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Report of the UNCTAD Public Symposium

Report on the fourth UNCTAD Public Symposium: New economic approaches for a coherent post-2015 agenda*

I. Opening remarks

1. The 2013 Public Symposium of the United Nations Conference on Trade and Development (UNCTAD) was opened by the President of the Trade and Development Board, followed by a speech by the Secretary-General of UNCTAD.

2. In his opening statement, the President said that the Public Symposium was intended to bring together the views and perspectives of multiple stakeholders on the topics likely to dominate the global political agenda. He welcomed the need to share experiences and draw policy conclusions to generate an effective development strategy for the post-2015 development agenda. To best tackle current challenges, the international community needed partnerships and to combine forces. In an increasingly interdependent world, a collective approach was needed. The recent crises had become additional obstacles impeding the achievement of most sustainable development goals. Several questions were identified, including what lessons could be learned to help structure the post-2015 framework for the Millennium Development Goals, what new understandings must be taken into account and what shape the framework would take. While trade and development were crucially important issues, it was necessary to reform macroeconomic and financial governance in a way that would allow a coherent trade and development strategy. This would be reinforced through a revised international trading system, which would have an impact on inclusive and sustainable development. Participants were urged to share the outcomes of the Symposium with their constituencies to mobilize further support.

* The opinions and views expressed in this report are those of the authors and do not necessarily reflect the views of the United Nations.

3. In his introductory remarks, the Secretary-General of UNCTAD emphasized that he would like to see the Public Symposium in the UNCTAD agenda as an embedded programme. He pointed out that the global economic framework remained at an unstable and immature stage and that new challenges were still emerging or still hidden and would be revealed in future. He thus urged all participants to have an honest and frank discussion on the post-crisis challenges. He highlighted the main theme of the Symposium of new economic approaches for a coherent post-2015 agenda, and identified two areas for discussion at the forum: (a) new economic approaches for development based on lessons learned; and (b) a coherent post-2015 development agenda. He highlighted the importance of defining a comprehensive "agenda" and not just "goals" by pointing out the need to discuss not only the objectives but also the processes, instruments, means, policies and indicators that would enable achieving those goals. He shared with participants the series of UNCTAD major events up to 2016 (i.e. the fiftieth anniversary of UNCTAD in 2014 and UNCTAD XIV in 2016) and emphasized the need to be forward-looking in setting the future agenda of UNCTAD's work. Reflecting on the meeting outcomes of UNCTAD XIII in Doha in 2012, he reiterated that cleaning up the financial system needed to be continued.

4. The Secretary-General commented on the Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda. He emphasized the new approach in this report as more comprehensive for the process. He regretted that too few economic goals had been incorporated in the Millennium Development Goals and hoped now to see goals added related to capacity-building and employment. The Secretary-General commented on the illustrative goals proposed by the High-Level Panel, affirming that sustainability should be the key word accompanying each of the themes. The High-Level Panel's goal on ending poverty should look into a sustainable protection system. The goal on ensuring healthy lives should raise the question about how countries were going to sustain their health systems. On the latter, the Secretary-General insisted on the fact that public health flexibility was essential. For instance, countries should work on their capacity to produce generic medicines. On the other hand, he spoke of the importance of mobilizing private funds for agriculture, as well as creating a code of conduct in order to support the goal on ensuring food security and good nutrition. Regarding the goal on the creation of jobs, sustainable livelihoods and equitable growth, he claimed that new pathways on economic growth should be part of the discussion. Finally, the goal on creating a global enabling environment and catalysing long-term finance needed to take into account the still open reform of the financial system, as only bank equity had been discussed. Global economic governance should be also considered.

II. First plenary session
Macroeconomic and financial governance on the road to 2015

5. The first plenary session was moderated by Mr. Tom Miles, Chief Correspondent with Reuters. The panellists included Ms. Bhumika Muchhala of the Third World Network, Malaysia; Mr. Gouda Abdel-Khalek, Professor of Economics at the University of Cairo, Egypt; Mr. Kouglo Lawson-Body, Head of Economic Research at the International Trade Union Confederation, Togo; Mr. Murat Karimsakov, President of the Eurasian Economic Club of Scientists Association, Kazakhstan; and Mr. Chukwuma Charles Soludo, former Governor of the Central Bank of Nigeria and Chair of the African Heritage Institution. Reactions to the panel were provided by Ms. Hibist Kassa, Development Alternatives with Women for a New Era, Ghana, and Mr. Stephen Hale, Oxfam International, Geneva, Switzerland.

6. Participants addressed a range of issues pertaining to the post-2015 development agenda, particularly focusing on the role that financial and macroeconomic governance

played at the national and international levels. Issues discussed included regulating the financial sector and putting it at the service of the real economy, the relationship between the private and public sectors, the phenomenon of global austerity and its effect on employment, the role of capital flows and exchange rate management in a coherent development framework, as well as climate change, food security and social protection. At a broader level, participants identified the need for a paradigm shift in the development framework, calling for steps to ensure that international cooperation worked to bridge the divide between national-level policy capabilities and global development goals.

