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N e w s f r o m
E C O S O C

Newsletter on the work of the United Nations Economic and Social Council

ECOSOC -- The 54-member Economic and Social Council serves as the central forum for discussing

COSOC ELECTS NEW PRESIDENT FOR 2004 (continued)

In his statement to the Council, the outgoing President H.E. Ambassador Gert Rosenthal (Guatemala) said he was relinquish

South cooperation, into the high

The Ad Hoc Advisory Group visited Burundi from 19 to 26 November 2003, to meet with national and international development stakeholders. On the governmental side, the Group met with the President and the Vice-President of the Republic and had a working session with a number of Cabinet Ministers, led by the Minister of Planning, Development and Reconstruction. Meetings were also scheduled with the Bureaux of the Senate and of the National Assembly, the Implementation Monitoring Committee, an independent body created to monitor the implementation of the Arusha

expect that the forthcoming 2004 Regular Session would once again be “paperless.”

Following NGO Section’s progress report on the Outreach Programme and UN NGO Irene, the Representative of Turkey announced the decision of his government to contribute \$10,000 to the General Voluntary Trust Fund in Support of the United Nations NGO Informal Regional Network. This amount, pledged by the Government of Turkey represents the first contribution received into the Trust Fund since its establishment by ECOSOC in 2002.

The end of the committee’s 2003 Resumed Session also signaled the end of the term of office for its chairman, Ms. Mihaela Blajan of Romania. There can be no doubt that Ms. Blajan, one of the few women to preside over this 57 year- old body, has left an indelible mark during her incumbency.

By rotation, the next Chairman will be drawn from one of the four seats representing Asia in the Committee

58TH SESSION OF THE GENERAL ASSEMBLY

2003 report of the Economic and Social Council

On 20 October 2003, the President of the Economic and Social Council introduced the report of the Council for 2003 (A/58/3, Part I) to the General Assembly.

Delegates welcomed the work of ECOSOC in 2003. The importance of revitalizing and reinforcing the Council’s role was stressed by all speakers. Speakers agreed that the role of the UN as a whole in economic and social affairs, including its relationship to the Bretton Woods Institutions (BWIs), would need to be rethought and reinvigorated. The suggestions by the President of ECOSOC on reforming the Council also merited careful consideration.

There was broad consensus on ECOSOC’s key role in system-wide coordination and in promoting coordinated implementation of major UN conferences and summits. G-77 looked forward to a summit on development in 2005 to assess progress in eradicating poverty and achieving other internationally agreed development goals in poor countries. ECOSOC’s decision to finalize, by its 2004 session, the multi-year programme of work of its coordination segment on common conference themes was welcomed.

ECOSOC’s operational activities segment had revealed a greater willingness of donors to provide UN operational activities with more adequate resources. Speakers stressed the importance of resuming a dialogue after the failure at Cancun. Market access, subsidies and special and differential treatment were key obstacles to rural development, as ECOSOC’s high-level segment had reiterated.

The establishment of the Ad Hoc Advisory Group on African countries emerging from conflict was seen as an opportunity to improve ECOSOC’s role in filling the gap between relief efforts and long-coordinated.

made at the Millennium Summit, Monterrey, Johannesburg and other major UN conferences and summits resonated in several of the statements made. In his introductory statement, Mr. Jose Antonio Ocampo, Under Secretary-General of DESA, focused on the governance of globalization, highlighting the need of building a global citizenship in order to tackle global challenges and of overcoming the asymmetries that characterize the current global system.

The central issue for the Committee was to reform its methods of work and re-orient its programme of work, including re-arranging its agenda items and re-defining its requirements for reports. This was mandated by General Assembly resolution 57/270B dealing with the integrated and coordinated follow-up of UN conferences. After extensive negotiations on the issue, the Committee adopted decision 58/554 by 146 votes in favour and three against (US, Israel and Marshall Islands) and one abstention (Nauru).

The second important issue this year was the follow-up to the International Conference on Financing for Development. The Second Committee adopted by consensus resolution A/RES/58/230 which gives directions for preparing the Spring meeting of ECOSOC with the Bretton Woods institutions and the WTO and requests the Secretary-General to prepare a report on possible innovative sources of financing for development. ECOSOC is also asked to reflect on the institutional framework for international tax cooperation.

