

“We need Justice Not Business as Usual”

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As we all know the MDGs are the main plan at the international level for tackling poverty and drawing attention to issues of development and they are a representation of the highest political commitment to eradicate poverty. These goals also provide a point of departure for civil society at the international and national level to deal with issues of social exclusion and poverty. But the extent to which they advance the promises made in the Millennium Declaration is unclear. Achievement of the MDGs is thus far uneven within and between countries and among their populations. For example, it's been found that the way in which the MDGs are measured, in ratios, masked the continuing inequalities facing populations that are traditionally marginalized and discriminated.

There is a real danger that the MDG targets will not be met by 2015 unless industrialized countries meet their commitments on ODA and create an enabling environment that is respectful of human rights. Developing country governments must also do their part to meet their obligations under international law to prioritize the protection of the most vulnerable, to not have any regression in the situation these populations face and to respect human rights charters and standards. And governments can go a long way in doing so by setting up national standards to achieve the MDGs that take into account the resources available to them and their national realities as well as their responsibility to protect human rights. The role of the poor in participating in these process and civil society is of utmost importance as these are prerequisites for creating accountability and guaranteeing the rights of the most affected to participate in these programs, policy making and delivery of public services.

Issues of accountability play a central role in achievement of the MDGs and corruption within developing countries must be taken into account as well as issues of comprehensive national and global governance. In this sense creating an accountability mechanism at the high level plenary meeting in September—as proposed by the General Secretary's “Keeping the Promise” report—is a welcomed step forward but this must balance collecting qualitative and quantitative data without preference over one or the other and civil society must be recognized as an active stakeholder within that mechanism. The June Civil Society Hearings which took place in New York were a welcomed initiative but these must be followed up with a call for broad civil society participation in the summit itself. This is of special concern given the reduced space for civil society in the COP 15 at Copenhagen and the 54th Un Commission on the Status of Women in New York.

Additional challenges posed by climate change and the financial crisis must be dealt with within the current framework. Funds for climate change adaptation and mitigation should not divert from existing ODA but should be new and additional. And given that the OECD indicates that many countries are not on track to meet their commitments on ODA governments need to be reminded of their commitments and a demand should be made that they comply by putting in place binding timetables at the national level towards the attainment of the MDGs. Debt relief should not be counted as ODA. Furthermore, it is clear that the emergency proportions and challenges of the interlinked global crises require new forms of financing for development including a Financial Transaction Tax.

Goal 8 of the MDGs called, precisely, for the establishment of global partnerships around trade, aid, debt cancellation and technology transfer in order to enable developing countries to achieve the other seven goals on health, education and sanitation.

Some progress has been made since in cancelling the bilateral and multilateral external debts of some of the poorest countries, Nigeria and Iraq, but this is far from enough. On trade, there are no positive moves. A development round of trade negotiations started in Doha in September 2001. Its development component is insignificant and even so is still far from being concluded. Technology transfer has been made even more expensive by the strict enforcement of intellectual property rules. Foreign aid has not increased at all.

The non-compliance of developed countries with their commitments under Goal 8 is certainly not unrelated with the insufficient progress on the other Goals. The uneven domestic distribution of resources within developing countries is another major obstacle. During the first years of the 21st century, many developing countries experienced high levels of economic growth, but poverty reduction and job creation lagged behind. This failure to deliver on the necessary finance, services, technical support and partnerships was aggravated by the global food and economic crises as well as the failure of various development policies and programs. Thus improvements in the lives of the poor have been unacceptably slow to achieve, while some hard won gains are being eroded.

To approach the MDGs as basic human rights implies linking poverty eradication with enhancing equity and social integration. According to the recent “Rethinking Poverty” report “an integrated approach to economic and social policies for the benefit of all citizens (...) calls for more developmentally oriented and progressive State activism and universalism—as opposed to selectivity—in the approach to social policy”.

There is always a need for focalized social policies in emergency situations, but the observations of our members in the last decade show that those policies are no substitute for the universal provision of social services and rights-based approaches.

The 2009 Social Watch Report, based on reports from civil society organizations in over 60 countries, found plenty of evidence that to invest in the poor, through social services or even direct cash transfers makes for a better stimulus package for the economies as a whole than subsidizing the already rich. The reason for this match of the ethical imperative with economic good sense is simple, in times of crisis affluent people save when they can and risk-aversion demoralizes investors, whereas those living in poverty can only spend any support they get.