7. Throughout the panel discussion, participants focused on the disconnection between the international scale of current development issues and the level at which they could be addressed. While the post-2015 agenda aimed at addressing global issues, policy action and instruments remained mainly available at the national level. Coordinated global and regional cooperation occurred only on some but not all issues. In this context panellists highlighted the importance of the developmental role of the State; policy space was identified as imperative to building a new and more inclusive development pathway. Particularly for developing countries, policy space was said to be restricted by a number of external and internal factors. Participants also mentioned that the post-2015 agenda should avoid a mismatch between targets and instruments, expressing concern that more targets were being added to the development framework without the instruments needed to achieve the targets. The panellists therefore stated that a coherent national development strategy, embedded in the context of international cooperation, was needed. This could create a more integrated approach to policymaking, bringing together economic, environmental and social policies.

8. One participant focused on the neo-mercantilist approach to national trade, finance and resource extraction policies, saying that real and lasting development strategies were unlikely to take place at the international level given the priority of national interests vis-à-vis other countries. Several international bodies were said to serve the needs of a small group of developed countries, including the World Bank, Group of 20 and some United Nations bodies. Other participants stressed the need for the United Nations General Assembly and Group of 77 and China to act as a counterweight to powerful economic interests in developed countries that prevailed in international discussions. Some questions and comments from the floor echoed the sentiments of those participants who were sceptical about the motives of these powerful actors in supporting a global development agenda.

9. A major theme that all participants stressed was that a post-2015 development agenda should include careful analysis of developments in the financial sector in the last years, in particular regarding its role in serving the needs of the real economy. Some panellists highlighted the fact that the financial sector had not provided sufficient sustained finance for key sectors during recent years, including the financing of small and medium-sized enterprises (SMEs) and infrastructure projects. The panellists noted that financial speculation had taken centre stage in the financial sector. Some participants commented that monetary stimulus had not delivered its expected outcome, with growing evidence that new flows of money had not reached the real economy. Panellists and participants called for reforms to push banks to better serve the needs of the real economy, stressing that without a transformation in the banking sector it would be very difficult to finance sustained and equitable growth. All panellists thus expressed concern that a weakened and crisis-prone real economy would continue to serve the interests of the financial sector and not the other way around, undermining the post-2015 development agenda.

10. Many discussants highlighted that the manner in which the new global agenda for development treated the role of the private sector would be decisive. In this regard, panellists stated that there had been a notable increase in the role of the private sector in

development, in the form of publicly supported financing for private investment. At the centre of the discussion were public–private partnerships (PPPs) which were joint programmes undertaken by both government and private sector in which governments usually guaranteed private sector investment. According to one panellist, the development debate often portrayed the private sector as a more efficient actor than the public sector, but there was an increasing body of research that showed evidence of risks associated with PPPs. The participant called for a deeper rethinking of the role of private sector development. Doubts surrounding PPPs were mostly centred on risk diversification and profit-sharing, as financial risks in PPPs were often disproportionally borne by the public sector while profits were reaped by private investors and companies. Given the profit-seeking mission of the private sector, many discussants emphasized the role of public authorities in establishing a legal structure to ensure that PPPs would contribute to rather than undermine economic and social development and the protection of ecosystems.

11. One panellist raised concerns about exchange rate instability. He emphasized that since the collapse of the Bretton Woods system, the consequent exchange rate instability was one underlying factor causing periods of severe crises in the financial, food and energy sectors. He concluded that as long as exchange rates did not have an anchor, currencies would be driven by speculation rather than underlying fundamentals. Many participants said that de-linking from currency volatility was crucial for achieving developments goals. Some participants also specified that if instability in exchange rates was not addressed further, crises would inevitably continue to plague development.

12. Participants raised concerns about the high and persistent level of unemployment as a result of the global crisis and austerity measures being implemented in developed countries. Unemployment remained a major concern for developing economies; one participant mentioned employment was at the heart of an African development agenda. It was noted that most countries in Africa had significant levels of informal employment, with about 80 per cent of workers employed in the informal sector with little or no social protection. Participants called for an active employment policy to go along with fiscal and monetary policies, a better investment climate for job creation and an adequate framework for social protection. In addition, several participants spoke of the need to stimulate private sector development, which was essential for the creation of productive jobs. Discussants stressed the urgent need for political leaders to focus on the growing problem of youth unemployment, both in the developing and developed world. Participants cited several major implications of high youth unemployment, including the danger of social unrest, the possibility of losing a generation of workers and the negative effects on output. One panellist urged governments to reformulate macroeconomic policies to prioritize the paid and unpaid care economy, as well as public expenditure for gender-equitable social services. The participant called for universal social protection and a guaranteed living wage in order to bring informal care workers into the formal economy.

13. Regarding climate change, several discussants talked about the relationship between climate change and poverty reduction, noting the need for both a post-2015 poverty reduction plan to work hand in hand with a post-2015 climate change plan, as the two were said to be inextricably linked with one another in the long term. One discussant said that even if a long-term development programme were to be implemented in the post-2015 world, those development gains would unravel amid the turmoil associated with climate change. By the same token, any attempts at a sustainable climate change plan would unravel against the backdrop of a failed poverty reduction programme.

14. Several panellists emphasized the important role of food security in a post-2015 development agenda. In particular, one panellist mentioned three advantages to an agricultural policy by which the State paid farmers above-market prices for their output: poverty reduction through ensuring producers received adequate income, guaranteed food

security for the country as a whole and an improved exchange rate through reducing the amount of foreign food imports required. Two of the major impediments to domestic food security and effective agricultural policies mentioned were the resistance of foreign grain producers in the developed world and the financialization of grain contracts and speculation on them by the financial sector.

