

**Global crisis requires global reform – and a new U.N. Economic Council**

**NEW YORK - Government officials from across the globe gather in New York for a three day-long United Nations conference on the impacts of the financial crisis on developing countries, starting on Wednesday the 24<sup>th</sup> of June.**

According to CIDSE, an international alliance of Catholic development agencies working together for global justice, the worlds' poor risk being let down once more as no leaders from developed countries are expected to attend. Their constructive engagement in inclusive fora like the UN is needed for structural changes like a Global Economic Council, to address economic issues the way the Security Council addresses security-related ones, and in keeping promises like the development finance agreements made in Doha.

In December last year, as the financial crisis deepened, developed countries proved reluctant to engage in an examination of the financial and monetary structures that had led to the crisis in a conference held in Doha. They chose to kick the issue forward yet again to a moment which has now arrived. Worryingly, as the clock is ticking for the poor who bear no responsibility for the crisis, but suffer its worst impacts, the needed response does not seem to be on its way.

“More than 50 million people are expected to lose their jobs, more than 53 million to fall in poverty. This is no time for tinkering with the system; we need substantial reforms,” said René Grotenhuis, President of CIDSE and Director of Dutch organisation Cordaid.

An important proposal on the table, proposed by a Commission of Experts chaired by economist Joseph Stiglitz, is to establish a Global Economic Council within the United Nations. Such body would have a limited number of members representing each a broader group of countries. “A Global Economic Council is a clear deliverable, and one that is absolutely necessary to democratise the global economic system. Global reform needs to be inclusive and can't do without the voices of developing countries,” said Aldo Caliarì, Director of the Rethinking Bretton Woods project at US organisation Center of Concern, associate member of CIDSE.

In an attempt to maintain their grip on the shape of emerging reforms, several countries prefer to discuss reforms in less inclusive fora than the United Nations, and have blocked negotiations towards solutions. “Some countries keep putting brakes to this process, questioning whether this discussion should happen at the United Nations at all. That is silly!” Caliarì said. “The United Nations is legally mandated as the primary body to address global economic issues by the treaty that created it, and that treaty has not changed.”

Nonetheless, it is clear that having all countries seating at the table makes a difference, as many reform ideas that emerged in the UN context had received marginal or no scrutiny in fora dominated by rich countries such as the G7/8 or the G20. This is the case, for instance, of measures to fight tax avoidance and tax jurisdiction-shopping by large multinational companies. “We believe requirements to implement country-by-country reporting of all financial transactions and measures to repeal bank secrecy rules would go a long way to stop the drainage of resources developing countries highly need in this crisis,” Caliarì said.

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**Notes to the editors:**

- **CIDSE** is an international alliance of Catholic development agencies. Its members share a common strategy in their efforts to eradicate poverty and establish global justice. CIDSE's advocacy work covers global governance, resources for development, climate change, trade & food security, EU development policy and business & human rights. ([www.cidse.org](http://www.cidse.org)).
- [Reaching the MDGs amidst a Financial and Economic Crisis](#), a CIDSE, Cordaid Oxfam International, Afrodad and Latindad side event at the UN conference on the financial crisis in NY, sponsored by the Permanent Mission of the Kingdom of the Netherlands
- [From Collapse to Opportunity: Development Perspectives on the Global Financial Crisis](#), a CIDSE policy paper, April 2009
- [The Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System](#)