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STATEMENT

by Ambassador Anda Filip, IPU Permanent Observer to the United Nations in New York

*UNCTAD Trade and Development Board, Fifty-fourth session
Hearing with civil society and the private sector
Tuesday, 2 October 2007, 3–6 p.m.
Room XXVI, Palais des Nations, Geneva*

Chairperson, Distinguished delegates,
Ladies and gentlemen,

I am very pleased to address this session on behalf of the Inter-Parliamentary Union, the world organization of national parliaments. UNCTAD has traditionally been very receptive towards parliamentarians, particularly by inviting their participation in the last two sessions of UNCTAD, in Bangkok and São Paulo, where the IPU organized parliamentary meetings as a contribution to the intergovernmental process. Over the past years, the IPU has been developing a parliamentary dimension to the United Nations and its various bodies and specialized agencies (ILO, UNAIDS, UNICEF, the Commission of the Status of Women and most recently ECOSOC's Development Cooperation Forum), and this is a process that we also hope to more vigorously pursue with UNCTAD as well.

With respect to today's agenda, I would like to focus my remarks mainly on the first question under Topic 2, which refers to the kind of policies required to ensure the equitable distribution of the benefits of globalization. This is an issue which has been high on the IPU agenda for many years now, and several political Resolutions have been negotiated and endorsed with a view to building a more robust parliamentary response to the question.

Indeed, globalization has helped spur economic growth nearly everywhere, with some notable exceptions, but as we know it has not resulted in better living standards across the board. Poverty is going down, albeit slowly, but the gap between the poor and the rich is widening. In other words, the main problem with globalization as it has come to pass so far is that of increasing *inequalities* both within countries and between them. These inequalities in turn mirror a democratic deficit whereby the poor and disadvantaged are not adequately represented in the decision-making process.

So whatever the benefits of globalization, and they are many, it is abundantly clear by now that they do not accrue automatically. As our members have affirmed in a recent resolution on *job creation and employment security in the era of globalization*, a first overarching policy recommendation should be "leveling out the enormous disparities and irregularities that exist in terms of access to means of livelihood and social protection." The message here is that while

one can accept certain economic imperatives of globalization, such as that of greater labor market flexibility in response to enhanced competition, one must also accept that these should be pursued in tandem with policies that strengthen safety nets (e.g., unemployment insurance schemes; affordable health care services), make it easier for workers to retrain, induce more corporate social responsibility, and create new opportunities for employment generation (especially at the level of small enterprises). These policies should be negotiated among the main social partners, including employers' and employees' organizations, through effective and inclusive social dialogue.

Other urgent policies to help bridge the economic and social divide of globalization should be targeted at the needs of women. Women represent half of the world's population and their work accounts for a huge chunk of production both domestically and internationally. Yet in many countries they are still paid less than men for the same work. They are also unable to inherit land, capital and assets due to discriminatory laws. In addition to law reform, IPU recommends that every country institutionalize a gender approach to the budgetary process so that public expenditures are also examined from the gender perspective.

Our members are also of the view that globalization is "the cause of a vicious cycle of environmental degradation triggered by unsustainable production and consumption patterns in both developed and developing nations, among other factors." There are many policy prescriptions available to reverse this cycle. They range from the promotion of sustainable public procurement to introducing education for sustainable development both in school and in society at large.

An innovative proposal adopted last year is that governments should "include in their budgets a clear indication of the financial and non-financial costs related to environmental degradation, and the benefits of ecosystem services."

Another broad policy prescription that I would like to emphasize is the need to improve the governance and democratic institutions at the national and international levels. Almost four years have passed since the World Commission on the Social Dimension of Globalization released its report entitled *A Fair Globalization: Creating Opportunities for All*. At the heart of the Commission's message was the need to improve the governance of globalization, notably by ensuring greater coherence between economic and social policies – and the role of parliaments and parliamentarians was viewed as essential in this regard. As the focus of accountability at the national level, the Commission urged national parliaments to strengthen their role and capacity to promote policy coherence and provide adequate checks and balances over their governments' positions at international fora. It also proposed the creation of a Global Parliamentary Group concerned with coherence and consistency between global economic and social policies. This is an area in which the IPU has been seeking to play an active role.

Across political party lines there is an increasing demand on the need to make international organizations more accountable to national constituencies. An illustration of the problem is given by the World Bank's Poverty Reduction Strategy Papers (PRSPs), which continue to be negotiated at the ministerial level with only scant input from parliaments. The IPU has advocated for several years now, and to some degree of success, for parliaments to be more actively involved in the work of these organizations by demanding more regular and in-depth government reports, by instituting specialized parliamentary committees, and by pressing for the governance of these institutions to be made more representative of their constituencies.

IPU members also unanimously recognize the importance of trade as an engine of development and as the single most important way to make sure that developing countries truly benefit from globalization. As a result, and in the context of the current trade negotiations, the IPU and the European Parliament have initiated a process known as the Parliamentary Conference on the WTO whose principal objective is to enhance the transparency of the WTO, determine greater understanding of the negotiation under way and improve the ratification of trade agreements as well as the adoption of implementing legislation and budgets. Especially since WTO rulings extend far beyond the traditional domain of tariffs and trade in goods to domestic fields such as health, education, employment, food safety and the environment, to name but a few, it will be increasingly important to bring parliaments closer to this institution.

Last but not least, aside from sound trade policy, the IPU also believes that globalization will not lift all boats fairly until we honor long-standing commitments to increase foreign aid, accelerate debt relief, and, more generally, reform the existing financial architecture. With regard to foreign aid alone, we insist that legislators in both donor and recipient countries should play a more active role in scrutinizing aid flows and ensuring their transparency and efficiency. We advocate for more ODA, fully up to the target of 0.7 percent of GDP, as a way of helping poor countries adjust to globalization and offset some of its negative effects. A comprehensive report on this subject is currently under consideration by our member parliaments, and a substantive resolution is expected to be adopted next spring, at the 118th IPU Assembly in Cape Town, South Africa. We would like to formally present this Resolution to UNCTAD XII in Accra (immediately following the Cape Town Assembly), as a parliamentary contribution to its deliberations.

Thank you for your attention.