





## Introduction

This Report explored barriers and solutions to fulfilling the promise of leaving no one behind; a promise central to the SDGs. Our cross-country and regional analyses show that SDG progress in the Global South has been mixed. On the one hand, national governments have made critical progress in aligning policy frameworks with the Agenda and garnering widespread acknowledgement of the importance of not leaving the most vulnerable behind. On the other hand, weak coordination among relevant stakeholders and poor horizontal coherence remain impediments to achieving the Goals. Siloed work continues to undermine national governments' abilities to address systemic problems and create the conditions necessary to end poverty.

Three layers of analysis and action to progress the 2030 Agenda have been connected together in the Report, and discussed in depth in its previous chapters. Ibrahim Hathie explored who is excluded from achieving the Goals. Exclusion, as a global phenomenon, is more complex than ever. Individuals and groups experience overlapping forms of discrimination, which constrain their capabilities and opportunities to lead decent and fulfilling lives. A better understanding of what it means to be excluded in the Global South is crucial, but not enough; it is important to understand how the Goals are interconnected to build integrated policies that leave no one behind. For this reason, the team lead by Gala Diaz Langou delved into the links between the Goals in their chapter. Policymakers should integrate different levels and types of exclusion into their analyses, but also need to maximise positive impacts and minimise often overlooked trade-offs. But even a well-integrated and coherent national policy is not enough to achieve the 2030 Agenda; a global perspective is required. Vaqar Ahmed and Shehryar Khan Toru demonstrated that with such a global Agenda, policies cannot be thought of only within national borders or frames of reference. Their analysis explores these global systemic concerns and their impact on national policies. Regulation of global technological goods and services, trade regimes, climate change agreements, and global security policies and strategies were all identified as global systemic concerns. Governments need to respond to these global issues to ensure that they do not exacerbate inequality and exclusion. Further, the global community must take into consideration how they impact states and implement best-practice governance arrangements.

The Report underscores how complex it will be to accomplish the 2030 Agenda. While the targets and indicators are valuable tools in monitoring accomplishments, working on each Goal in isolation will not yield the desired results. We must look to approaches that can serve the Agenda as a whole. Given the importance of the upcoming decade for the implementation of the SDGs, this concluding chapter focuses on how collective capabilities can address the issues identified in previous sections.

## Refocusing efforts on collective capabilities for the 2030 Agenda

A common thread emerging from the Report is that narrowly focused policies are not enough to ensure no one is left behind. Rather, the 2030



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Agenda requires us to think about collective capabilities and integrated actions.

Individual and collective capabilities are intertwined. While certain capabilities are available directly to the individual, others need to be hosted by organisations or networks of organisations, such as in a school system or the productive sector of an economy. 'Collective capabilities' refer to the real opportunities available to a group, community, or country. Realising collective capabilities is crucial to developing collective agency: the capacity to define common goals. Furthermore, collective capabilities enable collective action: the ability to act effectively (Pelenc, Bazile & Ceruti, 2015).

For too long, development has been equated to targeting individual needs (Amsden, 2012; Andreoni & Chang, 2016). As a result of the interest in individual capabilities over the last decades, many development policies and programmes have also focused on the individual. The capabilities approach has enabled us to see that the expansion of individual capabilities allows people "to live a life they have reason to value" (Sen, 2000 p.18). These capabilities, including literacy, good health, and political freedom, depend on the provision of basic education, health care, and a social safety net. Existing frameworks, such as the Human Development Index (United Nations Development Programme, 2019) and the Multidimensional Poverty Index (Oxford Poverty, Human Development Initiative & United Nations Development Programme, 2010) have thrown a spotlight on the living conditions of individuals beyond income levels, including additional measures of wellbeing.

