Eradicating Global Poverty: Parliamentary Action Agenda for the 21st Century

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About PGA

*A Dynamic Network of Individual Democratically Elected Legislators*

Parliamentarians for Global Action (PGA) was established in 1978-1979 by concerned parliamentarians from around the world to take joint action on global problems which could not be solved by any one government or parliament. While its initial driving force was on the critical need for disarmament, Global Action today works on an expanded list of global issues such as fostering democracy, conflict prevention and management, international law and human rights, population, empowerment of women, and economic reform.

PGA is an association of individual parliamentarians that is action-oriented with specific programs under the political direction of a 15-member Board. This structure allows Global Action to effectively push policies at the national, regional, and international levels. The leadership also includes a thirty-three member International Council which represents all the regions of the world. PGA also works closely with the UN system through the advisory body of the UN Committee for PGA comprising senior UN ambassadors, high-level UN officials, and some leading NGO representatives. The current chair is Ambassador Hans Dahlgren of Sweden.

With a membership of legislators from only elected parliaments, PGA brings the authority and mandate of its members’ constituents and a responsibility to them as well. It gives PGA a greater authority on policy matters vis-à-vis the executive branch of government and vis-à-vis civil society.

PGA includes in its membership a concentration of high-level politicians, including Prime Ministers, Cabinet Ministers, and Chairs of Finance, Foreign Affairs, Population, Health, and Defense Committees. Many of PGA’s members leave parliament for higher government posts such as the Presidency of Iceland, Presidency of Botswana, Prime Ministership and Presidency of Trinidad & Tobago, and Vice Presidency of Dominican Republic. Also, as an NGO of parliamentarians, PGA is able to create effective partnerships with civil society groups, thereby enhancing the role of parliamentarians as the intervening link between civil society and executive authority. PGA’s programs on women, peace and democracy, population, and international law work in close cooperation with NGOs and leading research institutions in these fields.

PGA also has had an extremely effective track record with inter-governmental agencies such as the UN Secretariat, UNDP, UNFPA, UNICEF, UNIFEM, UNESCO, the World Bank, Asian Development Bank, and International IDEA. PGA’s guiding principle of bringing the input of key players from both government and opposition and its close working relationship with members serving on relevant parliamentary committees makes it an invaluable agency for the negotiation and implementation of any successful policy.

PGA’s Headquarters is located in New York City, in a close proximity to the United Nations. The offices of National Group representatives and other leading PGA members serve as liaison links in various countries around the world.
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Executive Summary

OPENING SESSION
As the millennium approaches, the globe has never been more connected: technology and business rush forward, partnerships cross borders, the Internet breaks old barriers of communication—and yet at the same time, poverty has sharply increased. Development and underdevelopment have reached hyperbolic peaks. Opulence and misery live side by side. Mr. Allan Rogers, MP (UK), President of Parliamentarians for Global Action (PGA), opened PGA's annual forum by painting a picture of the contrasting global realities that confront us at the end of the twentieth century:

"In the last quarter century, we have seen not a reduction in poverty, but a vast increase. Three billion people on the planet are living on less than three dollars a day. One billion live on less than one dollar a day. Today the combined wealth of the three richest people in the world is greater than the combined gross domestic product (GDP) of the forty-eight poorest countries in the world. Of the hundred largest economies in the world, fifty-one are corporations, not countries."

Mr. Lee Stringer, author of Grand Central Winter and a former homeless man, emphasized the need to put a human face on poverty. "The problems of hunger and homelessness are everywhere;" he said, "but facts and figures only take us so far." To eradicate material poverty, Mr. Stringer said, first we must eradicate spiritual poverty—the kind that leaves those without money feeling without value.

FINANCING FOR DEVELOPMENT: GOVERNMENT AND PRIVATE SECTOR
International assistance from wealthy countries to poorer countries has dwindled to its lowest point in twenty years. Official Development Assistance (ODA) fell from .35% of donor countries’ GDP in 1981 to .22% in 1997. With few exceptions, such as Denmark, rich countries are farther than ever from meeting the original UN recommendation of .7% of their gross national product (GNP).

Although private sector funds more than compensate for the decrease in absolute terms from governments, these funds tend to be directed to the better-off developing countries—sub-Saharan Africa, for example, is notably neglected. "The poorest countries are hit doubly," observed Ambassador Ellen Margrethe Loj of Denmark, "first by the low private flows, and second by the decrease in ODA." To some extent, perhaps 'donor fatigue' can be overcome—if parliamentarians from the developed world present the issues consistently to their constituents, said Amb. Loj, whose own country has committed 1% of its GDP to ODA. Parliamentarians in developing countries can work to make their countries more attractive to donors by rooting out corruption, making economic and institutional reforms, and practicing good governance and respect for human rights.

TRANSACTION TAXES
Innovative, progressive forms of taxation offer an alternative source of financing to combat poverty. The Tobin Tax, endorsed by the Canadian House of Commons in March 1998, proposes a fee on inter-
national currency purchases or sales to be used for
development. The level of such financial speculation
has reached astronomical proportions, with $1.5 tril­
lion traded in currency markets, over 90% through
short term speculation. Such instability carries with
it tremendous opportunities for profit as well as the
opportunity to generate tax revenue—a possibility
noted by Nobel Prize-winning economist James
Tobin. According to proponents, the benefits of the
Tobin Tax are two-fold: first, it would stabilize cur­
currencies, by discouraging attacks by speculators.
Second, it would generate a potentially enormous
fund for development initiatives. To be effective, the
Tobin Tax would have to be adopted multilaterally
and applied in a coordinated way. Canadian MP
Lorne Nystrom suggested making it a requirement
for countries to participate in the Tobin tax if they
want to participate in the International Monetary
Fund (IMF).

Critics argued that a transaction tax would make
countries less competitive and therefore would have
a negative impact on exports; that it would lead to
centralization in the banking sector; and that it
would have a low yield in stable, low inflation
economies. Dep. Marcos Cintra (Brazil) stated that,
in Brazil, a transaction tax on stock market specula­
tion proved evasion- and corruption-proof, required
minimal bureaucratic procedures and costs, caused
no significant distortion in market procedures,
and—most important—generated revenue to com­
batt poverty. And, since there is no evasion, there is
no need to impose high rates as with value-added
taxes (presently 17% in Brazil). A cautionary note
was added by Dep. Cintra: the transaction tax, like
the Tobin Tax, requires functioning regulatory frame­
works and institutions to make it viable.

REALLOCATION OF EXISTING RESOURCES
Existing national resources can also be reallocated to
better serve the poor—for example, by defense con­
version. In over 30 countries, basic services receive
only 12 to 14% of national budget. The New York
Times reports that in some countries in Africa the
entire health budget comes to only $6 or $7 a year
per person. Defense spending, even in the poorest
countries, takes up the bulk of the national budget.
However, in the past fifteen years Argentina cut its
military budget in half. That country’s experience is
unique in some ways, but its example, articulated by
former Defense Minister José Horacio Jaunarena, is
instructive.

In the 1970s Argentina’s military spending sky­
rocketed. Increased guerrilla activity spurred a repres­
sive military campaign, while the Malvinas war and,
later on, threats of war with Chile dovetailed an eco­
nomic crisis in which the military protected its bud­
get. In 1983, the incoming constitutional govern­
ment set out to reduce military spending. The
Ministry of Defense was restructured and its budget
placed under the jurisdiction of the Secretary of
State. Military enterprises were centralized into
Defense Holding Companies, and civilian managers
were brought in to make the companies efficient and
effective. With its budget subordinated to a civilian
body, and its functioning subject to rational analysis,
the military adopted a minimalist vision.

Troops were reduced from 100,000 in 1983 to an
average of 28,000 afterwards. In the last ten years
Argentina’s budget as a whole grew 31% while the
military budget grew only 2%, allowing the govern­
ment to channel resources to other areas, like debt
reduction and education.

Argentina’s experience suggests two lessons: First,
public support is crucial. To rally popular support,
Argentina held a plebiscite to approve peace treaties
with Chile and Brazil, which minimized external
threats and so eased anxiety about defense contrac­
tion. Second, civilian government and the military
must cooperate. “To leave the responsibility of
spending solely to the decision of the armed forces,”
said Minister Jaunarena, “is as disingenuous as pre­
tending to apply a rational scheme a priori without
any military participation.”
Labor and Employment

Generating employment is another way to fight poverty. One billion people—a third of the world’s work force—are either unemployed or underemployed. “The link between labor and poverty is obvious,” said Dep. Ibrahima Fall (Senegal). “If everyone had a job, poverty would subside.”

The problem is linked to globalization. Dep. Fall noted that globalization has two catch words: liberalization and privatization. A few years ago, impelled by the Bretton Woods institutions, structural adjustment programs (SAPs) were the order of the day, and labor codes which protected workers were to be liberalized to attract investors, who would avoid countries where workers were too protected. Meanwhile, state enterprises had to be privatized because they were mismanaged. Utilities fell into the hands of private foreign interests, who fired a lot of workers, which saved a lot of money, which they sent back home. Dep. Fall asked, “is this not a way of reconizing our countries?”

Mr. Franklyn Lisk, of the International Labour Organization (ILO) stated that governments must keep employment as a central policy goal, and they must ensure conformance with internationally recognized worker rights.

Ms. Marjorie Newman Williams, Deputy Director of UNICEF, pointed out that the ILO has exploded the myth that child labor reduces production costs; in fact, the income earned is rapidly offset by the lost educational and social opportunities.

Realistic Assessments and Targeted Strategies

Governments must also look beyond superficial statistics when assessing their work forces. The United States, for example, is enjoying the longest economic boom in history, and more people are working than ever. Yet one person in eight lives below the poverty line. The problem for the ‘working poor’—predominantly racial and ethnic minorities—is that wages are too low and jobs are unreliable. In urban America, unemployment is as high as 30%, even though the national average may be as low as 4%. According to Dr. Julia Lopez, Director of Equal Opportunity at the Rockefeller Foundation, this is not only because people lack skills and education, but also because unskilled job opportunities are situated far away from the inner cities.

Gender and Poverty

Health care offers a barometer of the discrimination in America. “Policies on health care reflect the value we place on individual citizens,” said Ms. Faye Wattleton of the Center for Gender Equality. “Race, gender and economic status collude.” The HIV epidemic affects low income women disproportionately: It is the number one cause of death of black women between the ages of 25 and 44, in part because women are diagnosed, and receive treatment, later than infected men.

How can the feminization of poverty be rectified? For one thing, governments tend to base family policies on a set of widespread myths, said Ms. Margaret Catley-Carlson, Former President of the Population Council. Current policies assume everyone lives in a stable family, that men are the wage earners, that children will be protected and supported by parents, and that within families children garner equal benefit. But the realities are different. Marital unions do not have the stability that our laws confer upon them. Women are increasingly the wage earners. Within families, girls are given less access to education, information, and important resources. We need to nudge policies toward the realities if they are to be effective.

According to Ms. Catley-Carlson, fertility potential and poverty potential are extremely high for girls who drop out of school. Attention should be focused on eliminating barriers to education for girls as the single most effective way of combatting poverty.

In addition, customs and norms at the household level must be redressed, said Noeleen Heyzer, Executive Director of UNIFEM—especially inheritance, to which many women do not have the right, and social security. The ‘casualization’ of women’s work must end. And we must empower women to exploit new opportunities in new markets.
Alliances with Civil Society

NGOs and village groups can offer a community-based approach to development. In the developing world, micro-credit has been heralded as a way for the poor to lift themselves out of poverty. "Micro-business in Argentina is as important as air or water," said Lic. Ana S. de Kessler, Argentina's Secretary of State for Small and Medium Enterprises. This is especially true for women. Argentina's Vive Mujer program offers women participants training and money through NGOs which the government contracts and subsidizes—and makes tax deductible.

In addition to its economic benefits, micro-credit has positive social side effects, said Dr. A. Moyeen Khan, MP (Bangladesh), whose country pioneered micro-credit. First, earning money turns women into decision makers in their families, even if the funds are quite small. In addition, one of the key things the Bangladeshi bank proved is that the poor are 'bankable'—that is, they pay back their loans.

