerges. Multilateral institutions will undoubtedly seek to leverage this moment in time to insist upon the need for renewed cooperation and a reinvigorated ‘inclusive multilateralism’ if we are to win what UN Secretary General, Antonio Guterres, has described as a "war" with the virus. As will be revealed in greater detail in the next section, transforming these aspirations into reality will mean contending with the forces of protectionism, ‘de-globalisation’, and the tectonic and destabilising shifts in our geopolitical landscape.

1.2 The reconfiguration of geopolitical power

Current and future dynamics of governance take place and, indeed shape, a rapidly changing – and highly uncertain – geopolitical environment. With some alarm, the Carnegie Foundation warns that a more anarchic order looms, comparing the current moment both in “its fragility and its geopolitical and technological dynamism” to the era before World War I, which “triggered two global military convulsions before statecraft finally caught up with the magnitude of the challenges.” In this context, the declining role of some states and the rise of others is creating tectonic shifts in the international relations landscape. Some long-standing alliances have come under strain in recent years and need significant attention and repair; others have been broken and new alliances are being forged.

Pressing issues around which alliances are made and unmade include the COVID-19 pandemic, climate change, natural resource management, trade relations, digital advancements, security partnerships and incursions as well as nuclear weapons, and these issues are likely to continue to dominate the international stage in the years ahead. Regional institutions are therefore re-thinking their approaches to these matters, as many key regional blocs seek to carve out new spaces and roles for themselves in the context of the new emerging international architecture of states. Key differences of opinion around how to engage with states perceived as assertive and/or aggressive are testing long-standing alliances to the limits; moreover, tensions between declining and rising powers have the potential to unleash conflict globally – “whether it be in markets, access to raw materials, or the establishment of spheres of influence.” Many states and regional blocs have difficult decisions to make in the months and years ahead concerning their political-economic stances towards potential ‘foes’, with the risk that a wrong move may create dangerous alliances between such foes.

In this context, new prospects for alliances have been put on the table, including a ‘D-10’ formula of ten leading democracies designed to address – amongst other sensitive issues – supply chain vulnerabilities and 5G mobile communications. Such an alliance would effectively create a G-7 plus Australia, India and South Korea and emphasize a pivotal shift “from the concept of leading global economies to the leading world democracies.” These efforts form part of a broader push to reverse and mitigate the impacts of ‘deglobalization’ – accelerated by a combination of trade wars and the effects of the COVID-19
The pandemic, including severe disruption to trade routes due to border closures. Deglobalization is perceived as a potential precursor to a second Cold War, in which states would yet again be forced to ‘pick sides’.26

The pandemic has accelerated economic tensions and fractures in all regions. In the years ahead, Latin America is likely to grapple with the “biggest economic decline in the region’s history” and will struggle with the devastating effects of widening inequality and increasingly frayed social contracts.27 The pandemic has similar effects on the rentier economies of the Middle East and North Africa, and has compounded challenges in conflict-affected countries across the sub-Saharan continent.28 The pandemic has brought into sharp focus the fragilities of the old Arab order and the spectre of further instability and upheaval looms.29 In sub-Saharan Africa, the stability of oil-dependent states is now in question as a result of extensive revenue losses due to crash of oil prices.

The world – as succinctly put by the Institute for Security Studies – “is well on its way towards a new geopolitical, geo-economic and geo-technological order.”30 The impacts on global governance and, more broadly, multilateralism should not be underestimated. These schisms, rivalries and, in some cases, conflicts, will increasingly play out within the very institutions designed to overcome them – risking ever greater paralysis in terms of the much-needed responses to the world’s pressing problems. The concurrent shifts within the global development sector are no less profound: according to a survey by Brookings of 93 leaders working in this space reveals a highly fragmented sector which no longer views ending extreme poverty as the defining lens through which development is viewed.31 The sector is contending with: complexity (a dispersed development ecosystem “and an ever-expanding cast of players”); questions of relevance (“in a world that is heading in many different directions at once”); increasing bifurcation (“between countries trapped in a toxic blend of conflict, state fragility, and poverty and those that have escaped to middle income status”); proliferation of funding mechanisms (that “leverage private sector investments, social enterprises, impact bonds and others”); and, deep concerns about rising nationalism, populism and democratic backsliding (and the concomitant fears around “rising authoritarianism and closing space for civil society”).32

The multilateral order is, quite frankly, in peril. How individual Member States; international and regional/sub-regional organizations; the private sector and civil society actors choose to respond to and manage the below seven governance challenges will determine whether the post-pandemic world flourishes or flounders.
PART 2:
THE SEVEN FACETS OF GOVERNANCE
PART II: THE SEVEN FACETS OF GOVERNANCE

2.1 State-society relations, the social contract and public institutions

The COVID-19 crisis has exposed the vulnerability of our states, the flaws of our governance models and pushed diverse institutions to their limits. The Mo Ibrahim Foundation states that only 10 African countries provide free and universal health care to their citizens, and responses to the pandemic have been undermined by the general weakness of health structures and weak social protection mechanisms. As a result of poor infrastructure, health personnel struggle to reach many in rural and/or remote areas and reversals of economic growth could dramatically impact the fight against malaria and poverty.

While the US is deemed one of the most powerful countries in the world, by the middle of 2020 the US had seven times the death toll of the median development countries – a median that has shrunk to two times – as cases elsewhere have drastically surged, with many hospitals at breaking point, and varying capacities to access and administer vaccines. During this time, research demonstrates that populist governments have recorded significantly lower increase in popularity during the COVID-19 crisis than non-populist governments, an interesting finding given that prior to the crisis – populist governments were more popular than non-populist ones. However, whilst ‘blaming ‘the elite’ is “less credible for the COVID-19 crisis itself (and therefore cannot be exploited by populist leaders), blaming the elite for the mismanagement of the economic fallout of the pandemic is more straightforward, and could lead to a surge of populist governments.”

The COVID-19 crisis has demonstrated the need for comprehensive governance approaches to building transformative resilience that go well beyond “tinkering with the system”. The response must address diverse impacts on “human and social capitals, the socio-system services, institutions, communities, the production process, consumption, and investment.” Thus the concept of ‘build back better’ must not ring hollow if governments are to withstand future complex crises.

The pandemic comes at a time when state-society relations were already under strain due to several important trends that governments are struggling to confront. Demographic pressures, for example, are contributing to an aging population: by 2050, the majority of countries (except in Africa) will have a quarter or more of its populations aged 60 or over: “governments will be faced with falling saving rates, falling consumption, and growing pressure on social services.” Moreover, populations are increasingly concentrated in urban centres and, by 2030, two thirds of the population will live in cities. This will create pressures on limited resources in urban centres, while also exacerbating urban-rural divides. As the forces of globalization intensify and borders become ever more porous and, to some extent, redundant, countries become more vulnerable to the influence of states around them. As such, the African Development Bank has found that governance has an important spatial dimension to it, particularly when it comes to voice and accountability: “any change in the income level of a country can affect its governance performance and also impact the governance scores of neighbouring countries.”

Such findings underscore the ongoing imperative of regional approaches to governance. Furthermore, a recent report about the OECD by Italian Institute for International Political Studies (ISPI) suggests that “everything has changed” – there are new actors, new objectives, new measurements and new modalities. This, they argue, indicates the need for more introspection, humility and ambition: “OECD countries should learn from the development debate”, they suggest “and see themselves as, in a sense, “developing.” This pivot would not only allow for a different type of engagement with emerging countries and call into question linear approaches to development, but it would also allow for a greater consideration of how so-called ‘developed’
countries too can address the structural inequalities that persist in the global north.  

The impetus for this ‘rethink’ is motivated by dramatic democratic backsliding and the rise of ‘autocratization’– in all parts of the globe. The storming of Capitol Hill was, argues Foreign Affairs, the culmination of years of the Republican Party’s drift towards illiberalism in light of the fact that, in the last eight elections from 1992 to 2020, they won the majority of the popular vote once (in 2004). As a result, the Republican Party is now “closer to authoritarian populist parties such as Spain’s Vox, the Netherlands Party for Freedom, and the Alternative for Germany than it is to mainstream conservative, Christian Democratic, and centre-right parties.” And ‘autocratization’ – the decline of democratic traits – is accelerating globally. According to V-Dem, for the first time since 2001, autocracies are in the majority: 92 countries with 54 per cent of the global population live in autocratic regimes. These are examples of a broader trend: 26.8 percent of voters in Europe – more than one in four – voted for an authoritarian populist party in the last national election. According to the Timbro Authoritarian Populism Index (TAP), “right-wing populist parties are currently growing more rapidly than ever before and have increased their voter support with 33 percent in four years.” Autocratizing and populist-led countries tend to have: deteriorating quality of elections; attacks on media and academic freedom; and toxic polarization. Populist leaders, moreover, win power through similar tactics: “attacking multinational organizations, so-called ‘fake media’, and immigrants.” As a result, mainstream discourse about “how democracies succeed have been replaced by hard debates about the causes of their discontent”, interestingly, countries on both side of the ‘democracy’ versus ‘non democracy’ divide are facing similar challenges related to political representation, alienation, inequity and injustice.

