United Nations
Educational, Scientific and
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Informal Summary of interventions of the UNESCO Future Forum on the Global Financial and Economic Crisis: What impact on multilateralism and UNESCO?

UNESCO Headquarters, 2 March 2009

OPENING SESSION:

"The Global Financial and Economic Crisis – its parameters and Potential Impact on Multilateralism"

Hans d'Orville's welcome address underlined the importance of an international laboratory of ideas like UNESCO if we want not only to respond to the current global crisis but also to act in order to prevent future crisis. In a global financial and economic crisis of such magnitude and uncertainty, it must be clear that multilateralism is a key part of the solution and that now is not the time to scale back on investments in global public goods: there will be no sustainable way out of the crisis if poverty reduction, education, science, culture and communication are not properly addressed nationally, by States, and internationally, through "strategic joint action" by the UN system organizations.

Koïchiro Matsuura, Director-General of UNESCO, affirmed that the global financial crisis can be resolved only through international cooperation and a shift in priorities towards greater solidarity. The financial crisis is an ethical one and compels us to re-examine the aspiration that govern our global society. We must use this crisis to make the multilateral system more inclusive, effective and coherent, especially in addressing the present and future needs of developing countries. In this crisis, UNESCO has the duty to foster international development, protect the world's poorest; ensure access to fundamental social services and global public goods, promote gender equality; and mobilize action to address environmental threats, in particular climate change.

UNESCO, the Director-General continued, has a special responsibility to monitor, protect and promote fundamental pillars of society – education, the sciences, culture and communication – which are nonetheless often the first to be hit in a recession. But with research showing that each extra year of schooling boosts GDP per capita by 4 to 6 percent, education is one of the smartest investments a country can make. A counter-cyclical injection of resources in education now would not only help spur a recovery but also support more vigorous growth in the future. Since developing countries, especially in Africa, cannot afford such an education stimulus plan, donors must account to their promise not to let countries seriously committed to achieving EFA fall behind for want of resources. UNESCO is working with Italy at placing education on the agenda of the next G8.

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In Mr. Matsuura's view, the crisis is thus an opportunity to discuss the types of bold policies we need to lay the foundations for more inclusive and sustainable societies. This is why the issue of the impact of the financial crisis on climate change is so crucial: nothing would be more dangerous than to let the crisis prevent us from reaching a robust climate deal in Copenhagen in December. We must support a greener low-carbon growth and help countries – in particular the poorest – mitigate and adapt to climate change that is already taking place. But we do not just need to increase spending on green technologies, we also need to strengthen the long-term capacity of countries – especially developing countries – to drive the research for even better solutions and better understanding of climate change, which is what UNESCO is already working at with many countries – including 19 in Africa.

The attention given to the global financial and economic crisis on the international scene is not, in **Olabiyi Babalola Joseph Yaï**'s (Chairman of the UNESCO Executive Board) opinion, solid proof that the crisis is well understood. This crisis being highly illegible and uncertain, we need to avoid shortsightedness in our reflection on the crisis. Following UNESCO's ideals, we must above all listen to the voice of the most vulnerable and the poorest, that is the voice of those who have been kept voiceless for so long. Following UNESCO's ideals, we should also remember that this crisis - provoked by a few, experienced by all - has ethical dimensions and that it is a crisis of meaning.

In his message, **George Anastassopoulos**, President of the UNESCO General Conference, underlined that the novel question being asked in the current crisis is not whether but what changes should be made to the balance of power in the international financial system. We who operate with soft-power should feel encouraged to deconstruct the policy assumptions that led to the crisis, but also promote a socially responsible global governance, addressing the needs and interests of the most vulnerable segments of our societies. To paraphrase UNESCO's Constitution, stability exclusively based upon the political and economic arrangements of governments will not secure the unanimous, lasting and sincere support of the peoples of the world. In this light, education, sciences and technology, communication, knowledge and culture are some of the soundest investments nations can make to secure long-term peace and stability.