Community-development NGOs can also speed development. Mr. Robert Shaw stated that the Aga Khan Foundation works in the region between China, Pakistan and India—a remote and mountainous area where only 1.1 million people live. The average income is only $100 annually, and literacy rates are 5 to 15%. Citizens subsist on tiny farms—with only one crop and livestock population.

The Aga Khan Foundation helps villages organize, save money and provide training. The program gives grants for infrastructure projects, like irrigation channels or link roads—which is somewhat controversial because essentially it provides cash for local labor. However, 100% of maintenance of projects is done by locals, with their own labor and funds. In the past fifteen years, there has been a transformation in the region, and income in the region has tripled. The program is now self-sufficient.

Debt and Debt Relief

Despite all these approaches, poverty alleviation is meaningless for nations trapped in a spiral of debt. The poorest countries in the world are weighed down by having too many debts. Sen. Francisco Tatad (Philippines) illuminated this reality. Thirty-two of the world's most heavily indebted countries have a national income that combined is roughly equal to the income of the world's richest man, Bill Gates. Their present value of debt to GNP is higher than 80%. Over the years these countries have run up $200 billion in foreign debt. The original amount was much lower, of course, but it rose exponentially because the debtor countries, unable to service their original debt, had to borrow again and again to pay interest on interest and are now net exporters of capital to rich countries, even as their populations go hungry.

These realities have prompted increasing calls for debt relief. A world-wide advocacy movement called Jubilee 2000, which includes religious groups, development organizations and artists, has led a campaign for debt cancellation on practical as well as ethical grounds. A huge amount of debt is non-performing—that is, creditors long ago concluded that it would never be repaid. In addition, debt was accrued by illegal regimes for dubious purposes—repression or outright war. That debt has since been handed down to a population which neither saw nor benefited from the money taken in their name. Should the victims of tyrants be made to pay twice? According to Sen. Tatad, it would be feasible to write off most debt altogether. The $200 billion owed by the world's poorest countries is estimated to have a real worth of less than $24 billion.

In 1986, the World Bank and the International Monetary Fund began a program to try to reduce the debt of the world's most heavily indebted poor countries (HIPCs). But the criteria are stringent. Relief is limited to the non-performing debt of the poorest counties, and it comes only after six years of IMF-imposed austerity. Little wonder then that so far only four nations have qualified for this initiative—Uganda, Bolivia, Mali, and Guyana.

Instead of these neoliberal economic reforms, Cong. Javier Diez-Cansco (Peru) suggested debt relief be linked to specific social policies, such as education and health, environment or micro-enterprise. Immoral debt (accrued by illicit regimes) should be canceled and reallocated, and the civil sector should participate in decisions about the use of newly freed funding—Diez-Cansco proposed a 'civil society trust fund.' He recommended PGA promote these reforms of the HIPC initiative by sending them to the IMF, the World Bank and the G7.
REDEFINING THE PROBLEM

Part of the problem of poverty lies in how we see it. We need to rethink the problem on several levels. The UNDP Human Development Report attempts to replace income-defined poverty with a development-based perspective. It considers factors like life expectancy, literacy levels, social and political climate, and access to basic necessities like potable water and health care. To date 122 countries have produced human development reports. Canada ranks number one on the HDI—the Human Development Index. According to Dr. Richard Jolly of the United Nations Development Programme, human development means “strengthening people’s abilities and broadening their choices.” It goes beyond resource investment and social sector expenditure; it is a matter of rights—to education, for example, whether or not people will use it. It includes ideas like ‘pro-poor’ growth, improved management of globalization, and gender equality.

Finally we must question our underlying assumptions about poverty: the problem might not be the poor, but the rich. “If we look at the pattern of consumption in wealthy countries,” Sen. Tatad asked, “how much wealth is generated by them, and how much is consumed by them?” In the year 2015, how will the world be? It’s going to be full of old people from the rich countries, with migrant populations from the third world supplying their labor force.”

In addition to the many development-oriented policies and reforms discussed, the power of information must be harnessed to combat misconceptions and prejudices. Mr. Djibril Diallo, UNDP, described Net Aid, a UNDP initiative that uses the latest technologies—web, TV, radio—for education and advocacy concerning poverty and debt relief, human rights and refugees.

CLOSING

Conflicts created by poverty only fuel more poverty. But prosperity also yields a virtuous cycle, which affects us all. Above all, it is important to remember the opening remarks of Mr. Allan Rogers, MP (UK)—that the job at hand is not to overwhelm, but to inspire.
Day One: September 29, 1999

Opening Session

Welcome Remarks: PGA President, Mr. Allan Rogers, MP (United Kingdom)
Opening Remarks: H.E. Mr. Arthur N. R. Robinson, President, Republic of Trinidad and Tobago
Personal Testimonial: Mr. Lee Stringer, Author, Grand Central Winter

Mr. Allan Rogers, MP (United Kingdom), PGA President, opened the meeting by reminding those present how televised and newspaper images of poverty, starvation, sickness, war and instant death have brought home to constituents around the world the stark realities of poverty in the world:

"Globalization and other economic trends contribute to the enormous increase in concentrated wealth, and great economic disparity. Today the combined wealth of the three richest people in the world is greater than the combined Gross Domestic Product (GDP) of the forty-eight poorest countries in the world."

"In the last quarter century, we have seen not a reduction in poverty, but a vast increase. Three billion people on the planet are living on less than three dollars a day. One billion live on less than one dollar a day. The industrialized West is not immune either. Twenty four percent of New Yorkers live below the poverty line. Globalization has increased the power of global corporations relative to governments. Of the hundred largest economies in the world, fifty-one are corporations, not countries."

Mr. Allan Rogers, MP (United Kingdom)
PGA President

In addition, increasing debt has exacerbated the wealth gap, leading to decreased per capita spending on health care, education and other social services. As the rich get richer, the poor get poorer. But, despite the disparity, rich donor countries are giving less and less. In fact, we are at the lowest point of giving in twenty years. Official Development Assistance (ODA) fell from .35% of donor countries' GDP in 1981 to .22% in 1997. "Renewed commitment from all developed partners is essential," Mr. Rogers said, "for the wealth gap is unacceptable and cannot be continued."

The burden is not entirely with developed countries, though. Anticipating the major themes of the PGA conference, Rogers also called upon poorer nations to root out corruption, ensure accountability and transparency in their finances, and hence to make
themselves attractive potential recipients of aid. He urged them as well to look to other potential resources: curtailing military spending and redirecting those funds, and generating funds from innovative taxation—including transaction taxes. Debt and debt servicing must be reevaluated as well—pressure must be put on creditors to write off poor countries’ debt, as they have already written them off on their own books, so as to turn debt relief into poverty reduction. Labor rights, gender equality, and the role of NGOs are also prominent themes of poverty reduction. He invited parliamentarians to address this conflux of issues, and to share national level strategies and, above all, to inspire people to action.

Poverty and Government Accountability

H.E. President Arthur Robinson, Trinidad & Tobago, began by noting that poverty is not a problem presented by the poor; it is a problem presented by the rich. The use—and depletion—of the world’s natural resources poses a constant threat to the environment. “We must think not only in terms of eradicating poverty, but in terms of a shift in the paradigm of human development. Good government, democracy, and rule of law is the framework in which these matters must be pursued.”

From the outside, he observed, statistics have led analysts to see ‘development’ in countries which later collapsed. These analysts did not pay sufficient attention to distribution, and the use of resources. That is, macroeconomic growth can occur simultaneously with a rise in poverty, as resources are more and more maldistributed, and as they are unwisely or unscrupulously directed. This problem spans the gap between rich and poor countries:

Dr. A. Moyeen Khan, MP (Bangladesh) noted that in South Asia alone, over a billion people live below the poverty line. The percentage of poor people on the globe is decreasing, but in absolute terms the numbers are increasing.

Dr. Khan then introduced Mr. Lee Stringer. Former editor of The Street News, Mr. Stringer’s work has also appeared in The New York Times, The Nation, and other major publications. Dr. Khan remarked how amazing it was to sit beside Mr. Stringer, “he coming from the richest nation in the world, myself from perhaps the poorest. Yet when you listen, you will see that we both are talking of the same pains in life.”

Grand Central Winter

Mr. Stringer’s brief speech was electrifying, for he was the only person on the panel who was in fact a representative of the group of people in question: the down and out. Mr. Stringer began by sharing his sense of awe and humility at finding himself in the halls of the United Nations—an institution created with the hopes of improving the human being’s lot on earth; but he also warned that the deeds of the organization are only as effective as the people who sit in its chairs. “The problems of hunger and homelessness are everywhere; but facts and figures only take us so far; there needs to be a human face on it.” This was why he wrote his story, which he then shared in part with members of the forum.

As prime minister of Trinidad and Tobago, H.E. President Robinson had pursued legislation to force government accountability. ‘Forensic accountants’ were hired from abroad, who traced millions of dollars that had been spirited away to the major capitals of the world—development aid to the rich, so to speak. External expertise was necessary to trace the international web of corruption. Much had to be spent to trace what had been stolen. But not a penny of official assistance was received from the major countries involved. This problem, he noted, links the poor and the rich, “for the impoverishment of the poor assists the enrichment of the rich.”

* The Street News is a New York newspaper produced and operated by the homeless in New York.
Mr. Stringer’s book, *Grand Central Winter*, relates his experience as a homeless vender of *The Street News*. In one moving passage he tells of the difficulties he encounters peddling his papers on subways. Appealing to people’s charity, he finds, gets him no sales. Humor also falls flat. But on one occasion a bespectacled lady suddenly approached him and lamented, “Can’t people see you’re trying to help yourself?” She was sincerely outraged at everybody’s indifference. Stringer was nonplused. “They don’t owe it to me to buy a paper.” he responded thoughtfully. “After all, would you buy a vacuum cleaner because you needed one, or because the salesman needed to pay his mortgage?” Then out of good will, Mr. Stringer offered the woman a free paper. “Take it,” he said. But the woman didn’t want anything from him for free. “I couldn’t,” she said, refusing the paper at first, and then insisting on paying for it. She scrounged up ninety-seven cents from her purse and handed Stringer the change, triumphantly, unaware that it was her victory alone. Mr. Stringer reflects: “If I couldn’t give something to someone once in a while, wouldn’t that make me poorer than I already am?”

Mr. Stringer’s book describes the poor in real terms—as funny, wise and hard working souls, struggling to rise and stay above their conditions.

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To eradicate material poverty, first we must eradicate spiritual poverty—the kind that leaves those without money feeling without value. “Poverty of the pocket is not so much the problem as poverty of the spirit. One’s value on this earth is never, even in the least bit, diminished by one’s present circumstances.”

*Mr. Lee Stringer, Author*
Session I:
New Partnerships for Development: Government and Private Sector

Chair: Sen. Francisco Tatad (Philippines)
Speakers: Mr. Lorne Nystrom, MP (Canada)
Dep. Marcos Cintra (Brazil)

Sen. Francisco Tatad (Philippines) introduced the first session with a brief commentary on the paucity of available development assistance, and the challenges generated by globalization. With globalization, he noted, the market has taken over; the private sector is bigger than government, and it is linked with the private sectors of other countries. Meanwhile government resources are never enough: At the onset of ODA twenty years ago, the target of the UN was 0.7% of the Gross National Product (GNP) of donor countries. The current level is .022% of GNP of donor countries. But if government resources are never enough, what alternatives are there? This was the thrust of the first session.

Transaction Taxes: The Tobin Tax
Mr. Lorne Nystrom, MP (Canada) began by first noting a paradigm shift from economic development to human development. There is less and less contribution from donor nations. Capital has globalized; we have huge MNCs. But human development hasn’t kept up, so we need international regulative standards for labor, environment, and social services.

Mr. Nystrom went on to detail Canadian efforts to tame one branch of the private sector, international financial speculations, via the new Tobin Tax.

Instability generated by international financial speculation carries with it tremendous opportunities for profit and, concomitantly, the opportunity to generate tax revenue—a possibility noted by Nobel Prize-winning economist James Tobin. Following Tobin’s model, the Canadian House of Commons endorsed a Tobin tax on international currency speculation by a two to one margin in March 1998.

