
Statement by Mr. Anders B. Johnsson
Secretary General

United Nations
New York, 29 June 2009
Mr. President,

At the outset let me congratulate you for having convened this important United Nations conference. We are living through a truly global crisis affecting people everywhere. It therefore befits the United Nations to take the lead and help forge a common vision for the road ahead, a roadmap that can unite developing and developed nations alike.

Let me also thank all Member States for acknowledging the work of the Inter-Parliamentary Union in the draft outcome document. This indicates in our view a shared understanding that the response to the crisis must involve all of us, including the parliaments and their members. We look forward to continuing to work with you in this spirit.

My remarks today are largely based on the discussions that took place last month in Geneva where the Inter-Parliamentary Union organized a global parliamentary conference on the economic crisis. Legislators, staff and experts from parliamentary committees dealing with financial, banking, economic, social and development issues discussed the lessons we can already draw from the crisis and the policies that need to be put in place. I will focus on four broad areas.

First, the immediate response to the crisis in many severely affected countries involves the disbursement of very significant amounts of remedial funding. We need to ensure far greater transparency and accountability in this process and Parliaments can do a lot to achieve that purpose. A few of them have already set up special mechanisms and procedures to ensure parliamentary oversight and scrutiny of rescue packages. More broadly, however, I believe that parliaments will acknowledge that they could have done more to avoid the crisis and we will no doubt see many of them significantly strengthening their oversight capacity as we move along.

Second, the crisis highlights once again the need for States to live up to their commitments to provide development assistance. Without external support many developing countries cannot meet the Millennium Development Goals, let alone overcome this crisis. Parliaments are paying closer attention to these questions and the IPU is placing significantly greater emphasis in its own work on promoting in very concrete and real terms the international development cooperation agenda.

Third, we need more and better governance. The State must assume a more assertive part in the process. The financial system must be subjected to tighter control. Parliaments have a major part in ensuring that this happens. There must be much more accountability within and over the banking system than hitherto. Let me add here that this must also mean the Central Banks. Some Central Banks have introduced measures in support of financial institutions that have exposed taxpayers to massive risks without any parliamentary or Congressional approval.

But it is more than just the finance and banking system. 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 it has a long way to go. The IPU will pay particular attention to nurturing this debate.

Fourth, with regard to the international financial institutions, parliamentarians wish to contribute to the design of an improved system which is better attuned to the deeper aspirations of our citizens. In our view, much closer interaction should be ensured with the international financial institutions. The debate over good governance of the international financial institutions should not be reduced to a discussion about voting rights. It must necessarily also involve making these institutions more responsive to people’s real needs, opening them up to greater parliamentary scrutiny and support.

As UN Member States are well aware, over the last decade, the IPU has been working with parliaments to build a parliamentary dimension to the work of the United Nations. Last year’s General Assembly resolution on cooperation between the UN and the IPU brings this strategy a very significant step further. We propose that a similar process be put in place with regard to the Bretton Woods institutions. We believe that they, and the countries they have been set up to serve, stand to gain from greater cooperation with parliaments and the IPU.

In conclusion, let me insist on one essential point. This is a story of a crisis foretold. We cannot claim to have been ignorant. There were many warning signals. But the development model we pursue so blindly and the balance of power in society are such that we have abdicated all essential decisions to money and the market.

At its most fundamental level, therefore, the crisis is one that touches on what kind of society we want to live in. It concerns issues of morals and ethics. At a very minimum, the response must be one in which we abandon business as usual and set off to find a better equilibrium between the voice of society, the role of the State and the dynamics of the market.

Thank you.