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High-level event: Promoting a global environment for prosperity for all

Summary prepared by the UNCTAD secretariat

I. Summary

1. The high-level event entitled “Promoting a global environment for prosperity for all” was held at the Kenyatta International Convention Centre in Nairobi on 20 July 2016. The discussion highlighted the importance of creating a global environment that was strong and stable to enable the international community to achieve the Sustainable Development Goals. This would entail a restructuring of the international economic architecture and a revitalization of multilateralism.

A. Introductory remarks

2. In his opening remarks, the Deputy Secretary-General of UNCTAD noted that the world economy was in poor health and that the growth of gross domestic product had not fully rebounded from the effects of the 2008–2009 global financial crisis. In addition, international trade had posted the slowest period of growth in the modern era. Timing was particularly unfortunate, given that the international community had adopted a series of new and ambitious development goals, whose achievement would depend on a strong and vibrant international enabling environment. It was clear that achieving the Sustainable Development Goals in the current global environment was an impossible task. In today’s interdependent world, multilateralism should be the first option for rebuilding the international economic order to deliver prosperity for all.

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B. Panel discussion

3. There was agreement among the panellists that the 2030 Agenda for Sustainable Development gave reason for hope and was rooted in the recognition that it affected all humanity. Reversing the trend towards economic and social exclusion would be a major undertaking if the primacy of human beings over markets was to be achieved. The Sustainable Development Goals offered a possibility for all to work together in a global partnership at the multilateral, national and local levels to ensure prosperity and dignity for all.

4. In the view of several panellists, the current global environment was not, however, conducive to the achievement of the Sustainable Development Goals. The world economy had not fully recovered from the global financial crisis and was again slowing down in many developing countries in particular. The global unemployment rate was on the rise – 200 million people were currently unemployed. Collective action was needed to reverse these trends and kick-start the engines of growth.

5. There were also structural reasons for the financial crisis. The end of the “supercycle” of international commodity prices had had serious repercussions on the growth prospects of many developing countries. It also obliged them to diversify their productive structure and industrialize. Since developing countries were characterized by a diversity of needs and experiences, a one-size-fits-all approach, however, could not work. In addition, there was a need to boost global demand, which could only be achieved through multilateral coordination.

6. Several panellists said that policy space was crucial for developing countries. They required policy space to experiment and address the challenges facing them, an issue that need not be controversial. The global economic architecture, nonetheless, imposed many constraints on developing countries and prevented them from using key policy instruments. This was apparent in macroeconomic policies, as well as in trade, investment policy, intellectual property rights, innovation and the like. The panellists called upon delegates to include policy space in the work programme of UNCTAD, to be reflected in the outcome document of the Conference.

7. One panellist said that financing for development was a key component of the new international development agenda. While foreign direct investment, remittances and official development assistance were essential for development in some developing countries, the domestic mobilization of resources was just as crucial. However, tax evasion and tax avoidance, as well as illicit flows of capital, deprived developing countries of the resources needed to achieve their development goals. UNCTAD should be given a clear mandate to work on these issues.

8. Most of the panellists agreed that the world had changed – progress had been made in many developing countries in the past 15 years, and that there was a need for a new global economic architecture. This could only be achieved through multilateralism, which itself had to be renewed. Global challenges required global solutions; it would be extremely difficult for most developing economies to achieve the Sustainable Development Goals without a significant rethinking of the current global architecture.

9. A representative of the Youth Forum thanked UNCTAD for its invitation to attend UNCTAD XIV, as it was the first time young people had been invited to actively take part in an UNCTAD conference. As youth would “inherit the Earth”, they wanted not only to be heard, but also to be included in the decision-making process affecting their future. Therefore, the role of youth in the efforts to achieve the Sustainable Development Goals should not be underestimated or ignored.

10. Two representatives of civil society organizations said that they considered UNCTAD a platform for reflection and action. UNCTAD should be made fit for purpose in the twenty-first century to advocate the agenda of developing countries. Its work programme should include the challenges faced by developing countries, such as how to deal with unfair trade practices, informality and the lack of decent work, debt sustainability and sovereign debt restructuring, tax evasion and tax avoidance, access to public services and the empowerment of women and youth. UNCTAD should evaluate the effects of multilateral, plurilateral and bilateral trade and investment agreements and their effects on developing countries, including in cases when they were not signatories to such agreements.

11. The ensuing question-and-answer session focused on tax avoidance and illicit flows, development assistance, informal sector development and practical steps to reform the multilateral system. The panellists stressed that the Conference should have a high level of ambition, given that it was the first major United Nations conference to take place after the adoption of the Sustainable Development Goals and that it should help translate these decisions into actions.

12. The main messages of the high-level event were that a robust multilateral system – key to achieving the Sustainable Development Goals – and an enabling economic environment were necessary in an interdependent world. Both prerequisites, however, were lacking. The international community had adopted ambitious goals, but there was no adequate institutional structure in place for them to be attained. A reform of the global economic architecture was thus needed and should be carried out through the multilateral system. UNCTAD, which had an important role to play in that process, should be strengthened.
