

## ECOSOC high-level meeting with BWI, WTO and UNCTAD “Global Governance”, 11 March 2011

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Mr. President,

After the financial crisis people around the world are faced with low and even deteriorating economic situation. It is already clear, that the Millennium Development Goals will not be met in many countries. At the same time, we see today the highest and still growing number of billionaires.

More than ever, civil society therefore sees the need for substantial improvement in the global economy. Policies are needed that can build just, participatory and sustainable societies. This requires far-reaching reforms of the international financial architecture, which cannot be decided by the G-20 alone, but needs response from the entire international community.

Legitimacy and proper governance are the first requisite for a proper financial architecture and any necessary expertise can be built accordingly. Expertise alone, as in the Bretton Woods institutions, cannot replace political decision-making.

Chile mentioned the proposal made by the UN Expert Commission in 2009 to set up a *Global Economic Council* with similar status as the Security Council. It would have a rotating membership on the basis of equitable geographic representation and receive expertise from a new *International Panel of Experts*. This Global Council within the UN would constitute a globally representative forum to address problems and areas of concern in the global economy in a comprehensive way. In any case, such new bodies within the UN could be as effective and would be more legitimate than the G20.

Civil society organizations welcome this proposal and think that one major task of such a Council should be to develop a “*Charter for Sustainable Economic and Social Development*” as the overall normative framework of global economic governance. It should establish principles for the world economy and for mechanisms of international cooperation. So far, only the G20 has started to work on a “Charter on Sustainable Economic Activity”, which is not the same. We also think that this important matter should not be left to the G 20 and international institutions alone.

Given the current lack of inclusive alternative forums for debate, the case for strengthening the Financing for Development (FfD) process has never been stronger. Although the FfD process has two days of discussion now, the follow-up process is still too weak and does not produce substantive outcomes.

Strengthening the follow-up requires a permanent mechanism tasked to produce concrete negotiated conclusions and resolutions. We therefore see the need to establish a **functional ECOSOC Commission on Financing for Development**, as an intergovernmental body, to ensure concrete outcome and action oriented follow up. Such a FfD Commission would be a platform for debating global economic governance reform, and address lack of coherence and inequality in the global economic system.

All other main areas of the UN, like social development, sustainable development, status of

women, population and development etc. have special Commissions. We do not understand why the FfD process, which deals with issues that are so important, does not have a permanent, intergovernmental body.

The common objection, we hear is that there should be no new bodies, no duplication and no additional cost involved in reform. The G20 however, and its new sub-groups have been created without such concern.

The G20 has created a new working group on development. Do they plan to develop development policies for the rest of the world? Or if they plan to include voices of non-G20 countries, how much additional cost will be involved in such a new structure? In the end, will this mechanism become kind of a second UN with quite a different power structure? Why should the UN and its members travel and meet with the G20? Would not save cost and effort, if the G20 meets within the UN?

Civil society around the world understands the UN as the inclusive and legitimate body and thinks it is high time that the UN takes bold steps for reform and improves global economic governance.

Thank you, Mr. President