Polarization is on the rise and has far-reaching effects, including the decline of nation(al) states, as well as tolerance. Populist leaders fan the flames of existential divisions at the heart of society by undermining the balance of powers that underpin democratic societies; there is a tendency for polarizing leaders to attack the courts and fill them with loyalists, and to reduce the legislature to a ‘rubber-stamping functions.’ Moreover, as polarization becomes more entrenched it shatters “informal but crucial norms of tolerance and moderation…that keep political competitions within bounds.” From Turkey to India to Poland, the UK, Brazil the US and beyond, political preferences have poisoned “everyday interactions and relationships.” If we take examples from the US and UK – two democratic countries divided down the middle by Trump and Brexit respectively, a fracturing social fabric and a crisis of social, economic and cultural marginalization and, indeed, dislocation seems to be at the core. It should be noted, however, that in 22 countries, pro-democracy mass protests have led to substantial democratization over the last ten years and pro-democracy mass protests rose from 27 per cent in 2009 to 44 per cent in 2019. However, there are serious concerns that the COVID-19 crisis will “reinforce previous tendencies toward nationalism, protectionism, and increasing inequality, which make fruitful international cooperation even more difficult.” The emerging backlash against democracy includes challenges to social norms, giving rise to a particularly gendered process of de-democratization, with impacts on women as well as the LGBTQ+ community. Such discourses are also strongly infused with anti-migrant sentiment. Polarization is putting pressure on the national state and leading to increasing advocates for de-centred models of power; former Prime Minister’s Gordon Brown’s warning that the UK could become a ‘failed state’ without more inclusive political practices is a good example of our polarized times. An interesting example of polarization concerns divergent views on the appropriate ‘scope’ of governance. For example, the Nanny state Index 2019 highlights paternalistic governance practices perceived as going too far; identifying the “best and worst countries to eat, drink, smoke and smoke e-cigarettes” and attempts to demonstrate that “far-reaching guardianship is significantly more harmful to society than the lifestyles that politicians try to squeeze in.”

As a result of these diverse trends and the decline in levels of trust, the nature, value and, indeed, meaning of the social contract is being called into question. The Edelman Trust Barometer 2020 – an annual report on trust level in 28 countries – demonstrates an erosion of faith in the system across the board; none of the four societal institutions measured by the study – government, business, NGOs and media – is trusted. This fact is attributed to “people’s fears about the future and their role in it.” The study points to a growing sense of inequity (56 per cent
believe capitalism does more harm than good); fears about the future (83 per cent of employees worry about losing their job); and a dislocation between two distinct attributes of trust – competence (delivering on promises) and ethical behaviour (doing the right thing); the 21st century challenge is the fact that none of the four institutions is seen as both competent and ethical.61 Governments and media are perceived as both less competent and unethical, NGOs as ethical but less competent, and business as competent but unethical. If we understand the social contract as “an agreement between members of a society to cooperate under a shared set of norms, normally enshrined in the forms of laws and regulations”62, the decreasing legitimacy of this ‘agreement’ enables non-state actors – be that business actors, armed groups, criminal groups and shadow state structures – to step in to provide what the State is not willing or able to provide, which ultimately undermines its power. The New Statesman describes the current context as a “crisis of liberal legitimacy”, going on to suggest that: “there can be no technocratic fixes without a radical change of vision.”63 And, in most contexts it is evident that the future will only be possible on the basis of a reckoning with the past. A large part of this process will also involve addressing endemic levels of corruption, which has a corrosive effect on trust. How corruption is addressed will also require a re-think: since two decades of anti-corruption efforts by donors have produced marginal success.64 While external actors insist upon the mantra of ‘politics matters’, their responses are still overly technocratic, focused on training and capacity development, based on a misconception that “corrupt regimes are likely to reform willingly.”65

Key trends: State-society relations, the social contract and public institutions

The COVID-19 crisis has exposed the vulnerability of our states, the flaws of our governance models and pushed diverse institutions to their limits.

The pandemic comes at a time when state-society relations were already under strain due to several trends that governments are struggling to confront, including demographic pressures, rapid urbanization and climate change.

‘Autocratization’– the decline of democratic traits – is on the rise in all parts of the globe; right-wing populist parties are growing more rapidly than ever before.

Polarization is on the rise and has far-reaching effects, including the decline of nation(al) states (due to calls for more decentred models of power), as well as decreasing tolerance; however, there are increases in pro-democracy mass protests.

The nature, value and, indeed, meaning of the social contract is called into question as a result of the significant decline in trust across the board – in government, business, NGOs and media – as well as a ‘crisis of liberal legitimacy’.
2.2 Rule of law, human rights and justice

There has been a dramatic rise in human rights violations, and in particular the manipulation and exploitation of the pandemic for political ends; even in countries without authoritarian governments the pandemic is contributing to democratic backsliding. According to Freedom House, since the beginning of the pandemic, democracy and human rights has worsened in over 80 countries; governments have responded to the crisis by “engaging in abuses of power, silencing their critics, weakening or shuttering important institutions, often undermining the very systems of accountability needed to protect public health.” The UN University documented extensive examples of cases where emergency laws have been used to curb dissent and opposition through extensive limitations on freedom of assembly, movement and information, combined with the arrest of activists and political opposition leaders. Cases of policy abuses – such as mass arrests, beating or shooting citizens for the violation of public health restrictions and/or using force against protectors behaving peacefully – have been exposed by Amnesty International in 60 countries. In Iran, for example, security forces are said to have used live ammunition and tear gas to suppress protests over COVID-19 concerns in prisons; in Kenya, at least seven were killed as a result of police operations. Diverse governments have used the pandemic as a ‘cover’ to grant themselves extensive ‘special powers’, going onto exploit emergency laws to justify interference in the justice systems or undermine legislative functions. In the EU, conditions for civil society actors have been worsening over the past five years or so, and the pandemic has dramatically accelerated this trend with particular concerns raised about civil society restrictions and/or harassment in Hungary, Romania, Greece, Poland and France. In Latin America, the pandemic led to a blurring of the lines between the security and humanitarian roles of the armed forces in an often deliberate attempt to increase their political power and influence.

The pandemic has served as a catalyst for rising gender inequality as women have often borne the brunt of the crisis, putting a spotlight on the extent to which gender roles and social norms related to patriarchy remain entrenched. According to the Asian Development Blog, there are five key ways in which women in India have been disproportionately affected by the pandemic and the majority of these trends are not India-specific: first, women’s jobs tend to be more precarious, often in service and/or informal sectors (in many developing countries, for example, women are over-represented in the tourism industry which has been hard hit by the pandemic); second, women face mobility restrictions in many countries which have increased as a result of the crisis; third, women’s share of domestic work has risen as a result of extensive time at home; fourth, women have significantly less access to the internet than men; and, women are suffering from the sharp increase in domestic violence. In Europe, for example, the number of intimate partner emergency calls has increased by 60 per cent; in El Salvador demand for domestic violence services increased by 70 per cent – while 95 cent of such services closed. As the pandemic accelerates a shift to the virtual world, concerns are also raised about the rise of technology-facilitated gender-based violence (TFGBV), including the release of personal information and images, online stalking and death threats, for example. Data from Canada indicates that women are increasingly stepping out of the workforce to take on child-care responsibility, since “over a third of child care centers have announced that they may not reopen, ever.” The over-representation of women either in risky front-line roles, informal ‘unprotected’ sectors and/or unpaid care work demonstrates the overwhelming need for a feminist economic recovery to avoid the otherwise catastrophic impacts of the pandemic on gender equality.

Compounding and feeding into the effects of gender inequality, the pandemic has brought into sharp focus pervasive – and indeed pre-existing – high levels of global inequality; COVID-19 has unquestionably further widened the gap between the rich and the poor. A report by Oxfam, for example, entitled ‘Shelter from the Storm’, demonstrates that out of the $11.7 trillion spent on dealing with the fallout from the pandemic, 83 per cent was spent by 36 rich countries ($9.8 trillion), against only 0.4 percent ($42 billion) in 59 low-income countries. Moreover, while 28 rich countries have spent $695 per person on social protection programmes, low-income and emerging countries have spent between $28 and $4 per capita. Put frankly: “global poverty and hunger are rocketing.” Recently, the number of acutely starving people is estimated at 130 million, but
or applied to the population in other ways, for example, by causing a rise in the number of migrants unable to access health care services.

In some cases, the pandemic has led to increased human trafficking and other violations of human rights. For example, the pandemic has disrupted global supply chains, contributing to a staggering increase in food prices and could have long-term endemic consequences for children suffering from malnutrition. This crisis also comes at a time when population growth, which saw an increase from 7 billion in 2010 to a projected 9.8 billion in 2050, implies a food demand hike of at least 50 percent. The internally displaced and refugees living in camps are particularly vulnerable at this time. Not only are they living in conditions that make them more susceptible to the virus, but they may also suffer from malnutrition, which can exacerbate the effects of the virus.