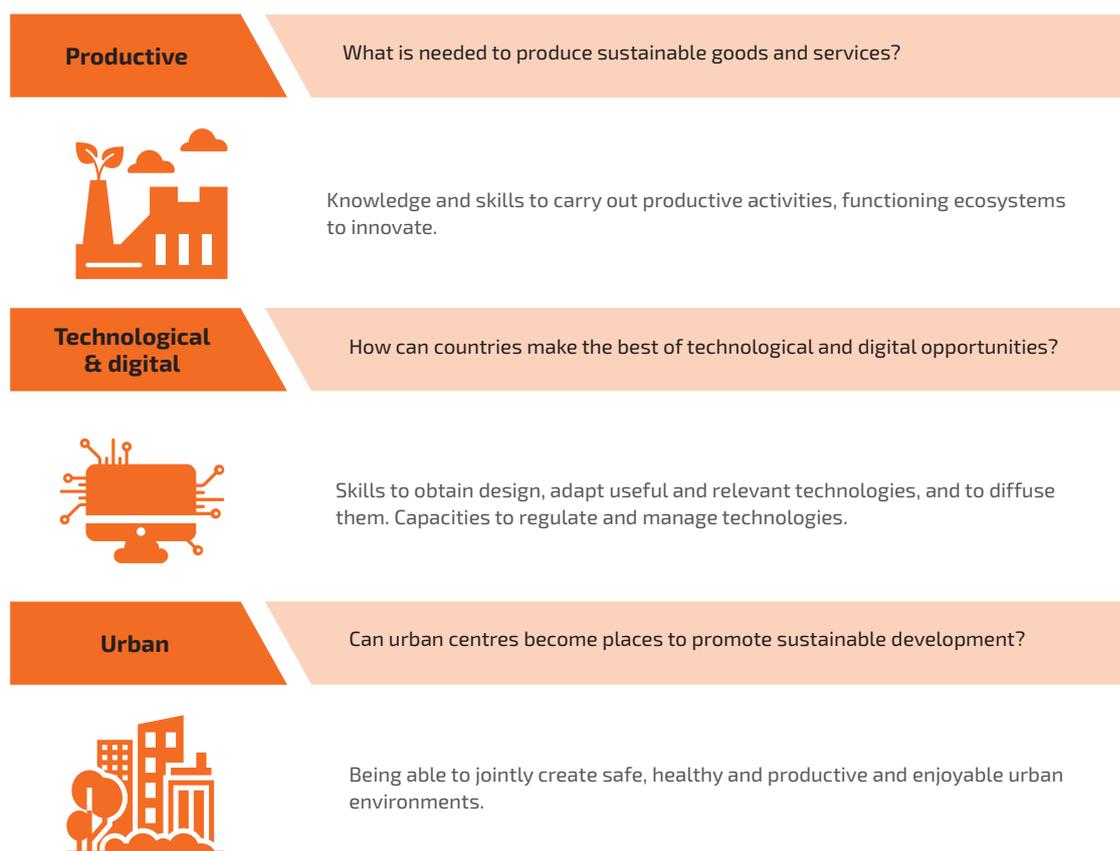
Focusing on the individual has its limitations. Take, for example, employment generation, an issue explored throughout this Report. The widespread focus on the individual has translated into policies that target the education and qualification of job-seekers. A simple expectation is that improving these will automatically stimulate the demand for employment. However, a leap from better-qualified individuals to above-subsistence employment is only possible through the transformation of productive structures and investment in new industries, to create more jobs and entrepreneurial opportunities (Amsden, 2012). Industrial limitations, and social norms and values, affect the possibility of turning education into employment. For example, expectations about the role of women in society may impede their ability to join the labour market.

Focusing on collective capabilities is not to ignore individual ones. What is required is a better interplay between individual and collective capabilities. Otherwise, the investment and effort put into developing individual capabilities will not translate into the systemic transformation required to achieve the 2030 Agenda. Peoples' ability to choose a life they value is highly dependent on acting with others who value similar things (Evans, 2014). In this sense, individual capabilities depend on collective capabilities. At the same time, persons with more individual capabilities can become more active members of groups and communities. If countries and international agencies focus on strengthening collective capabilities over the upcoming decade, this may lead to the transformational change envisioned in 2015. Fortunately, many of these capabilities are already enshrined in the

2030 Agenda. What they require is greater attention and energy, as well as a framework for analysis and translation into action and policies.