15. All participants highlighted the crucial role of the United Nations in global economic and financial governance in the post-2015 global development agenda. Several participants called for a review of international governance principles to achieve balanced growth after 2015 and prevent a segmented global economy. Participants said that global challenges required global participation, global transparency and the absence of double standards. One panellist highlighted the importance of strengthening civil society as a mechanism to hold government accountable and create ongoing pressure to implement changes. Civil society was identified as a crucial driver in striking a global balance through negotiation between developed and developing countries, by continuing pressure on the international community to uphold development ideals. It was mentioned that developed countries should be clear about what commitments they were making in this process.

16. Several participants also mentioned that in most countries management of natural resources should go hand in hand with governance. For example, a number of African countries had an immense wealth of natural resources but despite this, the level of development was very low. In that context, the resource extraction industry in the developing world was identified as a major area through which improved governance could lead to poverty reduction. Again, several participants noted the role that civil society must play domestically in holding governments accountable in terms of resource extraction revenues. Participants also identified the role that the international community should play in ensuring that the extraction of minerals by large multinational companies adhered to standards consistent with development. Participants called for global rules to regulate how resources were accessed by multinational companies, including the outflow of profits from developing countries.

17. Overall, participants called for a paradigm shift in the post-2015 development framework to reformulate policies, strategies and the meaning of development. Central to this new development thinking was the increased role of the developmental state and the need for national development strategies to guide growth and development. The panellists also emphasized the importance of country- and context-specific policy prescriptions, but nonetheless emphasized that across-the-board policies were needed oriented towards regulating trade, finance and securing decent employment in order to decrease inequality. Some panellists were very sceptical of current proposals for a new post-2015 development plan, in what they saw as the continual failure of the development community to deliver meaningful results. Participants urged enforceable development rules to be put in place in order to bring development goals to fruition, rather than idealistic goals.

III. Second plenary session
Trade and investment rules for inclusive and sustainable development

18. After the keynote speech delivered by Mr. Vijay Prashad,[1] Professor of International Studies, Trinity College, United States of America, the second round table meeting of the Public Symposium began and examined trade and investment rules for inclusive and

[1] http://unctad.org/meetings/en/Presentation/PS2013_stat02_VijayPrashad_en.pdf.

sustainable development. The session was moderated by Ms. Stephanie McGovern, Business Presenter, British Broadcasting Corporation. The panellists included Ms. Kinda Mohamadieh, Arab NGO Network for Development, Lebanon; Mr. Leela Mani Paudyal, Chief Secretary, Government of Nepal; Mr. José Manuel Salazar-Xirinachs, Assistant Director-General for Policy, International Labour Organization, Switzerland; Mr. Jianguo Huo, President of the Institute of International Trade and Cooperation, China; and Mr. Vice Yu, South Centre, Switzerland. Discussants included Mr. Gyekye Tanoh, Programme Officer, Third World Network-Africa, Ghana; Ms. Sanya Reid Smith, Legal Adviser and Senior Researcher, Third World Network, Switzerland; and Mr. Tony Tujan, Director, Ibon International, the Philippines.

19. Despite important progress in enhancing economic and human development over the past decades, a number of panellists emphasized that a significant share of the population of developing countries continued to grapple with poverty and hunger, violence and conflict, limited access to basic services, exploitation of workers, unemployment, an absence of social safety nets and adverse climatic conditions. Several panellists criticized the implementation of "orthodox" neoliberal policies including extensive trade and financial liberalization, austerity and structural adjustment for generating greater inequality and unemployment, and thereby hindering efforts towards poverty reduction even amid rising per capita income levels. However, one panellist noted that in some parts of the world there was an emerging consensus that recognized the need for a balance between the role of markets and that of the developmental state, noting that "markets [were] good servants but bad masters."

20. While panellists recognized that participation in the global economy could help increase prosperity in developing countries and enable them to make greater progress in addressing pressing development problems, they noted a range of challenges that developing countries continued to confront with agreements and rules on international trade and investment. Rather than supporting developing country efforts to promote inclusive and sustainable development, many panellists argued that international agreements, including those of the World Trade Organization (WTO) and regional and bilateral trade and investment agreements, were hindering progress. Some argued further that these rules, especially agreements in financial services that prevented appropriate regulation of big banks, had contributed to the current global financial crisis, transmitting its negative effects to developing countries. Some noted that the crisis had been an eye-opener, pointing to an urgent need for more democratic participation in international rule-making. One panellist portrayed the new generation of rules currently under discussion as destined to increase the existing imbalances of the multilateral trade and investment system without addressing the developmental needs of developing countries.

21. Several participants noted that foreign investment was urgently needed in many low-income countries, and although these countries had anticipated an increase in inward investment flows following their adherence to international trade and investment treaties, very little or no new investment had been attracted to their economies. Several panellists emphasized the need for investment policies that were conducive to job creation and to attracting domestic as well as foreign investment.

22. The increased use of PPPs to attract investment also figured prominently in the discussion, as it did in the first plenary session. One panellist suggested that the approach to PPPs was based on merging a potentially inefficient entity – the government – with a potentially inequitable entity – the private sector – in order to improve the overall performance of a producer, usually a service provider. The success of PPPs depended on their terms of reference and faithful implementation. However, some participants argued that, in the case of PPP and other investor-State disputes, most investment agreements

comprised rules that were heavily biased towards transnational corporations and other foreign investors at the expense of public interest.