Moreover, according to Freedom House, “transnational repression” describes the tactics used by governments and non-state actors to move people across borders. This includes “direct targeting such as kidnappings or assassinations, manipulation of host country institutions to detain or deport individuals abroad unlawfully, limiting the mobility of individuals abroad through actions like passport cancellations, and targeting individuals by threatening their families and loved ones.”

Human right violations, and the potential for human rights violations and abuses are intimately tied to technological developments (as will be covered in greater detail later in this report); moreover, these developments occur in the midst of “rising populism, nationalism, and anti-multilateral sentiment” — a context which creates an environment more conducive to the manipulation of technologies to undermine basic rights. For example, in the current context, tensions are created as a result of the right to privacy on the one hand, and the right of access to information on the other; with several actors insisting that “the right of access to information is a key element to mitigate the pandemic generated by COVID-19.” Another technological development which could be used to further control spread of the virus is facial recognition software. However, major manufacturers, including Microsoft, Amazon and IBM, are increasingly considering pausing or abandoning the distribution of such technology to law enforcement entities due to increasing pressure for corporate accountability around how such technology is used.

As discussed in section one, the international human rights framework and related multilateral frameworks are under strain and further undermined by power dynamics playing out within international institutions that protect human rights. For example, the decision of the US administration to withdraw from the WHO and terminate funding would have threatened global and US health and security had it not been overturned; the decision itself, however, violated a binding condition in Congress’ 1948 resolution which mandates the USA to pay its financial obligations for the current fiscal year.

It is important to note prior decisions that have undermined multilateral commitments, including the US decision (now reversed) to no longer fund UNRWA — a cornerstone of America’s support for stability in the Middle East and flagship of [American] values to provide for the most vulnerable. It would be a
Key trends: Rule of law, human rights and justice

Dramatic rise in human rights violations related to COVID-19 measures, and the rise of democratic backsliding in all regions of the world.

Rising gender inequality as women have often borne the brunt of the crisis and suffered from a sharp rise in domestic violence.

COVID-19 has unquestionably further widened the gap between the rich and the poor: global poverty and hunger are rocketing.

Dramatic increase in human trafficking and other human rights violations related to migration as the pandemic creates new opportunities for perpetrators and increases the vulnerability of victims.

The potential for human rights violations and abuses has increased in direct proportion to technological advances that violate the right to privacy and can be easily manipulated to political ends.

The international human rights framework is under strain and further undermined by power dynamics playing out within international institutions that protect human rights.

mistake to view resentment of multilateral institutions and the values they uphold as unique to the US; far from it, criticism is increasingly emerging from “Italy to the Philippines to Hungary and now Brazil.” Divisions around rights-based issues are widespread and alarming; progress on the Convention on Conventional Weapons, for example, has been blocked due to an internal debate about whether to include incendiary weapons on the agenda, despite the widespread humanitarian and human rights impacts of the use of incendiary weapons, including white phosphorous, in Afghanistan, Gaza, Syria and elsewhere.

2.3 International security, peacebuilding and mediation

Several sources indicate a growing militarization and, indeed, nuclearization of international relations across several axes. The Bonn Peace and Conflict Research Institute’s Global Militarization Index suggests that the top ten countries that have provided large military assistance relative to other areas of society are: Israel, Armenia, Oman, Bahrain, Singapore, Saudi-Arabia, Brunei, Russia, Kuwait and Jordan, i.e., a glaring six countries from the Middle East. From the perspective of the U.S., The Rand Corporation predicts strategic dilemmas with regards to China, Russia, Iran, North Korea and terrorist groups and, worryingly, that the “locations where the U.S. is most likely to fight will not match where conflicts could be most dangerous to U.S. interests.” From the perspective of China, the New Zealand Institute of International Affairs underscores escalating tensions with the Five Eyes Security Alliance, and most recently a particularly tense stand-off with Australia. These tensions take place in the context of an arms control system that collapsed over the past two decades following the abandonment of agreements...
that limited the nuclear capabilities of both the US and Russia, and in light of the 2015 U.S. reneging on the nuclear deal with Iran in 2015. While the Treaty on the Prohibition of Nuclear Weapons came into force in January 2021, concerns can also be raised about North Korea, Libya, India and Pakistan. Indeed, Biden will “inherit the failed diplomatic legacies of the last four presidents” and a North Korea that boasts an ever more capable nuclear-weapons arsenal. Outer space is emerging as a war-fighting domain requiring greater international attention, leading to increased pressure to update the 1967 Outer Space Treaty. The global governance system will be increasingly concerned with reinventing arms control to adapt to asymmetric weapons systems and new domains in the context of increasingly explosive power relations.

The world is experiencing a growing intertwining of terrorism, conflict and the rise of extremism. According to Brookings, between 2013 and 2017, 93 percent of all battle-related deaths occurred in countries in which a terrorist organization (as designated by the UNSC) was operating. Indeed, while deaths from terrorism fell in 2019 for the fifth consecutive year, 63 countries recorded at least one death from terrorism and seventeen recorded over 100 deaths from terrorism. And yet, countries hosting UN peacekeeping operations accounted for only 7 percent of total global conflict deaths during this period; Brookings suggests that this indicates that “the vast bulk of conflict is not being met with a multilateral response.” While some assumed that the COVID-19 pandemic would deter VE groups and despite the demise of so-called Caliphate – IS affiliates have remained strong and active in the Middle East, in cyber domains and increasingly sub-Saharan Africa. The United States Institute of Peace (USIP) believes that the violent extremist landscape is more diverse now than at any point since the beginning of the Global War on Terrorism, as a result both of fragmentation and proliferation of Salafi-Jihadist groups, but also due to new forms of extremism, including: far-right and left-wing extremists; white supremacists; and, groups tied to the spread of conspiracy theories. These different groups have used the pandemic to their advantage, using the crisis to bolster extremist views and lockdown measures to advance their own agendas. The pandemic also increased significant concerns over the fate of the 66 million people currently living in areas controlled by non-state armed groups, particularly with regards to vaccine distribution.

At a broader level, there is a decline in global “peacefulness” and this trend is expected to increase as a result of the pandemic. According to the Global Peace Index, 2020 experienced the ninth deterioration in peacefulness in the last twelve years, with 80 countries experiencing a deterioration relative to the previous year and by 2.5 per cent overall since 2008. The Institute for Economics and Peace (IEP) suggests that the conflicts and crises that previously seemed resolved, or at least abated, are re-emerging as a result of the pandemic, and that civil unrest has occurred in 96 countries: indeed, from 2011 to 2019, the number of riots rose by 282 per cent and general strikes rose by 821 per cent. The African Union’s (AU) ‘Silencing the Guns’ initiative – adopted in 2016 – has been impeded by the pandemic, which has simultaneously undermined trust, impacted livelihoods and economies, led to an increase in domestic violence as well as other criminal incidents, and seen a dramatic increase in political unrest and violence. Given that 10 presidential elections are planned for 2021 across the African continent – in the midst of border restrictions and varying degrees of ‘lockdowns’ – there are concerns that such processes will serve as flashpoints for unrest and violence. The pandemic has, in many ways, distracted the world’s attention from ongoing conflicts which have not abated in spite of the pandemic; on the contrary, the current crisis “is triggering devastating levels of food insecurity and unemployment, especially in the world’s most fragile states, where the social contract between citizens and the state is severed and societies are fragmented and vulnerable to violence.”

According to the OECD/DAC as many as 80 per cent of people living in extreme poverty may live in fragile and conflict-affected states (FCAS) by 2030 if these dynamics go unaddressed. These populations are likely to be particularly affected by emerging ‘vaccinationalism’, i.e., a reversal of international cooperation as a result of: the US Government’s refusal to participate in COVAX (a global alliance to support development and distribution of vaccines, particularly in low and middle income countries); its withdrawal from WHO; and a ‘America First’ December 2020 executive order claiming priority access for COVID-19 vaccines. While Biden has overturned these with executive orders of his own, the concept of ‘vaccine diplomacy’
is likely to stay on the international scene in 2021. The failure to overcome nationalistic positions could be as damaging – in particular to those in FCAS – as the globalizing antivaccine movement.\textsuperscript{125} What is evident is that the pandemic has put a deep and potentially enduring strain on many FCAS: weak institutions are flailing in the face of such extensive demands for access to even basic healthcare, water and sanitation; and, in many cases, the inability or even unwillingness of state actors to ensure the delivery of basic services is undermining the legitimacy of formal institutions and governments, and opening spaces for non-state actors to both fill the void and exploit ongoing grievances.\textsuperscript{126}

Given that 2020 was a milestone year for the Women, Peace and Security (WPS) agenda as it celebrated and reflected on 20 years of efforts, WPS is likely to remain a priority for 2021 and beyond. Many institutions have underscored the immense work still required in this domain, particularly given the impacts of the pandemic on women in particular and vice versa. Recent research undertaken by the Peace Research Institute of Oslo in partnership with the Georgetown Institute for Women, Peace and Security, for example, suggests that countries where the status of women is low are less equipped to manage the epidemi-\textsuperscript{127}c outbreaks like COVID-19. Similarly, IPI, in its work on ‘Peacebuilding During a Pandemic’, underscores the need for: state leadership on WPS in multilateral fora; greater women’s participation in formal processes; the protection, security and financing of women peacebuilders; and, more data-driven responses.\textsuperscript{128} While it is unquestionable that violence has a detrimental effect on women and young girls, recent research has also directed our attention to the transformative potential of war on female empowerment; as a disruptive shock “armed conflict can create a window of opportunity for advancing the societal role of women.”\textsuperscript{129} More attention should therefore be directed to ensuring women and gender-specific provisions are included in peace agreements.