What do collective capabilities mean in the context of the 2030 Agenda? To clarify how collective capabilities support the 2030 Agenda, and how to think about them in practical terms, they can be organised into different types. Collective capabilities will always require some level of cooperation and coordination, between individuals or organisations. Figure 7.1 summarises some of the most critical collective capabilities and how they relate to the achievement of the SDGs. There are different ways in which one can think about these capabilities and the level of analysis. In this section we summarise three that have overarching relevance to the 2030 Agenda: productive capabilities, technological and digital capabilities, and urban capabilities. These serve as examples and inspirations to reflect upon the importance of collective capabilities across different policy sectors.

Figure 7.1. Collective capabilities for the 2030 Agenda



Elaborated by the authors.

## Productive capabilities

Productive capabilities refer to the personal and collective knowledge and skills that allow companies to work, and the production of goods and services to take place (Andreoni & Chang, 2016). They shape countries' competitive assets and productive structures, which in turn generate employment and economic growth (Amsden, 2012).

Having individuals with quality education is important, but insufficient to develop a territory, such as a city or a state, and to produce goods and services. Productive structures are complex social institutions that depend on various forms of cooperation and knowledge. Development requires collective and systemic efforts to accumulate productive knowledge through constructing better organisations and cross-fertilising ideas that can transform individual entrepreneurial energy into collective entrepreneurship. The Economic Complexity Index (ECI), which measures how complex a national productive system is, reaches similar conclusions: the tacit knowledge to produce different goods and services is central to how countries progress from exporting raw materials to more complex goods and services (Hausman, Hidalgo, Bustos, Coscia, Chang, Jimenez, Simoes & Yildirim, 2006). This knowledge, which is not individual but collective, is critical for development. Productive structures are essential for development since they either assist or prevent the generation of sustainable growth that translates into long-term poverty reduction in countries

Since productive capabilities are not the same in all countries, differentiated approaches are required to support productive transformation. An important first step is assessing which goods and services countries produce, and how these can evolve. In the context of the 2030 Agenda, institutions and norms that allow people from different backgrounds, with different skills and personal capabilities, to participate in the productive sector should be established. The case studies carried out for this report (Fernando, Arambepola, Niles & Ranawana, 2020; Nair, Shah & Sivaraman, 2020; Alcázar, Bullard, & Balarin, 2020) point to many women remaining outside of the productive sector: not necessarily because of a lack of skills or education, but due to social and cultural factors.

Productive structures need to be inclusive, not only by targeting the poor through policies in the informal sector or small enterprises, but also by improving market governance. Rules to create new companies, competition, financial intermediation, and rules of contracts are critical requirements. As highlighted in the chapter on global systemic concerns, national arrangements need to consider how local productive sectors are connected to the global system – and ensure that these issues are incorporated into policies.

Further, productive capabilities must include not only the knowledge and skills to produce goods and services, but also reduce the impact of the economy on the environment, and promote decent jobs and equal opportunities. The case study on the garment sector in Sri Lanka (Fernando et al., 2020), highlights a broader challenge: countries that develop productive capabilities for certain economic sectors, such as fast fashion, are often not environmentally sustainable. In the context of the 2030 Agenda, policies and programmes to enhance productive capabilities must transition towards a more sustainable model of production and consumption.

## Technological and digital capabilities

Technological capabilities include the knowledge to make useful investments in technologies, and to design or adapt these technologies to local contexts. These capabilities are closely related to productive

capabilities (Lall, 1982), and can encompass energy, agricultural, construction, manufacturing, and transportation technologies. For example, in respect of energy, countries do not only need access to new, more environmentally friendly technologies, but also the capabilities to identify the appropriate mix of technologies to adapt them to local conditions and to eventually produce their own (Andreoni & Chang, 2016). Often, this is impossible without strong productive and industrial sectors, and without the know-how of the industry. Debates should expand to focus on the technologies themselves as well as the structures to make the best use of them.

