GPF Newsletter

September 11, 2015

What's new

UN decides principles for better management of sovereign debt crises

In its meeting yesterday, 10 September 2015, the General Assembly of the United Nations adopted principles for a fair resolution of debt crises. The majority of member states voted in favor of the principles, with only 41 countries abstaining and 6 voting against the proposal. Although this outcome falls behind expectations for the creation of a global State insolvency regime, civil society organizations like erlassjahr.de, the German counterpart of the international Jubilee Debt campaign, welcomed the adoption of the principles.

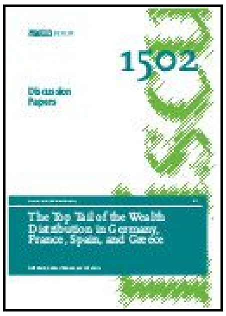
A binding international instrument on business & human rights should safeguard civic space

Just ten days after the UN's International Conference on Financing for Development, and just in time for the endorsement of the new sustainable development agenda, a UN Committee has agreed on a set of principles to guide further sovereign debt restructuring processes. The new UN principles were inspired by the devastating bank bailouts in Greece, and by the vulture fund lawsuits that Argentina faced at US courts. They build on preparatory work done by an expert group convened by the UN Conference on Trade and Development (UNCTAD) and, subject to approval by the UN General Assembly (UN GA) in early September, will be the first step towards a new multilateral debt restructuring framework that aims to prevent future debt crises, or at least manage them better.

Joint CSO letter on UN GA Resolution vote on “Basic Principles on Sovereign Debt Restructuring Processes”

On September 10, 2015, the international community must take an important step towards better prevention and resolution of sovereign debt crises. Adoption of the UN General Assembly Resolution “Basic Principles on Sovereign Debt Restructuring Processes” would be a milestone towards ensuring that debt crises can be tackled in a timely, orderly, effective and fair manner. An international coalition of civil society organisations working on debt justice urges representatives of European countries at the United Nations to vote in favour of this Resolution.

The Top Tail of the Wealth Distribution in Germany, France, Spain, and Greece



A new discussion paper by the German Institute for Economic Research analyzes the top tail of the wealth distribution in Germany, France, Spain, and Greece based on the Household Finance and Consumption Survey (HFCS). Since top wealth is likely to be underrepresented in household surveys the authors integrate the big fortunes from rich lists, estimate a Pareto distribution, and impute the missing rich. Instead of the Forbes the study we mainly relys on national rich lists since they represent a broader base for the big fortunes. As a result, the top percentile share of household wealth in Germany jumps up from 24 percent in the HFCS alone to 33 percent after top wealth imputation. For France and Spain the authors find only a small effect of the imputation since rich households are better captured in the survey. The results for Greece are ambiguous since the data do not show clear concentration patterns.

The firepower of the EU pharmaceutical lobby and implications for public health

A new report released today, 'Policy prescriptions: the firepower of the EU pharmaceutical lobby and implications for public health' by Corporate Europe Observatory, probes the privileged access to decision-making in Brussels enjoyed by the pharmaceutical sector and facilitated by a lobby spending around €40 million, extensive meetings with policy-makers, and presence in advisory groups. The report reveals the dramatic extent of the pharmaceutical industry's lobbying efforts towards EU decision-makers, with the industry spending an estimated 15 times more than civil society actors working on public health or access to medicines. Under-reporting and the continued avoidance by some of the EU's voluntary lobby transparency system mean that overall industry spending may be much higher than the transparency register reveals.

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