



Presentation by Social Watch coordinator Roberto Bissio at the Interactive Dialogue

**“Elements for a Monitoring and Accountability Framework
for the Post-2015 Development Agenda”**

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Some four thousand years ago, King Hammurabi had the laws of his domains between the Tigris and Euphrates rivers carved in stone and placed in front of his palace. The laws were written in the plain language of the people, not in the arcane idiom of the priests, so that everybody could understand them. They were not engraved on clay, so they could not be changed overnight at will, and they were not hidden, so that all were able to access them and learn, for example, that even judges had a duty not to betray the rules in their decisions.

The basic principles of accountability of the rulers to the ruled were thus created. Much more recently, only two hundred years ago, *La Declaration des Droits de l'Homme et du Citoyen* in 1789 stated that every citizen has the right to check the need to pay taxes¹ and that society has the right to hold every public agent accountable.²

The idea that the people are at the base of a society and should be protected by justice is not new and is not the intellectual property of any specific region. It was articulated in the 14th century by the Arab philosopher ibn Khaldun, the father of modern sociology, who in his *Muqaddimah* quotes Aristotle (who worked from Alexandria, in what is now Egypt) as having established political wisdom in the following eight sentences:

“1. The world is a garden the fence of which is the dynasty (the state). 2. The (state) dynasty has the authority that defines proper behavior. 3. Proper behavior becomes policy when directed by the ruler. 4. The ruler is an institution supported by the soldiers. 5. The soldiers are helpers who are maintained by money. 6. Money is sustenance brought together by the subjects. 7. The subjects are servants who are protected by justice. 8. Justice is the harmony that makes the world a garden”.

If we translate “the garden” as “sustainable development” we have here all the elements that we need for a renewed agenda: Policy and regulations, means of implementation (taxes) and compliance mechanisms (justice) which is what we really want to talk about when we talk about monitoring and accountability.

In the last decades all rulers of the world have committed themselves to the Universal Declaration on Human Rights (1948), that spells out the basic principles of human dignity, the Rio Declaration (1992) that spells out the rights of future generations, the Copenhagen and Beijing declarations (1995) that promise to eradicate poverty and achieve gender equality and the Millennium Declaration (2000) that commits them to ensure the simultaneous realization of a triangle framed by peace and security on one vertex, democracy and human rights

1 Article XIV: Tous les Citoyens ont le droit de constater, par eux-mêmes ou par leurs Représentants, la nécessité de la contribution publique, de la consentir librement, d'en suivre l'emploi et d'en déterminer la quotité, l'assiette, le recouvrement et la durée.

2 Article XV: La Société a le droit de demander compte à tout Agent public de son administration.

on the second and last but not least development and social justice.

Those commitments were translated into every language and carved in the Internet, videos, radio and printed papers that all can access and are more difficult to hide and erase than a stone. Yet, the non compliance with these promises, while morally condemned in all cultures and places, is not punished and not even properly monitored. The commitments made to society tend to be easily forgotten if organized citizens and communities are not constantly reminding them.

Social Watch was created in 1995 to help governments remember their promises and to assist those governed to monitor the achievements... or lack of them. Nowadays the Social Watch network has active coalitions that group over a thousand organizations in eighty countries. Each national alliance defines independently its own priorities, its message and how to engage with their authorities. To participate in the global network they commit themselves to be inclusive, to report honestly and to engage in advocacy in order to improve the quality of the policies and the openness of the mechanisms that define them. The global network will in turn amplify the national voices, help them use methodological tools, such as the innovating indexes on gender equity and on basic capabilities that Social Watch developed, and collectively hold international organizations accountable for their own commitments.

In doing that, we found something that probably Hammurabi already knew: Accountability is only meaningful if the powerful can be brought into account. The powerful are the landowner, the major and the chief of police for a distant rural community. In the world as a whole the powerful are the big countries, the intergovernmental institutions (particularly those dealing with trade and finances), transnational corporations and even some huge foundations and INGOs with budgets of billions of dollars.

