



**Informal Interactive Hearings of the General Assembly with Non-Governmental Organizations, Civil Society Organizations and the Private Sector
United Nations, New York, June 15, 2006**

Statement by Roberto Bissio, on behalf of the Social Watch international network

“We need justice, not business as usual”

Next September the heads of State and governments of the United Nations will meet in this room to assess a decade of antipoverty efforts and discuss the way forward in moments of unprecedented combination of global crises in climate, food, energy, finances and the economy.

The United Nations was created more than six decades ago around the belief in a world free of “fear and want” and with “dignity for all” in a framework of a “just and lasting peace”. In 1995, after the end of the Cold War that dream became the solemn commitment by all heads of State and government to eradicate poverty from the world and to achieve gender equity. In 2000 the Millennium Declaration set the date of 2015 to achieve the most urgent of the internationally agreed social development goals, known as “Millennium Development Goals” or MDGs.

Over a hundred presidents, monarchs and prime ministers signed this pledge: “We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected.” The first of the MDGs promises to reduce by half by 2015 the proportion of people living in poverty and with hunger.

In September 2008, ministers from around the world stated that “however, 1.4 billion people—most of them women and girls—still live in extreme poverty...” Further, in January 2010 the World Bank

announced that “an estimated 64 million more people may be living in extreme poverty by the end of 2010 due to the crisis“¹

With around 1.5 billion people in extreme poverty in 2010 (1.4 in 2008 plus 64 millions added by the crisis in 2009), the poverty reduction promise seems almost impossible to achieve!

In fact, according to the report of the secretary general of the United Nations, the number of people under the \$1 a day poverty line “went up by 92 million in sub-Saharan Africa and by 8 million in West Asia during the period 1990 to 2005”. Further, “the poverty situation is more serious when other dimensions of poverty, acknowledged at the 1995 World Summit for Social Development, such as deprivation, social exclusion and lack of participation, are also considered”.

Speaking to the heads of State in September 2005, when the MDGs were reviewed, five years after the Millennium Summit, Leonor Briones, from the Philippines, said on behalf of civil society organizations: “The Millennium Development Goals will not be reached by 2015, (if) the environment continues to be devastated, and global issues on trade, debt and official development assistance remain unresolved.”

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. It was 0.44 per cent of the income of the donor countries in 1992 and 0.43 per cent in 2008.

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 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 partnerships²” was “aggravated by the global food and economic crises as well as the failure of various development policies and programmes”. Thus “improvements in the lives of the poor have been unacceptably slow to achieve, while some hard won gains are being eroded”.

¹ From the “Accra Agenda for Action”, adopted by the Third High Level Forum on Aid Effectiveness, September 4, 2008.

² *Keeping the promise: a forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015*, General Assembly document A/64/665, United Nations 2010

Mr. Ban Ki-moon, the Secretary General of the United Nations acknowledges these failures honestly and explicitly recognizes the MDGs as “an expression of basic human rights: the rights of everyone to good health, education and shelter”.

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”.³,

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 additionally found a lot 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 Social Watch network, with members in over 70 countries, will actively participate in the process leading to next September Summit, contributing to it with the findings and analysis of civil society organizations from around the world.

“If the poor were a bank, they would have been rescued”, is the sarcastic comment that many people make when the additional money needed to achieve the MDGs (estimated at around \$100 billion a year) is compared with the trillions of dollars disbursed in the last two years in the richest countries to rescue failed banks and try to reverse the effects of the financial crisis.

In practice, though, the less privileged in rich and poor countries alike not only suffer the direct consequences of the crisis in the form of loss of jobs, savings and even their households, but are also required to pay for the rescue and stimulus packages 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 programme:

- Climate justice (recognition of the “climate debt”, investment in clean technologies and promotion of a decent job creating green economy)
- 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)

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Rethinking Poverty: Report on the World Social Situation 2010 (United Nations, 2010)

- Social and gender justice (achieving the MDGs, promoting gender equality, universal basic social services and “dignity for all”) and...
- Plain old justice (judges and tribunals) to demand the basic social rights.

In times of unprecedented crisis, courage to be bold and innovative is required from leaders.

The notion that the polluter should pay for the cleanup of the mess created by his irresponsible behavior is not just based on justice and common sense but is also a political demand that the leaders cannot ignore. Similarly, the citizens from around the world support the notion that the costs of the financial crisis should be paid by the financial agents that were “too big to fail” but did so anyhow. It is unfair and politically unviable to expect citizens to carry alone the burden of their failure, in form of higher taxes and lower salaries and the deterioration of social security, education and health services.

Over the last 20 years, a tiny amount of people, ten million persons, which represent less than half of one percent of humanity, have taken at least one million dollars each out of the control of their governments, of any government here represented, and placed in the offshore shadow economy. This amount of over ten trillion dollars of undeclared and untaxed money is not a buried treasure hidden in some cove, but is actively flowing through the electronic networks, speculating against national currencies, creating instability in legitimate global trade and inflating financial “bubbles” that in turn create, for example, price distortions in agricultural commodities that lead to the food crisis.

Reclaiming control over those wild financial forces of enormous destructive potential over all economies is a subject of international collaboration and this General Assembly, is the legitimate place to take the decisions around international tax collaboration, establishment of a Financial Transaction Tax and earmarking of a substantial proportion of the resources it generates to development, effectively curbing illicit financial flows, including those derived from tax evading “transfer pricing”, and last by not least, establishment of fair debt workout mechanisms for sovereign debts and an affirmation of the legitimacy of debt standstills and moratoria for developing countries burdened by a crisis they did not create.

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 and we expect the leaders of the world to formulate next September the roadmap to make it real.

Thank you, Mr. President