23. One participant expressed the need for domestic policies that supported an enabling environment for SMEs. One panellist stressed that an enabling domestic environment must better support SMEs, the main employer in developing countries, and encourage entrepreneurship. In order to counter the tendency of multinational corporations with large market shares to command excessive profits, domestic policies must be adopted to empower smallholders, improve social dialogue, guarantee freedom of association and support SMEs.

24. It was further proposed that more flexible intellectual property agreements and better national policies were needed to support the transfer, diffusion and adaptation of affordable technologies in developing countries – particularly least developed countries (LDCs) – in order to support their transition towards green growth and sustainable development. Some participants stressed that improved access to modern information and communication technologies was critical if developing countries were to be able to trade effectively; this would also to enable them to produce and export services which relied heavily on modern information and communication technology infrastructure.

25. Some participants stressed the importance of developing countries better integrating into global value chains (GVCs). However, others emphasized that in a world of highly fragmented GVCs, workers and small suppliers in developing countries found themselves at the short end of the stick with little pricing power and little opportunity to progress along the value chain within GVCs. It was noted that experiences from countries that had successfully integrated into GVCs could provide important guidance for developing country policymaking.

26. Participants agreed that access to investment and technologies could place developing countries in a favourable trade position. However, they expressed concern that many regional and bilateral free trade agreements and investment treaties restricted the ability of developing countries to implement numerous policies – such as import tariffs, export taxes, local content requirements, technology transfer requirements, affirmative action and other taxation and anti-corruption measures and environmental regulations – to protect domestic (infant) industries, as well as address inequalities and other social and environmental concerns.

27. Most participants were discouraged by the lack of meaningful progress in the WTO Doha Round negotiations. Several participants suggested that this lack of progress was contributing to a proliferation of bilateral and regional trade agreements which destabilized the multilateral process. Most of these bilateral and regional trade agreements were bringing non-trade related “WTO plus” topics that had been rejected at the multilateral level (e.g. government procurement, competition policies, etc.) to the forefront of negotiations, a trend which further diminished the policy space for developing countries.

28. It was suggested that multilateral trade negotiations should prioritize issues over which progress could be made – particularly relating to LDCs – as well as develop a new trade agenda more closely focused on issues of concern to developing countries. Many participants argued that the WTO negotiations must move away from a preoccupation with issues of interest to developed countries of the North and instead move towards a focus on core issues of priority to developing countries of the South, such as agriculture and special and differential treatment.

29. Participants called for reforms in WTO disciplines in agriculture and in particular the elimination of the agricultural subsidy regime in the North that made it difficult for farmers in the South to compete fairly in global markets. Regarding special and differential treatment, the main challenge was to achieve full implementation of special and differential

treatment clauses already existing within WTO agreements so that developing countries could more fully reap their potential benefits. Other challenges included ongoing multilateral negotiations and non-trade concerns which were creeping into the WTO forum; trade facilitation negotiations were cited as an example.

30. Participants also called for an improved and enhanced Aid for Trade programme to help developing countries address supply-side constraints and infrastructural bottlenecks, while promoting trade expansion, integration and diversification in developing countries. It was argued that Aid for Trade should play a more effective role in supporting structural transformation in developing countries, enabling them to move from a bias towards commodities-based exports to higher value added manufactures and services exports.

31. What reforms were required to improve the trade and investment prospects of developing countries? Most panellists argued for a restructuring of global economic, financial, trade, investment and technology systems to share the benefits of globalization more equitably and support more inclusive and sustainable development in developing countries. Not only should reform ensure an equitable sharing of benefits among developed and developing countries, but it should also reopen the national policy space of developing countries that existing agreements had increasingly closed and place limits on the market power of multinational corporations operating within their territories.

32. One panellist further argued that a reform of global pacts and institutions would also be needed to reflect the rebalancing of global demographic, economic and geopolitical power towards the South. Other participants called for more comprehensive, yet more equitable, global trade and investment agreements to provide more effective global governance. On the other hand, rather than calling for new global agreements some participants expressed caution, warning that new international agreements might further limit developing countries' policy space.

33. Participants noted that while the reform of agreements and rules was necessary, such reform by itself was insufficient. A range of other needs were identified, including improved international cooperation; assistance from donor governments and international organizations to enhance developing countries' productive capacity; deeper beneficial integration into GVCs; and better policies in developing countries themselves to create an enabling environment for national producers, particularly SMEs, and for attracting international investment. It was emphasized that each developing country needed to find its own approach to optimizing its national trade and industrial policies and that no one-size-fits-all approach existed.

34. Rather than relying narrowly on improved cooperation with developed countries, several participants supported the need for developing countries to more actively help themselves. They proposed that appropriate South–South cooperation in trade and investment issues needed to be strengthened to advance developing countries' economic diversification and beneficial integration into South–South value chains. Several participants supported an alternative Southern trade agenda to enhance inclusive and sustainable development. They stressed that growing South–South cooperation and regional integration had proven to be increasingly beneficial in boosting investment and trade, providing finance, sharing lessons and experiences, supporting capacity-building, offering preferential market access, transferring knowledge and technology and increasing negotiating power at multilateral forums.

