



**NGO Committee for
Social Development**

 **Social Justice in
Global Development**

COMMISSION FOR SOCIAL DEVELOPMENT

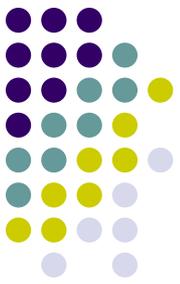
Fiftieth session, United Nations

Special Event: Financing of Social Development

3 Feb. 2012, 3:00-6:00 pm

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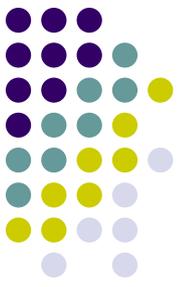
High time for change

- For decades, governments have been following a development paradigm according to which developing countries focused on economic growth before starting to redistribute income and enhance social development.
- Today the world economy is producing more inequality than prosperity, more insecurity than progress.



A new development paradigm

- The new development paradigm today should aim at stabilizing societies as well as stabilizing economies.
- We need to find the right balance between social and economic investments.
- To address it effectively we must focus on addressing inequality and redistribution.
- The NGO Committee for Social Development started a global campaign for the establishment of the social protection floor initiative (goal: 1 million signatures).



1. Mobilize national resources

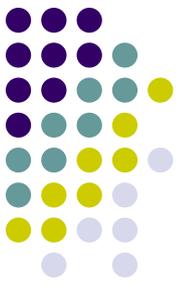
- by supporting the establishment of efficient, progressive taxation systems and strengthening financial administration,
- by transparent income reporting and effective taxation of transnational corporations,
- by supporting the repatriation of stolen public assets such as those caused by theft by corrupt public officials,
- by closing tax havens, and
- by creating a UN Tax Commission.



2. Regulate Foreign Direct Investment

- by creating appropriate regulatory frameworks that ensure corporate accountability,
- by introducing standards and control to assure that business activities are in line with human rights, including worker`s rights (UN Ruggie Principles),
- by arranging bilateral and free trade agreements that promote social development, decent work and environmental protection,
- by designing rules (esp. with regard to outsourcing, subcontracting) in competitive markets so that they are not pursued at cost of workers` rights.

3. Establish fair rules for world trade



- by fostering accumulation of domestic capital through trade especially for developing countries that are disadvantaged because of the agricultural subsidies and tariffs of developed countries,
- by regulation of commodity markets and curbing excessive speculation, esp. with food,
- by reviewing WTO rules to enable developing countries to have special and differential treatment.
- Developing countries must be accorded the policy space to determine whether, how and when they want to liberalize sectors and markets.

4. Initiate new international financing instruments for development



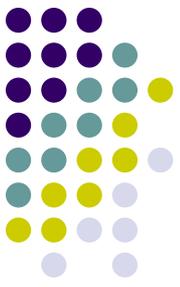
- by meeting the target 0.7% GNI ODA and the 0.15 to 0.2 % target for the least developed countries,
- by allocating more ODA to the social sector, and
- by redirecting at least 2% of military budgets to finance social protection programs,
- by expanding the solidarity levy on air tickets,
- by introducing currency and financial transaction taxes to ensure steady and predictable sources for financing social development,
- by taking on a cost-sharing approach, if recipient countries show high levels of corruption and military spending.

5. Implement lasting and sustainable solutions to the debt problems

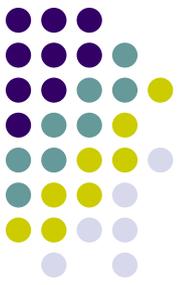


- by expanding debt cancellation, including haircuts by creditors, especially banks,
- by debt for social protection exchange (swaps),
- by including social and environmental criteria in the IMF`s debt sustainability framework,
- by eliminating socially harmful conditionality,
- by introducing a Charter of principles for responsible lending and borrowing,
- by establishing an independent, fair and transparent debt arbitration mechanism.

6. Reform the international financial and governance system by

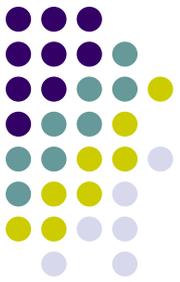


- substantial reform of the governance of the BWIs
- establishing cross-border supervision and regulation,
- adopting a rights-based approach to poverty eradication,
- establishing a “Financing for Development Committee”,
- creating an UN expert panel on economic issues,
- creating a Global Economic Security Council or Sustainable Development Council for policy-making on economic, financial and environmental issues with balanced regional representation within the UN (UN Stiglitz Report 2009 and GSP Report 2012).



Conclusion

- A combination of financing efforts and structural reforms is needed to promote social development.
- This requires a framework of good governance domestically, and
- a reformed international governance structure which is **re-distributive** and **pro-poor**.



Thank you

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