Because the current financial crisis is probably the gravest and most global crisis in our lives, **Aart de Geus,** Deputy Secretary-General of OECD, affirmed, it demands coordinated global solutions based on togetherness, multilateralism and partnership. Since our economies now grow and decelerate at the same time, the only way forward is an inclusive multilateralism with developing countries integrated in the decision-making process. But to build a better global economy free of the risks of excessive deregulation with bad supervision, to overcome the deficiencies of our global governance, we will need much more than a new financial and economic regulatory framework. We will also need a major cultural change; both in our societies and in our leaders. This is why the role of UNESCO is central in solving this crisis: we need a new map for human progress, a map based on core values like inclusiveness, equity, sustainability, diversity and tolerance.

The current crisis originated in advanced countries, but, **Abdoulie Janneh,** Executive Secretary of the United Nations Economic Commission for Africa, insisted, its impact is already being felt in all developing countries and Africa in particular. The current crisis threatens to erode the recent economic and social gains made by African countries. It could considerably curtail their ability to boost growth and achieve the MDGs. To minimize the effects of the financial crisis on African economies and create a sound basis for sustainable growth, we need to strengthen economic and financial policy management, mobilize domestic revenues more effectively, and protect the most vulnerable segments of our society through increased investment in education, health and infrastructure. Africa must also be better represented in decision-making organs of international financial institutions. In addition to national and international actions, closer attention must be paid to the regional and sub-regional dimensions addressed by such a body as the UNECA.

Mohan Munasinghe, Vice-Chair of the United Nations Intergovernmental Panel on Climate Change (IPCC), pointed that we need an integrated response to the global economic crisis and the multiple challenges of sustainable development and climate change. The global financial crisis hit us at a time of multiple global issues: poverty and inequity, competition for scarce resources, environmental damage and climate change, etc. We are faced with different scenarios of the future. On the one hand, we have the barbarization scenario, where unrestrained market forces aggravate the environmental crisis and erode the moral underpinning of civilization thus creating chaos, putting the MDGs off course and widening social and economic gaps. But we can also reduce poverty and respond to climate change by resorting to green growth, responsible consumption and sustainable development. For this, we need more inclusive governance systems that can bring governments, civil society and businesses to operate together and protect the most vulnerable populations, foster innovation and invest more in such sectors as education and culture.

FIRST SESSION:

"The Impact of the Global Financial and Economic Crisis on Developing Countries, in particular in Africa, and the Prospects for Attaining the Internationally Agreed Development Goals, including the MDGs"

Kevin Watkins held that the global financial crisis must be viewed against the backdrop of the MDGs. Although progress has been made in poverty reduction or education, it remains that most countries are off-track in most targets and that the donor community as a group is very late in delivering on its commitments. The impact of the crisis in the developing countries has not made the front news but they are going to suffer from it through declining world trade, financial flows and remittances. The countries that the crisis will hit the hardest are the least resilient ones, those with limited fiscal space which are often the very same that have the lowest achievements rates in education targets. For these most vulnerable countries, urgent measures are needed: real-time monitoring of the impact of the crisis on their budgets in education, health and social services; an aid development stimulus plan to channel money into resources envelopes like the Education for All Fast-Track Fund.

To **Michel Debrat**, the core question behind the crisis pertains to the nature of our world today, a world of interdependency where the local effects of global environmental or financial crises are felt continents away. In this world, the current financial crisis is likely to have long term adverse effect in developing countries – in Africa in particular, because by 2025 its population is predicted to double and its urban population is expected to triple. But the crisis can also be an opportunity for change. Africa has the potential to thrive in a green economy based on renewable energies. Political commitment and public action will be mobilized if decision makers are provided with adequate information and indicators. Since the OMDs have made progress in countries with growing economies, the private sector will have to receive careful attention. On a more fundamental dimension, cultural issues will have to be address so that societies re-examine their relationship to the world, the future, to wealth or to the environment.

Aminata Traoré claimed that one major lesson from the global financial and economic crisis is that those who had been the winners of the system have no real answer for the meltdown they provoked. It is high time to re-examine the rules of the 60-year old multilateral game and get rid of a system where a minority of rich people can levy the wealth of the majority and where fierce competition generates inequities and conflict – especially in African countries, which never had a genuine opportunity to promote an agenda of their own. Because Africa has been told to abide by the rule of free markets, it is now dependant of external investors who are not accountable to the people. To have African solutions available, Africa needs African experts and, to disseminate information to the populations, it needs address them in languages they understand. Above all, new values have to be heralded, values based on a culture of humanism not on just on economic principles.

