Statement on the proposed “Global Summit” to reform the international financial system

Background
The past few months have seen one of the most significant financial crises in North American and European history. The response was just as historic. To stave off regional and global recessions and restore stability and confidence in the market, northern governments are pursuing a massive and unprecedented program of government intervention, nationalizing banks, injecting massive subsidies into ailing institutions and re-regulating their financial sectors.

This response sits in direct contrast to the austere neoliberal policies pressed on developing countries by the World Bank, International Monetary Fund and developed countries for the past thirty years. Governments have been pushed to liberalize trade barriers, deregulate financial and labour markets, privatize national industries, abolish subsidies, and reduce social and economic spending. The state saw its role severely reduced.

This double standard is not only unacceptable, but it also signals the demise of free-market fundamentalism. The international financial system, its architecture and its institutions have been completely overwhelmed by the scale of the current financial and economic crisis. The financial system, its architecture and its institutions must be completely rethought.

A truly global response to a global crisis
In recent weeks, leaders worldwide have recognized the deficiencies of the existing system and the need to meet to address a broader set of proposals to reform the global financial system and its institutions. The G20 are now set to meet in Washington DC on November 15 to begin the discussions. It is of course imperative to agree on immediate measures to address the crisis, and we emphasize that priority must be given to responses to the impacts on ordinary employees and workers, low-income households, pensioners and other extremely vulnerable sectors. But we are deeply concerned that the proposed meetings will be carried out in a rushed and non-inclusive manner, and as a result, will not address the comprehensive range of changes needed, nor fairly allocate their burden.

Though the crisis originated in northern countries, the impacts are likely to be greatest in developing countries. It is therefore critical that all countries have a say in the process to change the international financial architecture. No equitable and sustainable solutions to transforming the current system will come out of a conference that is rapidly-prepared and excludes many countries and civil society. Such efforts are in fact more likely to further undermine public trust and confidence and to further disenfranchise countries that are already opting for regional solutions over a stronger, more coherent and fairer international financial system.

Our demands –time for a fundamental rethink
We, the undersigned civil society organizations, support the fundamental and far-reaching transformation of the international financial and economic system. To serve this purpose, we support a major international conference convened by the UN to review the international financial and monetary architecture, its institutions and its governance, but only if the meeting follows a process that:

1. is inclusive and participatory of all governments of the world;
2. includes representatives from civil society, citizen’s groups, social movements and other stakeholders;
3. has a clear timeline and process for regional consultations, particularly with those most affected by the crisis;
4. is comprehensive in scope, tackling the full array of issues and institutions;
5. is transparent, with proposals and draft outcome documents made publicly available and discussed well in advance of the meeting.

Full use should be made of the new UN task force on the global financial system, the upcoming UN Financing for Development meeting and other UN instances to begin preparing such a global meeting.

There are no quick fixes in the transition from the current system - which has fostered instability and inequity - towards a just, sustainable and accountable one, which yields benefits for the majority of the world’s people.
Initial Signatories:
Africa Jubilee South
African Network on Debt and Development
Aktion Finanzplatz, Switzerland
Bank Information Centre, USA
Bretton Woods Project, UK
Campagna per le riforma della Banca Mondiale, Italy
Center of Concern, USA
Debt and Development Coalition Ireland
Dialogo 2000, Argentina
Erlassjahr, Germany
European Network on Debt and Development
Eurostep
Freedom from Debt Coalition - Philippines
Halifax Initiative Coalition, Canada
Indian Social Action Forum, India
INESC Instituto de Estudos Socioeconômicos (INESC), Brazil
Instituto del Tercer Mundo (ITeM), Uruguay
Jubilee Australia
Jubilee Debt Campaign UK
Jubilee South
Jubilee South Americas
Jubilee South - Asia/Pacific Movement on Debt and Development
Jubilee USA
The North-South Institute, Canada
SLUG Norway
Social Watch
Social Development Network (SODNET), Kenya
Tax Justice Network