



PRESS ADVISORY

"RIGHTS IS THE ANSWER": An approach based on human rights is the only way to overcome the current crisis, argues a worldwide coalition of civil society organizations

DOHA, QATAR (December 1): The unusual combination of financial crisis, food crisis, energy and climate crisis requires a new approach based on human rights, argues the international Social Watch coalition in its 2008 report, launched today here during the United Nations Conference on Financing for Development. Next December 10, as the report remembers the 60th Anniversary of Universal Declaration of Human Rights will be commemorated and the title of the *Social Watch Report 2008* is, precisely, "*Rights is the Answer*".

The report documents how governments are falling short in their commitment to eradicate poverty and achieve gender equity through the testimony of civil society groups in 59 countries. Its main message is that the multiple crises currently affecting the world require a "rights-based approach" and provides examples on how the current financial architecture has ignored or openly violated those rights and triggered spiralling inequity all around the world.

This annual report is published since 1996 by Social Watch, an international NGO watchdog network monitoring government compliance with their international commitments.

The growing income inequalities both within and between countries spurred by capital flight, tax evasion, and privatization have slowed down the progress on key social indicators to a near halt over the last two decades. According to the Social Watch calculations, universal compliance with the Millennium Development Goals is now an impossible feat, if the world governments maintain a "business as usual" attitude.

The grassroots activists and civil society analysts from around the world that contributed to the *2008 Social Watch Report* show how the pervasiveness of extreme poverty and gender inequity is intimately linked to the immediate effects of the current triple crisis and to longer term structural issues ingrained in the global financial architecture. The Report documents the widespread, haphazard implementation of policies promoting economic liberalization and deregulation having provoked the curtailment of peoples' economic and social rights around the globe. That liberalization and deregulation now curtail the ability of many governments to comply with their international commitments to end poverty and achieve gender equality.

In the *2008 Social Watch Report*, Nicholas Shaxson and John Christensen of the Tax Justice Network demonstrate how weak tax reporting policies allow for illicit financial flows estimated by the World Bank in excess of US\$ 1 trillion per year, which in turn reduces the quantity of funds available for developed nations to invest

in development aid programs, as well as the amount of financial resources in the public coffers of developing countries. For example, the El Salvador Social Watch coalition estimates that tax evasion by large corporations in their country totalled US\$ 2.6 billion in 2006, a sum roughly equivalent to the national budget. According to Shaxson and Christensen, "We can no longer focus so strongly on aid, without bringing tax into the core of the debate...tax is the most accountable, and sustainable source of financing for development".

In another thematic article from the *2008 Social Watch Report*, Mirjam van Reisen and Simon Stocker of Eurostep document how the promises made by the European Commission (EC) to focus its development aid strategies on promoting poverty eradication have not been fulfilled in reality, due in large part to Europe's overriding interest in liberalizing trade flows. EC aid to developing countries is now largely channelled towards improving infrastructure and facilitating trade, instead of contributing towards the realization of basic social rights such as access to health care and education.

Kinda Mohamadieh of the Arab NGO Network for Development provides a developing country perspective in her thematic report on social and economic rights in the Arab region, proving how in recent years, economic liberalization has actually thwarted attempts to strengthen democracy in the region. "The regimes in power have failed to address the pressing socio-economic problems that the region faces and the economic reforms implemented mainly respond to requirements by major international institutions and developed partner countries that not necessarily serve the local needs and priorities", states Mohamadieh. These reforms are only perpetuating the social and political marginalization of the vast majority of the Arab population, by excluding the citizenry from participation in decision making processes and by aggravating ills such as unemployment and the inadequate provision of social support programs.

Confronted by the numerous structural and circumstantial obstacles created by the fatal flaws in the global financial architecture that block the full realization of the human rights of all the world's citizens, Social Watch calls for the convening by the United Nations of a comprehensive, inclusive process to review and reconstruct the international financial and monetary institution. As Roberto Bissio urges, "In the transition from the current system – which has fostered instability and inequality – towards a just, sustainable, and accountable one, human rights must be the starting point and not some distant goal in the future."

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