In addition to these more conventional technologies, it is also crucial to develop digital capabilities, which refer to recent innovations in the field of information and communications technology (ICT). In fact, the fourth industrial revolution is a combination of new and traditional ICTs, in which has brought about emerging trends such as artificial intelligence, the internet of things, automation, neurotechnology, blockchain, and smart materials. Due to the prevalence of digital technologies, developing countries need to develop these capabilities. As with other collective capabilities, digital capabilities include some which exist at the individual level, and others that are organisational or even institutional. At the personal level, basic digital skills to access digital spaces and technologies include operating a keyboard and touchscreen, sending and receiving e-mail, and navigating online search engines. More advanced digital capabilities relate to electronic work, such as programming, coding, managing big data, and developing applications. (ITU, 2018 cited in James, 2019). Digital services are expanding and impacting even people without basic digital skills. For example, digital identification systems such as India's Aadhaar programme affect even those without any digital skills (James, 2019). Other technologies, such as the internet of things, work without expert user input. Wearable technologies and home appliances collect data automatically and can process this information and make decisions based on algorithms without the user's involvement. The end user does not always know what is done behind the scenes, which translates into more data being collected, less autonomy and greater risks (van Deursen, 2018). This highlights the importance of considering digital capabilities not only as personal skills, but as necessary collective capabilities to address attendant risks.

In the context of the SDGs, it is important to consider the implications of technological and digital innovations across all societal sectors. For example, in relation to SDG 4 (quality education), adopting new classroom technologies does not always translate into better knowledge and skills acquisition by students. The capabilities to choose the right technologies and adapt them to local contexts are critical to enhancing these policies. The case study of Peru (Alcázar et al., 2020) highlights how important these capabilities are. The Education for Work Programme, a flagship initiative of the government to respond to technological innovations and economic globalisation, is plagued by serious design and implementation issues exemplifying the lack of necessary technological capabilities. The programme has not taken into account the different infrastructure quality across the country, which further widens the digital divide. Most importantly, there are gaps in both pedagogical design and teachers' abilities. Interestingly, for a country that has identified the need to develop the ICT skills of



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its students, the access gap between Peruvian rural and urban schools has actually increased in the last ten years, both for primary and secondary institutions.

Developing technological and digital capabilities may also entail being critical about these technologies and their adoption if they are not appropriately contextualised. It is important to note that digital technologies are designed in developed economies to respond to the needs of developed countries, which may not comport with the needs of developing countries. Furthermore, technologies build on previous versions and sets of pre-existing inputs; it is thus easy for poor people even in developed countries to be left behind since they may lack the skills or resources to keep up to date with them (James, 2019). What this means for developing countries is that technologies should be, wherever possible, implemented in light of available physical and institutional infrastructure, while also remembering that they evolve quickly.

Finally, technology policy is highly connected to the global sphere, and global governance is crucial. In the context of the 2030 Agenda, countries require capabilities to navigate these global spaces, and must ensure technologies adopted are effective, sustainable, and serve their goals and objectives. Technologies and innovations defy geographical borders without the direct involvement of governments. For example, online platforms for outsourcing tasks and jobs are becoming increasingly popular across the Global South. More than 60 million workers in low- and middle-income countries are registered on such platforms (Heeks, 2017 cited in Malik, Nicholson & Heeks, 2018). The possibility of allowing workers to earn a higher wage has attracted governments and development cooperation agencies, which are putting resources into new platforms and are capacity building to make use of existing ones (Malik, Nicholson & Heeks, 2018). Despite the interest in these platforms, concerns over the extent to which they can really improve the livelihood of workers in the long term remain (Graham, Hjorth & Lehdonvirta, 2019). In general, for digital services and platforms, governments strive to have greater control over data, and to increase their capacity to tax digital activities. As a result, BRICS nations are investing in digital capabilities, including new legislation and data protection frameworks (Beli, 2019). Nonetheless, these issues cannot be solved by separate governments alone; global governance arrangements are important to minimise negative impacts.

## Urban capabilities

Urban capabilities refer to the social, economic, and ecological functions of effective human settlements (United Nations, 2017). As populations grow, cities become critical spots for various development challenges of the 2030 Agenda. Their growth poses particular challenges to rural sectors. With more than two thirds of the world's population expected to live in cities by 2050 (United Nations Department of Economic and Social Affairs [UNDESA], 2018), cities can catalyse the change required to achieve the SDGs, or they may become barriers to progress. As Hathie mentions in his chapter, exclusion has a clear spatial dimension.

