

UN Conference on the World Financial and Economic Crisis and its Impact on Development
Round Table 3 “Present and future impacts of the crisis on employment, trade, investment and development goals and the Millennium Development goals” (25th of June, 2009)

Civil society groups and social movements from around the world came here to the UN looking for urgent, effective, and equitable response to the crisis. Unfortunately, the outcome document or outcome consensus does not reflect the urgency and depth of the action needed to commence on reforming the international economic architecture, which is the only way we can really protect the people from violations of social and economic rights and from falling into poverty. Obstructive insistence from many industrialized countries and international institutions on maintaining the same policies and institutions, on maintaining the debt of developing countries, and on promoting the Doha Trade Round, have steered us off track towards the real needed reform.

Yet, the answers will never be found in re-regulating the same system; this is not enough because it will lead us to similar crisis in a few years. What we need is a new global economic and financial system that allows for building an alternative development model, one that reflects rights based and equitable principles that fully integrate gender equality. Today’s consensus cannot be BUT the beginning of a process that leads us to answers that address the real systemic causes of the crisis, including real commitment to debt cancellation and setting new mechanisms to ensure that sovereign rights of borrowing countries are respected and their voice heard. It should include new debt-free resources needed for mitigation of the crisis implications, as well as real steps on the reform of the governance and role of the international financial institutions. It should also include clear direct and timed strengthening of the UN role to take front and centre role in restoring coherence in international economic policy making.

I come from the Arab region in which governments have increasingly relied on the logic of market-led economic growth and profit via trade liberalization and over-reliance on export-oriented growth policies that marginalize domestic production needs. Not only did these decisions maintain fragile achievements on the human development front, and increasingly restricted the policy space available to our governments to draw economic and social policy making, but they also became the channels of transmission of the crisis to our countries. Recovery of developing countries will not be an automatic process. Recovery requires recreating the policy space for developing countries and their democratic ownership of national policy making. Such policy space cannot be regained without ending all forms of policy conditionalities by international financial institutions, and reforming the global trading system, including reversing and stopping many of the agreements that have limited the ability of our governments to take action in response to the crisis, including needed regulation.

The feelings of injustice in light of the crisis are not misplaced; there are very real and genuine reasons for people to be angry. Maintaining inequalities and violations of people’s economic and social rights will fuel up conflict and political instability that is already widespread in many regions; thus becoming further barrier to undertaking adequate and effective measures to save people from the crisis. This will take us from crisis to catastrophe.

Today, we see the way forward in giving strong political commitment to the process of follow-up of the conference, and setting on its agenda all the issues where this conference fell short of realizing, among which is debt cancellation and restructuring, reforms of the international financial institutions, and changing the rules of finance and the trends of production and consumption. As we welcome the consensus on the follow-up working group, we stress the importance of developing a clear and effective mandate in which there is space for civil society groups and social movements to effectively participate. Such process should lead to more developed multilateral instruments under the United Nations for reforming global economic and financial systems.

The follow-up process at the global level need to be complemented and aligned with regional dynamics that allow for re-thinking regional integration as a solution to the crisis and towards building alternative development projects that are more sustainable and equitable.

We cannot move into a new model of co-existence and development without participation and inclusion at all levels of governance and decision making, including the global level, regional and national levels. This should include the voices of various stakeholders among them civil society, labour and women’s groups. Thank you.