



**THE NORTH/SOUTH CONFERENCE FOR
SUSTAINABLE DEVELOPMENT
TUESDAY, 26 MAY 1998**

On Tuesday, 26 May, participants at the North/South Conference for Sustainable Development focused on the theme of "The Global Workplace Versus the Swiss Workplace." Participants heard keynote speeches on the topic and a panel discussion on "Is Switzerland Facing an Economic Crisis?" in plenary and met in ten simultaneous workshops. The meeting was chaired by Christoph Stückelberger, Executive Secretary of Bread for All.

PLENARY

Chair Stückelberger introduced the day's topic by posing three questions: does cheap labor in the South compete with jobs in the North; what causes job loss; and how should sustainable production conditions in the North and South be met?

Dharam Ghai, former Director of the UN Research Institute for Social Development (UNRISD), discussed the importance of employment creation for development. He underscored that employment gives people a sense of usefulness to society, while unemployment leads to personal frustration, drug and alcohol abuse, crime and ethnic conflicts. He said "unemployment" must also include unfair, seasonal and informal sector employment.

He called for growth-oriented macroeconomic policies aimed at increasing farmer incomes, promoting micro-enterprise, increasing labor intensive exports and creating employment. He proposed that the international community develop a world-wide employment programme aimed at environmental regeneration, infrastructure development, small farmer and micro-enterprise sector development and human development. He suggested liberal policies to allow foreign companies or groups of workers to compete for short-term contracts in service sector markets overseas and, noting the growing elderly populations in industrialized countries, recommended that countries contract out care for the elderly to poor countries. He proposed creating "services to humanity departments" in multinational companies and establishing a method for rating social initiatives to guide philanthropic contributions.

Ruth Montrichard, Service Volunteers For All (SERVOL), Trinidad, spoke on jobs for the poor. She emphasized the perspective of the poor in the provision of jobs instead of assuming the poor will be grateful for any job offered. She pointed to a loss of hope and confidence among the poor, stressing the importance of human development in job provision, such as the building of self-esteem, education and training. She highlighted SERVOL's early childhood centers and junior life centers for adolescents, both of which are administered by community boards of education. The early childhood centers are parent- and community-oriented. The junior life centers provide training in marketable skills, build self-esteem and prepare adolescents for parenting. SERVOL has also set up three high-tech centers and, with its sister organization, has begun to offer small loans for entrepreneurial ventures.

She highlighted the contribution of funding from the North to the success and development of SERVOL's programmes, noting the particular contributions of Helvetas. She stressed self-reliance, empowerment and human development in achieving full economic and social participation and sustainable development. She also emphasized the distinction between economic and developmental growth, listening to the poor, and adopting the North/South Manifesto for Sustainable Development.

The floor was then opened for discussion. Participants highlighted the Western style of education in developing countries left over from colonial times, as well as the need to shift from reliance on throw-away economies to recycling economies.

Julius Nyerere, former President of Tanzania, said universal social standards are not possible due to the historical, cultural and social diversity of countries. He stated that demands to include social issues in international trade discussions mask protectionist tendencies in industrialized countries, as they are based on the precept that fair and free competition requires a level playing field. He said it would be impossible for poor countries to meet the cost of internationally acceptable social standards because standards ultimately depend on the wealth of each country. This has been generally accepted; now it is proposed that all countries implement core labor standards, most of which are already included in ILO Conventions and to which many countries are already signatories.

He stated that rich countries preach democracy to poor nations and apply sanctions against those determined to be undemocratic, but they do not advance democracy at the international level. Universal social standards are not possible nor just unless they are linked to and conditional on parallel implementation of national and international anti-poverty programmes, and are incompatible with unfettered competition in the global market. He explained the hostility of Southern countries toward proposals to bring trade-related social standards into the arena of the WTO rather than the ILO, which they view as more democratic, and their opposition to further international intervention beyond the existence of the ILO. He underscored that the solidarity of those in the North who believe in justice and equality, have access to the media and can influence their governments and transnational corporations is essential if the struggle against poverty is to succeed.

Nancy Barry, Women's World Banking, said the South will be competing for jobs in the North unless the North embraces the realities of globalization and builds a world where everyone benefits. She said we must stop thinking in terms of polarities such as North and South or poor and rich if we are to find solutions, and stressed the importance of moving beyond traditional hierarchical systems. She recommended that business-like approaches be used to achieve economic and social change. She expressed concern over the lack of participation of finance and industry representatives at the conference and said it is the role of civil society to find ways to connect such powerful people with the poor. Noting that many solutions, such as micro-finance, are from the South, she called for

replacing consultants to developing countries with lateral learning. She cited several cases of women leaders changing the world through entrepreneurial work.

In an ensuing discussion, participants posed questions regarding: the weakness of trade unions in developing countries; the burden of debt repayment in developing countries; the need for reparations to Africa in light of the wealth accumulated from slavery and colonialism; whether Southern non-aligned countries could agree on a social standard among themselves; and problems of focusing on repayment as the main criteria for success of micro-credit loans and their fostering of Western consumer markets in rural areas.

WORKSHOPS

Does Job Competition Exist? Asian and Swiss Perspectives: One panelist contested the view that the South is stealing jobs from the North and suggested that rising unemployment in the North is caused by unregulated technological change and a shift in priorities from full employment to low inflation. Participants debated the need for and implications of the Multilateral Agreement on Investment (MAI) and core labor standards and agreed that foreign investment is desirable but disagreed as to the extent and by whom it should be regulated.

