



## **HLPF CLOSURES AS TRADE UNIONS AND CIVIL SOCIETY DEMAND SYSTEMIC CHANGE AND DEMOCRATIZATION OF GLOBAL ECONOMIC GOVERNANCE**

**26 July 2018**

The High Level Political Forum (HLPF) closed on Thursday 19th July after 10 days of intense debate on the 2030 Agenda and its 17 Goals for Sustainable Development. PSI General Secretary Rosa Pavanelli spoke in plenary several times on key issues for PSI, such as access to water, energy and an urban agenda for all. PSI took an active part in the HLPF, co-organizing seven side events, and co-publishing a report on the Human Right to Water and the Spotlight Report, that proposes positive pathways for sustainable development through public policies.

The 2030 Agenda is premised on the recognition of a mutual dependence of environmental, economic and social sustainability. Together with the Paris Climate Agreement and the Addis Ababa Action Agenda, it provides the framework for achieving sustainable and resilient societies and was adopted in 2015.

Rosa Pavanelli says: “Three years down the line, we are not on track to achieve the Sustainable Development Goals by 2030. Challenges remain to eradicate poverty, address climate change, ensure decent work, as well as quality education, reduce inequalities and build peaceful, inclusive societies for all. Governments have committed to ensure the realisation of the 2030 Agenda; yet, the 2018 High Level Political Forum (HLPF) reveals insufficient ambition as well as public financing and lacks action-oriented commitment to overcome the obstacles to achieve the Sustainable Development Goals (SDGs) by 2030. It is critical that the center of gravity of economic, financial, trade, and monetary decisions be shifted away from the IFIs towards the UN, addressing the urgent democratization of global economic governance.

A zero-carbon, zero-poverty world is within our reach, but requires collective and inclusive efforts. Yet, the legitimate role of trade unions and workers to defend their rights, protect their interests and contribute to fairer societies is under attack worldwide. Trade unionists are targeted by intimidation, violence and even murder.

If governments are serious about addressing poverty and inequalities, wages and decent work must be at the center of the 2030 Agenda. The shrinking wage share as part of GDP worldwide is a reality that needs to be redressed. A race to the bottom on tax and wages will not deliver a sustainable future. Gender-responsive public services, universally accessible free public education, health and social services, including for migrants and refugees, are essential to create sustainable economic and social development and combat poverty and inequalities.

We see the paradox of a 2030 Agenda that pushes for the national implementation of SDGs, while the FfD process does not enable the policy and fiscal space. Policy coherence, regulations, transparency and public investment - through strong governance inspired by a democratic participatory process should be the priority. To serve the purpose of the 2030 Agenda, the contradiction between the need for right-based social inclusion and the current profit-oriented economic model needs to be solved and reality of soft human rights and hard trade law should be addressed.

In terms of implementing SDGs we call for addressing systemic issues and the reform of the corporate tax system, including through the creation of an intergovernmental body within the UN, to fight tax evasion, abolish tax havens and re-establish progressive taxation systems, and consider the adoption of flat tax for corporates as a transition measure.

An estimated USD 90 trillion investment is needed in infrastructure by 2030 to implement the SDGs. We are deeply concerned about the increasing privatisation of public services, including through public-private partnerships. These are by no means a fast track to SDG realisation but instead undermine quality, equity as well as human rights, and very often incur additional costs in the long run. PPPs are inadequate and unsuccessful for essential and critical services - they privatise profits and socialise risks. We suggest convening a process at the global level, through ECOSOC, to take stock and evaluate whether PPPs are fit for purpose.

The push for greater private sector involvement in the implementation of SDG 6, flies in the face of growing evidence that the privatization of water and sanitation has been detrimental, especially to the most marginalized and vulnerable and that corporations tend to use monopoly power to generate excessive profits without investing in infrastructure.

While developing solutions for the financing and implementation of SDG 6, decision-makers must acknowledge the hundreds of experiences of remunicipalization within the last 15 years that provide evidence not only of private sector failures, but also of solutions for better public services. In terms of energy, we have already seen too many Independent Power Producers use their legally-binding Power Purchase Agreements to drain tax-payers' money for their shareholders. The IPP-PPA model proves to be a disgrace for too many communities.

In turn, the financialization of housing is directly opposed to the idea that housing is a human right linked to personal dignity, security and the ability to thrive in communities and it played a major part in the 2008 financial crisis.

