

Volume 2 – Number 1

# **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**

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ECOSOC -- The 54-member Economic and Social Council serves as the central forum for discussing international economic and social issues, and for formulating policy recommendations addressed to Member States and to the United Nations. It makes or initiates studies and reports; makes recommendations on international economic, social, cultural, educational, health and related matters; and promotes respect for, and observance of, human rights and fundamental freedoms. Subsidiary bodies, commissions and committees of ECOSOC carry out its year-round work. ECOSOC strengthens cooperation within the UN system, coordinates the work of the specialized agencies and consults with non-governmental organizations. A substantive session of the Council is convened annually in July, and supplementary formal meetings as well as informal panels on topical issues are held throughout the year.

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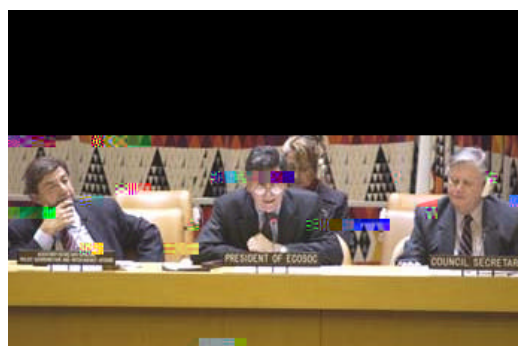
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### **ECONOMIC AND SOCIAL COUNCIL SELECTS BUREAU FOR 2003**

On 15 January 2003, ECOSOC elected its Bureau for 2003. The new President of the Council is Mr. Gert Rosenthal, Permanent Representative of Guatemala to the United Nations. As Vice-Presidents the Council elected H.E. Mrs. Marjatta Rasi, Permanent Representative of Finland; H.E. Mr. Valery P. Kuchinsky, Permanent Representative of Ukraine; H.E. Mr. Murari Raj Sharma, Permanent Representative of Nepal; and H.E. Mr. Abdul Mejid Hussein, Permanent Representative of Ethiopia.

The main functions of the Bureau are to propose the agenda of the Council, draw up a programme of work and organize the session with the support of the United Nations Secretariat.

## **COSOC SELECTS THEMES FOR 2003 SUBSTANTIVE SESSION**

On 19 December 2002, the Economic and Social Council (ECOSOC) chose as the theme for the High-Level Segment of this year's substantive session "Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development", and as the theme for the Coordination Segment "The role of ECOSOC in the integrated and coordinated implementation of the outcomes of and follow-up to major UN conferences and summits". The preparatory process for the substantive ses

Chapter one reflects the political discussions during the Economic and Social Council High-Level Segment and the resulting Ministerial Declaration and includes the statements by the Secretary-General, the President of the Economic and Social Council and the Secretary of Treasury of the United States, the *High-Level Policy Dialogue* with the heads of International Financial and Trade Institutions and key background documents and summaries of Ministerial Roundtables organized during the segment. Chapter one also presents the out

## **ECOSOC PREPARES FOR SPRING MEETING WITH THE BRETTON WOODS INSTITUTIONS**

Preparations have started for the Spring meeting of ECOSOC with the Bretton Woods institutions and WTO, to be held in New York on 14 April 2003. The Bureau has circulated among all ECOSOC members a note containing

representing the Group of Latin American and Caribbean States, was elected to the Intergovernmental Working Group of experts on International Standards of Accounting and Reporting to a three-year term beginning 1 January 2003.

During the meeting, the Council also heard from a representative of the International Labour Organization (ILO) on the observance by the Government of Myanmar of the ILO Forced Labour Convention.

## **UN GENERAL ASSEMBLY ECONOMIC AND FINANCIAL ISSUES**

### **SECOND COMMITTEE CONCLUDES DISCUSSION OF KEY ECONOMIC AND FINANCIAL PROPOSALS**

On 11 December 2002, the Second Committee concluded its negotiation of some fifty draft resolutions on economic and financial matters. These resolutions cover a broad range of macro-economic issues, i.e. the international financial system, commodities, debt, eradication of poverty and globalization and also address financing for development, the environment and sustainable development, as well as the integrated follow-up to conferences. These were subsequently all adopted by the General Assembly.

On follow-up to conferences, one of the resolutions calls for the establishment of an open-ended ad hoc working group of the General Assembly to make proposals for a more integrated follow-up to conferences. The group will consider the work of the General Assembly and its Second and Third Committees to rationalize their respective agendas and to enable a more coherent approach to cross-cutting themes in conference follow-up and related reporting requirements. The working group will begin its work in January 2003 and will submit its report before the July session of ECOSOC.