The Human Right to Food Security Creates Jobs: Participants concluded that the right to food means access to productive resources such as land, credit and self-employment, and that governments are obligated to respect, protect and fulfill access to such resources. Participants emphasized the need to: monitor inconsistencies between intergovernmental organizations' policies and the human right to food; establish means to protect developing countries' agrarian sectors within the WTO; maintain farmers' rights to seeds; and accord higher priority to rural development.

Fair Trade Labelling and Private Sector Social Clauses: Discussion focused on codes of conduct, their implementation to improve labor conditions and the need to incorporate Southern NGO perspectives in their formulation. Codes of conduct were regarded as process-oriented tools involving workers, companies and civil society, and as complements to efforts toward global minimum standards in the production of goods.

NGOs, the "Drive Belts" Linking Researchers and End-users: Participants discussed the need to: tackle gaps in institutional cultures and approaches between NGOs and researchers based on successful examples; ensure that applied research is driven by local needs and strategically planned at national and international levels; build capacity at all levels; increase the participation of women and social scientists in research; assign higher priority to applied research at institutional and political levels; and maintain support for applied research by funding agencies.

International Social Dumping and the Role of Trade Unions: Do Trade Unions Fail as a Result of National Self-interest?: Workshop participants widely recognized the need for broader coalitions between trade unions and Northern NGOs concerning international issues, such as campaigns to address specific problems resulting from globalization.

Social Dumping, Ecological Dumping and Tax Dumping: How to Deal with Unsocial Uses of Capital?: Discussion emphasized the need to: introduce ILO standards in WTO agreements at the same level as free trade; have intensive exchange rather than conflict between Northern and Southern NGOs on social and environmental standards; democratize the WTO; and differentiate international standards according to national socio-economic contexts. Participants highlighted the potential impact of consumer rating of transnational corporations, and suggested that Swiss NGOs adopt their own standards, apply them in interactions with banks and firms, and advise their members on how to do likewise.

Strategic Silence or the Sustainability of Male Dominance in Development Thought: Panelists highlighted: the unequal distribution of labor and wealth between men and women and of population and wealth among OECD countries, developing countries and countries with economies in transition; feminist approaches to macroeconomics in Asia; and women's work in

Cameroon, root causes of gender inequality, such as illiteracy, and steps towards empowering women through micro-credit, economic literacy and participation in cash-crop markets.

Investment and Development: The Role of the MAI: Panelists addressed the main features of the MAI, as well as civil society's view of it. Discussions revolved around: lack of transparency and participation by the public and developing countries in MAI negotiations; potential loss of national sovereignty; non-discrimination towards foreign investors; dispute settlements whereby foreign investors can sue governments directly; the appropriateness of the OECD as the negotiating forum; and globalization based on values other than just economics.

The Tobin Tax: Regulatory Tool for the World's Capital Markets and Instrument for Developing Finance: Participants discussed potential drawbacks and benefits from a Tobin tax on currency transactions. Participants disagreed on the stabilizing effect of such a tax but concurred that it would provide much-needed revenue for national treasuries and international activities such as poverty eradication.

PANEL DISCUSSION

The panel discussion, "Is Switzerland Facing an Economic Crisis?" was moderated by Ellinor von Kauffungen, journalist, and was comprised of André Daguet, SMUV Trade Union Executive Committee member, Heinz Hauser, Professor of Economics at the University of St. Gallen, Beat Kappeler, journalist, and Monique Seigel, business executive. When asked whether the South threatens the Swiss workplace, one panelist pointed to greater purchasing power and increased market access, rather than cheap production prices in the South as threats. Another said the workplace is not threatened if Switzerland can define its position in the global market. Switzerland's attractive investment environment, service industry and high purchasing power was highlighted, but underestimating large Southern markets was cautioned against. One panelist said globalization does not threaten but presents opportunities for Switzerland. Another questioned the future existence of nation-states and described an "international economy" rather than "globalization," as not all countries are fully integrated. Another said globalization is a reality but noted that development and capitalism have not solved, but in fact have worsened social problems, particularly with respect to social dumping. Another disagreed, believing that wealth is well distributed, particularly in newly industrialized Asian countries. He suggested that companies be encouraged to sign and implement social charters.

When discussion was opened for comments from the floor, one participant asked panelists to characterize the future world economic order. Panelists' descriptions included: markets for capital, goods and services with sanctions for human rights violations, but not at the WTO level; a market-oriented economy, but with a wider distribution of wealth; and regulations against social, ecological and tax dumping, along with a Tobin tax. Another participant asked if Switzerland's economy will become entirely service sector-based. One panelist responded that this is already the case, while another said a minimal industrial sector is necessary to support service sector activity. A participant noted that Switzerland is well-positioned for the future and asked what the Swiss private sector can do to alleviate poverty in developing countries. One panelist suggested a policy of "trade not aid." Another said the advantages Switzerland enjoys, such as trust, cannot be given away and that other countries must earn such advantages. Other suggestions included the creation of additional jobs and fixing standards in international agreements.

THINGS TO LOOK FOR TODAY

PLENARY: Participants will hear keynote speeches and engage in discussion on "Implementing the Aims of the Rio Earth Summit" from 9:00-12:30 in the Federal Parliament Building.

WORKSHOPS: Several simultaneous workshops will convene in the Hotel Kreuz from 14:00-16:00.

PANEL DISCUSSION: A panel discussion on "Implementing Agenda 21 in Switzerland" will be conducted from 16:30-18:00 in the Federal Parliament Building.