Given the repeated references to 'evidence-based' policy throughout the SDG process, nobody can ignore the evidence coming out of communities that have resolutely rejected privatization. Rather than promoting failed PPPs, the SDG process should look at public-public partnerships that are flourishing around the world.

Furthermore, governments should support the regulatory and policy frameworks required to enable the private sector to contribute to the fulfilment of human rights and nationally defined Agenda 2030 objectives, in line with the public interest – especially where public resources are mobilised. Other important steps are needed: governments must ensure business transparency and accountability for investments and create the necessary regulatory frameworks for companies to fulfil their 'due diligence' responsibilities, as prescribed by the UN Guiding Principles on Business and Human Rights.

On the solutions side, workers and trade unions highlighted the key role of social dialogue as a driver and governance instrument for sustainable development. Social dialogue creates local ownership of the transition or societies need, builds societal consensus and inclusion, eases policy implementation, cements in agreed-upon measures and strengthened democratic processes It has been at the core of development success-stories, both historically and in the present-day. Its role should be recognised and valued at the HLPF.

Labour and environmental clauses in public procurement as well as public contract transparency and disclosure are key to sustainable urban development. To secure the necessary public funding cities need coordinated policies to fight tax evasion, tax avoidance and corruption. Protecting public spaces and commons from privatization and gentrification have a direct and positive effect on democracy and equity.

It is essential to firmly locate the SDGs - and the efforts to support their achievement by IFIs and UN agencies - within the human rights framework, reaffirming the centrality of the State as duty-bearer of human rights. Guidance and financing from the IFIs must ensure the policy space required for governments to enact regulation, enforcement, and fiscal measures to advance their democratically-owned and rights-based development agendas.

NGO's at HLPF stated: "We observe with concern many layers of disconnect between what is discussed at these meetings and what is going on in the world outside. This includes the apparent lack of relevance between the discussions of member states here in the ECOSOC chamber and in bilateral summits across the globe; between military spending and budgetary allocation for sustainable development; between the obvious need for universal social protection floors and the policy dictates of the IMF. Private finance can only

Public Services International is a global trade union federation representing 20 million working women and men who deliver vital public services in 150 countries. PSI champions human rights, advocates for social justice and promotes universal access to quality public services. PSI works with the United Nations system and in partnership with labour, civil society and other organisations.

complement, not replace, national and international public resources. Further, we urge the IMF to stop pushing 'fiscal consolidation' on countries, as austerity policies and regressive taxation seriously impede countries' ability to finance the implementation of the SDGs."

And, contrary to what one powerful government insisted in voting against the ministerial declaration, trade must be organized in multilateral fora along principles that support the rights-based implementation of the SDGs, ensuring policy space for regulation at national level, towards socio-economic transformation.

## **FUTURE OF THE HLPF**

We congratulate the 191 member states who voted in support of the ministerial declaration. However, the HLPF proceedings reveal insufficient leadership and a lack of commitment. We urge governments to remain united, ambitious and focused in delivery of the 2030 Agenda; and towards the true realization of the principle of 'leave no one behind'.

We are concerned that unlike the Human Rights Council, the HLPF provides no mandate for parallel or 'shadow reports' on country-level implementation and call for this to be taken into consideration during the 2019 review of the HLPF modalities. We regret to observe that the overall space for civil society at the HLPF is shrinking. This year, only around 20% of the official slots for side events were granted to civil society, whereas one full day was dedicated to a closed business forum.

We need the HLPF to lead by example by creating the conditions for meaningful and constructive dialogue, being a true platform for learning and accountability. We are looking forward to the 2019 HLPF, at heads of state level and the beginning of the review of its modalities. However, we express our serious concerns that this platform is proving insufficient against both the expectations of its role in monitoring and review, and the crises of the larger global structures in which the HLPF attempts to intervene.

PSI has opened an office in New York in February 2018 for representation to the United Nations, World Bank and IMF. The PSI office is hosted by PSI affiliate SEIU in its regional NYC office. Throughout autumn 2018, PSI will prepare for a series of important thematic discussions/negotiations in 2019 – the UN Committee on Social Development will address wages and inequality, the United Nations Committee on the Status of Women will address access to public services and social protection, and the HLPF will focus on Empowering people and ensuring inclusiveness and equality, including Decent Work, and the importance of strong institutions and peace. 2019 is also the Centenary of the ILO, with numerous events during the General Assembly in September 2019 that present the trade union movement with a major political opportunity to put labour issues and the need for democratization of global economic governance at the very heart of the United Nations.