

The Social Impact of the Global Financial and Economic Crisis

Assessments, Intergovernmental Recommendations and UN System-Wide Actions

Krishnan Sharma,
Financing for Development Office, DESA,
8 December 2009

Introduction

Comments will focus on some of key findings, recommendations and responses of UN system at a global level from relevant reports and intergovernmental outcomes.

Structure of Comments

- I. Assessment of Social Impact of Crisis
- II. Intergovernmental Recommendations
- III. UN system-wide responses

Sources

Assessment:

1. **Note by the Secretariat, for the Commission on Social Development, on “The current global crises and their impact on social development” (January 2009)**
2. **The Secretary-General’s Report on the World Financial and Economic Crisis and Its Impact on Development (June 2009)**

Intergovernmental Recommendations:

3. **Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development**
4. **The Doha Declaration on Financing for Development (December 2008)**

UN System-Wide Actions:

5. **Report of the Secretary-General on “The promotion and enhancement of a coordinated response of the United Nations development system and the specialized agencies in the follow-up to and implementation of the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development” (September 2009)**

I. Assessment of the Social Impact of the Crisis

Assessment of Social Impact of Crisis

Analytical reports emphasize:

- Impact on marginalized and vulnerable groups
- Gender dimension
- Impact on poverty and inequality
- Other social impacts

II. Intergovernmental Recommendations

Intergovernmental Recommendations

“Our endeavours must be guided by the need to address the human costs of the crisis: an increase in the already unacceptable number of poor and vulnerable, particularly women and children, who suffer and die of hunger, malnutrition and preventable or curable disease; a rise in unemployment; the reduction in access to education and health services; and the current inadequacy of social protection in many countries.”

(Paragraph 3, Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development)

Intergovernmental Recommendations

1. Align short-term response to crisis with longer-term measures to further social development:

“Short-term mitigation measures should take into account long-term goals, especially those related to poverty eradication; sustainable development, including environmental protection and clean and renewable energy; food security; gender equality; health; education; and sustained economic growth, including full and productive employment and decent work for all.”

(Paragraph 21, Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development)

Intergovernmental Recommendations

2. Need for transfer of resources to developing countries:

“We call for the mobilization of additional resources for social protection, food security and human development through all sources of development finance, including voluntary bilateral contributions, to strengthen the foundation for early and sustained economic and social recovery in developing countries, particularly least developed countries.”

(paragraph 22, Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development).

Intergovernmental Recommendations

3. Enhance employment, social protection and safety nets:

“Strengthening existing social safety nets, establishing new ones where needed and protecting social expenditures are important for the advancement of people-centred development and addressing the human and social impacts of the crisis.”

(Paragraph 21, Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development).

Intergovernmental Recommendations

4. Specific measures to assist the most vulnerable, including women:

“In this regard, greater efforts are required for mobilizing more resources, as appropriate, to provide universal access to basic economic and social infrastructure and inclusive social services, as well as capacity-building, taking special care of women, children, older persons and persons with disabilities in order to enhance their social protection.”

(Paragraph 13, Doha Declaration)

Intergovernmental Recommendations

5. Encourage remittances and avoid discrimination against migrant workers:

“We should resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration in order to maximize the benefits of international migration, while complying with the relevant national legislation and applicable international instruments.”

(Paragraph 27, Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development).

Intergovernmental Recommendations

6. Strengthen ability of United Nations system to respond to the crisis and fulfill its development mandate. Propose to:

“Further develop the United Nations development system’s comprehensive crisis response in support of national development strategies through a coordinated approach by United Nations funds and programmes, specialized agencies and the international financial institutions at the country level.”

(Paragraph 52b, Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development).

III. UN System-Wide Responses to the Crisis

UN System-Wide Responses to the Crisis

“Closer cooperation and strong partnership between the United Nations development system, regional development banks and the World Bank and their scaled-up efforts can effectively address the needs of those hardest hit and ensure that their plight is not ignored.” (Paragraph 22, *Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development*)

UN System-Wide Responses

- The United Nations System Chief Executives Board for Coordination (CEB) — which brings together the heads of all United Nations agencies, funds and programs — has launched nine major United Nations-system initiatives to respond to the crisis.
- These initiatives are united around a common commitment to assist countries and the global community to confront the crisis, accelerate recovery and build a fair and inclusive globalization that allows for sustainable economic, social and environmental development for all.

CEB Initiatives

1. Additional financing for the most vulnerable
2. Food Security
3. Trade
4. Green Economy Initiative
5. Global Jobs Pact
6. Social Protection Floor
7. Humanitarian, security and social security
8. Technology and innovation
9. Monitoring and analysis

Conclusion

At the global level, the UN has been proactive in identifying and framing a response to address the economic and social impact of the crisis.

For this to succeed, there is a need for:

1. Transfer of Resources
2. Effective collaboration at international, national, regional and sub-regional levels.
3. An effective intergovernmental process at the United Nations.

Conclusion

Effective Intergovernmental process:

- a) GA established “Ad Hoc Open-ended Working Group” to follow up on issues contained in crisis conference outcome document.
- b) ECOSOC held informal consultations on enhancing collaboration and cooperation between UN and BWIs and possible establishment of ad hoc panel of experts on crisis and its impact on development.