Other resolutions that attracted the most attention this session were the ones on trade and development, external debt and the international financial system. On trade, the Committee adopted resolution A/RES/58/197 which requests

ogy for Development; as well as several keynote addresses including by Nobel Laureate Professor Joseph Stiglitz, Director-General of ILO Mr. Juan Somavia, Chief Economist of the

Second committee keynote address on the social dimension of globalization

On 27 October 2003, the Director-General of the ILO, Mr. Juan Somavia, gave a keynote statement on the social dimension of globalization to a gathering of delegates from the Second

The present model of globalization has promoted the global dimension of economic policies, while forgetting the local. A shift in emphasis is needed to give priority to people, livelihoods, and the voice of the community. It is another example of the imbalance that should be redressed.

As globalization has accelerated, the importance of work has been devalued – the protection of capital has become more important than the protection of people. Monetary and financial issues are important, but not to the exclusion of human security, work and social protection. One of the most contentious issues is that labor has often been considered as a cost of production only. One should always remember that there is a human being behind this reality. Work is not just a source of income. It is also a source of dignity and a fundamental element of peace in the community and social stability. It is at the core of the governments' and private sector's credibility. These historic tensions between the economic and the social/human dimensions of work date back at least to the end of the 19th century. They led, among others, to the creation of the ILO in 1919. There is an urgent need to restore a proper balance between these two dimensions. Collective bargaining, the right to organize and social dialogue are important instruments for addressing all aspects of work, but they are also key elements in a society as a whole.

Apart from the over-emphasis on macroeconomic policy and the under-estimation of the value of work, Mr. Somavia considered the "rules of the game" to be unfair. The liberalization of financial markets and the interconnectivity of financial markets, made countries (e.g. Brazil) vulnerable to "contagion" when there were financial crises in other economies. He also emphasized what he considered as a lack of coherence in the way countries are responding to economic and financial crises. While developing countries are urged to "adjust" and reach budget surpluses, industrialized countries are allowing themselves margins of flexibility leading to growing budget deficits. He said this lack of global coherence of economic policies was detrimental to the world

and created a sense of unfairness. He therefore called for more coherence in the global economic policy.

Referring to the outcome of Cancun, Director-General Somavia was of the view that the current trading system did not allow latecomers to build up their capacity. He said that he often met business leaders (one of ILO's constituents, together with governments' and workers' representatives) who were not opposed to competition as long as the rules were fair. He noted that industrialized countries had been allowed to build up their capacities before opening up their markets; while competitive countries like China and the "Asian tigers" had "selectively" 1382 Tc 2.m6

Referring to the General Assembly's and Second/Third Committees debates, the Director-General said that migration was another multi-dimensional issue emerging very strongly on the international scene. In this regard, he mentioned the forthcoming discussion on migration at the International Labour Conference in June 2004. He went on by saying it was worth noting the change of attitude vis-à-vis the movement of capital and the movement of people. While there had been in the past centuries a strong control of capital but an almost free movement of people, we were now witnessing the exact reverse. On the issue of coherence and the need for a multi-dimensional approach, he called for the strengthening of ECOSOC as a vehicle for bringing about this coherence and approach. He also stressed the key role to be played by governments in ensuring this policy coherence at both national and international levels.

Mr. Somavia concluded by saying that the concerns he raised were being considered by the World Commission on the Social Dimension of Globalization. The work of the Commission marks an effort to engage in dialogue among diverse groups of people and to respond to demands for participatory democracy at the local, regional and international levels. It is an attempt to tackle the challenges of making the benefits of globalization accessible to people, and to address economic and social policy issues from both a national and international perspective. In his view, the UN system has a key role to play in bringing about this change and there is no alternative, even though it goes through its "ups and downs".

Second Committee panel discussion on international trade and development

On 31 October 2003, the Second Committee held a panel discussion on international trade and development. The failure to achieve consensus at Cancun dominated the panel's deliberations. Panelists sought to establish the sources and implications of dissension among WTO members and to suggest measures for breaking the current impasse. Political will and a conciliatory spirit were seen as vital to realizing the Doha agenda and to advancing trade

talks. The contentious topics of agriculture, subsidies, tariffs and the Singapore issues were also at the fore. Furthermore, speakers debated the efficacy of trade as a vehicle for developing countries to escape poverty.

Mr. Pascal Lamy, Trade Commissioner of the European Union, accented the need to ascertain the veritable causes of discord at Cancun. He characterized the recent WTO dispute as inevitable, rather than a mere accident as posited by some. Mr. Lamy asserted that the G90 groups (the group of African, Caribbean and Pacific countries together with other LDCs), deeply concerned with the erosion of their respective markets through the reduction of trade preferences, didn't have a large enough stake in the talks to see them succeed. The G20 for its part had common positions only parts of the trade agenda. The emergence of these large groups clearly signaled that the other countries had better address their concerns, lest future trade rounds meet a similar fate. The weak support to the Trade Round within the United States was cited as an impediment to achieving consensus, especially with regard to the issue of cotton.

