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**STATEMENT BY MR. ANDERS B. JOHNSON, IPU SECRETARY GENERAL,
AT THE OPENING SESSION OF UNCTAD PUBLIC SYMPOSIUM**

Geneva, 18 May 2009

Distinguished delegates,
Ladies and gentlemen,

The current crisis is much more than a financial crisis. It is not even properly speaking a crisis in the economy. It is a crisis that has to do with the fundamentals of our societies and the values that underpin them. It is really about the kind of world we are building for ourselves.

It is therefore essential that people participate in this debate. From my perspective, this means of course that the representatives of the people - the elected politicians and members of parliament - should be part of this debate and discuss strategies for the future.

That is why the Inter-Parliamentary Union organized a first global parliamentary conference a little over a week ago here at the United Nations in Geneva to debate the crisis. The meeting brought together a very diverse group of legislators from parliamentary committees dealing with financial, banking, economic, social and development issues in well over eighty parliaments.

They discussed the lessons to be drawn from the crisis, the policies that need to be put in place and, I would say, most importantly, what they should be doing. I would like to share with you a few thoughts that emerged from that meeting covering four broad areas.

First, the economy must be revived, jobs need to be created, the financial system must be repaired, trust has to be re-established, and trade and investment need a major boost. The immediate response to the crisis therefore involves the disbursement of very significant amounts of remedial funding.

We need to ensure transparency and accountability in this process. Here, parliaments have a particular responsibility. Some of them are already setting up special mechanisms and procedures to ensure parliamentary oversight and scrutiny of rescue packages and their implementation.

The system of governance which applies in just about every country in the world is based on the fundamental notion that people control the functioning of government and public

institutions through an elected parliament. Parliaments have some soul searching to do to determine why they were unable to put this responsibility to better use. This process has started and I believe that we will see many parliaments significantly strengthening their oversight capacity as we move along.

Second, the financial and economic crisis has its origins in the most developed economies and much of the early rescue efforts are concentrated in these countries. However, the crisis is affecting all countries and particularly the developing and least developed nations, which bear no responsibility at all for today's disorder.

The G20 meeting recognizes that these countries need to be assisted. This means living up to the commitments made on many past occasions, including the Millennium Development Goals and the Gleneagles commitments. The MDGs are both practical and feasible and this is not the time to renege on them.

Parliaments need to pay close attention to these questions. They have a duty to question ministers and hold them to the strictest possible account for implementing what has been agreed. Let me add that the IPU will be monitoring this process in parliament. The momentum must not be lost.

Third, the free market orthodoxy has demonstrated its shortcomings. We need more and better governance of the financial sector, with the State playing a more assertive part in the process. The money market funds that go largely unregulated as they move through the financial system must be subjected to tighter control.

As one parliamentary delegate put it, we need to reinforce the institutional control of greed. Parliaments have a major part in ensuring that this happens. There must be much more accountability within and over the banking system than hitherto. Similarly, the credit rating agencies must be regulated and controlled to ensure that the information they produce is not misleading.

But it is more than just the finance and banking system. Countries must find a fair equilibrium between the role of the State, the dynamics of the market, and the voice of society. So far, the market has minimized the State and all too often disdained the voice of society.

Employment should be central to the debate. The health of the world economy should not be measured as a function of stock market recovery, but rather in terms of its ability to provide jobs and employment that values the dignity of work. Resolving the social crisis could take the best part of a decade. It will entail a shift from informal jobs in export-driven economies towards an expansion of domestic markets and internal consumption.

We must also recognize that the crisis affects women and men differently. The crisis will at a minimum consolidate entrenched inequalities, but most likely exacerbate them, pushing women even further into poverty. Women are a driving force of our economies, formally and informally. The solutions to this crisis must therefore build on their potential, recognize their contributions and promote gender equality.

These are all fundamental issues of public policy. They need to be examined and debated in society and in parliament. This debate has started but has a long way to go. The

discussions at the parliamentary conference clearly demonstrated that the solutions we seek entail more than the immediate injection of funding packages.

Sustainability requires long term investment, not another consumption bubble. There should be labour-intensive investment in infrastructure. A key component of this must be strong public investment in sustainable energy. We should also pay heed to the need for more efficient systems for the collection of tax revenue in our countries. Similarly, the policies and programs that are developed must take account of gender equality and apply tools such as gender sensitive budgeting.

Fourth, some of our discussion centered on the international financial institutions and the need for their reform. It was said that loans provided by the International Monetary Fund should be stripped of the traditional conditionalities and should not be made to the detriment of public goods and social welfare.

Parliamentarians wish to contribute to the design of a new system which is better attuned to the deeper aspirations of our citizens. Much closer interaction should be ensured with the international financial institutions in a bid to exercise greater parliamentary oversight.

Over the last decade, progress has been made in providing greater focus on multilateral affairs in parliaments. At the United Nations we have been busy building a parliamentary dimension to international cooperation. Last year's General Assembly resolution on cooperation between the United Nations and the Inter-Parliamentary Union brings this strategy a very significant step further.

The IPU proposes that a similar process be put in place with regard to the Bretton Woods institutions. They and the countries they have been set up to serve stand to gain from greater cooperation with parliaments and the IPU. We are therefore asking the United Nations General Assembly to take this aspect into account when it meets early next month to consider the international community's response to the global crisis.

Let me conclude by stating that the current crisis also represents an opportunity; an opportunity to achieve real progress in society, to remedy existing inequalities and imbalances, and to build new systems based on inclusion, transparency and good governance.

The best support parliaments can provide to this process and to people everywhere is by fueling this debate and ensuring stringent oversight. As the reforms proceed - and they will take years and not months - people will depend upon legislators to make sure that their views and aspirations are taken into full account and that government and public institutions perform to the highest standards.

Thank you.