



## **Taxing Financial transactions for a fairer world: here and now**

*Paris, September 14<sup>th</sup>, 2011. UNESCO's Headquarters*



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On last September the 14<sup>th</sup> it was hold in the UNESCO's Headquarters the event "Taxing Financial Transactions for a fairer world: here and now", co organized by the UNESCO, UNITAID, and the following civil society organizations: Oxfam France, AIDES, Stamp Out Poverty, Life, Coordination Sud, Care, Plus Coaliton and the UBUNTU Forum. The event coincided with the launching of the UNITAID's report about the implementation of a Financial Transaction Tax (FTT) in France.

The event was organized around two roundtables and counted with the attendance of representative from civil society organizations, diplomatic, French politics, businessman, members from the financial sector, researchers, journalists, etc. The first roundtable was "FTT feasibility"; the second one "Best use of funds raised by the FTT". Even though it was treated the application of a FTT in the French context, it is evident that **the idea of a FTT has a more European or even international scope**, that is where the vast majority of actors involved are working and focusing in.

### Opening

The opening was made by Mrs. Irina Bukova, UNESCO's Director General; Mr. Philippe Douste-Blazy, United Nation's Special Adviser on Innovative Financing for Development; and Mrs. Nathalie Kosciusko-Morizet, French Minister for Ecology, Sustainable Development, Transport and Housing.

Mrs. Bukova focused on **the financial deficit that exists in many sectors involved in the thematic of development**, and mainly in education where it is estimated around 6 billion per year. That is why all the issues related with new mechanisms to finance development constitute an important source to finance these gaps.



<sup>1</sup> Report and pictures by Hernán Cortés (UBUNTU Forum)



Mr. Douste-Blazy focused his speech in the need that **FTT's revenues were exclusively used to fund development** and climate change.

The French minister stated that there exists a **serious justice and solidarity problem**. In order to change it there must have a mobilization to apply a FTT. This is why this tax has so many importances on Climate Change issues, stating the "failure" of Copenhagen, the creation of the Green Fund in Cancun last year and finally the importance that the next COP meeting in Durban has to answer the financing issue. For the minister, **global issues require global solutions**. The FTT must not be considered as a substitutive of the agreements adopted by the governments (mainly the 0.7% of the GDP), and its application is one of the main priorities of the G20 French Presidency which is also going to be defended within the EU context on next months.



#### **First roundtable "FTT feasibility"**

The first roundtable was focused on FTT feasibility, issue which has been deeply demonstrated and talked about, but in this event it counted with the interventions of members from the financial sector, which has been and still is the most reticent actor around its application.

This roundtable counted with the participation of Mr. Olivier Dyer, one of the persons in charge of the realization of the UNITAID's report; Mrs. Arielle de Rothschild, CARE France's President and representative of Rothschild & CE; Mr. Jean Pierre Jouyet, president of the France Financial Market's Authority; and Mr. Jean-Manuel Rozan, former *broker* and member of the organization The Life.

Mr. Dyer's was the first speech, which was the most technical one of the whole session, exposing the principles why FTT application in France is feasible. In this sense he exposed that financial **transactions in 2010 were 50 times world's GDP**, so the application of the broadest FTT is needed. The FTT must be stable, sustainable and with stable revenues. Its viability has two components, the technical and the legal one, but it is sure that both are viable because there are previous antecedents like the one applied some years ago in the French Stock Market, the Taiwan FTT, or the London Stamp Duty.



Arielle de Rothschild started her speech stating that financial interests are always in the path of the short term, and that is why financial markets must be regulated. Technical feasibility it is clearly demonstrated, and **what is nowadays more needed is the political viability**. FTT must be centralized between all the great financial actors and could recollect 265 billion dollars per year if it was applied only within the G20 countries.



Jean-Pierre Jouyet made what it was, probably, the most determined and strongest speech to apply a FTT. His current position as President of the French Authority on Financial Markets gives him a big importance in the FTT support. In his opinion the most important thing is **speculation's reduction and the increase of transparency** and better regulation. In nowadays context, system's health is financial's health tough regulation is necessary. Some financial actors are warning about the "dangers" that a FTT could have for system's health, but as he remembered, 40 years ago the same things were told about consumption's taxes and their effects on it, which time has not demonstrated. Jouyet made an appeal to the **NGO's to influence the regulators in order to apply a European FTT**, previous step for its transfer to other jurisdictions, and with the goal of finance either the economy and development.

Finally, Jean-Manuel Rozan, exposed as former broker, what his experience revealed him about FTT's, and focused in the need to recollect enough revenues to finance development.

### **Second Roundtable "Best use of funds recollected by the FTT".**

Although for the vast majority of civil society organizations the concept of what these funds must finance is clear, there **exists the feeling that these funds could be a financial resource for public budgets**. This debate was the main idea of the second roundtable with the participation of Carsten Sieling German Parliamentarian; Pierre-Alain Muet French Socialist Party; and Ingrid Fiskaa, State Secretary for International Development.



Previous to the interventions of the three political representatives, a message from Carol Nawina Nyirenda (representative of the *Zambian Treatment, Advocacy and Literacy Campaign*) was read, who, due to visa problems, could not attend the meeting.

Carsten Sieling affirmed clearly that are the liberals and the Christian democrats in Germany who are voting against the FTT application. Even though, he insisted in the idea that the funds recollected would be assigned, in case of application, primarily to national budget and then it could be decided where they were going to be assigned.

Finally Ingrid Fiskaa stated that FTT is obtaining “momentum” as the UNESCO meeting demonstrated. Regarding that, this *policy* window must not be wasted. For the Norwegian government its main goal in what concerns to the FTT is the reduction of global inequalities and poverty (finance global public goods), but not to become a substitutive of Official Development Aid.

### Closing



The closing of the session was made by the French Minister of International Cooperation, Mr. Henri de Rancourt. In his speech, he reiterated the French government’s will to keep working on the topic as this is going to be defended in the next G20 and European Union meetings.

The session had a big attendance and constitutes one more step in the objective of the consensus creation between all the actors in favour of a FTT application. This FTT, would probably go forward in the european context thorough the political initiative of some governments of the región (mainly France and Germany), must seek as a priority financing development and climate change needs as civil society, and among them the UBUNTU Forum, is defending for some years.



## Civil Society Meeting

During the afternoon it was held in the same UNESCO Headquarters a Civil Society working session which had the participation of representatives from several Civil Society Organizations (Stamp Out Poverty, Oxfam France, LIFE Organization, AIDES, CARE France, Coalition Plus, Coordination Sud, ATTAC, UBUNTU, etc.), and also from representative of states. Specifically the first part of this meeting include the participation of Carsten Sieling, (German Bundestag, SPD), Ingrid Fiskaa, Norwegian State Secretary for International Development and Peter Whal.



This session was organized as a discussion of past and future events around the FTT, mainly within the EU and the G20, and as a preparation of the upcoming events (G20 meeting in Cannes; COP 17 in Durban; EU meetings, UN Dialogue on FfD, etc.) where civil society is going to have a pivotal role in order to increase the support and the pressure to implement a Financial Transaction Tax to finance development and climate change.



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