Previously marginalized actors and issues are gaining prominence in the peace, security and social cohesion space. The work of business actors – including public/private, formal/informal, licit/illicit business actors – is emerging in the context of the pandemic and will be critical for policy-makers and practitioners to explore further. ‘Jobs’ remains a central albeit reductive angle through which to pursue the business-peacebuilding narrative (particularly as it relates to the sustaining peace agenda and the SDGs) but more nuanced questions are emerging; International Alert, for example, asks: “What gaps exist in company practice and standards of responsible business?” and “How should aid funding best be allocated to ensure that business does not drive conflict?”\textsuperscript{130} The pandemic has provided diverse opportunities for new illegal practices to emerge, strengthening the need to explore how to mitigate these impacts, particularly on conflict dynamics and on the most vulnerable. For example, trade in counterfeit medical products, fraudulent charitable websites and online credit card fraud has seen exponential growth; and, criminal actors have also sought to benefit from the less stringently controlled disbursement of aid payments.\textsuperscript{131} While some of these dynamics will be short-term in nature, others may have lasting impacts on the public sphere; organized criminal groups are exploiting opportunities to take over weakened companies, are able to exploit aid through embezzlement, bribes and taking on public contracts and, more broadly, can take advantage of the expected openings for corruption – particularly in fragile states.\textsuperscript{132} Elites networks, made up of both formal and informal actors from business, political, military, economic and scholarly spheres\textsuperscript{133} (whether they are playing a positive or negative societal role), are vital for peace and prosperity when effectively leveraged to peacebuilding ends.

Integrated responses to FCAS remain a significant challenge; the gap between rhetoric and practice is stark. The triple nexus is a key area where significant work is required to bridge this gap; despite policies that promote a context-first and conflict-sensitive approach to the triple nexus, operationalization of the triple nexus is hampered by the dominance of security actors under the ‘peace pillar’ of the nexus. The result is both the securitization of development as well as the shrinking of humanitarian space, both of which undermine the premise of integrated approaches to FCAS. The emergence of the concept of SDG16’+’ is another good example of the policy community’s concern with integrated approached, since the ‘+’ was “coined to reflect the linkages between goals and targets beyond SDG16 that embody commitments to peace, justice, and inclusion across all the SDGs.”\textsuperscript{134} As a result, the notion of ‘linkages’ is understood here through two lens: first, progress on peace, justice and inclusion targets affects...
outcomes in other SDGs; and, second, progress on peace, justice and inclusion targets also affects overall processes to achieve the 2030 Agenda. The pandemic, however, has created several challenges for peace-related work, particularly those aspects related to peace and mediation. Not only is it more challenging to hold sensitive discussions via online channels in a manner that feels meaningful for stakeholders, the shift to online dialogues creates new patterns of inclusion and exclusion amongst those who do and do not have access to the digital world – risking entrenching rather than addressing inequalities. The pandemic, therefore, has brought into sharper focus the vital work undertaken by local peacemakers and insider mediators (whose work has continued throughout the pandemic) and the need for the international community to dedicate significantly more attention to supporting local actors and local approaches to peacemaking.

### Key trends: International security, peacebuilding and mediation

- **Increasing militarisation and, indeed, nuclearization of international relations**, with many governments directing increasing financial resources to military/nuclear affairs.

- **Growing intertwining of terrorism and conflict** and a more fragmented and diverse violent extremist landscape.

- **Decline in global peacefulness** as a result of resurgent conflicts and increasing violent civil unrest, exacerbated by COVID-19 measures.

- **Additional tensions** within and between regions – as nationalist tendencies rise – including as a result of vaccine diplomacy and likely to hit those in Fragile and Conflict Affected States (FCAS) the hardest.

- **The Women Peace and Security agenda** remains a priority, particularly due to the need to ensure women’s participation in political processes with the added ‘barriers’ created by the pandemic.

- **The positive and negative roles of business actors** – public/private, formal/informal, licit/illicit – have risen to the fore given the diverse opportunities presented by the pandemic for business actors to help or hinder response and recovery.

- **Reducing the gap between rhetoric and practice with regards to ‘linkages’ between sectors and themes**, overcoming siloes and fostering more integrated approaches to FCAS is an imperative, particularly with regards to the achievement of SDG 16+.
2.4 Economy, trade, investment and financial flows

The COVID-19 pandemic is having vast impacts on the global economy, which are likely to place additional pressures on fragile state-society relations and will affect the most vulnerable the hardest. Global debt increased by $15 trillion in 2020 and was at around 365 percent of global GDP by the end of the year. According to the Atlantic Council, capital flows to low-income countries are estimated to have dropped by $700 billion from 2019 levels in 2020. Six countries defaulted on their debt in 2020: Argentina, Belize, Ecuador, Lebanon, Suriname, and Zambia. As the effects of the pandemic continue to last, there are serious fears of another global financial crisis, similar to 2008. Measures put in place to manage the pandemic – business closures, curtailed restaurant services, reduced flights and other movement-related restrictions – will continue to have a significant impact on the global economy. During the first few months of the crisis, the FTSE dropped 14.3 percent – the most dramatic fall since 2008; while Asian and US stock markets have largely recovered, the FTSE is still in the negative. In the last quarter of 2020, 55 percent of European small and medium-sized enterprises feared bankruptcy by September 2021, particularly since government subsidies will eventually run out. The IMF estimated -4.4 percent global growth in 2020; growth projections for 2021 “imply wide negative output gaps and elevated unemployment rates this year and in 2021 across both advanced and emerging market economies.” These predications, moreover, are shrouded in uncertainty given that the path of the pandemic (and out of ‘lockdown’) remains unclear, and impacts on supply and demand in the short-, medium- and long-term will also depend on policy responses, and their effectiveness. If the virus resurges or further mutates; if the vaccine is less effective than hoped; if access remains as unequal as currently anticipated; if the recession triggers the withdrawal of emergency support; and, if financial fears lead to a stop in lending – amongst other risks – the outlook could be significantly and alarmingly much worse.

The impact on developing countries and FCAS has been particularly devastating and will have long-term implications for governance in these states, as many suffer from the drop in ODA and increasing pressures on scarce resources. In African countries, for example, both exports and impacts are expected to drop at least 35 percent from 2019 levels with an estimated loss in value of around 270 billion US dollars. Tourism is a vital sector of many global economies, which contributes around $55.8 billion dollars and supports 6.2 million jobs; each job in transport, moreover, supports 24 other jobs in the value chains associated with travel and tourism – which create 70 million jobs. The impact on oil price drops will also have significant impacts on commodity-sensitive economies, particularly Algeria, Angola, Cameroon, Chad, Equatorial Guinea, Gabon, Ghana, Nigeria, and the Republic of the Congo; for Nigeria and Angola, for example, oil revenues make up over 70 percent of their national budgets. Similarly, in the Middle East – particularly Saudi Arabia, Iran and Iraq – the combination of the pandemic expenses and oil-related contractions could have serious implications for political regimes and the already fraying social contract. In South-East Asia, economic decline is expected to be between 3.5 and 4.7 percent, particularly as a result of high dependence on the tourism sectors. Informal trade and/or the shadow economy is also significantly higher in countries from the global south and FCAS, but the impact of COVID-19 on these sectors is much more difficult to ascertain. However, the fact that many informal traders rely on the movement of people and goods, and cannot depend on any form of government support, means that the impacts are likely to be more severe. The increase in world food prices – the seventh consecutive rise occurred in December – demonstrates a 3.1 percent increase since 2019, another change which is likely to hit the poorest the hardest. The European Investment Bank’s COVID-19 Vulnerability Index finds that half of low-income countries and 25 percent of middle-income countries face the highest risk from COVID-19, whilst 56 percent of high income countries face an intermediate level of threats. The most vulnerable are concentrated in sub-Saharan Africa, the Caribbean and Pacific state.