We firmly believe that it is up to citizens to hold their own governments accountable. In exercising these right, our member coalitions have managed in some countries to identify millions of dollars of “pork barrels” hiding in obscure budget provisions and redirect them to support genuine social development. They have also avoided civil wars through the development of credible election monitoring mechanisms based on social networks.

Very often, the Social Watch national coalitions have also found in practice that the smaller, poorer or more vulnerable a country is the more it is being held accountable to foreign actors. All countries are subject to report to their peers on compliance with their human rights legal obligations under the Universal Periodic Review of the Human Right Council. This is a major step forward. But developing countries also have to report about their compliance with WTO accession commitments; they are supervised by the IMF, even if they are not debtors, and they report to each of their bilateral donors individually and also collectively. When the recipient country government sits on a table with its 12 to 25 donors, who are frequently also its creditors, plus the World Bank, the IMF and the regional development banks this is called “mutual accountability!” I would argue this is not the best setting for the developing country to interpellate its donors about not meeting their 0.7% commitment or to ask the IMF about the unfulfilled promised increase in the voting power of African countries.

In fact, our members frequently observe that accountability to the citizens is frequently postponed or undermined by this accountability to the powerful in ways that weaken the role of parliaments and undermine democratic institutions. To make matters worse, over two thousand bilateral and regional trade and investment agreements signed in the last few decades have created new rights for transnational corporations, including rights that humans don't have: corporations have acquired the right to settle anywhere they want and bring with them any personnel they decide they need, they are allowed to repatriate profits without restrictions and even to litigate against governments in demand of profits lost because of democratically decided policies, not through local courts but via international arbitration panels shaped to defend business interests and where human rights do not necessarily prevail. ICSID, the International Center for the Settlement of Investment Disputes, hosted by the World Bank, is an un transparent tribunal that displaces national judiciary and in a way creates its own law by way of ignoring human rights standards and environmental norms, even when they have been ratified as

international treaties.

No single duty was created for corporations to compensate for this expansion of their rights and that may well be one of the reasons for the current disproportionate share of capital in the capture of the benefits of growth and the symmetric reduction in the share of labour in those benefits that is so overwhelmingly documented by Thomas Picketty³ for most countries, rich and poor.

Corporations have to be made accountable not only to their owners and consumers but to their workers and to the people that are affected by their operations. Corporate accountability requires rules set by governments, respect for human rights and environmental due diligence as well as reporting, ensuring access by those negatively affected to an effective remedy, tax transparency; proper land appropriation rules, etc.

We do want, of course, to harness the power and the money from corporations and the huge foundations they support to make them contribute to sustainable development (starting perhaps with the old medical principle of “first, do no harm”) but no “partnership” will really contribute if it is not accountable.

The Righting Finance coalition, of which Social Watch is a member, has elaborated a set of minimum criteria to be applied to all actors wanting to benefit from “partnering” with the United Nations, among them the mandatory declaration of any conflict of interest,⁴ and careful “vetting” of their human rights background and performance. Fiscal resources, whether domestic or ODA-originated “should only be applied to support the private sector in instances where it can be demonstrated concretely that a) such allocation will advance certain rights, b) this is a more effective use of such resources than through public investment, c) mechanisms exist for the transparent and public participation of those affected by the use of those resources and d) performance in meeting the promised targets will be evaluated and monitored periodically, with lack of compliance credibly giving rise to a withdrawal of the fiscal support.”

Corporations in partnership with the UN should be subject to at least the reporting requirements already established for NGOs, which include regular reporting to ECOSOC, including on their finances and their origins, demonstrated adherence to Human Rights and UN principles a description of initiatives undertaken to support the MDGs and demonstrated contribution to the work of the UN.