Mr. Nystrom said that Canada’s actions should be a bellwether for the world community—and he stressed the need for an international agreement. The benefits of such a tax would be two-fold. First, it would slow down speculation in financial markets. With a tax on currency purchases or sales, attacks on currencies would be less attractive to speculators, who would not be as eager to trade large sums of national currencies. Currency value would fluctuate less, offering countries greater time horizons for planning and budgeting. The second benefit of the tax would be to generate a fund that could be used for development initiatives, from environmental protection to clearing land mines to poverty alleviation.

According to Mr. Nystrom, up until last year, the World Bank had been very critical of any attempt to control currency; recently, however, it complemented Malaysia on currency controls, which marks an about-face from its previous position.

Mr. Nystrom closed with an
appeal to support what the Canadian parliament had done—by endorsing in principle the Tobin Tax. Second, he proposed that different bodies do more research on the ideas presented by Prof. Tobin. Finally, a number of parliamentarians should organize an international parliamentary group that would develop and discuss ideas for regulating the international financial markets.

Transaction taxes: stockmarket regulation
According to Dep. Marcos Cintra (Brazil), countries like Brazil, which turned its back on import substitution policies and opened its economy, now face transitional problems. Savings rates fell; public deficit and debt grew enormously; national industry and services were quickly taken over by multinational concerns; and now Brazil faces the effects of social inequality, including urban violence, swollen cities; and dwindling social investment in health and education. “Our countries are going through a painful process of integration into the world economy. We now face the challenge of successful inclusion; we don’t disregard the prospective gains from the flows of financial transactions on a global scale. But the process of building a global economy may be aborted because of the inability of developing countries to bear the burden of this type of growth.”

Dep. Cintra offered a few tools available to nations to regain control of national economies and to direct those economies towards the eradication of poverty. The two tools mentioned were a transaction tax, as already enacted in Brazil, and an international currency tax, as endorsed by Canada. The transaction tax in Brazil, first proposed in January 1990, reenacted in 1995 and again from 1998-2003 (for 1999-2003, the rate is set at .38%), involves a mandatory contribution on all financial transactions. The difficulty which turned the ideal into an enormous utopian proposal resides in identifying a tax base sufficiently broad to allow collection of enough revenue to finance government activities without requiring too high a tax rate. Until now, such a tax would have lost large amounts of resources to evasion or corruption, as payment made in commodity or paper based money would be more difficult to control. But now the electronic age has opened the way for this new tax—a way for all payments to be cleared through the banking system, which makes it possible to avoid large scale tax evasion.

In Brazil, a long history of inflation has led to over-development of the banking system, as individuals and corporations maintained their assets in indexed accounts. As a result, Brazil is the only country in Latin America with a clearinghouse capable of adjusting all bank accounts overnight and the economy has become dominated by the use of electronic exchange. “Paper money contributes less than 2% of GDP.” While Brazil is far ahead of other countries, there is a worldwide trend towards electronic exchange—bank cards, etc.

The transaction tax has a number of critics. It was tried in Argentina with little success. Some argue that it will decrease allocative efficiency, decrease exports, induce verticalization, lead to centralization in the banking sector, and have a low yield in stable, low inflation economies. Some argued it would make...
been proved wrong. “On the contrary, in Brazil, the revenues collected on the tax were solid and consistent; it could not be evaded; and it turned out to be a fair tax—since the most unfair tax is one which can be evaded. Each tenth of a percent of the tax, on the revenue side, resulted in revenues of .9% of GNP in Brazil (8.5 billion reis were collected). And, since there is no evasion, there is no need to impose high rates, as are used in value added taxes (presently 17% in Brazil), so rates can be lower. In sum, the transaction tax in Brazil was virtually evasion and corruption proof, required minimal bureaucratic procedures and costs, and caused no significant distortion in market procedures. Most important, it is a source of revenue that can decrease poverty.”

However, Brazil’s experiment does offer a few lessons: First, if rates are raised, a few safeguards are needed. To avoid quasi money, they should be turned into non-endorsable letters of payment. Transactions above a minimum amount should be cleared through banking systems and should not be imposed on financial and capital markets. Also, input output tables should be constructed to evaluate the tax burden caused.

To be effective, the two instruments require regulatory frameworks and institutions that make them viable. The Brazilian case demonstrates that a transaction tax is viable. On the other hand, a Tobin tax has not yet been tried, and would require an international effort to be implemented, including multilateral coordination.

**DISCUSSIONS**

**Tobin Tax Opposition**

Senator Dougas Roche (Canada) asked where opposition to the Tobin tax came from, and what were the criticisms. Mr. Lorne Nystrom responded that in Canada, the Central Bank is opposed to the tax—and this is generally true elsewhere: big banks and hedge funds, geographically concentrated in seven major trading centers in the world, are opposed. In terms of countries, the biggest opposition comes from the United States.

**Global Impact**

Dip. Marcelo Lopez Arias (Argentina) pointed out that the tax is only applicable if applied internationally in a coordinated way; it cannot be applied unilaterally. Dip Carlos Becerra (Argentina) commented that globalization has proceeded so far that it calls into question the very existence of states and sovereignty. Therefore, recognition of a new phase must be considered—and it would be important for PGA to address the World Bank regarding its position. Dep. Ibrahima Fall (Senegal) mentioned the idea of creating an international resolution on the part of PGA to develop the transaction tax and the other ideas discussed today. Dep. Fall recommended following up on today’s conference with a working group to study the idea, as was done with the International Criminal Court.

**Tobin Tax Collection and Implementation**

Ms. Lisbet Calner, MP (Sweden) asked how money from the Tobin tax could be collected. She expressed fear that there would be ‘free states’ like Liberia or the Cayman islands—currently the tax havens of banking communities and cruise ships, and the likes.

Dep. Cintra responded that the only way the Tobin tax could work is with multinational agreements through multilateral organizations. Mr. Nystrom added that technology will assist in collection of the tax. In response to the question of tax shelter nations, he said that a ‘carrot and stick’ approach could be used: “If countries wish to participate in the IMF, they must participate in the Tobin Tax.”
Implementation Difficulties
Faced with questions on the difficulties of implementation and collection, several delegates offered alternatives.

Dep. Cintra concluded with an appeal to action on the part of PGA, which could organize a program to take this discussion to all parliaments in the world. He also noted that the transaction taxes have two positive affects: First, they decrease the tyranny of capital, which makes our countries less unstable; second, they raise money for social programs. He also pointed out that within individual countries we have a mass of resources and wealth that we have not been able to bring to financing social actions. As such, transaction taxes are something we should think seriously about not only as an international tax but as an internal instrument for raising revenue and financing social actions. Usually the poor pay more taxes than the rich. But a Tobin Tax has this as an advantage: it reaches all levels of society.

Mr. Nystrom responded and summed up by telling parliamentarians that they have the power in their hands—particularly those from countries whose currencies are money-center currencies. Having the Tobin Tax in these countries is controlled enough to allow collection. When dollars move from Company A’s account in one country to Company B’s account in another, they actually ‘move’ only within the New York Federal Reserve. “The prospect of the development of a huge fund for human development—100 billion, or 150 billion—just think of the common good that it could do!” He reiterated Dep. Fall’s call for an international working group to discuss the possibilities.
Presentation on Human Development and Poverty

Mr. Richard Jolly, UNDP

Mr. Jolly referred parliamentarians to the UNDP Human Development Report as a measure of how human societies, and not simply economies, have developed. (To date, one hundred and twenty two countries have produced human development reports.) He reviewed four ways of viewing the eradication of poverty: as a human right; as a condition for global stability; as an affordable goal; and as a practical possibility. Mr. Jolly also warned against excessive pessimism—the recent crises in Asia set people back three or four years, not three or four decades. Then, citing figures from the 1999 Human Development Report, he offered parliamentarians a statistical overview of poverty, in human development terms:

"Who has got and who has not?"
The richest twenty percent of people in the world:

- Eat 11 times as much meat
- Use 17 times as much energy
- Have 49 times as many telephones
- Own 145 times as many cars
- Consume, overall, 16 times as much

As the poorest 20% of people.

The poorest 60% of the American population have become poorer in the last twenty years. The top 1%, post-tax, have double the income of sub Saharan Africa, double the income of Mid-East and North African states. Dr. Jolly quoted further statistics:

- 840 million are marnourished
- nearly one billion are without health services
- one billion without adequate shelter
- two billion people have no electricity
- more than 2.5 billion are without sanitation.

Mr. Jolly offered the following definition of human development, drawn heavily from Nobel Prize winner, Professor Amartya Sen: a strengthening of people’s abilities and a broadening of their choices. It goes beyond resource investment and social sector expenditure; it is a matter of rights—to education, for example, whether or not people will use it. Economic growth helps, but is not the end of the story. It depends on what sort of growth occurs and how it is used.

There must also be a human definition of poverty, rather than an income definition of poverty. This definition includes factors like:

- short life: 40 years or even less
• lack of knowledge/high illiteracy
• social and political exclusion
• lack of material means: no water, health services, etc.

This data is more widely available than income statistics, in any case. Canada is number one on the HDI—the Human Development Index. On the Human Poverty Index, Sweden is first (best), USA is seventeenth. Lastly, Mr. Jolly outlined six priorities for poverty eradication:
• Empowerment to poor people by building their assets
• Gender equality (without which you cannot eradicate poverty)
• Pro-poor growth—and often faster growth
• Improved management of globalization
• Democratic space for political action against poverty
• International support for special situations: conflict prevention, debt relief, aid, international action to tackle HIV, and a stronger UN role.

According to Mr. Jolly, there has been progress in reducing malnutrition—except in some parts of Africa. Pro-poor growth can happen, but in 70 countries, growth is failing. In closing, Mr. Jolly exhorted parliamentarians to call for national programs of action in poverty reduction and to monitor the progress. There are countries which show it is possible. He urged legislators to "put the issues of global inequality on the agenda, because they are not there at the moment."
Session II: Financing for Development

Chair: Ms. Helen Beim, MP (Denmark)
Speakers:
Ambassador Ellen Margrethe Løj, State Secretary, Head of South Group, Ministry of Foreign Affairs, Denmark
Dr. José Horacio Jaunarena, Ex-Minister for Defense, Argentina
Mr. Siba Das, Deputy Assistant Administrator, Deputy Director of the Bureau for Development Policy, UNDP
Mr. Sadig Rasheed, Director, Program Division, UNICEF

Amb. Margarethe Løj, State Secretary, Head of South Group, Ministry of Foreign Affairs (Denmark), offered a brief description of the status of foreign aid, noting the steep decline in recent years and the need to identify new sources of financing for development projects. ODA has declined an average of 3% annually in the 1990s, settling in 1998 at .23% of donor GDP. On the other hand, private flows have increased; while more than compensating for the decrease in absolute terms, they tend to be concentrated in better-off developing countries. “The poorest countries are hit doubly: first by the low private flows, and second by the decrease in ODA.” Ambassador Løj suggested an ODA target of .7%, and held out the prospect of debt relief.

As for parliamentarians in developing countries, they cannot merely sit and wait. They must create an enabling environment for development, with economic and institutional reforms, sound macro frameworks, good governance, the rule of law and respect for human rights, and work against corruption and for participatory democracy.

Reviving Civilian Control: Reducing the Defence Budget
Dr. José Horacio Jaunarena, Ex-Minister for Defense (Argentina), devoted his talk to the period of transition in Argentina from military to democratic government. A number of factors led to increased military spending in Argentina in the 1970s. From 1970-1980, guerrilla activities were characterized by increased violence and a variety of targets—which spurred the military into a limitless repressive campaign, resulting in “the termination of the guerrillas and a society fractured by the wounds that repression had opened at the margins of juridical norms.” The second ingredient was a bloody war over the Malvinas, which imposed costs not only in lives but also in dollars. Third, Argentina found itself in a serious economic crisis, in which the military, holders of the executive branch, protected their own bud-

According to Amb. Løj, “Increased ODA without debt relief does not pave the way to development. Debt relief without ODA will not reduce poverty.” She strongly urged other donor countries to follow the example of her country, which has committed 1% of its GDP to ODA. In donor countries, parliamentarians must ensure that the issues are on the national agenda—and they must point out the human and long term consequences of not doing so. Cynics argue that people are not interested in these issues. But that is not true. When the international media focus on disasters—like hurricane Mitch, or the crises in Kosovo and now in East Timor, the public in all developed countries demonstrates their willingness to contribute. Public support will be forthcoming, if the issues are presented consistently.
Finally, Dr. Jaunarena attributed the rise in military spending prior to 1983 to threats of war with Chile which began anew in 1978.

