

# **Trade and Development Board**

## **Special Session**

### **Talking points by Roberto Bissio, speaking on behalf of Social Watch**

**Geneva, 17 June 2014**

Mr President,

I have the honor of speaking on behalf of Social Watch, which is a network of civil society coalitions in 80 countries monitoring their governments commitments to eradicate poverty and achieve gender equity.

Civil society organizations from around the world struggling for social justice and development have frequently found inspiration in the research and recommendations formulated by UNCTAD and as recently as in Doha we have defended the relevance and mandate of UNCTAD in face of skepticism expressed by some.

Fifty years ago, the world was very different. In 1964 the problems were in the South (poverty, hunger) and the solutions would come from the North: Aid, technology transfer, debt alleviation, trade, investment... In 2014 the problems originate in the North (climate change, financial instability) and the victims are the vulnerable people in the South that had no part in creating them. In the case of the financial crisis that erupted in 2008, UNCTAD was one of the few that saw it coming and warned about the consequences of unrestricted and unregulated financial liberalization.

In envisaging the instability of globalized financial markets UNCTAD also pioneered in formulating one possible solution: the establishment of a multilateral mechanism to renegotiate the debt of countries facing solvency problems so that the burden can be shared in an equitable manner between debtors and creditors. As you know this is, for example, the current practice in the US when municipalities face solvency problems, as was recently the case of Detroit.

The need of a multilateral debt dispute resolution mechanism was highlighted by the financial crisis of 2008 and the debt crises that it unleashed in several European countries. It is dramatically emphasized in these days by the tragic fact that a country like Argentina that is fighting hard to lift its people out of poverty, reconstruct the national economy destroyed by two decades of neoliberalism and recover the trust of the international financial markets is being attacked by unethical “vulture funds” and might be even forced into default by a resolution over its sovereign debt taken by the justice system of another country. This does not only threatens to submerge millions of Argentinians back into poverty but might even put into risk the whole international financial system.

We congratulate UNCTAD for having pioneered in research and proposal formulation in this key issue and we strongly encourage UNCTAD to bring concrete proposals in this regard to the Finances for Development conference that will take place in Addis Ababa in July 2015.

Thank you, Mister President