The functioning of cities depends on the interaction and cooperation of their inhabitants. While urban planning and regulations are important

for cities to function, the actions and attitudes of their inhabitants are critical. The SDGs integrate the importance of settlements in Goal 11 (sustainable cities and communities) with specific targets on housing, and transportation and pollution, among others. It is not only these indicators that are relevant for cities. More integrally, functioning human settlements are a prerequisite to progress across the SDGs since they are the places where all aspects of the Agenda converge. Some of the symptoms of dysfunctional cities are visible across many countries, such as spatial segregation, unplanned growth, and a lack of waste management. They have a detrimental effect on the achievement of the SDGs. For example, determinants that affect health outcomes in cities include urban governance, as well as physical and socio-economic environmental settings (Borrell, Gotsens & Novoa, 2019).

The day-to-day experiences of people in cities and other settlements affect how the 2030 Agenda is accomplished. The studies carried out for this report show that in many places, lack of urban capabilities limits the opportunities for individuals. For example, the case study in Peru (Alcázar et al., 2020) shows how poor public transport mostly affects the opportunities of vulnerable youth. The outskirts of Lima, home to the poorer sectors of the population, are disconnected from public transport lines. Young people from these neighbourhoods spend a significant portion of their day commuting: hours that could otherwise be used to improve skills, enjoy leisure time, or take part in economic activities. This lack of urban capabilities is also highlighted in the case studies of Sri Lanka and India (Fernando et al., 2020; Nair et al., 2020), where factors that would enable women to continue working, such as affordable childcare and secure transport, are often absent.

The importance of cities in the 2030 Agenda is highlighted when considering the synergies and trade-offs between Goals and Targets. It is not only important to create job opportunities and to provide childcare in an abstract sense. It is important for these to be located where people actually live to ensure that they facilitate a work and life balance. Otherwise, without proper spatial planning, these ideas do not have their intended positive impact.

Given the limited space in cities, they are by nature contested spaces. For this reason, urban capabilities do not only comprise technical competencies, such as architectural and infrastructure planning, but also the political participation and engagement of a city's population. Inhabitants should be able to shape the way public services and spaces respond to their needs and expectations. The final objective should be for cities to use spaces in ways that reflect sustainable development, where citizens can access the social and ecological services needed for a fulfilling life.

## **Enhancing collective capabilities for the 2030 Agenda**

Having identified some of the key common capabilities that societies around the world can use to implement the 2030 Agenda, the concluding chapter now considers the development of these capabilities. The state plays an important role as convener, organiser, and promoter



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of collective capabilities. This requires modern and innovative governments. But the very complex nature of the challenges ahead means that national efforts alone will not be enough to address them. Global partnerships can contribute to the development of common capabilities.

## **Changing role of the state in supporting collective capabilities**

Transformations needed to implement the 2030 Agenda require that the state focuses on developing not only individual, but also collective, capabilities. The role of the state is crucial in creating an adequate environment where these transformations can occur. Such a role is adaptable to both continuous endogenous and exogenous changes, and differentiated because it is context specific.

The state has an important role in the economy, but also in the provision of health, education, and environmental protection (Fine & Pollen, 2018). The state also provides legal and social frameworks that support societies to convene around collective goals. There have been significant academic debates regarding the types of government interventions in the economy and other aspects of society, and the extent to which these interventions are beneficial. What a state intervention is remains debatable since it depends on where it takes place. An example is the creation of environmental regulations to guarantee the right to a clean environment. In many developed countries, living in a clean and healthy environment is considered a legitimate right of citizens and it is therefore not an intervention subject to debate. However, in a developing country context, such regulations are perceived as trade barriers affecting the operation of a free market. In other words, an action led by the state will be considered an intervention depending on the country and the rights viewed as legitimate there (Chang, 2002). Thus, understanding the role of the state demands prior knowledge of what is and is not considered an intervention. Cultural and social norms complement formal regulations (Chang, 2002), and guide state-led interventions. Together with the contextual background, these norms shape state actions, which is precisely what makes the role of the state so unique.