This combination—repression of guerrilla activity, the Malvinas War, and the threat of war with Chile—caused military spending to rise exponentially. The increase in spending did not bring a commensurate increase in efficiency of forces. Given these administrative problems, in addition to the lack of legitimacy resulting from poor governance, the constitutional government that entered in 1983 had a mandate to reduce military spending. There were a number of problems: loss of morale, loss of men, loss of material, a lost war, and boundless repression which had shattered the social body. The government had failed on a colossal level. Argentina lacked a civilian leadership with capacity and specialization sufficient to control this area of the State. The response was to restructure the Ministry of Defense. A key restructuring was the movement of the area of Budgeting and Control to a civilian ministry, the Secretary of State, where the rationalization of the military could commence. One of the first areas in which rationalization was possible was in the productive activities of military enterprises. The enterprises were centralized into Defense Holding Companies, and civilian managers were brought in to make the companies efficient and effective.

Crucial to making a reduction in the military is popular support. Argentina sought that support by minimizing external threats. A plebiscite was convoked to approve a peace treaty with Chile, and a treaty with Brazil was signed as well. The change to democratic governments in other countries of the region in the years following Argentina’s transition also minimized the perceived threats to the nation. Finally came the actual reduction of spending through changes in the budget process. Adopting a planning-programming budget system, the military set aside the “traditional sector struggle between forces for resources,” creating a “discussion through which they could justify the funds they demanded before civil society.” The traditional form of budgeting was broken by involving all the ranks of the hierarchy in the determination of the priorities of each of the forces. This resulted in a more rational use of resources; active participation of all the armed forces; greater understanding and transparency of their objectives; and the attribution of responsibility for each requested increase in budgeted funds. “The experience indicates that to leave the responsibility of spending solely to the decision of the armed forces is as disingenuous as pretending to apply a rational scheme a priori without any participation.”

The results were impressive, with a reduction in troops from 100,000 in 1983 to an average of 28,000 afterwards, and a reduction of expenses to less than half of what they were before. To understand the magnitude of the cuts, one must consider that over the last ten years the budget as a whole grew 31% while the military budget grew only 2%. If we look at the expenditure increase over operational functions, the lion’s share went to debt reduction. An increase given to education shows that new resources and the maximizing of the comparative advantage can be put to work to eradicate poverty.

**Development Finance and Governance**

According to Mr. Siba Das, Deputy Assistant Administrator, Deputy Director of the Bureau for Development Policy, UNDP, development finance and governance are inextricably linked. The task of governance is to get the right resources to the right people. If it fails, growth is slow, the environment can suffer, and inequity grows. These trends are not theory—they are already underway. To mobilize resources, the key is to free resources and to turn those resources that are available in civil society towards development. One way to free resources is debt relief.
Mr. Das maintained that it is not just national systems, but multilateral institutions that have a role to play. Liberalization and interdependence in today's world means many issues cannot be resolved by domestic efforts alone.

Debt
Mr. Sadig Rasheed, Director, Program Division, UNICEF, maintained that sustained success in poverty reduction requires a human rights approach—that is, the elimination of embedded discriminations. Mr. Rasheed called attention to UNICEF's 20-20 initiative, which seeks to reach the 1995 Social Summit goals through allocating twenty percent of national budgets and twenty percent of donor aid to basic social services. In over 30 countries, basic services receive only 12 to 14% of the national budget. The global shortfall in expenditure to ensure basic services amounts to about $80 billion a year. Making up this shortfall would take only .25% of world GNP.

On debt relief, Mr. Rasheed noted that two thirds of countries surveyed spend twice as much on debt payment as on basic services—sometimes three to five times as much. Shifting resources from present uses to make up the difference would cost little, but would have huge effects if shifted to the most visible basic services: water, sanitation, health and education. The debt burden is directly linked to poverty. Shifting resources to basic services cannot be taken from present ODA, which lies at already low levels, but must come from new money. More money, and more debt cuts, are needed if the initiative is to be fully implemented.

DISCUSSIONS

Transparency, Accountability and Coordination
Mr. Manuel Pinto, MP (Uganda) asked donors to place stronger conditions upon aid to ensure its proper allocation. He raised the problems of corruption, stating that surveillance by the public and media, as well as external and internal audits should be relevant. He also urged reflection on the prevailing situation of developing countries and particularly Africa, where there has been an increase in military engagements—causing a great waste of resources. “Our priorities are not in the human sector. We continue to spend a lot of money on defense.” Ambassador Loj responded that, although external funds are lower than they should be, whatever funds there are should nonetheless be used effectively. If that is not done, funds will never increase. As to the misapplication of funds, it’s important that the donor, the recipient government, and civil society all work with transparency. For example, corruption was once unmentionable; but today we talk about it openly. Dr. Jaunarena added that in Argentina, a system of budgeting had been enacted that was accountable to civil government.
Session III: Generating Employment, Labor Rights, and Development

Chair: Dep. Ibrahima Fall (Senegal)

Speakers:
Dr. Julia Lopez, Director of Equal Opportunity, Rockefeller Foundation
Ms. Marjorie Newman Williams, Deputy Director, Program Division, UNICEF
Mr. Franklyn Lisk, Director, International Labour Organization, Liaison Officer with the UN

Child Labor
Ms. Marjorie Newman Williams, Deputy Director, Program Division, UNICEF, began with the issue of child labor. Global conferences are taking place and there is the new International Labour Organization (ILO) convention on the rights of the child on the worst forms of child labor. This issue has been challenged by the ILO since its formation in 1919 (it is now part of the UN system). It is not merely a labor sector issue, but one of children’s rights. All the articles of the convention apply to children—whether they work or not. At what age is it acceptable for a child to work? The ILO has minimum standards, but even countries which don’t ratify the convention on the rights of the child are accountable.

“The link between labor and poverty is obvious: if everyone had a job, poverty would subside.” Dep. Fall noted that globalization has two catchwords: liberalization and privatization. A few years ago, labor codes which protected workers were to be liberalized as well to attract investors, who would avoid countries where workers were too protected. Meanwhile, countries had to be privatized because they were mismanaged. Utilities fell into the hands of private foreign interests who fired a lot of workers, which saved a lot of money that they sent back home. Dep. Fall opened this session by asking, “Is this not a way of recolonizing our countries?”

The ILO has exploded the myth that the cost of production using child labor is reduced. The income earned is rapidly offset by the lost educational and social opportunities.

Ms. Marjorie Newman Williams, Deputy Director, Program Division, UNICEF

“ ‘We find repeatedly that the age for work is lower than the age for compulsory schooling—but how is a child to go to school if s/he is at work? Forced recruitment of children into the labor force and the army marks a chain of exploitation that must be broken.’

Economics of Poverty
With regard to poverty in the U.S., Dr. Julia Lopez, Director of Equal Opportunity, Rockefeller Foundation, noted that two things have helped: a higher minimum wage as a result of the minimum wage law passed last year; and tax credits, wage supplements from the government to help families. But this is not enough, especially for those without health care. In the U.S., health insurance is only through jobs; as a result, 45 million Americans don’t have health insurance.

Dr. Lopez observed that, in the U.S., economic
poverty collides with racial and ethnic exclusion. African Americans and Latinos have unemployment that is twice as high as their white counterparts. The numbers living in urban America—primarily blacks and Latinos—have doubled. Most of these people work, but for low wages in unreliable jobs without avenues of escape. Unemployment in urban America is as high as 30%, compared to the national average of 4%.

Lack of skills and lack of education are part of the problem; but there is also the fact that unskilled jobs are far away from the inner city—i.e. in the suburbs—and there is not adequate transportation. Networks exclude the urban poor; and overt discrimination still prevails. Employers want immigrants over native born American blacks. And they want female blacks over male blacks, who are at the bottom of the chain.

How can we address these problems? Government cannot answer all these problems. We cannot legislate, for example, the kind of 'networks' that should exist between people and jobs, between these neighborhoods and this kind of economy. However, NGOs are helping link people and opportunities.

Another serious problem: we changed welfare policy, establishing strict time limitations on assistance, requiring recipients to get jobs, etc. But those who are still left receiving public assistance are not likely to get jobs. What happens to them when they are no longer eligible for public assistance? To their families? We haven’t answered this. This economy will not last forever. We’ve changed our safety net, but we haven’t considered what will happen if we have a sustained period of unemployment in the future.

L-R: Ms. Shazia Rafi, PGA Secretary-General; Mr. Franklyn Lisk, ILO; Ms. Marjorie Newman Williams, UNICEF; Dep. Ibrahima Fall (Senegal); Dr. Julia Lopez, Rockefeller Foundation.

Labor Rights and Poverty

Mr. Franklyn Lisk, Director, International Labour Organization Liaison Office to the UN, stated that there is apprehension in industrialized countries that jobs will be lost to less regulated and less costly nations. Developing countries will be faced with job losses as a result of financial liberalization. The labor force is trapped. Increasing international competition forces global producers to cut costs, including labor costs, in what is essentially a race to the bottom.

All countries therefore have strong incentive to work for growth. But growth alone is not sufficient—it must lead to decent work, and conform to workers’ rights. The employment challenge isn’t just about generating growth, but the need to create room to manoeuvre—for both economic stability and for an adequate safety net for those who need it. This should be central to all economic and social policy decisions.

A number of measures can help correct market failure. First, countries need to keep employment central to policy goals, and second they need to construct the social safety nets that protect the poor. Obtaining these goals requires macro-economic policies that
...one billion people—a third of world’s work force—are either unemployed or underemployed. One problem the ILO faces is the upsurge in new liberal views that labor standards and workers rights obstruct economic benefits of globalization.

Mr. Franklyn Lisk, Director, International Labour Organization Liaison Office to the UN

allow growth while being protected from instability in financial markets, and also intervening to protect the vulnerable and excluded. The ILO Declaration on Fundamental Principles and Rights at Work offers four main categories aimed at protecting workers’ rights: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect to employment and occupation.

DISCUSSIONS

The Rights of Workers and the Indigenous

Ms. Sirpa Pietikäinen, MP (Finland) asked about strengthening the role of the ILO. Cong. Javier Diaz-Canseco (Peru) raised the issue of remittances: the money that workers living abroad send home to their families is an enormous sum. When Peruvian workers wanted to send money back recently, financial institutions intervened. He asked how labor rights could be made to be respected. In Peru, for example, collective bargaining does not exist anymore in practical terms, not because it is forbidden by law but because most of Peru’s workers are temporary workers who are not permitted to join unions.

Mr. Lisk responded that the commitment by heads of states to the ILO declaration puts together in one package a set of instruments which, if adhered to, would promote labor rights. Trade union rights are central to improvements in overall conditions —benchmarks in the wider process of development.

Privatization

Mr. Alban Bagbin, MP (Ghana) brought up the increasing privatization of public enterprise—and the fact that the pace at which developing countries have been compelled to implement these policies creates disorder. Rapid privatization of public utilities has led to conflict. Yet the developed world easily shifts responsibility for this by saying that the developing countries are corrupt. The capital flow—or rather, flood—from the developing to the developed world is extreme.

Parliamentary Action

Ms. Williams returned to the idea of a global architecture for the protection of the rights of workers. She appealed to parliamentarians to use their offices to create the necessary coherence between law, public policy, and resource allocation. She also brought up the HIV epidemic, which is being ignored by many, to our peril. Millions of children have lost their social safety nets—their parents. Children are heads of households, but they are unprotected because they do not have the legal protection.