35. One panellist referred to the establishment of a new "South commission" to deliver a fresh vision and common principles by which the South could become a force for solidarity. Suggested principles included endorsing an ideological alternative to neoliberalism; a shift in social power to foster new ideas and technologies; investment of emerging countries' surplus funds into low-income Southern economies; the institutionalization of universal

access to food, health care, employment and social security; a shift in control over land and industrial processes in favour of farmers and workers; and insistence that Northern countries adhere to the principle of “common but differentiated responsibilities”.

36. In referring to a United Nations post-2015 development framework, some argued that global advancement should be monitored not exclusively by quantitative targets solely based on income, but by socially and environmentally friendly development indicators. Furthermore, the United Nations post-2015 development framework should encourage and support pro-poor and pro-employment investment and trade strategies and have the non-negotiability of inclusive and sustainable development at its core. In this context, there was consensus on the important role played by a pro-active developmental state.

37. Finally, many participants argued for a strengthened role for UNCTAD in providing research and analysis, capacity-building and consensus-building on trade and development issues to assist member States to identify and pursue optimal approaches on inclusive and sustainable development.

IV. Concluding remarks

38. The closing plenary was chaired by the President of the Trade and Development Board of UNCTAD. The Deputy Secretary-General of UNCTAD summarized the discussions and recommendations of the Public Symposium and delivered concluding remarks. This was followed by comments from the floor by the representative of the Group of 77 and China and representatives of the Institute for a New Social Model, Third World Network, Center of Concern, International Trade Union Confederation, Center for Economic and Policy Research and Ibon International.

39. The Deputy Secretary-General of UNCTAD summarized the key areas discussed throughout the Public Symposium. The prevailing form of globalization had not yielded benefits for everyone. Significant attention was paid to the need to renew global macroeconomic and financial governance, particularly with increased participation by developed countries in decision-making processes. In order to shield against speculative bubbles through sound financial regulation, many Symposium participants had called for the specific implementation of a financial transaction tax. International agreements such as those of WTO and various bilateral trade agreements were said often to hinder developmental progress. He highlighted that participants had called for a restructuring of international trade and investment agreements to ensure equitable sharing of benefits, as well as restoration of national policy space. Limits on the market power of companies operating in developing countries were identified as essential to establishing adequate policy space, especially as free trade pressure from large agricultural producers and contracts had created impediments to food security for all.

40. The Deputy Secretary-General reiterated calls for an increased role for civil society in driving the design and implementation of a post-2015 development strategy, noting that the international environment in which change must take place might be less conducive than it was in 2000. Highlighting the close relation between UNCTAD and civil society, the Deputy Secretary-General highlighted specific areas of UNCTAD’s work that could contribute to a post-2015 development agenda, including the concepts of greater policy space in trade and investment and a multilateral approach to management of the exchange rate.

41. Participants expressed the sentiment that UNCTAD’s work was ahead of the curve and had an important contribution to make to the post-2015 development agenda. UNCTAD was encouraged to continue its work in the area of financial and monetary flows, as development goals could not be reached without financial stability.

42. Participants also noted that sustainable development needed a holistic approach that considered environmental, economic and social factors. Focus on poverty reduction was highly desirable, but inequality targets were not visible in the proposals for a post-2015 agenda currently on the table and did not substitute for the need for structural transformation in developing countries. The commodity boom had led many to anticipate an important transformation in the structure of developing economies, providing an opportunity that was not to be lost. Discussions on GVCs raised many concerns and underscored the need for self-reliant systems in agriculture and manufacturing with sound benchmarks for ensuring benefits of integration into the global economy.

43. UNCTAD was commended for being a venue in which the discussion of development realities took place, but participants expressed regret that major decisions were often issued out of international financial institutions and other bodies. Participants felt that UNCTAD’s involvement with civil society needed to be improved by allowing civil society organizations to participate as observers in intergovernmental negotiations, as was already the case in other United Nations bodies, such as the Committee on World Food Security of the Food and Agriculture Organization of the United Nations. Also, participants highlighted the need for legal bindings and agreements in order to reach a new economic order. Participants urged UNCTAD research and assistance to be scaled up in order to provide support for developing country governments. Discussion on means of implementation was said to be crucial to the next development agenda. Meanwhile, participants expressed concern that efforts currently under way in New York did not currently address the systemic issues discussed at the Public Symposium and that the main messages and recommendations from the Symposium should be transmitted to negotiators. It was also proposed that a smaller version of this Symposium should be held in New York. Participants clarified that policies needed to be better targeted, while the implementation of recommendations would benefit from continued engagement with civil society to galvanize public opinion and elicit tangible responses.

44. The report of the Symposium would be transmitted to the Trade and Development Board of UNCTAD and perhaps subsequently to the United Nations General Assembly.

V. Breakout sessions

A. Framing global finance for a post-2015 development agenda

Led by Friedrich-Ebert-Stiftung (Friedrich Ebert Foundation)

45. The recently launched Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda mentioned sustainable finance as one of the cornerstones of future development. The report, however, neither elaborated on the reform steps needed to stabilize the global financial system nor on the specificities of finance for development. Although it mentioned some international institutions as facilitators of a successful development agenda, neither the Bretton Woods institutions nor alternative agencies were part of the report. The panellists pointed out that especially developing countries needed a clear framework and concrete guidelines to develop their financial sectors in a sustainable way and to be assured of a healthy international financial system.

