

RACE, POVERTY AND GLOBALIZATION CAUCUS STATEMENT
At the United Nations International Conference on Financing for Development
March 18-22, 2002 in Monterrey, N.L. MEXICO

Due to the absence of an analysis of race and an integrated human rights framework within the Monterrey Consensus and the Financing for Development process, the NGO race, poverty, and globalization caucus is releasing the following statement:

It must be recognized that the FfD process has failed to use a human rights framework, give equal consideration to north and south views, and integrate all stakeholders within civil society. The Monterrey Consensus is inadequate for the achievement of sustainable, equitable, and inclusive development.

Poverty eradication, one of the explicitly stated goals of the **financing for development** (FfD) consensus, is a global obligation necessary to build a better and safer world. The predominance of poverty among racially and ethnically marginalized groups is linked to a history of racism, colonization, imperialism, and exploitation. These links were asserted at the UN World Conference against Racism (WCAR) which recognized that slavery, the slave trade and other historical injustices contributed to poverty, marginalization and economic disparities affecting many parts of the world particularly developing countries. **We challenge the current neo-liberal economic model endorsed by the FfD process**, which does not account for discrimination or historical injustice. These growth-focused policies purporting to trickle down to reduce poverty have historically and currently exploit power differences and inequalities between and within nations—widening the gap between the rich and the poor. We contend that poverty eradication, not reduction, is the collective responsibility of all nations.

A human rights framework is the only approach that will ensure equitable and sustainable human development for all, regardless of race, ethnicity, national identity, religion, gender and other standards of discrimination. Financing for development alone is insufficient to minimize the vast inequities between nations and groups of people. Developing countries and marginalized groups have the right to demand redress and fair compensation to level a global playing field tipped by past and current systemic exploitation. Until the power dynamic is changed so that nations and marginalized groups within nations have equal access to resource, technology, information, and decision-making power, poverty and economic inequities will continue.

International monetary, financial and trading institutions have stripped social, economic, political, and cultural rights from people, particularly racially and ethnically marginalized groups. There must be systemic reforms that promote fully representative and democratic policies. The institutions must examine how their conditions and policies adversely affect the human rights of racially and ethnically marginalized groups. We call for democracy, transparency, accountability, and the elimination of individual government veto power within these institutions.

The problem is not **the mobilization of domestic financial resources** but the outflow of already mobilized resources through capital flight, debt servicing, repatriation of profits, unequal terms of trade, military expenditures, and uncollected potential taxes. We demand global respect for a government's right to enforce policies that control capital flows as part of their right to development.

It is the responsibility of creditors to ensure that debt is incurred for the purpose of equitable and sustainable development. **External debt** servicing depletes funds that could be used to develop human capability. It is the general populace, particularly the poor and the marginalized, that bear the burden when corrupt leaders mismanage loans. We draw particular attention to the debts of developing

countries with historical links to colonization or slavery. Because the mobilization of domestic capital is a precondition for sustainable human development, we demand the cancellation of all external debt in countries in the south.

In a global world, **increased official development assistance** is the right of developing countries. It is the obligation of the international community to ensure the preeminence of human rights and provide redress for current and past violations, especially those resulting from slavery, colonization, and imperialism. Aid should not be tied to advancing the donor countries' political or economic agenda but must be used toward the achievement of sustainable and equitable development. Forcing a country to sacrifice sovereignty and fiscal autonomy in exchange for aid is counterproductive and undermines the ability of a country to be responsible for its own development. We demand that in addition to debt cancellation, industrial countries increase overall ODA to 0.7% of annual GNP as called for in the Millennium Declaration and the Monterrey Consensus.

While **foreign direct investment and other private flows** may contribute toward economic growth, they have historically resulted in the exploitation of marginalized and indigenous people. In an effort to attract foreign investment, countries often forgo labor and environmental protections, and tax revenues that could be used to provide social services. Moreover, the people, including racially and ethnically marginalized groups, who bear the direct and indirect costs of foreign investments do not share the benefits of those investments. Foreign investors must be accountable to the communities they transact with. When accommodating foreign investment, the policies stemming from FfD must above all protect human rights including the land rights and traditional knowledge of indigenous people, racial and ethnic minorities, rural farmers, and women.

Fair trade is an engine for development. The current model of free trade exacerbates and is dependent on an uneven playing field between developing and industrialized countries. It is antithetical to equitable and sustainable development, and we reject the endorsement of this model by the Monterrey Consensus. Every country has legitimate economic, social, and political grounds for protecting and subsidizing domestic industries, and nurturing the development of social and economic capabilities with state policy. Requiring developing countries to open their markets while developed countries continue to subsidize local industries such as agriculture and, most recently, steel, is hypocritical. We want a systemic change of the current trade model, which diverts profit to transnational corporations and developed countries while leaving developing countries to suffer the environmental and human costs.

We call attention to the central authority of the United Nations to monitor the policies and practices of all involved parties including member states, international financial and trade institutions, and transnational corporations. We demand recognition and respect for this preeminence of a democratic international governing body that enforces human rights, and call for the UN to be reformed and strengthened in order to perform this role.

Race, Poverty and Globalization Caucus Recommendations

We demand the full integration of a human rights framework in the FfD process to ensure protection for racially and ethnically marginalized groups including indigenous people, racial and ethnic minorities, rural farmers, people with alternative lifestyles, and women.

We demand redress for injustices that serve to increase the wealth gap between industrial and developing countries, especially those with a historical origin such as colonization and slavery.

We demand a transformation of the current economic model, the costs of which are borne by the poor and marginalized in both the north and south.

We demand a change of the current system in which nations and groups within nations, especially racial and ethnic marginalized groups, have unequal decision-making power.

We demand a systemic change of the current trade model, which diverts profits to transnational corporations and developed countries while leaving developing countries, particularly marginalized groups within those countries, to suffer the environmental and human costs.

We demand democracy, transparency, accountability, and the elimination of individual government veto power within international financial institutions and the United Nations Security Council.

We demand global respect for a government's right to enforce policies that control and regulate capital flows.

We demand the cancellation of all external debt in countries in the south.

We demand that in conjunction with debt cancellation, industrial countries increase overall ODA to 0.7% of annual GNP as called for in the Millennium Declaration and the Monterrey Consensus.

We demand that foreign investors be accountable to, and respect the rights of, the communities they transact with especially racial and ethnic marginalized groups.

We demand the establishment of social and environmental standards for foreign direct investment.

We demand recognition and respect for human rights in the FfD process and call for the UN to be reformed and strengthened in order to perform this role.

The above statement was written by the Race, Poverty, and Globalization Caucus (RPGC) at the United Nations International Conference on Financing for Development (FfD) in Monterrey, Mexico. The Race, Poverty, and Globalization Caucus was coordinated by the ***Human Rights Project at the Urban Justice Center***. The main objective of the caucus was to ensure that issues of race and ethnicity were included in the discussion and outcomes of the FfD conference, and to emphasize the importance of a human rights approach in the FfD process. For more information, please contact rortega@urbanjustice.org or edike@urbanjustice.org.