

**The World Council of Churches' Statement on the occasion of the
United Nations' General Assembly Hearing with Civil Society on the
Millennium Development Goals
14-15 June 2010, New York**

Tackling the roots of poverty

For Christian churches and the worldwide ecumenical movement, eradicating poverty is nothing less than a moral and ethical imperative. We believe that God's will is for all humanity – regardless of gender, religious belief, race and ethnicity – to experience life in fullness. Thus, together with many civil society organisations (CSOs), we at the World Council of Churches (WCC) applauded the United Nations (UN) in 2000 for taking leadership in the articulation and adoption of the Millennium Development Goals (MDGs), foremost of which is the internationally agreed goal to halve the number of people “living” in poverty by 2015. Discussions on poverty eradication must continue to be a main concern of the UN, where broad participation of all nation-states and civil society could take place. As 2015 looms closer, there is an urgent need for the international community to deeply debate the structural, historical and interconnected roots of impoverishment and the required policy- and systemic transformations leading not just to the attainment of the MDGs but to the eventual eradication of poverty.

The WCC remains profoundly concerned that the global financial and economic crisis – which continues to wreak havoc on economies including in the Euro zone – has thrown tens of millions more people into poverty, swelling the ranks of the disempowered, hungry, thirsty, unemployed, sick and homeless, and further derailing the achievement of the MDGs. At this later stage of the crisis, many countries are being forced to adopt stringent fiscal policies that imperil social and ecological protection – at a time when it is needed most – as well as overall economic recovery. If anything, the crisis has called into serious question the previously widely accepted role of deregulated and liberalised global financial and trade structures in reducing poverty: current evidence points to the opposite.

Yet the international community appears not to have adequately absorbed these sobering lessons. Prevailing financial and trade paradigms are still driven, at core, by the pursuit of ever-higher growth rates and short-term returns at the expense of people's economic, social and cultural rights and the health of our increasingly fragile ecosystems. Mere economic growth, however, has already been shown to be an unsustainable, inefficient – and in some cases, ineffective – way of addressing the global poverty crisis.

Against this light, the WCC reiterates its calls for governments and international institutions – with the democratic participation of all peoples – to pursue economic policies as well as build economic frameworks that move away from the paradigm of unlimited growth and structural greed towards models founded on pro-poor, redistributive growth; universal provisioning of common goods; sustainable consumption and production; and investments in small-holder farms

and small-scale agro-industrial production (where people in poverty are in the majority), social reproduction and ecological protection.

Critical to lifting societies and people out of poverty is a much more equitable distribution of assets (capital, technology, land, education, health care, among others). A wealth of studies reveals that the lack of access by the poor (especially poor women) to assets necessary to achieve socio-economic security as well as higher productivity and income is a “fundamental constraint” on poverty eradication. Studies also show that the poor remain poor because whatever limited assets they possess or have access to tend to be insecure, unprotected and less productive. Emphasising the pivotal role of MDG 8 (global partnerships for development) in meeting the rest of the MDGs, governments and international institutions must seriously respond to widening inequalities among and within nations and the global financial and trade structures that propagate and deepen these inequalities. Much more attention ought to be placed on discussing and developing policies and structures that enable wealth-sharing among and within countries.

Poverty eradication is of course a critical goal in and by itself. At the same time, the WCC has long argued that many of the violent conflicts that continue to rage in different parts of our world stem in large part from socio-economic deprivation. Thus, measures to eradicate poverty and close socio-economic gaps are important pathways to strengthening social cohesion and achieving human security and lasting peace at local, national and global levels.

We believe that mobilising the financial resources needed for poverty eradication and the achievement of the MDGs – particularly through creative forms of taxation inasmuch as taxes are the only sustainable source of development finance – is a matter of moral and political will. At the onset of the global financial and economic crash, governments in rich countries were able to put together trillions of dollars in a matter of months to resuscitate ailing financial institutions; and military spending – including in poor countries that can ill afford to expend scarce funds on guns and tanks – continues to increase, amounting to US\$ 1464 billion in 2008 (SIPRI 2010). We need to re-examine and change such a flawed sense of priorities that places more import on rescuing big banks than on emancipating people from starvation and homelessness. Clearly, the oft put forward excuse of a dearth of financial resources to overcome poverty is instead more indicative of a dearth of life-affirming values.

What the international community can and must do in 1660 days

Reshaping the financial and trade structures that generate and intensify poverty and inequality is a long-term undertaking requiring coordinated action and meaningful cooperation among and between governments and international developmental institutions – as recognised by MDG 8 – beyond 2015. Yet this does not preclude the international community from taking immediate measures and initial steps towards deep-seated transformations. Therefore, the WCC calls

on governments and international institutions to commit to the following actions at the MDG Summit in September 2010:

- Support a series of high-level meetings of the UN General Assembly with substantial civil society participation under the auspices of the Financing for Development process to build an international financial architecture that not only distributes socio-economic risks justly but finances job-creating production, social reproduction and environmental sustainability; and to follow through pro-poor financial reforms proposed by the Stiglitz Commission with a view to:
 - Achieving stronger democratic oversight of international financial institutions, by making them subject to a UN Global Economic Council with the same status as the UN Security Council;
 - Creating and/or transforming financial regulatory institutions and mechanisms and exploring the imposition of financial transaction taxes to deter speculation (whether on currency, food and other commodities) and capital flight;
 - Supporting regional initiatives that decentralise finance and empower people in the global South to exercise control over their own development through such proposed bodies as the Bank of the South, the Asian Monetary Fund and the Bank of the *Alianza Bolivariana para los Pueblos de Nuestra América*;
 - Strengthening tax systems by establishing an international accounting standard requiring country-by-country reporting of transnational companies' economic activities and taxes paid and forging a multilateral agreement to set a mandatory requirement for the automatic exchange of tax information between all jurisdictions to prevent tax avoidance;
 - Establishing a new global reserve system based on a supranational global reserve currency and regional and local currencies;
 - Setting up a new international credit agency with greater democratic governance than currently exists under the Bretton Woods institutions;
 - Setting up an international bankruptcy court with the authority to cancel odious and other kinds of illegitimate debts and to arbitrate other debt issues;
 - Regulating and reforming the credit agency industry into proper independent supervision institution(s), based on more transparency about ratings and strict regulation on the management of conflict of interest; and
 - Using innovative sources of finance, including carbon and financial transaction taxes, to pay for global public goods and poverty eradication.
- Resume the Doha Round of trade talks based on the objective of transforming multilateral trade rules and agreements in support of realising the rights to food, water, health, education, and gainful employment; and in particular to:

- Implement workable common international regulations to end agricultural import dumping; and
- Establish international commodity agreements setting stable base prices for products.
- Channel resources away from military spending and odious and illegitimate debt payments to investment areas with potentially strong anti-poverty impacts, particularly small-holder agriculture, social development and ecological sustainability; as well as ensure that development assistance to poor countries is not diminished in light of current pressures to rein in fiscal deficits.
- Discuss and adopt new and more balanced indicators, such as the Gross National Happiness Index, that factor in social and ecological costs and benefits and therefore better measure and monitor global socio-environmental/ecological-economic progress.