For **José Manuel Salazar-Xirinachs**, 2009 is the year that the crisis will hit labour markets turning into a global jobs and unemployment crisis and also into a social and political crisis in a number of countries. Many indicators suggest that the crisis is deepening and will have much broader and longer effects than initially thought, both in developed and developing countries, which have been affected surprisingly quickly and strongly and risk losing the benefits of the progress made in the last decade. The global and synchronized nature of the crisis means that national tools are not enough, international and multilateral action is imperative in the areas of financial governance, trade openness, aid to the most vulnerable, labour market and social policies. The UN credibility is at stake and it needs to provide new, innovative ideas and to build solid partnerships with the private sector, because business engagement around social and development issues is more important than ever.

During the **debate** between the panelists and the audience, it emerged that the global financial crisis resulted from a failed governance system, which did not address inequities to their full extent and proved unable to buffer the effects of the crisis on the most vulnerable populations. It was agreed that only a renewed multilateralism can help the planet out of a crisis of such magnitude and help prevent new ones. Many participants advocated for an emphasis on local production and regional markets, pointing that developing countries, the African ones in particular, could not be autonomous on the global scene without strong industrial and rural local capacities and an integrated regional environment. To all the participants, it was deemed urgent to address the ethical and cultural underpinning of the crisis. To some, values of openness and transparency should be the cornerstone of tomorrow's world, while, to others, a strong reassessment of capitalism was needed.

SECOND SESSION:

"Investing out of the crisis – in Education, Social Services, Science, Culture and Knowledge"

Investments in education must be maintained, **Nicholas Burnett** contended, because we must secure the unprecedented but fragile progress that occurred in the last decade. Such progress was made possible by an increased political commitment – thanks in part to the vision inscribed in such international initiatives as EFA and MDGs – and sustained economic growth. Taking lessons from past crises into account – while minding that not every crisis is the same –, we can envision sustainable solutions to the crisis such as counter-cyclical investments (e. g., protect or increase public spending on education), maintain and increase aid commitments (with added efforts on actual disbursement), special measures to help the poorest (safety nets), increase efficiency and transparency in the economy. In this crisis, education must be high on the agenda: we must keep a vision, protect gains made and monitor situations, reaffirm that education is both a universal right and a fuel of growth, and exploit short-term synergies between investing in education and economic recovery.

Walter Fust held that incertitude is a key word in this multidimensional and multilayered crisis, the effects of which are likely to interfere with those of such previous crises as climate change. The most pressing problem today is that we do not know if we have the vision and the governance structures to address so many issues at the same time both locally and internationally. UNESCO can play a key role in investing out of this crisis because its mandate is centered on the kind of domains and values indispensible to invest out of this crisis. Education is the best investment against the crisis because it is a long term investment that will help the next generation shape its own future. We need to create a movement to mobilize people so that they can pressure their leaders to review their strategic priorities and not to scale back on spending on sectors like education.

The global financial crisis is a risk for developing countries, but **Mohamed Hassan** believes, it could be an opportunity for change if they have a strategic vision for the future. The financial crisis must not obliterate the global sustainability challenge which will not be solved without massive investments in research innovation, education and knowledge, which are critical to create new jobs and opportunities. Developing countries should follow the example of countries like China and the United States, which planned to invest in science and technology to revive their economies. The developing countries must not repeat the errors that led them to reduce science budgets in times of crisis. This resulted in losses of human capital and capacities to produce their own science, a mistake for which African countries are still paying for. In this crisis, UNESCO and other relevant platforms must convince developing countries governments not only to maintain the knowledge budgets at the current levels – which are very low – but to increase them.