Mr. Del Eberhart (New York, USA) added that in addition to American inner cities, the poverty of indigenous Indian people in America constitutes our own internal third world.
Fourth Annual Defender of Democracy Awards Ceremony

Honorees: Mr. John Hume, MP, MEP (Northern Ireland)  
Dr. Hanan Mikhail-Ashrawi, Secretary General of the Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH)

Presenters: Mr. Allan Rogers, MP (UK), President of PGA  
Ms. Rita Hauser, Chair, International Peace Academy

On September 29, 1999 Parliamentarians for Global Action held its Fourth Annual Defender of Democracy Awards Dinner in honor of Mr. John Hume, MP, MEP (Northern Ireland) and Dr. Hanan Mikhail-Ashrawi, Secretary General of the Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH).

PGA President Mr. Allan Rogers, MP (United Kingdom), presented the award for Mr. John Hume. The 1998 Nobel Peace Prize recipient was awarded for his lifelong commitment to finding peaceful solutions to the conflicts in Northern Ireland. As the leader of Northern Ireland's Social Democratic and Labour Party (SDLP), Mr. Hume actively participated in the New Ireland Forum Talks of 1983, the Brooke Talks of 1992, the Forum for Peace and Reconciliation of 1994 and the All Party Talks of late from which the Good Friday Agreements were produced. As Mr. John Hume was unable to attend the Awards Dinner personally due to emergency surgery, his son, Mr. Aidan Hume, graciously accepted the award on his father’s behalf.

Dr. Rita E. Hauser, Chair of the International Peace Academy and President of the Hauser Foundation, presented her colleague, Dr. Hanan Mikhail-Ashrawi, and commended her for her efforts in promoting the Middle East Peace Process. Dr. Ashrawi was the Official Spokesperson of the Palestinian Delegation to the Middle East Peace Process and at the peace talks in Madrid and Washington D.C. In 1998, Dr. Ashrawi founded MIFTAH, a Palestinian, Jerusalem-based independent institution committed to fostering the principals of democracy and effective dialogue based on the exchange of information and ideas.
Above Left L-R: Mr. Allan Rogers, MP (UK), PGA President; H. E. Kofi Annan, UN Secretary-General; Dr. Hanan Mikhail-Ashrawi, Secretary-General (MIFTAH), recipient of PGA's Defender of Democracy Award.

Above Right L-R: Mr. Aidan Hume (accepting award on behalf of Mr. John Hume, MP, MEP (Northern Ireland); Ms. Shazia Rafi, PGA Secretary-General; Dr. Hanan Mikhail-Ashrawi, Secretary-General (MIFTAH), Defender of Democracy Award recipient.

Below Top L-R: Dr. Hanan Mikhail-Ashrawi, Secretary-General (MIFTAH), Recipient of PGA's 4th Annual Defender of Democracy Award.

Below Bottom L-R: Mr. Allan Rogers, MP (UK), PGA President, presents the Defender of Democracy Award to Mr. Aidan Hume, who accepts on behalf of his father: Mr. John Hume, MP, MEP (Northern Ireland).

Above Top L-R: Ms. Christine Atkinson (DFID); Ms. Helen Beinn, MP (Denmark); Mr. Hugh Dugan (US Mission to the UN); Dr. A. Moyeen Khan, MP (Bangladesh).

Day Two: September 30, 1999

Opening Session

Alumnus Presenter: Mr. George Foulkes, MP (United Kingdom), Deputy Minister for International Development.

Mr. Georges Foulkes, MP (UK), Deputy Minister for International Development, drew delegates' attention to the findings of a recent White Paper from November 1997: Eliminating World Poverty: A Challenge for the 21st Century. The paper, distributed at the PGA conference, identifies several targets, foremost among them the reduction of the proportion of people living in abject poverty by half by the year 2015. But, he lamented, too often targets are agreed upon and then forgotten or misdirected. “Only one recipient from the European union is in Sub Saharan Africa—Mauritania—and that can’t be right.”

A key partner in eradicating poverty is the private sector. Mr. Foulkes argued that there should be no conflict between the need of the private sector to make profits and eradicating poverty. “The private sector needs a fair treatment and a predictable environment for its investment, and in the developing countries we need a pro-poor growth through responsible investment that achieves poverty eradication.”

A subsidiary target is universal primary education by 2015—especially for girls. Mr. Foulkes touched on the theme of micro-credit and women—the primary loan takers—who are vital to the economy. Health care, especially reproductive health care, is essential.

He opened the session by noting the wide range of issues and the wide range of experiences that parliamentarians bring to this conference; and by appealing to them to translate the themes of the conference into reality. The benefits are universal—for rich and poor alike. Conflicts created by poverty only fuel more poverty; likewise prosperity is a virtuous cycle which affects us all.

Mr. Foulkes spoke of the need for governmental coherence. “Our work in ODA has often been undermined by what happens in other government departments. If trade policy undermines what we are doing in our ODA, then we should have a say and seek to change it. We’ve also had a role to play working with the treasury regarding debt cancellation.”

L-R: Hon. George Foulkes, MP (UK), Deputy Minister for International Development; Mr. Allan Rogers, MP (UK), President of PGA.
Session IV:
Gender Equality: Education, Reproductive Health and Economic Potential

Chair:
Ms. Sirpa Pietikäinen, MP (Finland)

Speakers:
Ms. Margaret Catley-Carlson, Former President, Population Council
Ms. Noeleen Heyzer (Singapore), Executive Director, UNIFEM
Ms. Faye Wattleton, President, Center for Gender Equality
Dep. Jean-Michel Dubernard (France)

Family Policy and Poverty
Ms. Sirpa Pietikäinen, MP (Finland) opened the second session with the simple observation that "Poverty has a sex and economies do have a gender." Ms. Margaret Catley-Carlson, Former President, Population Council, focused on the myths about the nature of women and families that deceive policy-makers and societies into enacting inadequate policies.

The realities are different, she argued. There has been a striking increase in the number of unstable households, and many households are now headed by women: 24% are now headed by one parent, usually the mother. In other developed countries this figure—4% in Japan, 24% in former USSR—doubled in the past fifteen years. In Latin America, numbers range from 13% in Mexico to 29% in Trinidad and Tobago. Statistics paint the same picture in Africa and in fact throughout the world. Furthermore, in the past ten or fifteen years, in virtually all countries of the world, the trend is increasing.

According to Ms. Catley-Carlson, five facts are clear:
- Woman's average age for both marriage and childbirth has risen
- Families and households have gotten smaller—making poverty eradication harder, because there is less of a support group
- The burden on working parents to support children increased
- The number of female household heads is up
- Female participation in the formal labor market has increased as the male share has declined—shifting the balance of support.

There is a high correlation between poverty and female heads of households. How to get around this? First, educate girls—this has an enormous fertility impact. Among girl drop outs, fertility potential and poverty potential are extremely high. Attention should be focused on real barriers to education for girls, and whether these barriers are coming down as the greatest policy consideration. This is the single most effective way of combating poverty.

"In virtually all of our countries, we base our family policy—and I don't just mean what laws and codes parliaments pass, but also as practiced by our communities—on a number of myths: First, that everyone will be in a family and that these families are stable. Second, that women are safe in these families, and that men are the wage earners. Third, that children will be protected and supported by parents, and that children within families will garner equal benefit."...Marital unions do not have the stability that our laws confer upon them; and if we construct social policies around a myth, we are building on shifting ground.

Ms. Margaret Catley-Carlson, Former President, Population Council,
Feminization of Poverty

Ms. Noeleen Heyzer (Singapore) Executive Director, UNIFEM, directed her talk to the feminization of poverty, and strategies for addressing it. At the end of the 20th century, a major human challenge is the rapid growth of wealth in fewer hands while 1.3 billion people live on one dollar or less a day. The majority of these latter people are female. The truth of this fact lies not simply in the percentages, but in the unequal burden of poverty born by women, and the lack of investment in girls.

"We need to look at what we do with job-led growth. Where is growth and where are women located?" In the urban sector, growth is higher than in rural sector—where women are mostly found. Who are the poor women? In terms of class, race, ethnicity, culture? Three sets of strategies should be employed: first, resist exploitation or undervaluing of women’s work; second, increase female mobilization and organization to overcome barriers; and third, empower women to exploit new opportunities in new markets.

At a macro level, policy biases that overlook women’s work need to be changed. Those investing in agronomy forget that most farmers are women—it’s a blind policy. Another bias that needs to be removed is that which impedes women from obtaining institutional support: credit, health, etc. Another problem: subsidization of larger firms that compete with women’s smaller scale enterprises. We must make sure women’s enterprises are competitive. Policy biases exclude women from areas of the labor market and from social safety nets.

Finally, women workers need to be organized. To demonstrate the importance of empowering women to eradicate poverty, Ms. Heyzer related the story of a shea butter project funded by UNIFEM. As a result of financing production and marketing projects to use shea butter as an alternative to cocoa butter, the project “turned women into economic players and decision makers and people who could negotiate for a better life situation.”

Reproductive Health and Poverty

Ms. Faye Wattleton, President, Center for Gender Equality, noted that although this forum focuses on the needs of less developed countries, America also needs significant development on these issues. A recent study found that when given the same information about 4 patients—a white female, a white male, a black female and a black male—doctors discriminated most against the black female, and gave preferential treatment to the white male. Forty five million Americans still have no means to pay for health care services. The great killers of women are not addressed as they should be.

She went on to elaborate the staggering inequality in access to health care for women. Thirty years ago, family planning to women of all economic levels was guaranteed by Title Ten legislation. Twenty six years ago, abortion was legalized in the USA, followed by a significant decline in maternal mortality and mor-
At Left: Ms. Faye Wattleton, President, Center for Gender Equality,
At Right: Dep. Jean-Michel Dubernard (France).

At Left: Ms. Faye Wattleton, President, Center for Gender Equality.
At Right: Dep. Jean-Michel Dubernard (France).

bidity. But there has been no cessation in controversy in this important element to women’s health. And despite our high levels of literacy, there is no connection between literacy and its fertility outcomes. Teens here get pregnant, abort, and give birth at higher rates than in all other developed countries. American women have less success in preventing unwanted pregnancies than other women.

The HIV epidemic affects low income women disproportionately. It is the number one cause of death of black women between the ages of 25 and 44—in part because women are diagnosed and receive treatment later than infected men.

Domestic violence is discussed often, but rarely admitted as a major public health issue. A 1993 commonwealth fund survey found 1 in 12 US women had been physically abused. Consequences may be linked to the intractable levels of maternal mortality, because physical abuse contributes to premature labor, low birth rates, injury and death to fetus.

Ms. Wattleton stressed the need for targeted strategies. A specific killer, breast cancer for example, would be targeted and sufficient resources invested to open the possibility of its eradication. Some say family planning and reproductive health must not be emphasized as much as other issues are—but, even as she is being educated and fed, a woman must have control of her reproductive health and capacity. There is also the need for solid data about women’s needs and lives—an essential and perennial element, not an episodic one. Finally, she said, we must consider women’s health in broader context than just reproductive health.

Women’s Health: Anglophone and Francophone Patterns

Dep. Jean-Michel Dubernard (France) offered a comparison of England and France in their ex-colonies in the areas of women’s health, as well as efforts by the two nations to seek cooperative arrangements. The overall trend he noted was considerable progress in English commonwealth countries, more than in French-speaking countries. Following a conference in early September in which England and France compared experiences based on the model of PGA’s pilot project in West Africa, they agreed on ten projects for governmental cooperation and cooperation with local governments and NGOs.

Dep. Dubernard then moved to a more specific description of PGA’s projects enacted in West Africa. PGA’s pilot project on population issues supported legislation taken in Senegal. The legislation, enacted in January 1999, deals with female genital mutilation. The French decided to support campaigns going on in various parts of Senegal, review legislation left over from colonial periods and offer education about reproductive health, especially in the area of AIDS. “In Senegal, we decided to support a local NGO, which was working with the target population, and particularly women and women’s health groups, to bring in women’s education and women’s health concerns.”