46. Mr. Ugo Panizza advocated an institutionalized mechanism to efficiently deal with sovereign debt defaults as part of such a system. Increasing the feasibility of debt default might imply higher lending costs for a country in crisis, yet the costs of delayed sovereign default were even higher. Mr. Chukwuma Charles Soludo made a strong case for the consolidation of the domestic financial sector as an essential foundation of sustainable development. The reform of the banking system of Nigeria showed that a strong domestic

financial sector was crucial for stimulating investments in infrastructure and domestic industries. The private sector was thus enabled to form an active part in a country's development. Mr. Soludo put emphasis on the self-responsibility of developing countries' governments and central banks and concluded that if one wanted development, ownership mattered. Similar views were held by Mr. Yurendra Basnett. He demanded that the post-2015 development agenda deal with drivers for investment in infrastructure and productive capacity of developing countries. He saw public goods as a decisive investment area for development. Mr. Abul Barkat gave an overview of the prospects for the BRICS (Brazil, Russia, India, China and South Africa) development bank as a possible alternative to the Bretton Wood institutions and its potential to balance conditionality. Whether this bank would reach the size necessary to make a difference and be more than simply a competitor remained to be seen. Altogether, the breakout session provided valuable insights into pillars of a prospective financial framework but also illustrated the challenges that still had to be overcome.

B. Regional monetary and financial architectures: What role in a post-2015 development agenda?

Led by Center of Concern, the United Nations Non-Governmental Liaison Service and Friedrich-Ebert-Stiftung (Friedrich Ebert Foundation)

47. The panellists argued, in different ways, for a well-designed monetary system as essential to ensure success in a post-2015 development agenda as the monetary system would frame the range of policy choices on jobs, income, fair distribution of the costs of adjustment and the developmental impact of trade.

48. Mr. Aldo Caliari described attempts by the Group of 20 to address reforms of the international monetary system in the wake of the financial crisis as disappointing. The Group of 20 agenda yielded agreement on a series of minimalist steps, none of major impact, rather than focusing on the crux of the reforms needed to have a system that would ensure non-recessionary adjustments at a time when joblessness continued to increase.

49. Mr. Heiner Flassbeck said that there was a dysfunctional monetary system and advocated that the United Nations should not be confined to discussing goals, as it had done in the debate on the Millennium Development Goals, but should be a primary voice in the discussion of instruments. He used the European Union's current experience to exemplify how a monetary system might have perverse consequences if coupled with the wrong economic ideology, one that ignored the importance of income distribution and jobs.

50. Given the limited progress on global reform, Mr. Pedro Paez argued that developing countries were right to reinvigorate bottom-up regional responses. They should not remain prisoners of old and deficient theoretical models, but should pursue alternatives that were within reach right now. Among the alternatives, he mentioned local currency payment systems with their own clearinghouses, regional liquidity arrangements that could recycle accumulated reserves and other forms of reserve not in currency (e.g. underground oil certificates), as well as transforming the role of national and regional development banks so that they deployed support to the type of production that was needed.

C. Financial and commodity market rules for development-led globalization

Led by Institute for Agriculture and Trade Policy

51. Ms. Caroline Dommen welcomed the audience and outlined the growing and significant influence of financial and commodity markets on the development agenda. Mr. Steve Suppan opened the discussion by commenting on global commodity markets and describing over-the-counter derivatives. He shared that this unregulated market had contributed to instability in global food prices. Mr. Suppan discussed reform efforts for over-the-counter derivatives, but identified several impediments, including a collective action problem.

52. Mr. Andrew Cornford described in detail the evolution of banking regulations, particularly Basel I to Basel III. He highlighted that the Basel framework permitted financial institutions to use internal models to measure their risk. Some banks manipulated these models to hide risks – one factor contributing to the 2008 financial crisis. Mr. Cornford explained that this practice was constrained by Basel II, but not until after the crisis had already quelled progress of the development agenda.

53. Mr. Butch Montes discussed the need for developing countries to reclaim policy space for regulating capital flows. He explained that many developing countries had signed free trade agreements that restricted their ability to regulate capital flows, even during a financial crisis. He underscored that developing countries had a fundamental need for prudential measures to regulate financial flows given their vulnerability to external factors. He stressed that this posed a major threat to economic stability and the post-2015 development agenda.

54. Ms. Jo Marie Griesgraber identified two important aspects to financial rule-making: (a) the financial system, which was global though politics were local, and meant that politics and legislation fell behind a quickly moving financial industry; and (b) regulation of the financial system. Ms. Griesgraber emphasized the importance of supporting national and global regulators in their efforts. She also discussed how to hold international institutions (e.g. International Monetary Fund) accountable for their role in fostering a more stable financial system that supported the real economy.

D. Changes in global economy and multilateral governance: How can least developed countries optimize their participation in the system?

Led by International Trade Development Economic Governance Advisory Services Centre

55. Globalization, deep integration and so-called GVCs offered new opportunities and constituted new threats for LDCs. Trade in tasks or GVCs allowed LDCs to specialize and become competitive in one specific item, rather than attempt to become competitive for a whole product. On the other hand, LDCs risked being stuck at the bottom of the value chain by providing only low value added products such as commodities or cheap labour, while more advanced countries and their consumers reaped the benefits of the high value added part of the chain. The panel discussed how LDCs could use GVCs to better integrate into the world economy.