Defining the diversity of state profiles requires more than “simplistic typologies” (Compagnon, Chan & Mert, 2012). While social, cultural and historical backgrounds shape state interventions, this is not the only reason why states act differently. Some countries are better equipped than others with functional laws, procedures, and rules. The existence of these institutions, strong or weak, means that exogenous factors, such as global governance issues, affect countries differently. At the same time, it demands that the state embraces diversified roles.

The state reacts and, ideally, anticipates, global challenges and dynamics: from facing the fourth industrial revolution to the effects of a pandemic. Globalisation is at the core of exogenous state challenges. It has led to multi-level governance where networks of international and private sector actors have decisive roles. The assumption that global challenges are too vast, and state capacities too limited, has given rise to the creation of partnerships, especially with the private sector. The trend towards privatisation and the promotion of

public-private partnerships (PPPs) has resulted in a reduced field of manoeuvre for the state. Most importantly, the prominence of other actors has sometimes led to the state being underestimated. The growing trend towards partnerships has been reinforced by the argument that the only way to scale up funding for the SDGs is through the private sector. Early involvement of prominent actors is crucial to meet an ambitious Agenda; however, strengthening them at the expense of weakening the role of the state is questionable.

The globalisation of the world economy, as well as deregulation and privatisation, have enabled the emergence of large transnational corporations and financial conglomerates (Martens, 2017). Increased market concentration has put greater power in the hands a few corporations and private actors. Large institutional investors who lead current PPPs in infrastructure—such as pension, insurance, and sovereign wealth funds, could lead governments to meet the needs of investors instead of the population (Boys, 2017 as cited in Martens, 2020). Some argue that this situation has translated into states growing weaker across the globe and a loss of public trust in the them. This has been exemplified in the review of SDG implementation in Latin America (Beneke de Sanfeliú, Milan, Rodríguez & De Trigueros, 2020).

In addition to relying on partnerships with other key actors to implement ambitious international agendas, the role of the government is to allocate sufficient public funds to meet its commitments, the SDGs included. Evidence shows that even in contexts where allocating sufficient domestic resources is challenging, governments have used innovative taxation mechanisms to channel financial resources to achieve the 2030 Agenda. In particular, in Sub-Saharan Africa, some states have imposed taxes on mobile money transfers to capture the informal economy (Kasirye, Ntale, & Venugopal, 2019).

The role of the state in creating partnerships and promoting an environment for collective capabilities to flourish has often been overlooked. The state can do more than strengthen productive structures. The state has not only tackled market failures, but also network and opportunity failures (Mazzucato, 2011). Take, for example, innovation, which is an outcome of collective efforts. The state has been at the forefront of the promotion of innovation, and has also undertaken an active entrepreneurial role. Its funding has been instrumental for the development of most general-purpose technologies (Mazzucato, 2011). It is often assumed that breakthrough technologies are the result of the private sector's inherent innovative nature and risk appetite. What most observers neglect to note is that without the early-stage funding and networks provided by the state, these technological advances may never have materialised.

Far from stating a general definition of the role of the state, some conclusions can be drawn. State interventions need to be locally adapted and responsive to context, social norms, and institutions that govern the country. This is a precondition for securing a safe environment that supports the development of collective capabilities. The role of the state is in constant flux. The state can define the macro characteristics of its institutions and put them to use creating collective capabilities, as well as harnessing the potential of partnerships. It can establish and change laws and policy, and influence people's values (Chang &

Rowthorn, 1995), which is crucial when achieving a challenging set of Goals such as those in the 2030 Agenda.

