



weed

World Economy, Ecology & Development

International Expert Meeting

“MAKING FINANCIAL MARKETS WORK FOR DEVELOPMENT”

Options for Reducing Instability & Financing Development

Berlin, 28 – 30 November 2003

The debate on a “New Financial Architecture”, which had started after the Asian crises, has considerably lost momentum. It is time for civil society to make a balance and to look into the further perspectives. This is the background on which WEED will organize an international expert meeting: *“MAKING FINANCIAL MARKETS WORK FOR DEVELOPMENT - OPTIONS FOR REDUCING INSTABILITY & FINANCING DEVELOPMENT”*

This conference comes at a critical time when **financing development** is on the agenda of the richest countries in an unprecedented way as they wrestle with how to pay for the Millennium Development Goals. Yet for development to be meaningful there is the necessity of **reducing instability** in the financial system, too.

The conference will review the progress made in recent years to counter capital market failures and identify some of the new issues, such as harmful tax practices, that are emerging on the global agenda. Combining academics, policy-makers, civil society activists and journalists, the conference will provide an opportunity to improve our collective understanding of the key issues and to pool our thoughts about how best to implement solutions. Therefore, the last part of the conference will be dedicated to the further strategy of civil society.

The working language of the conference will be English.

This project is co-financed by the Commission of the European Union & Heinrich Böll Foundation

Programme

Friday 28 November: 14.00 – 19.00

Session 1: On the road to nowhere?

14h00 Chair's opening remarks

Peter Wahl, Member of WEED executive board

14h10 WHERE HAVE ALL THE PROMISES GONE?

A balance of the debate on the "New Financial Architecture"

Stephany Griffith-Jones, University of Sussex, UK

15h00 Questions, comments and discussion

15h45 Coffee Break

16h15 TAKING THE POLITICAL TEMPERATURE

FFD update – IFF/Monterrey process/financing the Millennium Developing Goals

Martin Köhler, Campagna per la Riforma del Banco Mondiale, Rome

16h45 Questions, comments and discussion

17h30 Panel Discussion

*NN (German Ministry for Development), Heribert Dieter (Stiftung Wissenschaft und Politik), N.N.
(Deutsche Bundesbank),*

19h00 End of session

Saturday 29 November: 9.00 – 19.00

Session 2: The Costs of Financial Instability?

09h00 Chair's introductory remarks

09h15 THE BUBBLE BURSTS -

Reasons and perspectives of the financial markets crash and its consequences for the South"

Jan Kregel, UNCTAD

Questions, comments and discussion

10h30 AT THE BOTTOM OF THE HIERARCHY

The effects of exchange rate volatility on developing economies

Gabriel Palma, Cambridge University

Questions, comments and discussion

11h15 Coffee Break

11h45 BASLE II – BENEFITS FOR DEVELOPING COUNTRIES?

The effect of the new Basle agreement on developing countries.

Martina Metzger, BIF - Berlin Institute for Financial Market Research

12h15 Questions, comments and discussion

12H45 Lunch

Session 2 continued

13.45 WHAT STABILITY HAS GOT TO DO WITH IT ?

The impact of financial services liberalisation on stability

Myriam Vander Stichele, SOMO, Amsterdam

Questions, comments and discussion

14h45 SIN ESPERANZA ?

The Argentine Crisis: Reasons, dynamics, solutions

Fernando Cardim de Carvalho, University Rio de Janeiro

Questions, comments and discussion

15h45 Coffee Break

Session 3: MAKING PROGRESS? A REVIEW OF RECENT INITIATIVES

16h00 Chair's introductory remarks

16h05 **TOBIN TAX – WHERE NOW?**

Achievements and challenges in the field of international taxation
Bruno Jetin, University of Paris

Questions, comments and discussion

16h50 **HARMFUL TAX PRACTISES – WHO WINS, WHO LOSES**

The case for an international campaign against aggressive tax practises
John Christensen, Tax Justice Network, UK

Questions, comments and discussion

17h50 **BREAKING THE HEGEMONY OF THE DOLLAR?**

The EURO in the reform of the international financial system. What benefits for the South?
Jörg Huffschmid, University of Bremen

18h20 Questions, comments and discussion

19h00 End of session

Sunday 30 November 2003: 9.00 – 14.00

Session 4: ROADS TO ALTERNATIVES

09h00 Chair's opening remarks

09h05 **ELEMENTS OF A COHERENT REFORM PACKAGE**

NN

Questions and comments

10h00 **NO MORE COOKING THE BOOKS**

A modest proposal for reform of International Accounting Standards
Richard Murphy, Association for Accountancy & Business Affairs, UK

Questions and comments

10h45 Coffee Break

11h00 **Next steps: Break into groups to discuss campaign issues – suggested themes will be agreed previously**

13h00 **Brief report backs and final discussions**

14h00 **Close of conference**

Background

The 1998 Asian Crisis triggered a global debate on the need for reform of the international financial system. Even within the neo-liberal establishment there was a general recognition that the absence of mechanisms to ensure financial stability has been damaging, particularly to the interests of developing countries.

Some institutional measures have been implemented, including the establishment of the G20, the creation of the Financial Stability Forum, revision of the regulatory guidelines of the Basle Committee on Banking Supervision (Basle II), and some limited measures to strengthen the regulation of offshore banking.

Civil society actors have also taken up on the issue. By putting a currency transaction tax (CTT – widely known as the Tobin Tax) on the international agenda, they have scored some degree of political success. The campaign for a Tobin tax that started with an emphasis on taxing the activities of currency speculators, has become re-energised in certain quarters by the opportunity it presents to substantially fund development.

Since 1998, however, despite mounting awareness of the risks posed by liberalised capital markets, the dynamics of the reform process have slowed or even suffered reversals. The OECD initiative to counter harmful tax competition, for example, was almost halted by the withdrawal of US support, and attempts to reform international accounting standards have been seriously thwarted by strenuous governmental lobbying by accounting practitioners.

An accumulation of events in recent years, including the bursting of the so-called 'dot-com' bubble, the emergence of widespread accounting and audit failures (with Enron being just one of a host of examples) and the total collapse of the neo-liberal experiment in Argentina, have broadened the scope of public concern about the regulation of financial markets.

The Venue of the conference is the "Environmental Forum – Resurrection Church" (Umweltforum Berlin – Auferstehungskirche), Berlin, Pufendorfstrasse 11.

The venue is in the centre of Berlin, 15 minutes walk from Alexanderplatz. The easiest way to get there by public transport is via Railwaystation Ostbahnhof (East Station) and from there Bus N° 340, Stop *Koppenstrasse* (directly in front of the meeting place). Or via tram 5, 6, 8, 15 to *Platz der Vereinten Nationen*, from there 3 minutes walk.

Registration

To be sent in either by Mail (WEED, Torstrasse 154, D-10115 Berlin;
or Fax: +49-(0)30-2759 6928; or by e-mail: fin.conf@weed-online.org

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