56. The panellists emphasized the importance for LDCs not only to enter GVCs but also to climb up the ladder. Services were stressed as an important sector for LDCs to integrate into value chains and thus the global economy. Speakers presented case studies on textile and clothing, horticulture and tourism as well as the example of cotton to illustrate the challenges and opportunities of GVCs for LDCs.

57. In particular, the panel discussed two types of measures to optimize the participation of LDCs in the system:

(a) Internal measures that governments of LDCs should undertake included enhancing opportunities for commodities, boosting export diversification, managing natural resources, developing hard and soft infrastructure, removing tariffs on (intermediate) goods, improving business environment, trade facilitation, building capacities to negotiate rules and standards, bolstering the services sector and using regional integration as a stepping stone.

(b) The implications for the multilateral trading system and WTO of the fact that the rules of GVCs, liberalization and trade integration were more and more defined by bilateral and regional agreements, free trade agreements, mega deals and plurilaterals. The panellists questioned the current special and differential treatment structure, in particular the relevance of exemptions and longer timeframe, and discussed how to redefine special and differential treatment to defend offensively the interests and needs of LDCs. The panellists also emphasised the importance of the multilateral trading system for LDCs. WTO was the only forum where LDCs had a voice. Participants encouraged them to put all their efforts into strengthening the system, including by supporting a deal in Bali, Indonesia.

E. Protecting policy space for development: Corporate globalization and the world trade organization

Led by Our World Is Not For Sale Network

58. The panel updated participants on current negotiations within WTO.

59. H.E. Mr. Jayant Dasgupta, Ambassador and Permanent Representative of India at WTO, told participants that delegates were working on a three-part package: a group of policy changes for LDCs, a few reforms in agriculture and a new agreement with binding rules on trade facilitation. He explained that most developing countries were not allowed to subsidize agriculture under current WTO rules, while developed countries were allowed to subsidize in the hundreds of billions of United States dollars annually. The proposal of the Group of 33, currently with 46 developing countries, would allow developing countries to purchase food directly from poor farmers and distribute it to impoverished populations with the goal of increasing food security.

60. Ms. Sanya Reid Smith of the Third World Network detailed the way current WTO rules disadvantaged LDCs, and argued for several policy changes that would protect their policy space while allowing them to gain from trade. Ms. Kinda Mohamadieh of the Arab NGO Network provided details of current negotiations on trade facilitation. A potential trade facilitation agreement could pose challenges on the regulatory front and legislative and institutional challenges, as well as short-term and long-term recurring costs. The extent of financial needs associated with implementing the extended trade facilitation agreement negotiated at WTO raised the threat of potential diversion of limited budget support available to developing countries from existing development priorities. Negotiations on new trade facilitation rules were mainly based on proposals by developed countries and did not necessarily reflect the needs of developing countries, including putting in place infrastructure and other support mechanisms to enhance their productive and trading capacities. If these factors were not addressed, the agreement would become an “import-facilitating agreement”. She also highlighted that the mandated negotiations on special and differential rules were being diluted and falling behind in the process of negotiations on binding rules. Mr. Yorgos Altintzis of the International Trade Union Confederation described the negative implications of negotiations on an expansion of the plurilateral

Information Technology Agreement, which would eliminate tariffs for a large number of information technology products, as well as negotiations towards a new plurilateral "trade in services agreement", which was a radical free trade agreement concerning services that fell outside of WTO.

61. The moderator, Ms. Deborah James of the Our World Is Not For Sale Network, concluded that any agreement at the upcoming Ninth Ministerial Conference of WTO, to be held in Bali, Indonesia from 3 to 6 December 2013, should focus on the LDC package and fixing agricultural rules to allow developing countries to feed their populations, rather than the proposed agreement on trade facilitation.

F. Towards a multilateral consensus on trade and investment: Bali, Indonesia, and beyond

Led by Consumer Unity and Trust Society

62. The high-level panellists of the session included Ms. Paivi Kairamo, Ambassador of Finland; Mr. Lucas Saronga, Acting Ambassador of the United Republic of Tanzania; Mr. Shishir Priyadarshi, Director of the WTO Development Division; Ms. Anja von Moltke, Acting Head of the Trade, Policy and Planning Unit of the United Nations Environment Programme; Ms. Nathalie Bernasconi-Osterwalder, Head of the Investment Programme of the International Institute for Sustainable Development.

63. The panellists were invited to address questions on what could be the main feature of a multilateral consensus on trade and investment; how relevant stakeholders could be brought together in addressing issues arising; and what the WTO Ninth Ministerial Conference in Bali, Indonesia, could deliver for a balanced world economy. Below is a summary of the deliberations:

(a) The Ninth Ministerial Conference presented an opportunity to build confidence in the multilateral trading system. However there was a need to be cautious by not overloading the agenda in order to ensure positive outcomes. The aim should be decent, concrete and realistic outcomes.

(b) There was general consensus that current investment regimes in the form of bilateral investment treaties and free trade agreement chapters on investment and the like were not ideal, especially for developing countries. Given that more than half such arrangements would soon expire, this was a good time to rethink the investment agreement model and ensure that equity and sustainability aspects were emphasized.