In addition, Mr. Lamy attributed the stalemate at Cancun to deep institutional defects within WTO. According to the Trade Commissioner, the WTO was a medieval organization rife with deficiencies, particularly with regard to procedures and modalities. However, the greatest obstacle remained that no actors would agree to tackle the organization's shortcomings, despite unanimous recognition of their existence.

camps before reconvening at the ministerial level. For its part, the European Union was willing to relaunch the Doha talks hoping that Member States would be prepared to reengage

possible for countries to honor their commitments to development made at Doha by following the ten actions points espoused by Eveline Herfkens of the Millennium Development Goals campaign, which include the frequently cited steps of eliminating agriculture subsidies, allowing price protection for commodities and revising trade rules to make it more favorable to developing countries. He objected to the pressure put upon some countries at trade negotiations to take decisions counter to their national interests. He also conveyed concern over serious procedural problems at the ministerial meetings and the way in which the WTO is run, citing a lack of transparency and democracy. On the Singapore issues, Mr. Bissio asserted that 90 countries did not support discussing them going at Cancun, and, without consensus, therefore, it should not have been addressed. He blamed a lack of clarity and transparency and “medieval” procedures of the WTO for the failure of the negotiations.

Second Committee panel discussion on globalization

On 10 November 2003, the Second Committee held a panel discussion on globalization which featured Professor Jagdish Bhagwati, Columbia University; Professor Paul Krugman, Princeton University; Dr. Manuel Orozco, Inter-American Dialogue and Mr. Jean Pierre Ouedraogo, Ligue des Consommateurs du Burkina Faso as panellists. Professor Jagdish Bhagwati, Columbia University, declared himself a proponent of globalization, though he cautioned that it is a very broad and complex topic. He addressed the social implications of globalization, which is most often part of the public discourse. He warned that ‘globalization’ is a multifaceted phenomenon, and stressed the need to disaggregate its various components (trade, activities of multi-national corporations, short-term capital flows, migration, technology flows, intellectual property, etc.) for more meaningful analysis. For instance, while the Asian financial crisis was largely a result of *financial* liberalization, *trade* liberalization had led to an “economic miracle” in some countries in the region; hence, globalization as a whole was not to blame. Economic globalization has to be dif-

ferentiated from social globalization. In this regard, Professor Bhagwati stated that globalization has a human face and does benefit the poor. He cited the example of how globalization can improve the problem of child labor. Therefore, he urged developing countries to implement sound macroeconomic policies and look for the optimal speed at which to liberalize in order to ensure that their citizens benefit economically and socially. He reiterated that it is not to

ernments must support policies such as social welfare and safety nets that improve life for those negatively affected by economic globalization.

Dr. Manuel Orozco, Inter-American Dialogue, underlined the positive and negative implications that globalization has had on development. However, his chief concern was migration and the means by which the phenomenon could be better managed. He stressed that inequality and inadequate national policies – not globalization – had been responsible for the dramatic increase in migrants. International migration, he argued, is contributing to the further integration of the world economy through five channels: transportation, telecommunications, tourism, trade and transfers. Dr. Orozco asserted that migrants contribute heavily to these industries as they keep in touch with family and friends in their home countries. Telephones connect households over distance; airlines and other elements of the tourism industry serve migrants visiting their home countries; and trade is buttressed in more subtle ways as nostalgic migrants consume products exported from their native countries. Transfers or remittances are a great engine of economic growth and development. He estimates total remittances of over \$150 billion – dwarfing total ODA – are sent home by migrants to support their families and to fund grassroots development projects, such as infrastructure improvements and the establishment of local schools and health care clinics. Dr. Orozco emphasized that the economic benefits of migration could be deepened if certain policies were refined. For instance, remittances could serve a public good if financial institutions afforded savings and investment opportunities to migrants. Also, they could link rural populations to new technologies that are also known to help democratize societies, such as cellular telephony and wireless Internet access. A reduction of transfer fees and the cost of calling cards and airline tickets would enable migrants to keep more of their earnings, and thus to invest or save more. Furthermore, remittances could foster development if financial institutions were required to reinvest in the communities where they operated. Dr. Orozco underscored that the United

Nations is well placed to more carefully consider migration issues and to address the negative impacts of globalization, which have caused people to seek to work outside their home countries.

Mr. Jean Pierre Ouedraogo, Ligue des Consommateurs du Burkina Faso, centered his statement on the cotton issue that came under public scrutiny at the Cancun ministerial meeting. He examined the 2001-02 season and the negative

