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In this edition: Global Economic Crisis and Development – the way forward Health Promotion ECOWAS Ministers of Labour and Employment 2nd Conference How the Economic Crisis Is Hurting Africa and What to Do About It Conference & Call for Papers - Social and Political Dimensions of the Global Crisis: Implications for Developing Countries

Global Economic Crisis and Development – the way forward

This month the UN Conference on Trade and Development (UNCTAD) held their first public symposium on the economic crisis and development. Executive Director Denys Correll represented ICSW at this event. Key global agencies were represented at the highest level which indicates the importance they attached to the subject. While many representatives from developing and emerging nations were present the absence of donor country representatives was obvious. (Only Germany and Sweden were listed). Also noticeably absent from the list of speakers were representatives of the World Bank and the International Monetary Fund. No doubt the absentees will be at the *UN Conference on the World Financial and Economic Crisis and Its Impact on Development*, scheduled for early June in New York.

In the first session Sha Zukang Under-Secretary-General of the UN Department of Economic and Social Affairs was critical of donor governments for making hollow commitments to the developing world. He contrasted this with the huge amounts of funding being made available for domestic stimulus measures. He startled the audience with what appeared to be a spontaneous deviation from his prepared speech. "Don't say there is no money. If you make commitments, keep to them. If you want to make commitments make sure you have the capacity, otherwise, shut up, don't make them". (Sha Zukang is principal guest at the 2010 conference of the International Association of Schools of Social Work, ICSW and the International Federation of Social Workers http://www.swsd2010.org/en/index.html)

Juan Somavia, Director-General of the International Labour Office (ILO), said that the ILO has advocated a "global jobs pact" to face the unemployment issue and work in concert with economic stimulus packages. Jobs or lack of them are where ordinary people interact with the global economy. Unemployment worldwide grew by 14 million in 2008 and at this point probably has grown by 50 million.

Guy Ryder Secretary General of the International Trade Union Confederation sent a direct message to the global North. "Anyone who doesn't take seriously the danger of social instability is missing the point". There are a lot of people who are angry. "They fear, they feel, they know that they are innocent bystanders in a crisis they have done nothing to create". The theme of developing countries being the innocent victims was reiterated by most speakers.

Anders B Johnson Secretary General of the Inter-Parliamentary Union (IPU) said that "We must reinforce the regulatory control of greed".

Martin Khor, Executive Director, South Centre was a prominent contributor throughout the symposium. "Developing countries are only in the past few months beginning to feel

the effects of the crisis, due to the lag time in transmission". Mr. Khor referred to transmission of the crisis at two levels, trade and finance. On trade he said there has been a sudden a steep fall in manufacturing exports of between 30 and 50% in many Asian countries. There is a drop in tourism and migrant workers' remittances.

And on finance there has been a big decline in bank loans to developing countries. The Institute of International Finance stated that capital flows to emerging markets fell from \$929 billion in 2007 to \$466 billion in 2008 and predicted \$165 billion in 2009. Ten countries have already asked the International Monetary Fund for emergency loans. More will come.

Moving to the conclusions. There was general lament that the United Nations has been marginal to the economic crisis debate. In contrast the international financial institutions have been prominent despite their role in causing the current problems. Khor and others suggested it was quite wrong to give the International Monetary Fund an extra \$500 billion without reforming it first. "Its policy conditionalities have previously not been appropriate in assisting developing countries deal with crises".

Mr. Jomo Kwame Sundaram, UN Department of Economic and Social Affairs said the current global imbalances are unsustainable. Mr Debapriya Bhattacharya of the Dhaka Centre for Policy Dialogue in his summary of the causes of the crisis advocated addressing the crisis as a systemic problem which requires new processes that are more balanced and equitable. Mr. Bhattacharya recommended economic solutions including; sustaining domestic investment with a focus on small to medium size enterprises; emphasis on South-South trade; continuing flow of Official Development Assistance and investment in agriculture. He drew attention to the social dimensions of the crisis and the special responses required. The impact on women will be high. Therefore there needs to be gender sensitivity in stimulus packages.

Increased African participation in the meetings of G20 was seen as a positive move. But the G20 pledges to Africa have been insufficient. There is a need for more debt cancellation, an emergency package for Africa and an extension of the free trade agreements between Europe and some countries.

In conclusion speakers emphasised that recent reports of economic improvement in industrialised countries should not be taken to mean that the downturn is over and should not lead decision makers to ignore the profound and long-lasting effects on poor countries.

Despite the low profile of the UN so far the general response was "the organisation's broad membership makes it the best institution for acting in the interests of all countries".

ICSW congratulates UNCTAD for the conduct of this there first public symposium. As UNCTAD Secretary-General Supachai Panitchpakdi said, the symposium was a way to "give voice to the voiceless". The symposium grew out of UNCTAD efforts to implement the "one UN" concept and the organisation's stepped-up policy of responding to global developments and broadening debate on global issues. For further information <u>http://www.unctad.info/en/Public-Symposium-Website/</u>

Health Promotion

Following the UNCTAD symposium Executive Director Denys Correll attended the NGO Alliance for Health Promotion Workshop. This was in preparation for the WHO 7th Global Conference on Health Promotion to be held in Nairobi from 26th to 30th October 2009. The conference will examine where health promotion works and where poverty alleviation and health come together.