(c) Investment reforms and solutions should be phased by first developing general principles encompassing good practices, without necessarily leading to a multilateral treaty.

(d) Environmental and trade agendas could and should move towards convergence for inclusive development, e.g. through meaningful reform of subsidies for agriculture, fisheries and fossil fuels that would level the trade playing field as well as free resources for investment towards a green economy.

(e) A step-by-step approach would be more appropriate for multilateral consensus-building on trade and investment.

G. Transformation priorities in Africa and the post-2015 development agenda

Led by Third World Network-Africa and the United Nations Non-Governmental Liaison Service

64. This event drew notably on the findings of a meeting held in South Africa in February 2013 entitled “Structural Transformation in the African Context: Reflections on Priorities for the Post-2015 Development Agenda”, organized by the Pan-African Parliament, major African civil society networks and with support from the United Nations Millennium Campaign and the United Nations Development Programme.

65. Africa’s recent growth performance led by primary commodity exports occurred against a backdrop of protracted global economic instability and the recurrence of mutating financial crises, austerity and recession. At the very least, these called into question the sustainability of this growth model and the external demand and volatility of primary commodity markets upon which it had been predicated. More fundamentally, these trends underlined the qualitative deepening of the fragility of Africa’s shallow and dependent development as well as the externalization of the benefits of growth within the prevailing dynamics of finance-led globalization which continued to accentuate vulnerability when faced with whims of aid providers and foreign investors. Together, they also explained the elusiveness of inclusive growth, human and social development and transformation of production capacities, structures, opportunities and outcomes in and for the continent and its peoples.

Key findings

66. The new post-2015 development agenda must explicitly address this apparent paradox of Africa’s growth. In this regard, cardinal themes and goals relating to them must include:

(a) Structural transformation: rising agricultural productivity integrated with industrialization-led transition which could be measured and tracked;

(b) Privileging measurable shifts to a growth path led by employment, income and domestic demand that was wholly inclusive and progressively redistributive;

(c) Ending dependence and enhancing autonomous, self-generating accumulation of development finance resources accompanied by rolling back surplus leakages through illicit flows, retrogressive tax competition policies and weak institutional and policy governance;

(d) Reform of trade, investment, finance and commodities regimes, rules, frameworks and practices based on concrete, measurable developmental benchmarks and returns;

(e) Ensuring an effective voice and participation for Africa in key global institutions and partnerships and deepening democratic governance, accountability and transparency for Africa’s citizens within the continent’s countries and regions;

(f) The care economy (including the unpaid work of women, community support, care for the elderly and children) should be fully integrated into any meaningful transformational agenda for the continent.

H. Trade in value added and global value chains: Telling the myth from fact and from what we just do not know

Led by International Working Group on Trade-Finance Linkages and Third World Network

67. The panellists at this session focused on recent developments in measuring trade in value added, GVCs and their relevance to developing countries.

68. Civil society organizations as well as UNCTAD had long brought attention to the phenomenon that many developing countries, after implementing trade reforms and improving their export performances, still failed to see results in growth and financing for development. The link between trade and increased financing being captured at the national level was, therefore, a crucial one and participants welcomed the work of WTO and others to develop statistics on trade in value added.

69. Participants also recognized that there were significant methodological and even data collection obstacles to produce these data in a suitable format. Once these data were available however, they could be crucial inputs for evaluating whether insertion into a GVC was a good strategy for developing countries to increase their value added.

70. In the meantime, advice on GVCs was based on anecdotal evidence as well as theoretical insights based on which panellists had different degrees of optimism and pessimism. Some considered that the ability of countries to benefit from GVCs depended on whether they had prospects of moving upwards in the chain. Given that the highest value segments were those where lead companies extracted rents based on monopolistic or oligopolistic positions of market power, there was little room to be hopeful. Issues of power and vulnerability were critical factors to address if small and medium companies were to benefit. Others considered, on the contrary, that there was room to be optimistic about the impacts that value chain insertion would have on the growth and value addition capacities of developing countries and that some data might understate the amount of value addition provided by domestic companies.

I. Can a more locally focused agricultural trade regime reduce hunger and environmental impact?

Led by Nexus Foundation

71. A more locally focused trade regime following the formula that “regional/local” was the first choice could bring about advantages on the side of food security and the environment, if guided properly. There were already practical examples which furnished evidence. Preferences for local purchase though could be misused as well for protectionist measures. Market inefficiencies would also have to be avoided.

72. Some flexibility on local sourcing was provided in the current WTO framework. But there were hindrances against full exploitation of these flexibilities. In addition, as the recent example of public food stocks showed – where procurements above minimum price levels were counted as subsidies – there were sensitive limitations on the flexibilities (e.g. the proposal of the Group of 33 for Bali, Indonesia). These flexibilities alone were insufficient to tackle the challenge.

73. The prevailing economic system today, building more or less on anonymous competitive market mechanisms, left local preferences only to niche markets, frequently higher priced. Heavily distorted agricultural markets (subsidies and non-internalized externalities) exacerbated the situation. There were repeated calls at the Public Symposium for a new economic order. One essential solution lay in stronger citizen engagement and trainings in hands-on measures on food production, trade and land tenure.

74. Future trade regimes should allow for local preferences in agricultural and food markets, with some safeguards and allowing for citizen engagement, to better address food security and environmental needs.