In **Gudmund Hernes**' view, the financial crisis is not just financial; it is also a crisis of understanding: there is no consensus on what to expect or do. We can nonetheless foresee how the crisis is likely to affect the demand and the supply sides of the education sector. Because of its impact on the economies, the revenues and the labour markets, the most vulnerable segments of ours societies are going to be hit the hardest: children dropping out or pulled out of school and put to work, especially in countries where parents, not the State, pay for most of the schooling fees. The crisis could also affect the quality of schooling due to less textbooks available, crowded classrooms and fewer teachers – and less well trained ones – in front of the students – which means that the financial crisis will also be a crisis of human capital. To prevent regresses in education, especially in the South, emergency monitoring procedures should be implemented. If we do not act, the crisis will not be just another phase of creative destruction, it will destroy creativity itself.

The **debate** started with interrogations on the crisis as an opportunity to increase the role of ICTs and mobile technologies in education. It appeared that while those technologies have a rich potential to transform learning, distance learning or teacher training, it should not be forgotten that they must be expanded along with the human skills to use them and that in education and science, contents remain important – especially if we are to transmit values and teach mutual understanding. As for the effects of the crisis on the brain drain in developing countries, it was observed that it would undoubtedly vary in relation with regions and professions, even if there are strong worries for the situation of African countries. The debate addressed the impact of the crisis on the investments in culture, which are in danger because they are usually considered a luxury. It was suggested that UNESCO's field offices could monitor what is happening in culture budgets so as to be able to fight for their integrity. Corporations could also be incited to invest in local culture activities as opportunities for capacity building. It was concluded that cutting back on education today would translate into slow growth tomorrow.

THIRD SESSON:

"The Potential Impact of the Global Financial and Economic Crisis on Women and Gender Equality"

Attiya Inayatullah introduced the session stressing that the crisis was having a preoccupying impact in areas usually affecting women and families.

Mayra Buvinic agreed, adding that the crisis will have specific impacts on women which, if not addressed, will both increase current poverty and imperil future development. Lessons from past crises tell us that women will suffer from losses of employment, declining resources for microcredit, decreasing revenue from remittances. Considering that vulnerable households already have to face the food crisis, different coping strategies are available to them: sending women to work at the expense of the implementation of the unpaid services they usually provide; pulling children, especially girls, out of school; cutting back on health, which leads to increased child mortality, especially for girls. Effective policy responses should build on women's roles as economic agents because it is demonstrated that when they gain income, long-term social welfare is improved. The World Bank is committed to make women a priority investment especially in countries where they are most vulnerable to effects of the crisis, and where UNESCO should make sure that girls are kept in school.

Noting that the effects of the crisis will depend on the economic and social models of the countries affected, **Diane Elson** proposed two contrasted scenarios. On the one hand, the financial crisis could result in increased difficulties for women. But, on the other hand, the crisis could help take steps leading to significant advances if women's rights were fully addressed as human rights. If one major issue is that men get privileged access to school, decent jobs and other social goods, another one is that leaders still need to be convinced that the unpaid activities and services borne out by women in the household are crucial for the wellbeing of society. In an optimistic scenario, women would, first, have equal decisions on budgets (and women tend to focus more on social budgets), equal access to decent jobs (the crisis could be an opportunity to invest in teaching women the skills needed for green growth). Second, efforts would be made to monitor the impact of the crisis on unpaid services and to build an inclusive social solidarity with men sharing those responsibilities.

Carmen Moreno affirmed that the crisis is an opportunity to build a new financial architecture with a gender perspective and to mainstream a new paradigm of gender equality in the culture, which will require men to be sensitized to these issues. There is a consensus on the global nature of the crisis but there is no consensus on its future impacts both in terms of economic and political stability. Women are the invisible face of the crisis. Their jobs are often more precarious and less paid than men's. Women are more than 50% of the unemployed and they lose their jobs at twice the rate of men. They represent a majority of the world poor and of the 100 million people thrown into poverty by the compound effects of the 2008 crises. Additionally, there are fears that, for women, the crisis could increase discriminations, violence, human rights violations, human trafficking. To produce equal opportunities and changes in gender roles, we need counter-cyclical gender oriented measures, increased gender consciousness in international institutions, and a better representation of women in decision-making.