The world health agenda seems consumed by pandemics and other crises. This inevitably means that health promotion is not a priority for attention and resources. For as long as I can remember the WHO health promotion commitment has be woefully under-resourced.

Health and development today face unprecedented threats. The financial crisis threatens the viability of national economies in general and of health systems in particular. Global

warming and climate change exert a toll in human life, especially in lower income countries. Security threats create a sense of shared uncertainty for communities around the world.

Health promotion is needed more than ever. Since the first health promotion conference in 1986 a large body of evidence and experience has accumulated on the importance of health promotion as an integrative, cost-effective strategy and as an essential component of health systems primed to respond adequately to emerging concerns.

There will be five tracks in Nairobi, community empowerment, health literacy and health behaviour, strengthening health systems, partnerships and intersectoral action and building capacity for health promotion. Further information can be found at www.who.int/healthpromotion/conferences/7gchp/en/

ECOWAS Ministers of Labour and Employment 2nd Conference

Emmanuel Komlan Agbemavi ICSW Regional President for Central and West Africa and the Vice President, Charles Abbey, represented ICSW at the 2nd conference of Economic Community of West African States (ECOWAS) in April 2009.

The ECOWAS Ministers of Labour and Employment adopted the regional Labour Policy, two documents designed to address all matters relating to labour and the workplace in West Africa. The policy rests on four cardinal principles that include the need for proactive, preventive policies for unemployed and inactive persons, job creation and entrepreneurship, greater adaptability and mobility in the labour market, development of human capital and life-long learning as well as increased offers of work and people remaining longer in the labour market.

Other guidelines include gender equality, drive against labour market discrimination and national employment disparities, creating situations favourable to work and converting the informal economy into the formal economy.

As part of an agreed strategy, the implementation of the policy will rest on the twin approaches of formulation of regional development programmes and the adoption and implementation of common rules and regulations. More specifically, the ministers accepted that three conditions would be needed for an effective implementation of the policy. These include a strong political will and all inputs emanating from the governments of the 15 ECOWAS Member States, the ECOWAS Commission, employers and employees. Together they will make it possible to boost the implementation of the policy at the national and regional levels.

The policy, an instrument for harmonizing and integrating targeted objectives of Member States through their various strategies and programmes, also addresses some challenges, including the absence of adequate data to assess national labour regimes as well as the failure of Member States to ratify and domesticate all the eight core conventions of the International Labour organization (ILO).

In this regard, the ministers approved the policy's plan of action and called on Member States to ratify and domesticate all legal international texts relating to labour and employment, especially the fundamental ILO conventions.

They also called for the promotion of decent work, the promotion of the dignity of labour and the promotion of the life cycle approach to work as well as the promotion of employment opportunities for young people and persons who are physically challenged. Similarly, they agreed on the promotion of social dialogue and tripartism, including the promotion of collective agreements for all working conditions and conflict prevention and resolution.

The ministers advocated the promotion of migration and integration in the region. This includes the promotion of the rights of migrant workers, the creation of a conducive environment for migrants; particularly those in the Diaspora, to enable them contribute to the development of their countries, the promotion of bilateral and multilateral

cooperation between Member States on labour migration as well as the encouragement of geographical and professional mobility.

In addition to representatives of ECOWAS and the Members States there were representatives of the Economic and Monetary Union of West Africa (UEMOA), the International Labour Organization, ICSW, the Organization of Trade Union of West Africa (OTAWA), the Organization of African Trade Union Unity (OATUU) and the Federation of Employers Organizations of West Africa (FOPAO).

How the Economic Crisis Is Hurting Africa--And What to Do About It

by Todd Moss http://www.cgdev.org/content/publications/detail/1422072

Africa escaped the initial effects of the financial crisis but is now feeling the dire aftershocks from the global downturn. The ultimate effects on individual countries are far from clear or consistent. The medium-term reactions of China, donor countries, and private investors are still unknown. The impact on Africa appears to be coming through three major channels: global trade, capital flows, and policy responses. Efforts to mitigate Africa's pain should tackle the risks head-on. The international community can take specific actions to address the fiscal and balance-of-payments shocks, as well as the sudden gaps in private capital. Regardless of steps taken externally, African leaders should seize the opportunity of the crisis to push through reforms that will position their economies to come out of the recession poised for renewed growth.

Conference & Call for Papers - Social and Political Dimensions of the Global Crisis: Implications for Developing Countries

On 12–13 November 2009, UNRISD will host an international conference in Geneva to better understand the social and political dimensions of the current crisis and subsequent policy and institutional reforms, and their implications for developing countries. In addition, the conference will provide an opportunity to identify key issues for future research in this field. This posting is a call for papers inviting researchers to submit abstracts proposing papers for this conference.

http://www.unrisd.org/80256B3C005BF3C2/setLanguageCookie?OpenAgent&langcode=e n&url=/80256B3C005BE6B5/search/E9BED6A39148EF79C12575AC0032014C?OpenDocu ment

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