To some extent, pre-pandemic levels of economic cooperation have intensified and/or been given increased impetus, particularly at regional and sub-regional levels; many national governance models are therefore re-orienting, economically at least, towards the regional and sub-regional. The African Continental Free Trade Agreement (AfCFTA) was ratified in May 2019, allowing for
implementation in 2020 and beyond, offering the possibility of significant long-term economic gains. According to the African Center for Economic Transformation, the AfCFTA could be a “game-changer” – connecting previously fragmented markets (Africa has eight regional economic blocs) and support the achievement of the SDGs. According to the African Export-Import Bank (Afreximbank), the deal could help realize more than $84 billion in untapped intra-African exports. As of January 1, 2021, therefore, 90 per cent of all intra-African trade became tariff free. Support will be required to overcome diverse implementation challenges, but there is hope that the deal also provides a framework through which to pursue greater interconnectivity between the different regions, allowing for greater movements of people and goods in the years ahead. The pandemic also did not hamper the launch of the Central Asian Investment Partnership Initiative between Uzbekistan, Kazakhstan and the USA in January 2021, expected to attract around $1 billion over five years. The pandemic actively promoted cooperation amongst Member States of the Turkic Council, through various forms of medical support, according to Central Asia experts, “the only real exit from the economic conundrums caused by the COVID-19 pandemic is regional and economic cooperation.” Support for the African continent through remittances also continued despite dismal predictions of a 23.1 per cent drop across the African region; thanks to the power of e-commerce and the elimination of charges on some mobile money platforms, the region ended up with a decline of around 9 per cent in 2020 and predicted 6 per cent in 2021 (this trend has brought the need for digital currency regulation into greater focus). The international financial architecture is also trying to adapt through initiatives such as the G20 Debt Service Suspension Initiative, an important albeit insufficient step to support low-income countries deal with the economic fallout. The ‘narratives of hope’ focus on the prospects for post-pandemic green, inclusive and resilient recovery that go beyond economic cooperation alone towards economic transformation. For the EU, the pandemic provides a unique opportunity to “accelerate its transition towards a climate-neutral and circular economy” given that the longer-term impact on Europe’s decarbonization pathway will be a consequence of National Recovery and Resilience Plans. Governments, for example, are encouraged “to use the urgency of the COVID-19 crisis to make meaningful policy changes that will not only help in the short-term but also strengthen the long-term recovery efforts.” Others, such as the Islamic Development Bank, argue that a “new paradigm” is needed, underscoring the role the instruments of Islamic social finance – zakāt, Sadaqah, waqf, takāful ta’awuni, and others – can play in forming safety nets and supporting pro-poor expenditure. For the World Bank, a large part of inclusive recovery involves making social protection systems inclusive and resilient by focusing on marginalized women and girls through education and targeted livelihood support, and efforts to ‘formalize the informal sector’ through supportive rather than punitive measures. The Imani Centre for Policy and Education goes one step further and explores the concept of COVID-19 savings as a result of fiscal adjustments and reallocations; “even a perfunctory scan of the 2020 budget statement [in Ghana] shows that several projects and planned activities of key governmental institutions…will be impacted due to the COVID-19 pandemic” creating savings that can be allocated to new priority areas. Lastly, Brookings views this moment in time as an opportunity to revamp major international financial institutions in order to close the ever-widening gap between advanced economies and emerging markets and developing economies, and to better ensure their ability to respond to such large-scale crises.
2.5 Environment, natural resource and climate change

While much of the world’s attention was diverted by the pandemic, the devastating impacts of climate change became difficult to ignore in 2020 and will compound governance challenges in the years ahead. The facts and figures paint a desperate picture: heat records were broken in Europe in 2019, as the world’s hottest year since 1880, and in the US in 2020;\textsuperscript{167} in Australia, 2020 began with one of the worst-ever fire seasons which destroyed forty-two million acres of land and killed at least thirty-three people; heat stress is reducing working hours and will create a loss of $2.4 trillion by 2030;\textsuperscript{168} the world was battered by powerful storms and the US in particular has seen a steep increase in so-called ‘billion-dollar disaster events’, with an annual average of 14.7;\textsuperscript{169} and, the world’s largest site of biodiversity, the Brazilian Amazon, continues to burn.\textsuperscript{170} In Bangladesh alone, 17 million people will be exposed to risks if the global sea-level rises by one meter.\textsuperscript{171} According to the Institute for Economics and Peace, 6.4 billion people live in countries which are exposed to similarly medium-to-high ecological threats and an estimated 1.2 billion people are at risk of displacement by 2050; and, out of the 157 countries surveyed for their report, one third will face catastrophic water stress and almost a quarter catastrophic food insecurity by 2050.\textsuperscript{172} Climate change, much like the pandemic, will also hit the most vulnerable the hardest: ten out of the 19 countries with the most exposure to ecological threats are among the 40 least peaceful countries on the Global Peace Index.\textsuperscript{173} The year 2020 was also a concerning turning point for other environmental reasons: the total weight of human-made materials – having doubled more or less every 20 years since the middle of the 20th century – now exceeds that of the planet’s natural biomass. As the human race enters further into the Anthropocene – “the new geological epoch where human activity is dominating and fundamentally reshaping the planet”\textsuperscript{174} – it is now unquestionable that urgent action is required to mitigate even the best-case scenario.

The direct and indirect linkages made between climate change and COVID-19 provides the opportunity to radically change humans’ relationship with the planet, including through a ‘green recovery’. After all, the
over-exploitation of and disregard for the natural world is playing a major role in the rise of zoonotic diseases,\textsuperscript{175} like COVID-19, which are likely to continue emerging unless we find a way to live in harmony with the natural world. The CMCC Observatory on Climate Policies and Futures is one of many entities that underscores that the current crisis is “emerging because human beings have created the conditions for a rising risk of zoonosis and chronic disease because of the changing climate.”\textsuperscript{176} Similarly, the International Network for Economic, Social and Cultural Rights makes it clear that the “state of our world today is not a tragedy that happened perchance.”\textsuperscript{177} The parallels between the COVID-19 health crisis and the looming climate crisis are numerous: both exacerbate income inequality and undermine progress towards gender equality; both impact the most vulnerable the hardest; and, some would argue, both have their roots in capitalist accumulation, neoliberal approaches, patriarchy and colonial history.\textsuperscript{178} The difference is that in terms of magnitude, scope and destructiveness, climate change will far exceed the impact of the pandemic\textsuperscript{179} in terms of life, livelihoods and biodiversity and remains the world’s greatest “existential challenge.”\textsuperscript{180}

Whilst the Global Carbon Project estimates that the mass grounding of flights as a result of the pandemic in 2020 led to a 60 per cent reduction in CO2 emissions from aviation, in the medium to long run the risk is that the urgency of the economic recovery overshadows efforts to address the climate crisis and/or even leads to a reversal of climate and other environmental gains; such a reversal would have long-term implications for how our societies function or survive. Exacerbating this risk is the fact that, as underscored by the OECD, even prior to the pandemic it was evident that UNFCCC-related Nationally Determined Contributions (NDCs) “would not put the world on a credible pathway to a well below 2C goal.”\textsuperscript{181} The nature of the recovery packages, therefore, and the extent to which they prioritize the bigger crisis that is climate change, will be crucial – hence the emergence of the ‘green recovery’ “mantra.” And, there are some positive signs: China, for example, has committed to reduce its CO2 emissions per unit of GDP by 65 per cent; the EU committed to reduce CO2 emission per GDP unit by over 65 per cent by 2030 from 2005 levels; and Japan and Korea have both committed to become carbon neutral by 2030.\textsuperscript{182} Moreover, climate change is set to be a top priority for the Biden Administration, which has re-committed to the Paris Agreement and seeks to be a ‘green leader’ on the world stage. Similarly, the UK will make ‘green recovery’ a priority during its G7 presidency and Italy has made the planet one of the three pillars of the G20 agenda during its presidency.\textsuperscript{183} However, on our current trajectory, global temperatures are still “on route to warming by around 3C above pre-industrial temperatures by 2100.”\textsuperscript{184} If anything, the pandemic has highlighted the depth of the crisis: it took an “unprecedented global economic shutdown to reduce emissions to levels barely consistent with the 2015 Paris climate commitments.”\textsuperscript{185} The progress so far, therefore, is good, but it is quite simply not enough: the world has a decade left to change that.

The diverse avenues for limiting global warming to 1.5C and reaching net-zero by 2050 will therefore require a re-think of current governance approaches to the climate with a focus on economic justice for current and future generations as well as poorer nations, but this is not without risks. The current paradigm relies heavily on technological solutions such as geoengineering and nuclear power, with their concomitant risks; however, according to the Heinrich Böll Stiftung Foundation, an alternative scenario requires the global north to drastically transform consumption and production patterns and reduce economic activity.\textsuperscript{186} Other models focus on the need for different forms of global cooperation: for example, according to the Green Ladder Model “more developed states should provide the less developed ones with advanced low-carbon energy production technologies, and flexible financial schemes.”\textsuperscript{187} More traditional models focused on ending support for overseas fossil fuels are much welcomed – including, for example, the recent commitment on the part of the UK to end support via fossil fuel subsidies through a ‘whole of government approach’\textsuperscript{188} – but the medium- to long-term geo-political implications could be significant. The necessary shift to a decarbonized world is likely to have a major impact on levels of political stability in oil-dependent states which are expected to lose US$7 trillion in revenues by 2040. Countries where the impact is likely to be significant include: Libya, Iraq, Kuwait, Nigeria, Saudi Arabia, Venezuela, Russia, United Arab Emirates and Iran.\textsuperscript{189} While such changes may eventually compel political and economic reform, the transition could provoke violence and, indeed, suffering for those dependent on subsidies
for access to energy and water, for example.\textsuperscript{190} Moreover, climate change policies will be increasingly difficult to ring-fence from other geo-political considerations: the EU, for example, “cannot safeguard Europeans from the worst impacts of climate change…without action by China.”\textsuperscript{191} Fostering economic cooperation, therefore, becomes even more of an imperative.

