



Taxing financial transactions for a fairer world : here and now

UNESCO

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7 Place de Fontenoy,
75015 Paris



Opening speeches: Minister Kosciusko-Marizet speaking
Photo H.C.- Ubuntu Forum

PROGRAMME

Opening speeches

- Irina Bokova, Director General of UNESCO
- Philippe Douste-Blazy, Under-Secretary-General UN, Chair of UNITAID
- Nathalie Kosciusko-Morizet, Minister For Ecology, Sustainable Development, Transport and Housing, France

1st round-table : Feasibility of the FTT

- Olivier Dyer, 99 Partners Advisory
- Arielle de Rothschild, President of CARE France, Managing Dir. of Rothschild & Cie.
- Jean-Pierre Jouyet, President of the Financial Markets' Authority, France
- Jean-Manuel Rozan, President, The Life Organization

2nd round-table : Best use of funds raised by the FTT

- Carol Nawina Nyirenda, Treatment, Advocacy and Literacy Campaign - TALC, Zambia (Message)
- Pierre-Alain Muet, MP, France, PS
- Carsten Sieling, Member of the German Bundestag, SPD
- Ingrid Fiskaa, Secretary of State for International Development, Norway

Closing speech

- Henri de Raincourt, Minister in Charge of International Cooperation, France

Press Conference : launch of the implementation guide for an FTT in France



DEVELOPMENT

France Steps Up Support for Financial Transaction Tax

By A.D.McKenzie

PARIS, Sep 16, 2011 (IPS) - If governments could find trillions of dollars to support banks and the global financial system in 2009, why can't they raise enough money to help eradicate extreme poverty? This is the question that supporters of a financial transaction tax (FTT) are asking in France, as lawmakers debate introducing such a levy to help fund development at home and abroad.

"If we were able to have the solidarity for the financial system, I cannot believe that we can't find ways and means now to have enough money to really fight against extreme poverty," says Arielle de Rothschild, French investment banker and chairperson of the



Irina Bokova, DG of UNESCO, speaking.
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humanitarian organisation CARE France.

"Budgetary constraints in Europe and the United States will probably make it hard to get more funds to poorer countries, who are still facing very difficult conditions as we can see in some parts of Africa or in Haiti, for instance," she told IPS. "The first solidarity should be to save lives."

De Rothschild's comments came on the sidelines of a conference organized this week by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) 'Taxing financial transactions for a fairer world: here and now'.

The meeting brought together government officials as well as international non-governmental organisations to raise awareness of the need for "innovative financing" – new methods to raise supplementary funding for development aid.

The French government has stressed that it is in favour of such mechanisms, and parliament adopted a resolution in June calling for implementation of the FTT. Officials say they hope that the levy will also be supported by the G20 countries when heads of state meet in Cannes, southern France, in November.

"We have to scale up. It's about justice and solidarity," said Nathalie Kosciusko-Morizet, French minister for ecology, sustainable development, transport and housing.



Minister de Raincourt at the closing speech.
Photo H.C. - UBUNTU Forum

"Innovative financing gives sense and credibility to politics," she told IPS. "We all know we need money to develop jointly in the North and South, in this time of change. It's a problem of credibility not to know how to raise these funds in a context when there is no budgetary money available any more."

By implementing an FTT, France could gain some 12 billion euros, according to the International Monetary Fund. At the European level, more than 40 billion euros could be raised, and if all the G20 countries apply the levy, the figure would reach about 260 billion, the IMF says.

France, which currently holds the presidency of the G8 and G20, says the financial transaction tax and other innovative financing for development should be given particular attention at the G20.

"It will definitely be on our agenda," France's minister for cooperation, Henri de Raincourt, told IPS.

"The French government, and French parliamentarians are absolutely unanimous on the need to find innovative financing, and they are ready to consider that the financial sector, which is one of the sectors that profits from globalisation, should be made to provide this funding," he added.

NGOs say that measures such as a tax on airline tickets have already shown results, helping to fund healthcare in developing countries. This "solidarity levy" in the aviation sector has financed UNITAID, for instance, an international facility for scaling up access to treatment for HIV/AIDS, malaria and tuberculosis, primarily in low-income countries.

But it is not clear what percentage of a French tax on financial transactions would go to development aid. Some groups want the levy to be used only for such assistance, while others believe that this may be unacceptable to certain sectors of the population.

"I think there is public support for such a tax," de Rothschild, the banker, told IPS. "But we are going through difficult times again and some politicians may say the tax should be used to help people in

France.

"I would be in favour of the use in developing countries because in wealthier countries we still have social security. If you're in the Horn of Africa, there is no social security for the children dying from famine," she said.

"I think we have to find other means to generate large amounts of money to meet our objectives of the Millennium Development Goals. A tax on financial transactions is probably one of the way to get these funds."

The financial sector, according to Oxfam and other groups, is continuing to make profits while the global economic crisis has pushed millions of people into deeper poverty.

The Leading Group on Innovative Financing for Development, a global platform that comprises 63 countries, international groups and NGOs, says that an average FTT of 0.5 percent on transactions, such as bond and share sales, could raise as much as 409 billion dollars a year globally.

The Group points out that 40 countries already have some kind of tax on financial transactions, although the money gained is mostly used for national purposes.

Critics of an FTT in France say that it could hurt the economy, but Jean-Pierre Jouyet, chairman of the French Financial Markets Authority, dismissed such fears.

"The tax is justified," he said. "Financial wealth, unequally distributed as it is, must be taxed. There is no risk, no risk at all, that such a tax would adversely affect the financing of the economy.

"It would be like saying 40 years ago that a tax on consumption would hurt consumption," Jouyet added. "But today VAT remains one of the main forms of taxation. The tax on airline tickets generated the same fear but there have never been more global travelers than today. I'm extremely in favour of this tax. We have the means of imposing this tax." (END)



First roundtable. at the podium: Jean-Manuel Rozan. Seating, from left to right, Olivier Dyer, Arielle de Rothschild, Khalil Eloughardi (moderator) and Jean-Pierre Jouyet.

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