

**Talking points: C4UN Experts Dialogue (7 Feb 2022)**  
**GA#2 Thematic Cluster: economic and social inequalities**  
**Maria Theresa Nera-Lauron**  
**Rosa Luxemburg Stiftung**

- Recent pronouncements from the UNSG lays clear the imperatives of the situation the world finds itself in, as well as what needs to be done to rebuild and flourish – with the OCA as a roadmap for the future.

*'Humanity faces a stark choice: breakdown or breakthrough'*

*We cannot afford to replicate the inequalities and injustices that continue condemning tens of millions of people to lives of want, poverty & poor health.*

*Increasingly, people are turning their backs on the values of trust and solidarity – the very values we need to rebuild our world and secure a better, more sustainable future.*

- UN Secretary General António Guterres

- 3 years into the unprecedented multiple and intersecting crises exacerbated by the pandemic, the OCA should be able to generate a lot of excitement, optimism and **trust** that would mobilize support across a broad range of actors.
- As an activist from the global South, as a woman and a mother whose lived reality is that of perpetual insecurity over the future with chronic poverty, unemployment, landlessness, inaccessibility of privatized basic services, lack of social protection, displacement from climate impacts and 'development' projects that extract our resources, and repression staring at us in the face for speaking truth to power – I have held on to the belief that when everyone gets their acts together to do the right thing, we can all not just imagine, but actually realize a better, more sustainable future.
- Today's global challenges are enormous and needs to be addressed urgently and concurrently. There is no doubt that the structural and systemic transformations required to tackle these crises, eliminate inequality and to achieve universal human rights can only happen through forms of multilateralism that guarantee democracy, human rights, and dignified lives for present and future generations. But unfortunately, it is also clear that multilateralism continues to fall short in addressing the inequalities arising from unequal power relations between the Global South and the Global North, within societies, between women and men.
- We know that current system of global governance is a complex, multi-layered system of norms, institutions and treaties that should be mutually reinforcing, but are frequently competing or conflicting. The multilateral system is a mixed affair with inherent contradictions and tensions, as highlighted by competing multilateral frameworks and institutions where we often see:

- (a) human rights and environmental protection obligations of States stifled by trade and investment regimes that destroy the environment and displace communities;
  - (b) unfulfilled commitments to deliver on global public goods with a global financial architecture that allows for tax avoidance and illicit financial flows; and
  - (c) unrealized aspiration of economic and social development, and shared prosperity with certain multilateral institutions that have a separate set of rules imposing unjust macro-economic policies on developing countries.
- We need a much more effective, coherent, democratic, and accountable multilateralism. One that would create coherence between different multilateral frameworks, transform these, and rebalance the power and dominance of rich countries and their corporations.
  - ‘Our Common Agenda’ is huge, and civil society across the world have raised serious concerns on the OCA, particularly on how it sees the process of transformation happening:

There is a real and present danger that instead of reaffirming the role of universal and democratic intergovernmental processes, ‘networked multilateralism’ could further undermine the UN.

Bringing to the policy decision-making table duty bearers, rights holders and corporate interests alike, and assuming that they are ‘equal stakeholders’ conceal the deeply ingrained asymmetries of power and voice between these actors. And creating new processes even while there are dedicated intergovernmental forums that exist does not help strengthen nor reinvigorate multilateralism.

What is needed is ‘inclusive multilateralism’ that ensures intergovernmental negotiations on key global challenges are transparent and accessible to people who can then hold their respective governments accountable to ensure ambitious decisions.

- The proposals around reforming the global economic and financial architecture were for sure, done with the best intentions. (But so is the road to hell).

The existing Financing for Development (FfD) process is already mandated to address urgent global systemic challenges on debt, international tax and illicit financial flows, private finance, innovative finance, ODA, trade, technology and financial regulation. The FfD process already recognizes IFIs, in addition to WTO and UNCTAD, civil society and private sector as stakeholders for inputs while ensuring that negotiations are clearly intergovernmental with Member States as decision makers.

The 2009 Ffd conference on ‘the world economic crisis and its effects on developing countries’ was a direct response to the global economic crisis. The challenge is not the lack of existing processes to convene but the need to overcome the obstinate blocking from a handful of Member States in the UN who prefer such decision-making to happen in undemocratic forums rather than the UN.