As a result of the desperate need for action, a plethora of previously marginalized issues have begun making their way into more mainstream agendas; these issues indicate the need for innovative and inclusive approaches to the governance of the climate. The sustainability of our relationship with food, for example, is explored by IIED ‘Sustainable Diets for All’ programme, which highlights the vital link between food and climate; and, the Stockholm Forum for Economics has undertaken research into understanding “the persistence and increase of meat eating in the face of mounting evidence of the ills of meat production and consumption.”\textsuperscript{192} In the Sahel, the ‘Great Green Wall Initiative’ is attracting increasing attention following a pledge from the ADFB of up to $6.5 billion dollars over five years. The initiative seeks to plant an 8,000 km long and 15 km wide mosaic of trees, grasslands, vegetation and plants across the Sahara and Sahel to restore degraded lands and support the region to produce foods, create jobs and promote peace.\textsuperscript{193} The Asian Development Bank (ADB) brings attention to the role business actors can play in embedding sustainability into their strategies, which can be promoted through the availability of green finance and the scaling-up of green technologies;\textsuperscript{194} there is also an increasing focus on the growing market for ‘green bonds’ and/or regular bonds with ‘green certificates.’\textsuperscript{195} The concept of ‘decarbonizing the built environment’ is gaining traction; according to the Center for Strategic and International Studies, the buildings sector emits 39 percent of global CO2 emissions; decarbonizing current buildings and investing in net-zero carbon buildings in the future is therefore an imperative.\textsuperscript{196} The ‘circular economy’ is gaining attention as means to reduce carbon emissions and waste, by offering the possibility of a “decoupling between resource use, environmental degradation and economic growth.”\textsuperscript{197} The green ‘footprint’ of international actors is also brought to light by USAID’s integration of climate change adaptation into all USAID programmes and operations.\textsuperscript{198} Missing from the majority of these discussions is a more concerted focus on the climate change enhancing capabilities of the oceans: 2020 was meant to be a “super year”\textsuperscript{199} for the oceans but with many conferences postponed and/or eclipsed by the pandemic, the issue has certainly not been in the spotlight.

Managing the consequences of climate change – including the risks associated with an increased focus on climate change financing – will undoubtedly be a priority for years and decades to come. For the global south, liberating climate-linked migration from the dominance of European and/or Western discourses is perceived as paramount. Afterall, the majority of such migration will take place, for example, within the African continent rather than between the African continent and Europe.\textsuperscript{200} The policies and practices tied to climate-related migrations, therefore, “must be addressed via local, national, regional and continental governance”\textsuperscript{201}, particularly because the implications for the global south is likely to be so severe, both as a result of sudden- and slow-onset climate impacts. Part of ‘shedding’ the European narrative also involves reframing migration away from a narrow ‘security’ focus towards one which not only views migrations as a “basic fact of human history”\textsuperscript{202} rather than a pathology, but which also places (climate) justice at the heart of international responses to those affected.\textsuperscript{203} The increasing focus on climate change on the part of the international community will require other shifts, including more robust and politically-intuitive anti-corruption tools and strategies that ensure climate finance is optimized and not undermined.\textsuperscript{204} The U4 Anti-Corruption Resource Centre estimates that global climate finance in 2018 totalled US$546 billion, and that the “top recipients of climate finance are among the riskiest places in the world for corruption”\textsuperscript{205} – receiving 41.9 per cent of all climate-related overseas development assistance.\textsuperscript{206} Part of the solution to climate finance corruption involves identifying new multi-stakeholder coalitions to foster greater transparency and accountability.\textsuperscript{207} As stated by Brookings, “business as usual is not an option” when it comes to the future of natural resource governance.\textsuperscript{208}
2.6 Information, communication, data and the digital revolution

The role of technology in trade and development is often framed as a potential equalizer between the global north and global south. The UNU believes that the developing world is being ‘conquered’ by technology, from “app-based e-commerce to self-check-out and smart-card technology, cutting-edge technology is no longer confined to high-income countries” – enabling developing countries to leap-frog on their development trajectories. Indeed, according to the Centre for International Governance Innovation, the growth of digitalization and digital technology adoption in Africa “holds the key to strengthening and diversifying economies across the continent.”

Governments are also increasingly harnessing the data revolution for official statistics to incorporate into SDG monitoring and implementation, particularly through the adoption of alternative or non-traditional data sources (geospatial data, citizen generated data, privately-held data and administrative data, for example). The concept of Digital4Development is therefore a promising terrain seeking to mainstream digitalization as part of the development agenda; this involves realizing digital single markets, strengthening digitalization education and skills, ensuring good data governance and financing for tech innovators in developing contexts, to mention only a few. Many, however, question the validity of this optimistic view: research and development is still an upper-middle and high income-led process that emerges from the demands of these contexts; and, there is a risk

Key trends: Environment, natural resources and climate change

The devastating impacts of climate change became increasingly difficult to ignore in 2020 and will compound governance challenges in the years ahead.

The direct and indirect linkages between climate change and COVID-19 provides an opportunity to radically change humans’ relationship with the planet through the lens of a ‘green recovery’.

There is a risk that the urgency of the economic recovery overshadows efforts to address the climate crisis and/or even leads to a reversal of climate and other environmental gains, impeding or reversing much-needed progress to address the climate crisis; such a reversal would have long-term implications for how our societies function or survive.

The necessary shift to a decarbonized world is likely to have a major impact on levels of political stability in oil-dependent states which are expected to lose US$7 trillion in revenues by 2040.

A plethora of previously marginalised issues have begun making their way into more mainstream agendas; these issues indicate the need for innovative and inclusive approaches to the governance of the climate at both national and global levels.

The increasing focus on climate change on the part of the international community will require more robust and politically-intuitive anti-corruption tools and strategies that ensure climate finance is optimised. 
such ‘labour-saving’ technologies could create an additional ‘squeeze’ on the availability of low-skilled jobs leading to even higher levels of unemployment. The risk, therefore, is that rather than enabling countries to leap-frog ahead, flaws in the digital market may actually widen rather than narrow the gap between the global north and south.

The relationship between digital technology and human rights has been brought into sharp focus by the COVID-19 crisis. The digital transformation has been unequal in its reach and, as some of the world’s population went ‘online’, others remained endemically excluded from this digital world: half of the world’s population remain offline and the figures generated by CIPPEC on this are stark: between 8 and 9 out of 10 people use the internet in the advanced world, while 2 out of 10 in the least developed countries. Moreover, there is a striking urban-rural divide; for example, in Paris, France, 8 to 9 out of 10 households have access to the internet whereas only 1 in 10 in rural areas have such access. Even in contexts when men and women have largely equal access to the internet, studies demonstrate the gender-related impacts of the move online: research by the Ash Center for Democratic Governance and Innovation demonstrated that while women may engage in online political life through the signing of petitions, they are much less likely to be the creators of such petitions. The extensive and pervasive effects of the internet on our daily lives broadly speaking and on our rights in particular have also come under the spotlight due to the ways in which the COVID-19 crisis could be manipulated to political ends and facilitated by surveillance technology and monitored communications.

The lack of regulation of the internet and related technologies is therefore likely to be a pressing issue in the years ahead given the extensive impacts of these sectors on fundamental human rights as well as geo-political relations. For example, the relationship between Europe and America could be largely shaped by agreements and disagreements around how to manage intelligence collection, transitive digital commerce, and the fundamental rights of EU citizens; moreover, how democratic states will manage market access requirements for actors from authoritarian states is likely to become a critical cornerstone of the “personal data governance” space.

Global digital governance as part of a broader strategy to manage the geo-economic and geopolitical implications of technological innovations – including infringements on rights – will undoubtedly be a major focus for governance actors in the years ahead.

Data analytics, machine learning (ML), artificial intelligence (AI) and other so-called ‘autonomous systems’ are creating new governance challenges. According to the Center for International Governance Innovation, “data analytics and self-teaching algorithms are projected to continue to disrupt every imaginable market and to create new ones.” Al and ML are increasingly part of our daily lives, from services such as Siri and Alexa in our homes, to computer recommendations on films and responding to technical questions through the use of ‘bots.’ Data analytics, AI and ML can, therefore, also be used to improve the provision of services – government and/or private sector-led – by enhancing the tailoring of such services to need, for example, or based on usage and context specificity.