DISCUSSIONS

Education of the Genders

Dip. Lilia Arvelo Aleman (Venezuela) noted that there has been great emphasis on girls’ education, and reproductive health and education for girls. But, she said, if we do not give the same attention to education for boys, very little will be achieved, especially in the macho boys culture in Latin America.
The Role of Legislators
Ms. Elena Poptodorova, MP (Bulgaria) noted firstly that specific committees in national parliaments, or cross party groups, or other institutions need to be put in place to deal with gender parity. Otherwise gender issues do not get sufficient focus. Second, there needs to be an analysis of legislative impact. Third, ‘best practices’ are to be learned from, e.g. the Nordic experience, but we must acknowledge that what works in one place might not work in another. Fourth, she noted the importance of women’s NGOs, which can compensate for what governments can’t do. Regional structures which can translate into greater detail the general conclusion of this forum, for example, and others like the UN session in Cairo, would assist in achieving more specific results in individual countries. Dep. Momar Lo (Senegal) said that poverty has a legal aspect to be settled—to that end, we must strengthen the capacity of parliamentarians to propose new bills.

Women and the Family
Dep. Frances Fitzgerald (Ireland) responded to Ms. Catley-Carlson’s statements that many of our policies are based on myth about the nuclear family, etc. She asked the panelists to comment on the political pressures to underplay these realities, as if in acknowledging them they would be undermining the idea of the family. Ms. Catley-Carlson responded that we must gently nudge this myth structure towards reality if we are to better deal with poverty. Ms. Heyzer responded by mentioning two ongoing campaigns: first, that for the eradication of violence, which has led to major legislative changes addressing things like ‘honor killings’; and second, microfinance, which is aimed at women and at the world’s poorest families. Ms. Wattleton responded that the fundamentalist backlash has endangered the progress of women, but we must not allow ourselves to be peripheralized in the mistaken belief that we have power. The idea that women’s progress undermines the family is a destructive accusation; to counter it we must be present in our communities at every level, in critical mass.
Session V: Alliances with Civil Society for People-Centered Development

Chair: Dr. A. Moyeen Khan, MP (Bangladesh)
Speakers: Lic. Ana S. de Kessler (Argentina), Secretary of State for Small and Medium Enterprises, PGA Business Council Member
Mr. Robert Shaw, General Manager, the Aga Khan Foundation
Minister John. H. Vaughn, Education and Social Justice Ministries, Riverside Church

Dr. A. Moyeen Khan, MP (Bangladesh) opened by stating that "a particular role has to be played by civil society where the government does not have the resources to provide all the services. We can still have conditionality of the donors, but we can put conditionality on two points: that it goes to countries where governments honor their commitments to democracy and where they honor their commitments for good government."

Micro Finance in Argentina
Lic. Ana S. de Kessler (Argentina), Secretary of State for Small and Medium Enterprises, spoke at length about the Argentine experience with microfinance, a powerful tool for development and, in particular, a powerful means of lifting women from poverty—14.4% of total credit for loans have been for women-owned businesses. NGOs play a vital complimentary role.

One important decision in their experience was to offer training, instead of simply money. Strong support from congress was important, and tax deduction policies too. "We have also worked with NGOs discussing new markets—both internationally and domestically. The Internet provides new markets.

In conclusion, she said that free training, access for women to formal banking, tax incentives for training, and NGO cooperation are the elements of successful microenterprises. "The tool that we have with micro-enterprise is a powerful tool for social growth. Going from poverty to self-sustainability requires policies oriented to sustaining people and businesses."

Fighting Poverty: The Aga Khan Foundation
Mr. Robert Shaw, General Manager, the Aga Khan

"In Vive Mujer, our gender program, more than 1,500 women have been trained, through NGOs. ... Strong support from congress was important, and tax deduction policies were enlisted so that training would be deductible...free training, access for women to formal banking, tax incentives for training, and NGO cooperation are the elements of successful microenterprises.

Lic. Ana S. de Kessler (Argentina), Secretary of State for Small and Medium Enterprises"
Dr. A. Moyeen Khan, MP (Bangladesh), the panel mediator, and from a country which pioneered micro credit, commented that one major problem with it is how to market the simple handicrafts or other products that result from micro-enterprises. The women do not understand the market chain. Another aspect of micro credit is not economic, but social: it has made women decision-makers in families, where she handles funds—even if they are quite small. One of the key things the Bangladeshi bank proved is that the poor are ‘bankable’—that is, they pay back their loans—while many rich borrowers default.

Foundation, stated that the Aga Khan's Foundation's primary goal is tackling poverty on the lowest end of the scale. The Aga Khan Foundation works in an area between China, Pakistan and India, a virtual desert at the ceiling of the world where four mountain ranges meet. Only 1.1 million people live in this remote and mountainous area. The average income is only $100 annually, and literacy rates are 5-15%. Citizens subsist on tiny farms with only one crop and livestock population. It had been a feudal society, but that was interrupted by the government of Pakistan in the 1970s.

In recent years, there has been a transformation in the region. Over the past 15 years, income has tripled due at least in part, he hopes, to the Aga Khan Foundation. 20,000 villagers were trained, 135,000 households have been organized, $9 million has been saved, and $20 million has been disbursed in loans under this program in total. The program is now self-sufficient.

The type of partnership between the Aga Khan Foundation and local communities entails a grant for infrastructure projects, like irrigation channels, link roads, etc. The most controversial element of the program is that the grant provides cash for local labor. "The provision of free labor can be seen as demonstration of a commitment; but we identified a primary need for income." However, 100% of maintenance of projects is done by locals, with their own labor and funds. The government of Pakistan has just granted a million dollars to the Aga Khan Foundation for cultivation of new land.

\[\text{What is it that the poor reply when asked what has made the greatest difference to their lives? They say organizations of their own, so that they may deal with governments, traders.}\]

Mr. Robert Shaw, General Manager, the Aga Khan Foundation

NGOs, Government and Micro Enterprise

Minister John Vaughn, Education and Social Justice Ministries, Riverside Church, set three objectives for his talk: to share where he comes from (his congregation); to focus attention on a common language for successful NGOs, microenterprise etc.; and to offer his thinking on how government can create an environment for the eradication of poverty.

Riverside church is located on the southern edge of Harlem, in New York. The church was founded on a history of social justice, a commitment which led it at the onset to house conscientious objectors during WW2. The church is active in various other political issues, and many famous progressive leaders speak there.

As for a common language for NGOs, Minister Vaughn points to four elements. First, strong leadership is key to the success of these organizations. Second, clarity of vision as to what is to be accomplished in any kind of anti-poverty work. Third, there must be a strong and organized constituency.

The Aga Khan program, originated by a Pakistani activist, entails three basic principles:

- Organization—focused around income generating activities, which bring people together and keep them organized. A village was offered the opportunity of a partnership if it met these criteria: it had to be organized, represent 75% of households, meet regularly, and elect officers.
- Savings—because the population had no back-up resources, which can be the basis for a credit program—since there were no other assets to serve as collateral ("Capital is power") Without savings, a cycle of marginalization predominates. Today nine million dollars have been saved and 20 million have been disbursed in loans.
- Skills—20,000 villagers have received training—management, accounting, livestock care, marketing, etc. Most of them then charge nominal amounts for those services, multiplying the results.
Who supports the work? And fourthly, well-functioning and clear systems—no matter how small the organization—are essential. How are decisions made, how are people held accountable? Clear communication of information within the organization is essential.

If these are the key elements, how can government create a positive environment? First, it can invest money into leadership development, skills, training, strategic planning, and developing membership. "In a lot of efforts in poor communities, we must recognize the importance of labor intensive work—technical assistance, working one-on-one. We must recognize the importance of venture capital, flexible credit, and general operating support." In the US, funders—governments or private—will fund a particular project or the organization, but not the operating costs of the organization: not the rent, the heat, the staff. Yet this is important.

"We must see poverty as something to be alleviated, rather than something to be managed. We must be partners with the organizations in shaping public policy." He urged government consistency, a commitment to working with the poor, and also for prioritizing better government management: "It's hard to develop partnerships with partners that aren't strong. Parliamentarians must challenge and engage the private sector. Government must challenge the folks that have the resources to be able to invest and work with the poor in our communities."

...how can government create a positive environment? First, it can invest money into leadership development, skills, training, strategic planning, and developing membership.

We must see poverty as something to be alleviated, rather than something to be managed.

Minister John Vaughn, Education and Social Justice Ministries, Riverside Church

L-R: Lic. Ana S. de Kessler (Argentina), State Secretary for Small and Medium Enterprises, PGA Business Council Member; Dr. A. Mosteen Khan, MP (Bangladesh); Minister John H. Vaughn, Education and Justice Ministries, Riverside Church; Mr. Robert Shaw, General Manager; Aga Khan Foundation.
Mr. Masood Ahmed, Vice President for Poverty Reduction and Economic Management at the World Bank, began his luncheon talk by summing up the results of the fight against poverty: while some gains have been made, progress is too slow to significantly improve the lot of the poor within 15 years in order to meet the International Development Goals set by the international community. Overall incidence of poverty has declined slightly, but the figures mask stark regional differences: impressive gains in East Asia conceal the fact that in the former USSR, for example, poverty has risen markedly. Furthermore, in many ways the poor now see themselves as worse off than in the past; their experience with government is largely negative, and they feel unrepresented.

To make the 2015 target for halving poverty realistic, Mr. Ahmed called for a broad coalition, including the World Bank, along with the parliamentarians, activists, and spokespeople for the poor who sat in the audience. The primary onus of this task rests with the governments of developing countries, said Mr. Ahmed, but he took a moment to explain the role of the World Bank, whose recently issued Comprehensive Development Framework (CDF) outlines a process for ensuring effective strategies for poverty reduction. Its three principles are: first, better understanding poverty and its determinants within a given country; second, identifying public actions with the highest returns—such as increasing access to economic opportunities, improving the quality of essential services, empowering the poor, and reducing income volatility; and third, identifying monitorable indicators of the results.

The World Bank has joined forces with international organizations, governments and the private sector to combat poverty on a transnational level. Four measures stand out. First, debt relief is expected to more than double as a result of reforms to the HIPC Initiative Framework, including: lower debt sustainability thresholds, faster debt relief, and 'floating completion points' that would shift focus to HIPC's achievements rather than its track record. Second, the Bank's Post-Conflict Initiative includes special budget assistance, help in demobilizing soldiers, and operational support for peace negotiations in recently warring nations. Third, the Bank's International Task Force on Commodity Risk Management explored new market-based approaches to help developing countries better manage their vulnerability to commodity price volatility. Fourth, along with the WTO, IMF, UNDP, UNCTAD and ITC, the Bank is seeking to help HIPCs integrate their economies with the world economy by improving customs,
trade related infrastructure, competition policy, and access to insurance and credit.

There is also a growing recognition of global public goods, such as vaccines, technology for improved crop yields, or think tanks for development strategies. The Bank has supported a number of such initiatives, including for example, a program that has eliminated river blindness in West Africa.

Mr. Ahmed called upon parliamentarians to work for poverty alleviation in two ways: first, by eliminating corruption and striving for good governance—which research shows to be linked with higher per capita GNP, higher literacy, and lower infant morality; and second, by linking public action to poverty reduction. Parliamentarians should act as watch dogs, making sure that public monies are spent in ways that will benefit the poor.
Session VI:
Debt Relief

Chair: Dip. Marcelo Lopez Arias (Argentina)
Speakers: Mr. Djibril Diallo, Director, Division of Public Affairs, Bureau for Resources and External Affairs, United Nations Development Programme
          Cong. Javier Diez-Canseco (Peru)
          Sen. Francisco S. Tatad (Philippines)

National Debt
Dip. Marcelo Lopez Arias (Argentina) noted that "in Argentina, without paying off any of our debt, one third of our national budget goes just to interest on our indebtedness—imagine what this means for our development, health, and other areas of our economy. This is part of an overall picture of obstacles to trade, meaning that not only are we saddled with debt, but we have difficulty marketing our products abroad." The same situation, he noted, faces other developing countries.

UNDP
Mr. Djibril Diallo, Director, Division of Public Affairs, Bureau for Resources and External Affairs, UNDP, began: "From the continent where I am coming from, Africa, the debt is like a monster that strangles the countries." Mr. Diallo described various initiatives by the UNDP to combat poverty, including Net Aid. Launched in September by Bill Clinton, Tony Blair, and Nelson Mandela when they clicked on a global Web site, Net Aid is a joint UNDP initiative for advocacy of debt relief. The premise is that information is the key to realizing these goals. The project identifies pillars to alleviate poverty, including debt relief, human rights, hunger, and refugees.