- The urgent need for multilateral reforms is to ensure democratization of global economic governance such as the need for a global debt workout mechanism at the UN, establishing a universal, UN intergovernmental tax commission and a global technology assessment mechanism at the UN.
- The SG himself stated this in his report “Economic governance is driven disproportionately by a small number of States and financial actors and is siloed from other areas of international agenda-setting and decision-making”. But instead of taking steps to democratize global economic governance, he proposes a Biennial Summit between the G20 and the ECOSOC, SG and heads of IFIs.

The UN, which is not a creditor itself, is best placed for an inclusive and democratic forum to provide a lasting multilateral solution to the debt crisis. And we don’t need to create a new process for this - as the FfD process is already mandated to address these challenges on sovereign debt without looking at these issues in siloes but as interconnected with other systemic issues in the FfD agenda.

- We have seen just last year, evidence of how leaving sovereign debt discussions in the hands of a few countries (mainly lenders) is a sure formula for failure to address the profound reforms needed in the international financial architecture. None of these much-lauded initiatives are debt cancellations; they are merely suspensions, with many debt payments still due to be paid in the coming years.

This, even though much of developing countries’ debts are illegitimate, are colonial legacies, were lent irresponsibly and unfairly to finance harmful projects and policies such as fossil fuel industries, were driven by predatory lending with onerous and unjust terms, while often failing to comply with legal requirements and human rights principles. Many of these debts are also in contrast with the historical, social, climate debt owed by rich and developed countries to the Global South because of centuries of colonization, plunder and exploitation.

Developing countries were able to push for a 2014 UNGA resolution committing the UN to work towards creating a multilateral legal framework for a debt workout mechanism that would ensure a systematic and timely approach to orderly, fair, transparent, and sustainable sovereign debt crisis resolution. Then and now, all these efforts have been hampered by a lack of cooperation from the G7 governments and others.

- For many years now, developing countries have also proposed that the UN Committee of Experts on International Cooperation in Tax Matters be transformed into a global, inclusive norm-setting body for international tax cooperation. This is an outcome from the Addis Ababa FfD that was rejected by rich countries who wanted to keep the decision-making power over global tax governance behind closed doors.

We call on the leadership of SG and member states to instead focus on the clear call by G77 and CSOs to establish a universal, intergovernmental UN tax body and negotiate a UN tax convention. This would go a long way in ending inequality and redistributing wealth and resources especially since developing countries have lost trillions of dollars through widespread tax avoidance, tax evasion, tax fraud and profit shifting, facilitated by bank secrecy and a web of shell companies registered in tax havens.

- Reforming GDP must be understood going beyond changing an economic indicator to include the value of unpaid care work and informal economy in a GDP v2.0 within the existing growth-fixated, economic models.

It is about the structural transformation away from extractive and exploitative economic models that deny women and girls equitable access to quality public services and goods. It is about needed policy responses that look at redistributing unpaid and paid domestic work and investing in the strengthening of the care economy. This implies providing sufficient financing for gender-responsive public services, including qualitative care work, and for universal social protection programs.

- In the last several decades, transnational corporations (TNCs) have emerged as the most powerful non-state actor or entity operating nationally and globally. Many TNCs have become even more powerful and wealthy than the governments of the countries they are operating in. Increasingly, corporations are presented by governments and multilateral institutions as indispensable partners in development.

However, realigning the business models to the imperatives of sustainable development will not come through voluntary approaches. It requires a new set of bold public norms, policies, and investments. It requires the reaffirmation, rather than the abdication, of the role of the State in defining a new set of global rules that uphold the centrality of human rights.

We need the leadership of the SG to call on governments to regulate businesses, including through engaging constructively in the ongoing development in the Human Rights Council towards an international legally binding instrument on Transnational Corporations and other Business Enterprises.

The above proposals might not transform multilateralism immediately and completely into the way we want it to be, but they are proposals that are beginnings, with important elements that can contribute to **building trust** and broader ownership of the agenda. They are actionable when there is political will and can inspire innovative thinking and ideas. Many are primarily the duties of different levels of government and multilateral institutions but can be propelled into reality by campaigning and mobilization of civil society and social movements around the world.

Only then can we really say this is 'our common agenda.' And hopefully, with this, we can restore trust in the institutions of multilateralism, and achieve the aspirations of genuine sustainable development.