The use of AI and ML, however, is giving rise to a number of pressing concerns. First, the increasing emergence of the ‘attention economy’ – or what has also been referred to as the “Arms race to the unconscious mind” – effectively manipulates and monetizes our thoughts, attention and opinions by using the “same mental processes as addictions to gaming, drugs, or alcohol.” This creates new areas of due diligence for business actors and new areas related to privacy and freedom of expression rights for governments. Second, the “fusion of technologies that gradually blur the lines between the physical, digital, and biological spheres” leading to advanced robotics, as well as virtual and augmented reality that could have transformational impacts on our economics, but also troubling negative impacts. Third, there is currently no consensus amongst Member States concerning a UN role for managing data governance and any initiatives pioneered by individual governments may be met with suspicion. And, lastly, the discussion around the use of AI and related technology tends to focus on privacy and data protection, but other rights that need to be considered include equality and non-discrimination, access to justice, human dignity, consumer protection, etc.

The nefarious face of AI comes most to light through rising disinformation, conspiracy theories and the ‘deep fake.’ Some of the most famous examples relate to electoral processes; an analysis on the role of technology in political discourse, for example, found that “about a fifth of all
tweets about the 2016 presidential election were published by bots...as were about a third of all tweets about that year’s Brexit vote." Indeed, billions of dollars are spent investing in processes driven by AI to influence people’s opinions on issues that matter. AI experts predict that there is a “50 per cent chance of AI outperforming humans in all tasks, campaigning included, in just 45 years.” Another disruptive trend relates to the rise of conspiracy theories, including one of the most prominent in the West: QAnon – “rooted in the idea that an elite group of child-trafficking paedophiles has been ruling the world, from Hollywood elites to senior Democratic political figures.” These narratives are propagated through ‘dark sites’, which are difficult to monitor; they also wield tremendous power. It was, after all, the QAnon narrative which propagated the idea that Trump’s role was to save the world from paedophiles and the ‘deep state’ which, in part, motivated some of those who stormed Capitol Hill amongst other similar events (e.g. breaking into the Canadian Prime Minister’s residence, amongst others). Similar groups and channels, in the West at least, are behind many of the anti-vaccine, anti-5G, anti-Semitic and anti-immigrant narratives. This raises the question of how to govern effectively when so many seemingly invisible and difficult to counter forces are creating fear, mistrust and blurring the lines between fact and fiction. Indeed, deep fakes take these processes to the next level, by allowing those who wield AI “to create audio and video representations of real people saying and doing made-up things” making it increasingly “difficult to distinguish the real from the fraudulent.” While many experts insist that, as well as contributing to mis- and disinformation, AI is a tool that makes it easier to counter it,234 it is clear that the “capacity to generate deep-fakes is proceeding much faster than the ability to detect them.”235 The threats such technologies pose to society, security and to our democracies are without limits.

As a result, cybersecurity is gaining prominence as the next frontier for ensuring national security and ‘data sovereignty’. Increasingly, Member States are not only concerned with gaining competitive edge in the data space for the purposes of economic growth, but also in order to protect data from the prying eyes of foreign governments and firms in the interests of national security – while securing as much data about ‘competitors’ and ‘enemies’ as possible. Research by the Elcano Royal Institute suggests that the implications of AI on the cybersecurity space will be far-reaching: AI will likely “increase the number of cyber threat actors, offer them additional exploitable vulnerabilities and targets, as well as boost their malevolent actions.” At the same time, AI will also contribute to defence from those threats by enabling “the discovery of unknown vulnerabilities, the detection of malicious cyber activities, and the implementation of countermeasures.” In other words, AI is a double-edged sword which impact depends on who is using it, how and to what ends. In the corporate space, it is becoming glaringly evident that – while most digital infrastructure is privately-owned by corporations – companies have insufficient legitimacy and incentive to make online life more ‘peaceful’. As stated frankly by Carnegie, it is “not enough to have Facebook rules, or Google rules, or Alibaba and Huawei rules. And it certainly won’t help if bureaucrats in Beijing, Brussels, or Washington try to divide and conquer the digital political economy.” Moving ahead, public-private sector collaboration will be required to harness the potentially destructive power of AI in cyberspace; indeed, governance approaches that combine the collective power of the public and private sectors will be needed to muster appropriate responses to such complex threats. In the absence of consensus on the rules concerning cross-border data flow, localization and data classification, many governments – at the national or regional level – will pursue ‘data sovereignty’ in the years ahead. Governments will be faced with difficult trade-offs between free speech, and the freedom of information and potential for violence, instability and harm. To date, the estimated costs of cybercrime, in terms of actual losses, are estimated to be around $1 trillion dollars; and non-quantitative costs also included “opportunity costs, downtime and damaged staff morale.”
2.7 Culture, daily life and the experience of governance

The concept of happiness is gaining ground in governance spheres, raising the relatively new question of how disparate actors can work together to increase national levels of happiness and who is accountable for the emotions of citizens? Since 2013, the World Happiness Report (WHR) has been ranking how citizens perceive their lives, with a focus on reviewing “the science of measuring and understanding subjective well-being” and life satisfaction. Interestingly, the top ten (2017-2019) include Finland, Denmark, Switzerland, Iceland, Norway, Netherlands, Sweden, New Zealand, Austria and Luxembourg; the bottom ten include: India, Malawi, Yemen, Botswana, Tanzania, CAR, Rwanda, Zimbabwe, South Sudan and Afghanistan. Globally speaking, since 2010, worry, anger and sadness have been consistently rising: people that report worrying yesterday, for example, increased by around 8-10 per cent in 9 years and sadness also increased by around 7-9 per cent since 2011. The countries where happiness has increased the most include Benin, Togo, Hungary, Bulgaria and the Philippines; and, countries where happiness has decreased the most include Venezuela, Afghanistan, Lesotho, Zambia and India. Reinforcing the notion of ‘Nordic exceptionalism’ is the fact that five Nordic countries have been in the top ten since 2013, and Nordic countries have been in the top three places in 2017, 2018 and 2019. According to Nordic researchers, this can be explained by “factors related to the quality of institutions, such as reliable and extensive welfare benefits,
low corruption, and well-functioning democracy and state institutions”, combined with high levels of autonomy, freedom and social trust.\textsuperscript{246} Extrapolating these findings into generalizable lessons, the authors of the WHR report believe that trustworthy governments and a strong sense of community are the best recipes for governance success on the happiness ‘front’.\textsuperscript{247}

The pandemic has also given rise to the importance of well-being, particularly given the emotional toll of the pandemic. The Asian Development Bank, in a December 2020 publication, describes well-being as “thriving holistically and living a well-rounded life”; using the WHO definition of the “optimal state of health of individuals and groups”, they focus on two main facets of wellbeing: first, “the realization of the fullest potential of an individual physically, psychologically, socially, spiritually, and economically” and, second “the fulfilment of one’s role expectations in the family, community, place of worship, workplace and other settings.”\textsuperscript{248} They go on to underscore the linkage between wellness and the economy, pointing to the rise of the “wellness economy.”\textsuperscript{249} The Global Wellness Institute defines the wellness economy as “industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives”, estimating that the wellness economy includes ten different sectors, with an estimated $4.5 trillion market. Since the pandemic, Brookings notes a deep decline in reported well-being and the emotional costs are significantly higher for people who are poor and vulnerable. They describe the “ill-being market” – despair and stress – as particularly important in understanding vulnerability.\textsuperscript{250} Well-being measurements, they argue, give us “a lens into the emotional and mental health costs associated with the pandemic and some strategies to resolve it”, allowing us to “assess how trends in life satisfaction, hope, anxiety, and depression compare for the same population groups pre-and post-COVID”. As such, they conclude that economic growth alone is insufficient to sustain economies and societies.

The way we currently live – indeed, our daily lives – as a result of the pandemic features prominently in news and blog sources, but is under-explored by regional and sub-regional organizations, NGO, think-tanks and research institutions reviewed for this study. And yet, what could be more central to the concept of governance than the fact that both the governing and the governed are living lives which are unrecognizable to them? When the vast majority of the population is working from home, living under lockdown, parenting-as-educators, losing loved ones, no longer socializing or traveling, losing work, and worrying about the future, the impacts on governance can only be monumental. Re-thinking governance through this lens means re-imagining how to re-build trust when most of our lives are virtual and when opportunities to meaningfully convene are limited and so drastically transformed. How to cope with the ‘new normal’ is therefore a centrepiece of lifestyle magazines and (on/off-line) newspapers, distanced from the seemingly ‘political’ realms of governance. The Guardian, for example, explores what the ‘new normal’ means for us, and delves into the related themes of trauma, the potential for PTSD of COVID-19 survivors, the way we deal with our dying during the pandemic, the biological stress response of our bodies, and the ways in which ‘cultural losses’ – the absence of collective events such as attending concerts, museums, art galleries, theatres – feeds a sense of endemic dehumanization.\textsuperscript{251} The New York times explores how long this ‘new normal’ is here to stay, pointing to research that suggests that 1 percent believe their lives will remain changed in major ways.\textsuperscript{252} Al Jazeera reports that 53 per cent of organizations plan to reduce the size of their office space and more than three quarters will increase work flexibility, with the Financial Times predicting that the ‘new fight’ will be over the nature of the new normal. As the Economist states, what is clear is that “the post-pandemic world will take time to emerge.”\textsuperscript{253}
Key trends: Culture, daily life and the experience of governance

The concept of happiness is gaining ground in governance spheres, raising the relatively new question of how disparate actors can work together to increase national levels of happiness and who is accountable for the emotions of citizens?