## Global partnerships that support the creation of common capabilities

SDG 17 affirms that joint development processes are best enacted through networks and partnerships that include all stakeholders (UNDESA, 2015). The purpose of partnerships is to increase ownership of the SDG framework and address global challenges through synergic interactions and shared responsibilities. The 2030 Agenda refers to two types of partnerships for implementing the SDGs. One is the Global Partnership for Sustainable Development, which is a vehicle for improving international cooperation in implementing the Agenda. It aims to facilitate global engagement to implement and mobilise all available resources to achieve the SDGs. The others are multi-stakeholder partnerships that complement the Global Partnership. They aim at mobilising and sharing knowledge, expertise, technology, and financial resources to support the implementation of the SDGs. These partnerships can be global, regional, national, or subnational. In this section, the term 'partnerships' is used to refer to both types of partnership, as they are mutually supportive.

When governments agreed to adopt the 2030 Agenda, they also agreed to work towards an enabling international environment which includes a coherent and mutually supportive world trade infrastructure that respects and sustains planetary boundaries, and monetary and financial systems. The achievement of SDG 17 (partnerships for the goals) requires a wide range of sectors and actors to work together to engage and leverage their resources, knowledge, and capacities to respond to current and future sustainable development challenges. There is no lack of interest in such partnerships. The UN Partnerships platform<sup>1</sup> has already registered 1103. The question at this stage is to what extent are they strategic and impactful.

Multi-stakeholder partnerships can have a transformative impact by addressing systemic challenges that hinder long-term transitions towards sustainability. These transformations may include the creation of a fairer trade system or a supportive global environment for knowledge exchange and innovation. To do so, multi-stakeholder partnerships should act as platforms for the generation of collective capabilities. Interactions should be transformative, effective, inclusive, and accountable. Most importantly, interactions should address context-specific needs and reflect regional, national, sub-national, and local development strategies.

Moreover, as the global context changes, there is a pressing need to evaluate the evolving roles for states and other global actors, and the principles that govern their interaction within partnerships. The same is true for geographical borders. The role of multi-stakeholder partnerships in implementing of the 2030 Agenda is expected to blur geographical boundaries by merging global and local, as well as state and non-state, stakeholders. Against this backdrop, partnerships should possess the following two characteristics:

<sup>1</sup> See <https://sustainabledevelopment.un.org/partnerships/goal17/>

## Partnerships need to be more horizontal and support structural transformations

Partnerships must acknowledge a range of interested actors and be willing to transform underlying structures of inequality. Partnerships should have a multi-stakeholder approach and be composed of a variety of partners, including governments, regional groups, local authorities, non-governmental actors, international institutions, and the private sector. By convening a diverse range of actors that would not otherwise work together, global partnerships can contribute to context-appropriate solutions to global problems such as climate change and unequal trade conditions.

Horizontal and equal partnerships also require thinking about where power is vested, and the impact it has on countries' abilities to generate common capabilities. Principles of ownership and mutual accountability are already enshrined in the Paris Declaration and the subsequent documents guiding effective development cooperation. These principles are intended to strengthen the position of governments usually in receipt of aid, allowing them to have a say in the programmes.

Partnerships are crucial in eliminating barriers that compromise countries' access to assets and tools, or that may prevent them from being equal participants in the trade system. Multi-stakeholder partnerships can introduce and support the use of technology to foster innovation, contribute to the adoption of new policies to enhance industrial and urban conditions for development, and provide public infrastructure by facilitating access to data, technology, and funding.

Disparities in power and levels of development are inevitable; however, partnerships should act as bridges for actors to address their needs and interests from a place of shared agreement and principles. In practice, power asymmetries, capacity gaps, and the shrinking policy space persist.

## Partnerships should provide sufficient public policy space to states to develop common capabilities

For countries to create of common capabilities, they require increased access to the public policy space. The concept of policy space focuses on the tension between international integration, and autonomy available to states to pursue policies that effectively support their economic development (Mayer, 2009). To properly address the issue of policy space, it is necessary to critically re-examine the principles and contradictions that dominate international negotiations, especially in relation to differential treatments, less-than-full reciprocity, flexibility, and national autonomy.