Economic and Ethical Dimensions of Debt
Cong. Javier Diez-Canseco (Peru) began by noting—as Mr. Lee Stringer had done earlier—that poverty is not only material, but also of the spirit: the lack of training, information and support, and hence also the lack of self esteem. He mentioned several ideas. First, debt alleviation must be part and parcel of an integrated proposal for poverty alleviation. Second, there is co-responsability: debt is not only a problem for the indebted countries, but also for the creditors, who gave loans under conditions that made them later unpayable.

With that in mind, Cong. Diez-Canseco believed the following reforms to the proposal should be considered:

- Link debt relief to specific social policies: education and health, social infrastructure, environment and micro-enterprise.
- Civil sector should participate actively in control of funds freed from debt relief and the application of these resources, allowing popular control to avoid their political use and corruption.
- Consider the possibility that funds obtained should be part of a trust fund, managed...
...debt relief should benefit the 41 most indebted countries. Thirty-two of these countries have a national income that combined is roughly equal to that of Bill Gates.

**Sen. Francisco Tatad (Philippines)**

not only by the state but also by civil society, NGOs, communities.

- The HIPC initiative should be discussed not only by seven industrial countries (the creditors that is), but within the UN.

In closing, Cong. Diez-Canseco recommended that this PGA Forum should promote these reforms of the initiative, sending them to the IMF, the World Bank and the G7. PGA can propose that the freed funds should be used to generate funds used for social development. PGA can propose a parliamentary group that promotes this theme, and that promotes meetings among legislatures of developed and undeveloped countries.

**HIPC and Other Mechanisms**

Sen. Francisco Tatad (Philippines) began by noting that the HIPC initiative breaks new ground in the handling of non-performing debt; but in its current form it cannot change people's lives, and it is bound to raise false hopes and expectations among the poor. It is limited in scope and potential effect, for relief is limited to debt that already can no longer be paid, and relief comes only after six years of compliance with SAP programs approved by the IMF and the World Bank. Forgiveness of such non-performing debt does not free up resources nor does it increase developmental capacity. It merely allows creditors to clean up their books.

As originally planned, debt relief should benefit the 41 most indebted countries. Their present value of debt to GNP is higher than 80%. Over the years these countries have run up $200 billion in foreign debt (the original amount being much lower, of course). Since 1980 the debt of HICPs has risen at 7.4% while GNP rose at 1.1%. That is, they were using up to 30% of their revenue for debt service—-with the exception of Nicaragua and Honduras which are using up 60%—-and for years they have been, essentially, net exporters of capital to rich countries, even as their populations starve.

But, this $200 billion in debt is estimated to have a real worth of less than $24 billion. Of the 52 Jubilee 2000 countries, their combined debt worth is not more than $109 billion, and would cost taxpayers of the industrial world only $71 billion to cancel: that is one third of one percent of the income of the rich countries, or less than $4 per capita per year, over a period of 20 years.

Nonetheless debt relief is neither automatic nor unconditional for any of these countries. The HIPC must first adopt IMF and World Bank adjustment and reform programs for three years, and if, at the end of this time, their external debt ratios fall within acceptable levels, then a 'decision point' is reached and a country may qualify. At this point another three years of good performance must be undergone before actual relief is received. Only Uganda, Bolivia, Guyana and Mozambique have qualified so far.

Furthermore, cancellation of non-performing debt will not ease debt service on non-forgiven debt. To be truly meaningful, debt relief must not merely make the books of creditors banks look good; it must create benefits for the poorer countries, create jobs, etc.

In some countries, like the Philippines, which is not a beneficiary of debt relief, the amount of debt service is no longer submitted to congress. Thus the chief executive can allocate a large portion of the budget—-33.7% for 1999—to debt servicing, even though by Constitution, education is supposed to be the biggest area receiving money.

In sum, debt relief should be delivered without performance criteria. Debt servicing should be capped—the European Network for Debt and Development (EURODAD) says it should be limited to 30% of government revenue available for non-essential spending. Cancellation of non-performing debt should be automatic. The threshold for unsustainable debt must be lowered. The waiting period for relief should be shortened so that it could come for all by the year 2000—-front-loaded rather than back-loaded. Also, OXFAM proposed a 'human development window' to provide additional benefits to countries that use their funds to meet pressing social needs, an incentive for better spending.
DISCUSSIONS

Arms Reduction and Debt
Mr. Ross Robertson, MP (New Zealand) pointed out that 700 million people live in HIPC's. There will be 1.3 billion by the year 2030. So, he proposed a two year moratorium on arms sales, and a diversion of money to more humane causes. The five permanent members of the UN security council account for 90% of arms sales, and 60% of military spending—the $40 billion/year this generates would, over a decade, lift the poor over the poverty level—"so abolish arms," he said, "to abolish poverty!" Both Mr. Aftab Shabban Mirani, MP (Pakistan) and Mr. Mian Abdul Waheed, MP (Pakistan) observed that Pakistan's debt is $33-34 billion dollars and interest on the debt alone is $1.3 to $1.4 billion: totally unpayable. They noted, however, that—for countries in conflict with their neighbors—the international community should give priority to peace making before arms can be reduced.

Mr. Aisu Omongole Tom, MP (Uganda) noted that most of funds that indebted countries in the first place went to buying arms. He asserted that arms sales to the third world should be stopped altogether. Once that is done, funds previously used to fight wars could be rechanneled to fight poverty. He proposed this objective be the subject of a future PGA forum.

Africa and Debt Relief
Ms. Theresa A. Tagoe, MP (Ghana) noted that no region in Africa is not currently engaged in warfare. She called attention to the inflammatory effect of indebtedness—and its lack of common sense, "for if countries cannot pay, then they cannot." Dep. Loum Hinansou Laina (Chad) said President Ben Ali of Tunisia has called for a solidarity fund to be created to allow Africa to develop better; yet, he observed that in his country certain resources, in particular petrol, could be exploited to fight poverty but they are not. Unfortunately, some NGOs are against the exploitation of this resource, although it could generate income to fight poverty.

Mr. Diallo responded that, despite hard work, it's hard to move forward—and this breeds desperation. When Live Aid raised $200 million for Africa, the recording artists were very happy with what they had managed to do. But when they realized that Africa spends $200 million each week just to service the debt, they were disillusioned.

Parliamentary Action
Cong. Diez-Canseco asked that a task force of parliamentarians be formed, across developed and developing countries alike, to lobby for debt cancellation for HIPC's and substantial reduction for others. Sen. Tatad expressed appreciation for the ideas concerning arms sales reduction. He also called for rethinking our paradigm for the problem.

The social pyramid is being inverted; yet the only solution that occurs to the rich countries is to preach a shrinking of the population in the third world. In the year 2015, how will the world be? It's going to be full of old people from the rich countries, with migrant populations from the third world supplying their labor force. "This is an issue which is seldom touched on, whose solution is seldom considered; and I believe the initiative must come from parliamentarians from the third world."

Sen. Francisco S. Tatad (Philippines)
Closing Session

Mr. Allan Rogers, MP (United Kingdom) and PGA President, ended the session by issuing a joint proclamation along with Mr. Djibril Diallo, of the UNDP, which reads in part: "The two organizations proclaim their mutual desire to encourage all national parliaments to enact legislation that makes poverty eradication a high priority; commemorates October 17 as the international day for the eradication of poverty; and raises global awareness to successfully fight poverty."

L-R: Mr. Allan Rogers, MP (UK), President of PGA; Mr. Djibril Diallo, Director, Division of Public Affairs, Bureau for Resources and Public Affairs, UNDP.

L-R: Dip. Marcelo Lopez Arias (Argentina); Dip. Carlos Becerra (Argentina).

L-R: Mr. Allan Rogers, MP (UK), President of PGA; Dr. A. Moyeen Khan, MP (Bangladesh).
Parliamentarians for Global Action

Eradicating Global Poverty: Parliamentary Action Agenda for the 21st Century

21st Annual United Nations Parliamentary Forum
PROGRAM

September 29-30, 1999

Co-Sponsored by:
The Government of the United Kingdom
The Government of Switzerland
The Government of The Netherlands
The Government of Austria
The United Nations Children's Fund (UNICEF)
The United Nations Development Program (UNDP)
The United Nations Population Fund (UNFPA)

Objectives of the 21st Forum:
- Share national-level strategies for meeting internationally agreed-upon poverty eradication indicators
- Learn about best practices and strategies from issue experts and practitioners
- Forge new partnerships for poverty eradication with international donors, civil society, and the private sector
- Work with industrialized countries and their parliamentarians to promote aid, debt relief, trade and investment policies which create a macro-level framework conducive to poverty eradication.

Day I: September 29, 1999

9:00-9:45  Registration (United Nations Visitors' Lobby: 46th Street and 1st Avenue)

10:00-10:45  Opening Session
Venue: Conference Room 3

- Welcome Remarks by PGA President, Mr. Allan Rogers, MP (United Kingdom)
- Opening Remarks by H.E. Mr. Arthur N. R. Robinson, President, Republic of Trinidad and Tobago

10:45-11:05  Personal Testimonial by Mr. Lee Stringer, Author, Grand Central Winter
11:00-13:00 **Session I: New Partnership for Social Development: Government and Private Sector**

*Challenge:* Official development aid will not be sufficient to lift over a billion people out of poverty in the next 15 years. How to foster new partnerships that are committed to social between government, private sector, and civil society? How do we develop innovative methods of development financing, e.g. the Tobin Tax?

11:00-12:00 **Panel Discussion**  
*Chair:* Sen. Francisco Tatad (Philippines)  
*Speakers:* Mr. Lorne Nyström, MP (Canada)  
Dep. Marcos Cintra (Brazil)

12:00-13:00 **Group Discussion**

13:00-15:00 **Break for Lunch:** No scheduled event

15:00-15:15 **Presentation on Human Development and Poverty** by Dr. Richard Jolly, UNDP

15:15-16:30 **Session II: Financing for Development**

*Challenge:* Official development assistance is now at its lowest level in twenty years. In this environment, it is more critical than ever for developing country governments themselves to make important changes at the national level to lift the poor out of poverty by allocating resources to key social programs. Defense spending, for example, even in the most poorest countries take up the bulk of the national budget. How can donor countries overcome the 'donor fatigue' to fulfil the financial commitments? How can developing countries better allocate their resources to benefit the poorest segment of their society?

15:15-16:00 **Panel Discussion**  
*Chair:* Ms. Helen Beim, MP (Denmark)  
*Speakers:* Ambassador Ellen Margrethe Løj, State Secretary, Head of South Group, Ministry of Foreign Affairs, Denmark  
Dr. José Horacio Jaunarena, Ex-Minister for Defense, Argentina  
Mr. Siba Das, Deputy Assistant Administrator, Deputy Director of the Bureau for Development Policy, UNDP  
Mr. Sadig Rasheed, Director, Program Division, UNICEF

16:00-16:30 **Group Discussion**

16:30-16:45 **Coffee Break**

16:45-18:00 **Session III: Generating Employment, Labor Rights and Development**

*Challenge:* While micro-credit and entrepreneurship have been heralded recently as a way for the poor to lift themselves out of poverty, they are only one avenue; expansion of employment opportunities in the formal sector—with good conditions—must remain a key development objective. The rights of workers is an important area where human rights development objectives intersect. What are the strategies to generate employment while promoting a global architecture for effectively protecting the rights of workers?

16:45-17:15 **Panel Discussion**  
*Chair:* Dep. Ibrahima Fall (Senegal)
Speakers:

Dr. Julia Lopez, Director of Equal Opportunity, Rockefeller Foundation
Ms. Marjorie Newman Williams, Deputy Director, Programme Division, UNICEF
Mr. Franklyn Lisk, Director, International Labour Organization Liaison Officer with the UN

17:15-18:00 Group Discussion

19:00-22:00 Defender of Democracy Awards Ceremony and Dinner
United Nations Regal Plaza Hotel (by invitation)

Day II: September 30, 1999

10:00 Second Day Opening Session

Alumnus Presenter: Deputy Minister for International Development, George Foulkes, MP (United Kingdom)


Challenge: Gender inequality is strongly associated with poverty, and programs aimed at increasing access to education, reproductive health and income generating opportunities for women will greatly decrease poverty in society as a whole. In some countries, cultural practice and official laws serve as obstacles to women seeking loans to start business or expand production. What are the successful programs of empowerment of women that help lift their families out of poverty?