The mandate for this reporting already exists, and has been approved by the UN General Assembly as part of the Guiding Principles on Extreme Poverty and Human Rights and the Guiding Principles on Business and Human Rights. These principles require, for example, an impact assessment of multilateral organizations, corporations and the trade and investment regime. This important mandate needs to be implemented. The Rio decision about the creation of the High Level Political Forum (HLPF) clearly wants to empower this Forum to be the place for these reviews. For that to happen the Forum needs to be properly **assisted** by a strong secretariat, **informed** by adequate reporting and carefully **prepared** by an active chair or *troika* that provides continuity and leadership.

Following the Rio+20 mandate on universality, all governments and multilateral organizations have to be accountable. The Global Partnership for Development, described in Goal 8 of the MDGs not only has no timeline, but also no proper accountability mechanism. No wonder it lacked implementation. A new agenda for development has to be specific about Means of Implementation and also about the forum for review and the monitoring and accountability mechanism, which could well be a strengthened HLPF as described above, to which multilateral agencies, the Bretton Woods Institutions and any corporation or “partnership” wanting to use the UN name, logo or flag should be required to report.

3 Picketty, Thomas, *Capital in the Twenty-First Century*, Harvard University Press, 2014

4 Statement by Righting Finance Initiative¹ on “Co-Creating New Partnerships for Financing Sustainable Development” April 3-4, 2014, Helsinki, Finland. Available at: <http://www.rightingfinance.org/wp-content/uploads/2014/04/Read-full-statement.pdf>

Accountability doesn't happen without transparency and access to information: Corporations should report their accounts on a country-by-country basis, countries need to keep public registers of company owners, among other basic information provisions. In general citizens should have access not only to corporate information but also to all government documents, as well as to those of multilateral organizations. In particular, the secrecy involving the work of arbitration panels in investor-states disputes needs to be declared as contrary to basic accountability and human rights principles. Banking secrecy undermining the ability of countries to tax their citizens or corporations operating in their territories needs to be identified as a major obstacle to the achievement of human rights and development goals and this should be a major issue to address in the context of the FfD debates.

Monitoring and accountability needs to be institutionalized, but ensuring an enabling environment for civil society is key for any accountability to "work". Civil society uses all available tools, including so called "social networks" based on the Internet. But the key role of organized civil society cannot be substituted by easily manipulated web-based instruments.

The National Council on Public Polls (NCP) of the United States, which includes the major TV networks and several universities as members explains in its website that "unscientific pseudo-polls are widespread and sometimes entertaining, but they never provide the kind of information that belongs in a serious report". Examples of those polls "include 900-number call-in polls, man-on-the-street surveys, many Internet polls (...)".⁵

In a scientific poll, explains NCP, "the pollster identifies and seeks out the people to be interviewed. In an unscientific poll, the respondents usually "volunteer" their opinions, selecting themselves for the poll". Ignoring this basic recommendations, serious reports by the UN secretariat quote web-based polls as if they were genuine consultations with civil society. This practice should be avoided.

"Big data" has enormous potential, but it has potential for evil as well as for good and in promoting a "data revolution" as part of any monitoring and accountability mechanism due attention needs to be given to the issues of privacy and rights, as well as to the fact that, contrary to the democratization of access brought by miniaturization, "big data" requires big computing capabilities to be harnessed, so big that they are out of the reach of most civil society organizations and even of most developing countries.

Finally, madame chairperson, let me quote a partner in a major global auditing and consultancy firm in stating that "accountability is not accounting". It cannot be left to accountants or other bureaucrats. Every development project and every "partnership" should have in its budget a provision to support independent civil society accountability mechanisms at least with the same amount as the one devoted to auditing.

Seven centuries ago, Ibn Khaldun concluded that "the lesson is that injustice ruins civilization. The ruin of civilization has as its consequence the complete destruction of the dynasty (state)". Without effective monitoring and accountability of the powerful there will be no development agenda and the multilateral system will lose its legitimacy.

Thank you, Madame Chairperson

5 Gawiser, Sheldon R., Ph.D. and G. Evans Witt, "20 Questions A Journalist Should Ask About Poll Results", Third Edition, NCP, available at <http://www.ncpp.org/?q=node/4>