The less privileged in rich and poor countries alike not only suffer the direct consequences of the concurrent crises in the form of loss of jobs, savings and even their households, but are also required to pay for the rescue and stimulus packages of the current financial crisis through higher taxes and reduced salaries and social benefits.

In this context, to call for “more of the same” is not the answer. More aid money and better trade terms for developing countries are an ethical imperative now even more than before. But, to face the dramatic social and environmental impacts of the current multiple crises, we need to move beyond a “business as usual” approach and start work towards a comprehensive justice program:

- **Climate justice**--recognition of the “climate debt”, investment in clean technologies and promotion of a decent job creating sustainable economy, additional and new funds for climate change adaptation and mitigation

- **Social and gender justice**—which would include achieving the MDGs, adequately addressing inequality and social exclusion specially with regards to the appalling lack of progress on gender equality, carrying out an audit in collaboration with civil society to measure to what extent achievements under the MDG process have reached marginalized and excluded communities. As well as the inclusion of the human rights framework including existing international human rights charters and standards as the primary underlying guarantee for achievement of the MDGS and transformational change, universal access to quality and affordable basic public services and “dignity for all” should not be hampered by trade agreements, debt obligations or the financial crisis. In this sense the Social Protection Floor is a welcome beginning for the realization of the right to social security and as a potential tool for achieving minimum standards and core obligations of human rights but this must be coupled with State commitments to the progressive realization of higher levels of protection as resources become available.
- **Plain old justice**—(judges and tribunals) to demand and monitor the basic social rights and provide effective remedies for violations of human rights, creating mechanisms were these don't exist or enhancing existing mechanisms to end discrimination, guarantee gender equality and prioritize the most vulnerable. International mechanisms can also play a larger role in monitoring gaps in areas where States are not complying with human rights.
- **Financial, fiscal and economic justice** --the financial sector should pay for the crisis they created, through a financial transaction tax or similar mechanism; speculation needs to be regulated, tax heavens and the ‘race to the bottom’ in tax policies ended or reverted, developing countries allowed defensive control of capital flows and policy space to meet their human rights obligations and achieve the MDGs.

Additionally, donors should review and, if appropriate, increase or redirect their assistance to developing countries to enable them to mitigate and more effectively respond to the crisis in accordance with their national strategies.

The crisis should be seen as an opportunity to advance in key reforms in the global economic governance, including reforms of the BWIs and debt workout mechanisms.

World Bank governance reform: Voice and participation of developing countries in the governance of the World Bank needs to be reformulated so that it effectively reflects its development mandate.

IMF governance reform: It is imperative to undertake a comprehensive and fast-tracked reform of the IMF giving its increasing role in lending to developing countries. This process will increase its credibility and accountability and can also have direct affects on the availability of resources for developing countries for financing of MDGs, sustainable development and social protection.

Avoid a new debt crisis: Many developing countries had to rely on increasing borrowing from the international financial institutions. The World Bank increased its lending commitments by US \$12.8 billion in 2009 to record levels, and the IMF made additional commitments of US \$70 billion. The deepening financial crisis in combination with other concurrent crises threatens to increase the debt and therefore threatens the debt sustainability of developing countries and achievement of the MDGs. This growing pressure limits the ability of these States to enact the appropriate fiscal measures to mitigate the impact of the crisis or engage in development financing. Appropriate measures must be taken to mitigate the negative effects of the crisis on the indebtedness of developing States and to avoid a new debt crisis.

Additionally, there is a need for exploring enhanced approaches to the restructuring of sovereign debt based on existing frameworks and principles, broad creditors' and debtors' participation and comparable burden-sharing among creditors. And debt workout mechanism, suggested many years ago, is now a high priority in the international agenda.

Developing countries need a larger share of additional resources – both short-term liquidity and long-term development financing. We call for an urgent examination by the Summit of mechanisms to ensure that adequate resources are provided to developing countries, especially the least developed countries. The General Assembly should come out with concrete proposals to ensure resources. Both short and long term liquidity and grants at adequate levels and concessionary terms will need to be made available to developing countries.

ODA Commitments: Developed countries must meet the longstanding goal of mobilizing 0.7% of GNP in ODA and scale up their existing bilateral and multilateral ODA commitments and targets made in several international fora.

