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Civil Society and the G-192: Putting our words into action

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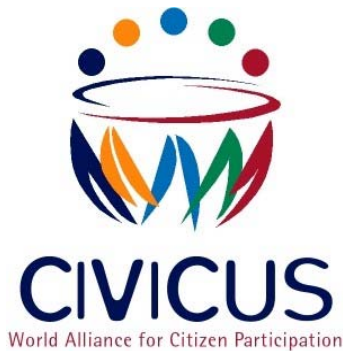
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Civil Society and the G-192: Putting our words into action *Ingrid Srinath, Secretary General, CIVICUS*

1. Civil society is as diverse as the societies whose voices we seek to amplify. It is, therefore, impossible to sum up civil society's response to the London G-20 meetings in a few neatly packaged sound bites. Nonetheless, some broad themes were apparent.
2. The meltdown of global financial systems and the rolling economic crisis have utterly shattered the claim that unfettered markets are our best or only route to global prosperity and growth, let alone equity or justice. These crises now threaten jobs and lives in countries that played no part in the genesis of the crises and lack the capacity to cope with their impact.
3. The scale and alacrity of the bailouts to banks and the economies of developed countries have stood in shocking contrast to the recalcitrance of those countries in meeting their commitments on ODA - and to the prescriptions imposed on the developing world in previous financial and economic crises via the Washington Consensus.
4. Much of the response from private sector, the G-20 and the Bretton Woods Institutions appears to emphasise as rapid a return to 'business as usual' as possible. We would rather opt to ensure that all responses - private, governmental and intergovernmental - build on a vision for the future that addresses the root causes of the current crisis and begin to lay the foundations of a sustainable future for humanity and the planet.
5. There is a strong conviction that current global institutions are clearly inadequate to the task of governing the globalised worlds of finance and trade in scope, coordination and representation and that they must be re-engineered to ensure democratic representation and accountability to those impacted by their actions - not merely those who provide their capital - and transparency in decision-making and governance.
6. The heady initial responses to the trillion dollar numbers that grabbed the headlines at the London summit quickly unravelled as the numbers were

dissected. The gaps between the headline numbers - on enhancements to IMF capacity or even the Bank's new trade finance and vulnerability funds - and the realities of resources that are both new and committed, are not conducive to restoring faith in this group of leaders or the global financial institutions.

7. There has been deep concern across civil society about the perceived attempts to systematically marginalise the United Nations in particular from the processes of global decision-making and crisis response. While the World Bank in particular, has tried to position its interventions as substituting for the absent voices of the smaller, less powerful economies at the G-8 or G-20, it has been perceived as being less supportive of UN processes that are more inclusive and representative of the world's governments as well as civil society.
8. Aldo Caliari, Director, Rethinking Bretton Woods Project, speaking about the Financial Stability Forum/Board, said, "These are welcome steps towards inclusion of developing countries in financial standard-setting bodies and respond to longstanding demands agreed by the all governments already in 2002. It is regrettable that it took a crisis of this proportion to shame the members of such bodies into fulfilling such commitment. However, the troublesome nature of these and other standard-setting bodies as formed by a small group of self-appointed countries that issue rules of alleged global scope certainly remains unaddressed. The membership is still composed of a fairly small group of countries that can claim no representation of the vast majority of non-members who, repeated experiences show, have to bear the brunt of the impacts of decisions that go wrong."
9. Despite the fine words in the G-20 communique it seems clear that there will be only token progress towards better regulation and oversight of the financial markets - hedge funds, banking supervision and rating agencies - and no significant move towards redressing macro-economic imbalances and no attempt to address the questions around the dollar denominated monetary system. Even as leaders of the 20 largest economies profess to a commitment to coordinated action and sound warnings against protectionism and cuts in development assistance many of their actions are out of sync with the rhetoric.
10. Fine words were also used to describe the need for reform at the IMF and the World Bank. Seven years of internal discussion have so far achieved a meager 2.7 point increase in the percentage of voting allocated to developing countries at the Fund. We await even that scale of change at the Bank. And while the G-20 brought forward the next review of quota shares by a couple of years, it does nothing to challenge the inequitable formula on which this system is based. The International Policy Centre for Inclusive Growth in Brazil reports 224 conditionalities imposed on 15 countries in 2008 alone. We eagerly await evidence of the commitment to ensure that "heads and senior leadership" of the international financial institutions will be appointed through open, transparent and merit-based selection processes.
11. If civil society is to support a greater role for either the Bank or the Fund, or both in dealing with the current crises, this is only likely if such enhancements

are accompanied by clearly visible commitment to genuine institutional reform, even greater advocacy on behalf of the world's poor and marginalised, admission of their past and present errors and injustices and sincerity in their inclusion of civil society voices in decision-making.

12. The United Nations Conference on the World Financial and Economic Crisis and its Impact on Development, scheduled from 1-3 June in New York, provide us our best opportunity yet to demonstrate our support for the more inclusive UN approach. While not all of us will be able to participate directly in the event we can all do our part in ensuring that our countries are represented at the highest level. And that our leaders are made aware of the views of the peoples they represent. We can also ensure that we feed our own inputs and feedback and those of our constituents to the UN processes and that all our constituents are kept informed of developments as the process unfolds. The UN NGLS website (<http://www.un-ngls.org>) is a great resource in this regard.