Since the pandemic, there has been a deep decline in reported well-being and the emotional costs are significantly higher for the poor; the mental health costs of the pandemic must be taken into consideration as part of recovery and resilience strategies.

It is vital to consider – but perhaps too early to tell – the implications for governance of our drastically transformed day-to-day lives and how the ‘new normal’ will impact the distribution of power in our societies.
PART 3:
CONCLUSION: IMPLICATIONS FOR DEVELOPMENT ACTORS
3. CONCLUSION: IMPLICATIONS FOR DEVELOPMENT ACTORS

The implications for development actors of the above trends, threats, challenges and opportunities are wide-ranging. Deciding what to focus on, when and how will involve difficult decisions and trade-offs in the months and years ahead, as the number and scope of issues that require attention grows, and funding for development decreases. The following points, therefore, seek to provide ‘food for thought’ for development actors in this new simultaneously uncertain and promising context.

- **Recognize that our understanding of governance must be updated:** From a thematic perspective, development actors will need to explore the inter-linkages between governance and the wide set of thematic issues previously addressed in a more ‘siloed’ manner, including the governance of climate change, the governance of technology, the governance of work-life balance, happiness and well-being. From an actor perspective, this means moving away from state-centric approaches towards viewing the state as one of many actors that has a vital role to play in the context of a whole-of-society approach, including the state, civil society, business actors, the media, etc. The first step to working meaningfully on governance begins with a recognition that the nature of governance has transformed in recent years.

- **Place governance at the centre of development:** While many development actors have historically viewed the concept of ‘governance’ through the relatively narrow lens of state-society relations and service provision, the majority of governance-related institutions surveyed for this study take a much broader view, placing governance at the very heart of global challenges, development, service provision and human rights. Moving forward, development actors should place effective and inclusive governance at the heart of all their endeavours.

- **Engage with governance as both a technical and political undertaking:** Governance cannot be addressed as a technical exercise alone, and development actors need to appreciate that their own assumptions can become highly politicized. Rather than being perceived to advance certain models of governance, development actors should embrace a principle- and human rights-based approach to governance, which recognizes that development trajectories are non-linear. Supporting effective governance involves accountability, transparency, inclusion and responsiveness, i.e., addressing what is done (institutions, laws, personnel), how it is done (participation, transparency, trust) and for whom it is done (people centred).

- **Mainstream trust-building approaches throughout development work:** Rebuilding the social contract in diverse countries, and rebuilding trust in governance systems, businesses, civil society and media (and, indeed, international actors) will mean harnessing the work of trust-building, peacebuilding and dialogue—historically ‘reserved’ for work predominantly in fragile and conflict-affected states—and mainstreaming it into all development efforts. While decreasing ODA is likely to mean less funding for topics perceived as being less tangible, any work on responding to the effects of the pandemic, rebuilding economies, addressing digital divides, working on natural resource management and climate change should integrate politically sensitive ‘how’ questions into the more technical work. How to go about work in these areas in a manner that builds trust? How to re-build the social contract through work on the scope and limits of technology? How to reinforce faith in institutions when supporting women to get back into the workforce? These questions require us to put dialogue, diversity, participation and representation at the heart of the ‘how’ moving forward.

- **Inequality is a major threat to post-COVID development.** The pandemic has exacerbated inequality,
and responses to the pandemic risk further undermining what national and international efforts may exist to decrease the gap between the rich and the poor. Significant evidence exists to suggest that inequality fuels conflict. The current trajectory therefore suggests that widening inequality could indeed lead to increasing levels of violence: the enemy of development. Collaboration between development actors and international financial institutions will need to be strengthened in a manner that transforms the system, rather than ‘tinkers’ with it. Working together to ensure that development plans address inequality arising from national debt and climate change vulnerability in both the global north and the global south could be part of that transformation.

• **Draw upon feminist approaches to ‘build forward better’**: The dramatic impact of the pandemic on gender equality underscores the need for a feminist economic recovery, sensitive to the differentiated needs of men and women. However, the feminist approach – which is inherently intersectional – provides a lens through which to advance recovery from the pandemic in a manner that is sensitive to all forms of power. The feminist lens allows for an economic recovery that: addresses the root causes of racism, discrimination and structural violence; values the importance of care and front-line work; makes visible the needs of people with disabilities and LGBTQ+ communities; puts an emphasis on the need for quality jobs and education as well as the need diversity of voices in decision-making. The structures that contribute to over-exploitation of the world’s resources should be examined, questioned and transformed by development actors as part of the post-COVID 19 recovery.

• **The shrinking of civic space requires innovative ways to push for new governance models**: Protest movements remind the world and its leaders that democracy of the people is alive, if not always well. Young people, who will shape the future of governance models, are often the first to go out on the streets and use social media to mobilize and organise protests. Development actors need to explore ways to build on the momentum generated by protest movements to encourage the transformation of political systems and processes to make them more representative, responsive and inclusive to meet the expectations also of future generations.

• **The impact of business actors should be taken into consideration in all development processes.** Development actors often have a bias towards state-based actors and, as such, governments, parliaments, judiciaries and local government entities tend to be the focus of their efforts and attention. Too often are business actors inconsistently included in the considerations of development actors, despite the fundamental role they play in bolstering and/or undermining development, human rights and peacebuilding. Whether public or private, licit or illicit, formal or informal and irrespective of the area of work – climate change, peacebuilding, human rights, artificial intelligence, the social contract, state-society relations – the role of business actors should be mainstreamed and reflected in the context of the post-COVID-19 recovery and beyond, in a conflict-sensitive and rights-based manner.

• **Concerted efforts are required to encourage integrated approaches in fragile and conflict-affected states**: There is a recognition that international approaches to prevent conflict and building peace are struggling to deal with the complexity of the twenty-first century landscape. Part of the solution lies in fostering meaningful, integrated approaches across the ‘triple nexus’ and in line with 2019 OECD-DAC recommendations but this will require concerted efforts to coordinate amongst development, humanitarian and peacebuilding actors beyond information-sharing. Another part of the solution also lies in finding the means and opportunities to support local actors and local approaches to peace mediation and peacebuilding, through tailored support to insider mediators and local organizations, and through building inter-linkages between this work and the work of track I and track II actors.

• **COVID-19 recovery must address rather than postpone dealing with the climate crisis.** The pandemic has demonstrated the devastating consequences of degradation of our natural world on human lives and livelihoods. But there is widespread recognition that climate change – in terms of scope and impact – will
be significantly worse. Development actors have a vital role to play in ensuring climate change remains a priority, and that nature/climate crisis-related concerns are mainstreamed into all COVID-19 responses and recovery plans, and integrated into the work of development actors, including through a consideration of their own environmental footprint.

- **Towards a new framework for global digital governance:** Given the opportunities and challenges posed by data advances, machine learning and artificial intelligence, a new framework is needed to advance global digital governance in a manner that protects human rights. Decisions around global digital governance cannot be left to either the public or private sector alone. Development actors have an important role to play in convening public and private actors to define a new framework for digital governance, that actively supports development, promotes human rights and contributes to efforts to address inequality – including through increased access to online technologies for marginalized groups.

- **Increasing importance of risk management:** The pandemic has highlighted the importance of risk management and the dramatic pitfalls of failing to be prepared for ‘grey swan events’ (major risks that are predicted but never pinpointed in time). Whether in the context of other zoonotic diseases, natural disasters, political and economic protests or the effects of climate change, the pandemic has helped put risk management as an imperative squarely on the agenda. Development actors must deal with uncertainty by investing both in their own risk management mechanisms, but also supporting countries where they are working to do the same – thereby allowing for nimble, effective and timely responses.

- **“SDG revival?” Where to from here for Agenda 2030?** The pandemic diverted attention away from the 2030 Agenda and the Sustainable Development Goals. It has also shifted the focus of development actors from the medium term to the immediate and – to some extent – from the development to the humanitarian realms. What are the implications of the current crisis for the achievement of the SDGs? How to bring this agenda back on track and actively use the SDGs, including SDG16, as a framework for recovery, preparedness and transformation? How to prevent a further reversal of development gains?

While much of what we are experiencing in the context of the COVID-19 pandemic in 2020 and 2021 is exceptional – requiring new and innovative approaches, as mentioned above – some of the responses to the current challenges requires going back to the basics. As such, many of the implications for development actors noted above are neither new or original; they serve rather as a reminder of the timeless lessons learned from development work, and the principles upon which development work must be based: context matters; people come first; development is political; development cannot take place at the expense of the planet, good development is risk-informed and human rights based; participation/inclusion is a must and, cooperation is key. As we seek to chart pathways out of the pandemic, investing energy into putting these principles into practice is what will help unite development actors in their efforts to ensure that we do indeed emerge out of James N. Rosenau’s “dense jungles” into “sunlit clearings”.


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ENDNOTES

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