In order to meet the agreed commitments and targets in ODA, developed countries must establish clear and transparent timetables within their national budget allocation process to reach the level of at least 0.5% of ODA by 2010 and 0.7% by 2015, at the latest.

Debt relief should not be counted as part of the ODA contribution.

A monitoring mechanism should be setup within the UN and a comprehensive review of the ODA framework must be undertaken by donors and recipients in a balanced framework, not dominated by the donors and in conjunction with non-governmental organizations and civil society with a view to promoting better coordination, avoiding fragmentation, and duplication of activities, ensuring predictable flows over multiple year periods, and allocating adequate resources to the countries most in need, especially the LDCs.

Trade and Finance: Developed countries should resist protectionist measures and rectify cases of agricultural subsidies and non-tariff barriers to trade which undermine the efforts of producers in developing countries. The right of developing countries to use legitimate trade defense measures and to fully utilize their policy space in accordance with their national priorities, which include the MDGs, has to be reaffirmed.

Migrant remittances play an important role in international financing and contribute to the financing gap in development as well as promote development, the achievement of the MDGs, and growth in developing countries. Given this contribution developed countries in conjunction with developing countries should facilitate remittances and reduce transaction costs. Furthermore, developed countries should resist the unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration.

Innovative Forms of Financing: Carbon taxes and international Financial Transaction Taxes are two mechanisms with enormous potential both to generate resources for the global public good, including the MDGs and achieving human rights standards, and to control public bads such as climate change and financial volatility. Banking secrecy needs to be curtailed and the "race to the bottom" stopped so that countries are able to tap successfully on domestic resources for their own development. In this regard it is essential to strengthen and upgrade the United Nations Committee of Experts on International Cooperation in Tax Matters.

Improving financial regulation: There is a critical need for expanding the scope of regulation and supervision and for making it more effective, with respect to all major financial centers, instruments and actors, including financial institutions, credit rating agencies and hedge funds. The need for tighter and more coordinated regulation of incentives, derivatives and the trading of standardized contracts is also clear.

Debt resolution mechanism: there is a need and feasibility for a more structured framework to solve debt problems of developing countries. Such a debt work out mechanism is now urgently needed and it should have “broad creditors’ and debtors’ participation and comparable burden-sharing”.

Another area that requires some serious attention and reform is the G20. This group is delving into economic policy making fiercely and is doing so without the vote and voice of developing countries the most vulnerable and least responsible for the crises, and using a business as usual approach. While promising to repair the global economy and build an inclusive and sustainable recovery, G-20 leaders have instead injected 1.1 trillion dollars into many of the same institutions whose economic, finance and trade policies exacerbated the speed, scale and impact of the crisis. This was done before any substantial reform in the voice and vote of developing countries in these institutions, a principle which has been approved, but not implemented in any meaningful way.

This chaotic governance of the world economy needs to be reformulated and the UN has to play a major role in it. On the one hand the UN provides a transparent and legitimate framework for international decision-making; on the other the UN is uniquely placed to support national development strategies through a coordinated approach of its funds, programs and specialized agencies at the country level. It is therefore important that the UN use the concurrent crises as an opportunity to increase its efforts to improve the efficiency and effectiveness of its development programs in support of system-wide coherence and support of the achievement of MDGs and human rights standards. Yet there is no link between the GA and the G20 where actual decisions are made. The G20 needs to be made more accountable and more evenly balanced in regional terms, within the UN framework. The G20 must deal with the gaps in accountability and representation of the interests of the global community governments should adhere to five key principles and benchmarks for renewing multilateralism:

- 1) Be Inclusive of the poorest countries - Starting with the African Union. There is great diversity among developing countries. Brazil, India, China and South Africa have emerged as important new players, but they cannot be expected to speak effectively to the interests of Sub Saharan Africa or low-income countries and least developed countries, which face specific unique challenges for recovery.
 - 1) *Representative in composition.*
 - 2) *Transparent and accountable.*
 - 3) *Strengthens the role of the UN.* The UN Commission of Experts on the International Monetary and Financial System led by Joseph Stiglitz called on the establishment of a Global Economic Coordinating Council within the UN. This can be a good model.
 - 4) *Open to civil society.*

In times of unprecedented crisis, courage to be bold and innovative is required from leaders. Ten years ago the Millennium Declaration promised “a more peaceful, prosperous and just world”. Social Watch is committed to help citizens from around the world to hold their governments accountable to that promise.

June 22, 2010