

Informal Interactive Hearing for Civil Society Third International Conference on Financing for Development

Tessa Khan, Asia Pacific Forum on Women, Law and Development (APWLD)

Opening Statement

It is a privilege to be invited to address this Assembly. I am especially grateful to be speaking on behalf of the members of the Asia Pacific Forum on Women, Law and Development who daily confront and challenge the poverty, exploitation and inequality experienced by millions of women in our region.

We are now several months into the negotiations for the Addis Ababa Conference, and several years into the negotiations for the post-2015 development agenda; discussions that have been steeped in the rhetoric of transformation, sustainability, and inclusion.

We have been regularly reminded that the context for these negotiations is a state of almost perpetual crisis: a global financial crisis that pushed at least 60 million more people into extreme poverty;¹ a global food price crisis that left tens of million more people without enough to eat²; and a climate crisis that is, in short, an existential threat.

While many of us in civil society carry out the urgent work of alleviating these impacts, this Assembly is one of the few fora where you have the power to address their causes, starting from the premise that the distribution of these impacts is neither natural nor inevitable; and that these crises are caused by policies and institutions that designate who bears the risk and who benefits. Much of this has been dictated by the neoliberal growth model, which we now know to be a fiction. In the decade before the financial crisis, the poorest 60% of the world received a mere 5% of the income generated by global GDP growth, while the richest 40% received 95%.³ The true narrative of inequality is now impossible to ignore; inequality that we know is economically unsustainable, corrosive of democracy, and morally indefensible.

Redressing this imbalance is the basic mandate of the Financing for Development process, but despite commitments in Monterrey and in Doha to advance a fully inclusive and equitable global economic system⁴, we are here, yet again, in crisis.

If governments were to seize this opportunity to build on the consensus in Monterrey, what might financing for development really achieve? I can tell you that in Bangladesh—which is one of my homes—it could mean new choices for the hundreds of thousands of women and girls who go to work in export processing zones, where their low wages, dangerous conditions of work, and the hostility to trade unions are presented as incentives for foreign investment. It could mean that the multinationals who profit from cheap Bangladeshi labour and then engage in tax evasion and transfer pricing are made

¹ Report of the Independent Expert on the question of Human Rights and Extreme Poverty (2011) A/HRC/17/34.

² World Food Programme, *Coping with High Food Prices and the Financial Crisis*

³ Jason Hickel, *It will take 100 years for the world's poorest people to earn \$1.25 a day* (30 March 2015) *The Guardian*.

⁴ Monterrey Consensus on Financing for Development (2002) paragraph 1.

to pay back the billions of dollars that they owe in tax. It could mean accountability for the exploitation of Bangladeshi migrant workers, whose remittances are so readily prioritised over their right to decent, dignified work. It could mean some measure of protection for the millions of Bangladeshis who are struggling to grow crops in soil poisoned by salt water as sea levels rise; whose land and livelihoods are disappearing.

For my other home, Australia, financing for development could mean sharing 0.7% of its abundant wealth, an abundance that makes it one of the wealthiest countries in the world⁵. It could mean supporting developing countries to exercise the same level of policy space and ownership over their trade and industrial policy that Australia benefited from in many stages of its development. It could mean rejecting the inclusion of investor-state dispute settlement clauses in trade and investment agreements; a provision that has undermined Australian domestic regulatory space and has wreaked so much more havoc in developing countries. It could mean taking responsibility for the fact that Australians are among the highest per capita emitters of greenhouse gases in the world; taking responsibility through deep and binding emissions reduction and a transition to a fossil fuel-free economy.

That would be a model of financing for development that fulfils the promise of its mandate and addresses the challenges we face in the spirit of global partnership and solidarity.

Instead, we in civil society fear that in the zero draft of the Addis Ababa Accord, the promise of the Monterrey mandate is unravelling. First, we are concerned that in a bid to address all of the elements of the means of implementation of the post-2015 development agenda, critical elements of the Monterrey Consensus are being disregarded, including systemic fragilities. This undermines our ability to hold governments accountable to the agreements made in Monterrey and Doha. Without accountability for these commitments, we are wasting precious time.

Second, we are alarmed that, on the whole, the Accord weakens the normative obligations of developed countries to create a more just and equitable economic order; obligations that are present and urgent. The global partnership for development—the cornerstone of development cooperation—continues to be eroded: by the lack of binding timetables for ODA that meets the 0.7% threshold; by the focus on middle-income countries, whose contributions in no way absolve developed countries of their responsibilities; and by the clear push to shift the resolution of key development challenges—such as debt restructuring and tax evasion—away from the UN and into fora such as the IMF and OECD that lessen the voice and vote of developing countries. And in this draft, the foundational principle of common but differentiated responsibilities is altogether missing.

The primacy given to private finance in these negotiations is a further dereliction of governments' responsibilities; one that is especially disconcerting when there are no binding frameworks for private sector accountability; nothing to align private sector practices with sustainable development objectives; and no mechanism for the oversight and review of partnerships entered into pursuant to this agenda.

It is also concerning that despite the many examples of multilateral development banks financing projects that result in human rights violations and environmental and social

⁵ <http://www.smh.com.au/business/the-economy/property-makes-australians-the-worlds-richest-says-credit-suisse-20141014-1163ip.html>

upheaval, the draft implies that comprehensive safeguards are somehow “unduly burdensome”.

Finally, despite a rhetorical commitment to human rights and gender equality, we fear that this language is being used to obscure the instrumentalisation of our rights—especially women’s rights—for economic growth or, worse still, to mask the lack of effective action to address inequalities. When governments rely on the business case to justify women’s participation in the economy, they make that participation inherently vulnerable, especially when—as we heard during yesterday’s business sector hearings—the business case for increasing women’s access to finance, for example, isn’t considered to be very strong. Only by recognising women’s equal entitlements based on our human rights will governments and businesses feel obliged to address the structural constraints we face.

Addressing these constraints goes beyond the need to redistribute the burden of unpaid care work, or the disproportionate impact of regressive taxes on women, although these are essential steps. It requires the redistribution of resources, opportunities and wealth between rich and poor, between men and women, and between countries.

Growth without redistribution cannot eradicate poverty or create sustainable development. Recent research has confirmed that if we rely on growth alone to increase everyone’s income to \$5 per day—still barely enough to live a dignified life---it would mean increasing our current unsustainable level of production and consumption by at least 175 times.⁶ That is simply impossible in our carbon-constrained, environmentally finite world.

And so when governments convene in Addis Ababa, they must move away from this untenable model of growth and development. We as civil society and as citizens have done, and will continue doing, our work of advancing concrete proposals and alternatives to the status quo. We ask that you build on those proposals to reach an outcome that redresses the legacy of exploitation and extraction on which so much of our wealth has been built. We ask for an outcome that gives us an equitable, sustainable world; one that fulfils our human rights and delivers [development justice](#).

For more information visit <http://apwld.org/>; www.wgonffd.org and <https://csoforffd.wordpress.com/>

⁶ David Woodward, *Incrementum ad Absurdum: Global Growth, Inequality and Poverty Eradication in a Carbon-Constrained World*, 4 *World Economic Review* 43-62 (2015).

***For further analysis, please see apwld.org and [wgonffd.org](http://www.wgonffd.org)**