During the **debate**, participants noted that the financial crisis started in a mainly masculine environment where women are still blocked by a glass ceiling, affirmed that there should be a better representation of women in the boardroom and in the decision-making places. Along with changes in the culture of our economic institutions, social changes should be promoted so that women get a social protection from wrong norms and patriarchal traditions. Gender oriented education for women, girls, men and boys remains central to fight HIV/aids, to lift social taboos and inform populations about the rights of women.

FOURTH SESSION:

"What Impact of the Global Financial and Economic Crisis on Climate Change and Prospects for Green Economy?"

Noting that we are not on the right course to curb carbon dioxide emissions down, **Hillary French** underlined that climate change is inextricably linked with economics. Thus there will be climate challenges posed by the global financial crisis. Alternative energy companies are already having difficulties financing investments and energy intensive industries may oppose climate regulation. Foreign aid spending could be threatened, complicating efforts to forge North-South deal on climate change. But there are also climate opportunities linked with the crisis. Declining carbon emissions due to recession may buy time for technological advances and policy innovations. Also, economic stimulus packages may generate substantial funding for promoting low-carbon energy paths. There is room also for international global initiatives such as UNEP's Global Green New Deal that would link responses to the economic crisis with efforts to address environmental problems.

José Goldemberg voiced his optimism concerning the financial crisis as an opportunity to rethink our energy systems. Currently, the 80% fossil-based system is proving good for only a quarter of humanity and it is now in crisis because of a predictable exhaustion of the resources, concerns for the security of supplies and environmental problems. Stimulus packages in industrialized countries are an opportunity to both invest out of the crisis and build a new energy model: increased efficiency, reliance on renewable energies, cleaner fossil fuels and safer nuclear technologies. Developing countries also have an opportunity: they have an advantage as late comers in the industrialization process. Rather than mimicking the industrialized nations, they can leapfrog over some of the dirty and wasteful steps originally followed by industrialized countries and incorporate currently available modern and efficient technologies into their development process.

Yolanda Kakabadse judged that the financial crisis did not happen as a surprise because we could see it coming: we had high number of poor and vulnerable people, wasteful consumption patterns, environmental problems, climate change. But environmentalists have failed to communicate adequately and tell the world that we cannot survive unless we manage nature in a much more healthy way. We have to stop using ecosystem services as if natural resources, biodiversity or fresh water had no value or no price. The shock of the financial crisis should open our eyes enough to take us into looking for creative solutions to manage the environment better. We must provide decision makers in government or the private sector, the media and civil society with information on how to use ecosystems and biodiversity in an economic and ecologic way. It will be important that the language of science be translated into the language of decision makers and civil society.

For **Anders Wijkman**, the financial and climate crises have the same roots: a sick system that only collapsed with the banks but had been unsustainable for too long. In both financial and climate crisis, warning were issued that were not addressed by decision makers. Now is the time to rethink our policy framework because the existing one has led us to a disaster. In the short term, we should use stimulus packages for green investments, better management of ecosystems and more efficient uses of natural resources. In the long term, we must adopt a sustainability approach and organize science and education around an interdisciplinary or holistic view on problems; we should rethink the way we conceive and teach economics. This would help us to go beyond GDP and to rethink business models so as to give a value to natural capital or ecosystem services and identify who is accountable for which uses of nature using, for example, the polluter pays principle. We should learn from nature, address populations and reform global governance.

The **debate** started with a question as to whether the industry could meet its needs with renewable energies. Governments, it was answered, have been subsidizing fossil and nuclear energies for a long time, leaving renewable alternative to venture capitalist – who are being hit by the crisis at this time: since new industries always need subsidies, now is the time for governments to reassess their investment priorities. It was observed that carbon emission trading markets have a measure of success but that there is a lot of room for innovation and creativity, not only in the polluting North but also in the developing countries, who could, for example, invest in preventing emissions to happen. It was agreed by the panelists that the problem today is not growth but "what growth" and that there is a growing need for alternative measures of wealth, focusing not only on quantitative criteria but on qualitative ones, in the line of the Human Development Index of the UNDP. Using the footprint index, it was concluded that the human world is experiencing a crisis of its environmental credit.