Goal 17 of the 2030 Agenda incorporates the concept of policy space. More specifically, target 17.15 states that policy space should "respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development" (Organisation for Economic Co-operation and Development & United Nations Development Programme [OECD & UNDP], 2018). This target



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is measured by the extent of country-owned results frameworks and planning tools by providers of development cooperation. However, the outlook on increasing policy space is not encouraging. The data of the GPEDC monitoring framework show a reduction in the use of country-owned frameworks from 64% in 2016 to 62% in 2018 (OECD & UNDP, 2019). It is also important to consider that the conceptualisation of policy space from the lens of development cooperation, as stated in the SDGs, can be a limiting perspective. While a development cooperation practice more responsive to country-specificities is key to ensuring more transparent and development-oriented processes, it is not enough to conceptualise what policy space is supposed to achieve.

When thinking about productive capabilities, for example, policy space has a crucial role to play. Global rules are among the factors that more severely constrain countries' abilities to generate growth and ensure long-term sustainable development (Andreoni, Chang, & Estevez, 2019). Significant research exists on how trade agreements restrict states' policy space and how this has allowed power to be concentrated in a handful of global actors that exert pressure on national governments and international organisations to enforce unfavourable global rules (Chang, 1994; Chang, 2003; Chang, 2005; Hamwey, 2005; Overseas Development Institute, 2007).

It is particularly worrying that current partnerships support and even encourage agreements that clearly undermine policy space. WTO+ agreements, such as bilateral investment treaties (BITs), free trade agreements (FTAs), preferential trading areas (PTAs), and regional agreements such as the Transpacific Partnership (TPP), are used to introduce restrictions on policy autonomy in the Global South. They are increasingly used to induce developing countries to make concessions that are not necessarily related to trade (Andreoni et al., 2019).

The generation of technological capabilities, which are also connected to the generation of productive capabilities, illustrate the importance of policy space. These connections are highly dependent on countries' ability to use and adapt existing technologies to foster innovation. Shrinking policy space impacts trade-related intellectual property rights (TRIPS) and can undermine countries' abilities to use existing technology and adapt it to solve pressing issues, such as energy generation and climate change. In the current global context, IPRs and copyrights, along with international standards, are acting as controls and limits on innovation in developing countries (Andreoni et al., 2019).

A Global South-friendly scenario enables developing countries to test different institutional arrangements and leaves room to formulate local solutions to development challenges. Increased policy space for developing nations would result in greater policy autonomy that would help them leverage institutional innovations to develop common capabilities. Partnerships within the SDG framework should commit to challenge and transform global norms and practices that damage and reduce developing countries' policy space.

## Conclusion

As we begin the most critical decade for the implementation of the SDGs, it is imperative to transform the framing of the 2030 Agenda; it must change from a list of disconnected Goals and Targets, to a more holistic plan for action. The nature of the challenges ahead calls for transformation at a structural level and requires reframing 'old' questions around the systems that hinder progress at the global and regional level. The moment is right to bring back to the table questions—and answers—on what is really needed for countries in the Global South to achieve the SDGs while meeting their own development priorities.

This chapter focuses on collective capabilities as one approach to face the challenges identified in this report. Unlike individual capabilities, collective capabilities cannot be achieved in isolation. They require coordination and cooperation at different levels. Collective capabilities focus on communities and structures that allow individual efforts to become transformative.

We have centred our attention on three interconnected collective capabilities: productive capabilities, technological and digital capabilities, and urban capabilities. Recent progress has shown that it is no longer sufficient to develop individual capabilities if these are not combined with support structures. For example, the development of an individual capability such as education needs to be backed by a dynamic labour market, and a conducive environment for knowledge and technology transfers. The persistent gaps between the achievement of these capabilities in the Global South and the Global North hinder the possibility of many countries to achieve the SDGs.

A focus on collective capabilities brings attention back to ensuring that states and other stakeholders support the transformations required to achieve the 2030 Agenda. One way to do this is through partnerships. The state plays a crucial role not only in creating partnerships, but also in promoting an adequate environment for collective capabilities to prosper. Increased policy space, and therefore, greater policy autonomy, would allow developing countries to exercise institutional innovations to advance of common capabilities. New partnerships and collaborations in the coming decade must not prevent states from promoting collective capabilities. Instead, partnerships should provide countries with sufficient policy space, support equitable institutional arrangements, and commit to a vision of sustainable growth for all.

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