10:15-10:45 Panel Discussions Chair: Ms. Sirpa Pietikäinen, MP (Finland)
Speakers: Ms. Margaret Catley-Carlson, Former President, Population Council
Ms. Noeleen Heyzer (Singapore), Executive Director, UNIFEM
Ms. Faye Wattleton, President, Center for Gender Equality
Dep. Jean-Michel Dubernard, (France)

10:45-11:30 Group Discussion

11:45-13:00 Session V: Alliances with Civil Society for People-Centered Development

Challenge: Community-based development is engaged by a multitude of actors such as village-level groups, community-development NGOs, broad-based development associations, and religious groups. There are many ways that developing country governments can work with and support these actors in a common struggle for poverty eradication. How can governments create a positive environment for NGO development as well as to promote the growth of microenterprises and the informal sector?

11:45-12:15 Panel Discussion Chair: Dr. A. Moyeen Khan, MP (Bangladesh)
Speakers: Lic. Ana S. de Kessler (Argentina), Secretary of State for Small and Medium Enterprises, PGA Business Council Member  
Mr. Robert Shaw, General Manager, the Aga Khan Foundation  
Minister John. H. Vaughn, Education and Social Justice Ministries, Riverside Church

12:15-13:00 Group Discussion

13:00-15:00 Luncheon Session:  
Introduction: Sen. John Connor (Ireland)  
Luncheon Speaker: Mr. Masood Ahmed, Vice President, The World Bank, Poverty Reduction and Economic Management (PREM) Network

15:00-16:30 Session VI: Debt Relief

Challenge: No strategy for pro-poor growth and poverty eradication can be pursued without addressing the fundamental obstacle of debt. In sub-Saharan Africa, over 20% of GNP is used for debt repayments which is four times more than is spent on healthcare. The Heavily Indebted Poor Countries Initiative (HIPC) is a welcome initiative but is often criticized as being too slow and too limited. What are the strategies to provide faster, wider, and deeper debt relief to developing countries?

15:00-15:45 Panel Discussion Chair: Dip. Marcelo Lopez Arias (Argentina)  
Speakers: Mr. Djibril Diallo, Director, Division of Public Affairs, Bureau for Resources and External Affairs, United Nations Development Programme  
Cong. Javier Diez-Canseco (Peru)  
Sen. Francisco S. Tatad (Philippines) (invited)

15:45-16:30 Group Discussion

16:30-17:00 Closing Session
Participants and Observers

Special Guests

H.E. Mr. A.N.R. Robinson
President, The Republic of Trinidad & Tobago
Former PGA Executive Committee Member

Dr. Hanan Mikhail-Ashrawi,
Secretary-General, The Palestinian Initiative for the
Promotion of Global Dialogue and Democracy

Parliamentarians

Africa & the Middle East

Mr. Kojo Armah, MP (Ghana)
Mr. Kofi Attor, MP (Ghana)
Mr. Alban Bagbin, MP (Ghana)
Hon. Kenneth Dzirasah, MP (Ghana), First
Deputy Speaker of Parliament
Dep. Ibrahima Fall (Senegal)
Ms. Naila Jiddawi, MP (Tanzania)
Dep. Loum Hinansou Laina (Chad)
Dep. Mobiot Mandou Leonard (Cote d’Ivoire)
Dep. Momar Lo (Senegal)
Hon. Philip Marmo, MP (Tanzania)
Deputy Speaker
Ms. Charity Mwansa, MP (Zambia)
Ms. Betty Okwir, MP (Uganda)
Mr. Manuel Pinto (Uganda)
Ms. Theresa Ameley Tagoe, MP (Ghana)

Asia & the Pacific

Mr. Manual Garcia, MP (Philippines)
Mr. Suresh Keswani, MP (India)
Dr. A. Moyeen Khan, MP (Bangladesh), Former
Minister of State for Planning
Mr. Aftab Shahban Mirani, MP (Pakistan),
Former Minister of Defense
Mr. Ross Robertson, MP (New Zealand)
Sen. Vicente Sotto (Philippines)
Sen. Francisco Tatad (Philippines)
Sen. Wigberto Tanada (Philippines)
Amb. Mian Abdul Waheed (Pakistan)
Sen. Akram Zaki (Pakistan)
Mr. A.R. Zamharir, MP (Indonesia)

Canada

Sen. A. Raynell Andreychuk (Canada), Former High
Commissioner to Kenya, Somalia, & Uganda
Mr. Lorne Nystrom, MP (Canada)
Sen. Douglas Roche (Canada)

Europe

Mr. Allan Rogers, MP (United Kingdom), PGA
President
Ms. Helen Beim, MP (Denmark)              Cong. Javier Diez-Canseco (Peru)
Mr. Karl-Göran Biörmark, MP (Sweden)       Dep. Marcos Cintra (Brazil)
Mr. Michel Boisson, MP (Monaco)            Sen. Anthony Johnson (Jamaica)
Ms. Lisbet Calner, MP (Sweden)             Cong. Ricardo Marcenaro (Peru)
Sen. John Connor (Ireland)                 
Dep. Jean-Michel Dubernard (France)        
Ms. Marianne Eriksson, MEP (Sweden)        
Dep. Frances Fitzgerald (Ireland)          
Drs. Jan Hoekema, MP (The Netherlands)     
Mr. Theo Meyer, MP (Switzerland)           
Ms. Sirpa Pietikäinen, MP (Finland)        
Ms. Elena Poptodorova, MP (Bulgaria)       
Ms. Florence Sosso, MP (Monaco)            
Ms. Katja Sylvärinen, MP (Finland)         
Dr. Maj-Britt Theorin, MEP (Sweden)        
Ms. Tatiana Yariguina, MP (Russia)         

**Latin America & the Caribbean**

Dip. Lilia Arvelo Aleman (Venezuela)       
Dip. Gabriel Ascencio (Chile)              
Cong. Jorge Avendano (Peru)                
Dip. Marcelo Lopez Arias (Argentina)       
Dip. Carlos Becerra (Argentina)            
Dip. Dante Caputo (Argentina), Former Minister of Foreign Affairs; Former UN Secretary-General’s Special Representative on Haiti
Cong. Luis Chang Ching (Peru)              

Speakers

Mr. Masood Ahmed
Vice President, The World Bank, Poverty Reduction and Economic Management (PREM) Network

Ms. Margaret Catley-Carlson
Former President, Population Council

Mr. Siba Das
Deputy Assistant Administrator, Deputy Director of the Bureau for Development Policy, UNDP

Mr. Djibril Diallo
Director, Division of Public Affairs, Bureau for Resources and External Affairs, United Nations Development Programme

Mr. George Foulkes, MP (United Kingdom), Deputy Minister for International Development

Ms. Noeleen Heyzer (Singapore), Executive Director, UNIFEM

Dr. José Horacio Jaunarena
Ex-Minister for Defense, Argentina

Dr. Richard Jolly
United Nations Development Programme

Lic. Ana S. de Kessler (Argentina)
Secretary of State for Small and Medium Enterprises, PGA Business Council Member

Mr. Franklyn Lisk
Director, International Labour Organization Liaison Office to the UN

Ambassador Ellen Margrethe Løj
State Secretary, Head of South Group, Ministry of Foreign Affairs, Denmark
Dr. Julia Lopez  
Director of Equal Opportunity, Rockefeller Foundation

Ms. Marjorie Newman Williams  
Deputy Director, Program Division, UNICEF

Mr. Sadig Rasheed  
Director, Program Division, UNICEF

Mr. Robert Shaw  
General Manager, the Aga Khan Foundation

Mr. Lee Stringer  
Author, *Grand Central Winter*

Minister John. H. Vaughn  
Education and Social Justice Ministries, Riverside Church

Ms. Faye Wattleton  
President, Center for Gender Equality

**Confirmed Observers:**

**UN Permanent Representatives & Missions**

Dr. Christopher Bakwasegha, Deputy Permanent Observer of the Organization of African Unity to the UN

Mr. Olivier Chave, Counsellor, Permanent Mission of Switzerland to the UN

Amb. Jorgen Bojer, Permanent Representative of Denmark to the United Nations

Mr. Tanoh Bouthoué, Counsellor, Permanent Mission of Cote d’Ivoire to the UN

Amb. Hans Dahlgren, Permanent Representative of Sweden to the United Nations

Mr. Rafael Diaz, Counsellor, Permanent Mission of Spain to the UN

Amb. Carlos Dos Santos, Permanent Representative of Mozambique to the UN

Mr. Mauricio Escanero, Minister, Permanent Mission of Mexico to the UN

Mr. Michael Gallagher, Minister Counselor for Economic and Social Affairs, Permanent Mission of the United States to the UN

Mr. Mark Runacres, Permanent Mission of the United Kingdom to the UN

Amb. Matia Mulumba Semakula Kiwanuka, Permanent Representative of Uganda to the United Nations

Dr. Jana Simonova, Counsellor, Permanent Mission of the Czech Republic to the United Nations

**UN Secretariat, UN Agencies & Affiliated Agencies**

Ms. Susan Byn Clark, United Nations Educational, Scientific, and Cultural Organization

Mr. Gary Gabriel, Office of Inter-Agency Affairs, United Nations

Dr. Kazi Jalal, Asian Development Bank

Ms. Bettina Maas, United Nations Population Fund

Mr. Renato Carlos Sersale di Cerisano, Special Representative of the Director-General for UN Affairs, United Nations Industrial Development Organization

Mr. Alfredo Sfeir-Younis, World Bank Special Representative to the United Nations

Prof. Babatunde Thomas, Africa, United Nations Development Programme

Ms. Xenia Von Lilien-Waldau, International Fund for Agricultural Development

**NGOs, Advisors, and Experts**

Ms. Silvana Bulotta, Assistant to Lic. Ana Kessler, (Argentina)

Ms. Ruthann Cecil, Tobin Tax Initiative USA

Ms. Muna E. Doany
Ms. Catherine Dumait-Harper, Delegate to the United Nations, Medecins Sans Frontieres

Mr. Del Eberhart

Ms. Adrienne Gombos, Equality Now

Mr. Daniel Heller, Assistant to Sen. Yohitake Kimata (Japan)

Mr. Shimichi Murakami, Asahi Shimbun

Ms. Caitriona Nolan, Assistant to Dep. Frances Fitzgerald (Ireland)

Mr. Micheal Manekin

Mr. Augustin Sanz, Assistant to Lic. Ana Kessler (Argentina)

Mr. Daniel Simon, Seven Stories Press

Sr. Ruben Velez Nunez, Secretary-General, Parlamento Andino

Mr. Kurt Vonnegut, Author

Ms. Janet Wickenhauer-Allon, Writer

Ms. June Zeitlin, Executive Director, Women’s Environment and Development Organization

PGA Secretariat

Ms. Shazia Z. Rafi, Secretary-General

Mr. David Donat-Cattin, Program Officer, International Law & Human Rights

Ms. Dorothy Wisniowski, Program Officer, Empowerment of Women Program

Ms. Christina Zampas, Program Officer, Sustainable Development & Population

Mr. Per Bjálkander, Parliamentary Fellow (Senegal)

Ms. Catherine Orenstein, Rapporteur

Mr. Aaron Schneider, Rapporteur

Mr. Eduardo Gonzalez, PGA-CICC Global South Outreach Coordinator

Mr. Michael Agbeko, Finance & Administration Director

Ms. Carrie Cella, Development Assistant

Ms. Sandra K. Miura, Executive Officer

Ms. Fatimé Dam, Membership & Administration Associate

Ms. Lisa von Trapp, Parliamentary Assistant, Peace and Democracy Program

Mr. Tatsuya Kitagawa, Parliamentary Assistant

Ms. Maha Rafi Atal, Intern

Mr. Blake Merriman, Intern