Promoting an integrated and coordinated follow-up to UN conferences and summits including the Millennium Declaration is an important task, which has to take into account the ongoing reform process of the UN. Also, the link between financing for development and the internationally agreed development goals and objectives has to be further strengthened. Mr. Desai, who moderated, in November, a panel on the "Integrated Follow-up to Conferences - Millennium Summit, Doha, Monterrey, Johannesburg - and the Millennium Development Goals", noted that several influential conferences had been held during the 1990s, but those currently under discussion for follow-up had all occurred after 2000. While the conferences of the 1990s had focused more on policy development, the second generation of conferences has focused mainly on policy implementation. The question now is how to ensure the implementation of conference goals. The ad hoc

nance and Governance and the Co-founder of the Jubilee 2000 campaign Ms. Ann Pettifor; and and co-author of “A Future Perfect: the Challenge and Hidden Promise of Globalization Mr. Adrian Wooldridge from The Economist.

Mr. Adrian Wooldridge compared the current age of globalization with the first age of globalization, and, in particular, the post-9/11 situation with June 28, 1914, the day that tri

sector had led to inflationary policies for assets and deflationary policies for labour and commodities. Reckless deregulation by central banks led to excessive lending, inflation of asset prices and created bubbles in technology stocks and properties. Through EU's Stability Pact, IMF's structural adjustment policies, Poverty Reduction and Growth Framework and other economic conditionalities, deflationary policies were imposed on developing countries which caused labour and commodity prices to fall. Deflationary policies led to transfer of assets to creditors from debtors. At the international level, they led to problems of capital flight, unfair terms of trade, increased debt repayments and reckless privatisation, contributing to global imbalances and instability. Political autonomy needed to be restored to governments; markets must be made accountable to elected, democratic governments, to end the insatiable need of corporate executives to satisfy the financial sector, as exemplified by the recent U.S. corporate scandals.

Regarding international financial governance, reforming international markets and creditors, rather than reforming financial institutions (which was a politically difficult and daunting task), was the way to manage globalization. Ms. Pettifor proposed the introduction of capital controls, Tobin Tax on speculative flows and an international insolvency framework based on Chapter 9 of U.S. legal code which

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what was being done at international and national levels e.g., measure the outcome of WTO negotiations to see how it contributes to achieving MDGs. Monitoring of MDGs should not only focus on developing countries but rather be on mutual obligations. National governance was important, as reiterated in the Monterrey Consensus, and the prime responsibility to mainstream MDGs rested with national governments. At the same time, an enabling international environment had to be provided where there was good national governance. To address the democratic deficit in the system, parliaments must be brought into the picture to ensure governmental accountability in international affairs. In this regard, Mr. Malloch Brown pointed out that some Executive Directors of the BWIs were required to report to their parliaments on their voting practices – a subtle and less known reform issue.

To benefit from globalization, countries needed to open to international markets. But this also exposed them to greater vulnerability. Coherent policies in aid, trade and agriculture were needed. Ms. Herfkens argued that aid did not help in building institutions because governance could not be exported. OECD countries should trade, not aid, and open their markets, including in agriculture. Much remained to be done in reference to Doha, as trade was a means to an end as indicated in the Marrakesh Charter. The biggest compliance deficit concerned with the commitment to provide ODA equivalent to 0.7% of GDP. Serious commitments were made at Monterrey to finance development. It would be important to look at how progress was made in the area of MDGs under global partnerships. To increase democratic accountability and social responsibility of the private sector, greater transparency and reporting obligations were needed.

Mr. Roberto Bissio noted that during the pre-1914 era mentioned by Mr. Wooldridge, free trade prevailed at the cost of developing countries. Entrepreneurs conspired with one another and formed cartels to try to beat the market. Lack of labour mobility was a cause of poverty



**KEYNOTE ADDRESS BY  
WORLD BANK PRESIDENT  
JAMES WOLFENSOHN**

On 8 November 2002, the President of the  
World Bank James Wolfensohn deli

Co-chaired by Executive Heads of UN entities, or heads of civil society organizations, and UN Ambassadors, the luncheon discussions brought together representatives of Member States, UN system, civil society and the private sector in dialogues that provided an excellent opportunity for the participants to deliberate informally and in-depth on the selected subject matters as they related to the important work underway on

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For further information on the work of the UN Secretariat in economic and social affairs see DESA News online at:

<http://www.un.org/esa/desanews.htm>