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SUMMARY RECORDS

OF THE PANEL DISCUSSION HELD DURING THE 125th ASSEMBLY IN BERN (OCTOBER 2011)

on the subject item

"Redistribution of power, not just wealth: Ownership of the international agendas"

chosen for debate by the Second Standing Committee
(Sustainable Development, Finance and Trade)

during the 126th Assembly in April 2012 in Kampala (Uganda)

**Redistribution of power, not just wealth:
Ownership of international agendas**

Item 3(b) of the agenda

Panel discussion on the subject chosen for debate by the Second Standing Committee on Sustainable Development, Finance and Trade during the 126th Assembly in April 2012

Sitting of Tuesday, 18 October
(Afternoon)

The meeting was called to order at 2.10 p.m. with the President of the Second Standing Committee, Mr. S. Al-Husseini (Saudi Arabia) in the Chair.

The MODERATOR explained that the meeting would consist of an informal debate to assist the co-Rapporteurs in finalizing the report to be discussed by the Second Standing Committee at the 126th IPU Assembly, to be held in Kampala, Uganda, in April 2012.

Lord JUDD (United Kingdom), *co-Rapporteur*, introducing the first draft report (A/125/3(b)-R.1), said that from its inception, the United Nations had been concerned with the freedom and well-being of the peoples of all its Member States, as set forth in its Charter. National borders were no barrier to contemporary challenges such as climate change and scarce resources. In order to address global problems in a way that ensured the well-being of all, a fundamental assessment of power relations between States and peoples was required.

Recent events illustrated the urgent need for reform. 2011 had been a watershed year for spontaneous popular uprisings around the world on a scale that had not been seen since the fall of the Berlin Wall. Although those uprisings had been fuelled by economic challenges, they were rooted in popular disillusionment in repressive governments and a failure of global democracy to ensure a fair voice and an equal share of the economic pie. Recent bailouts of financial institutions in crises caused by uncontrolled markets and reckless bankers had resulted in ordinary people all over the world being forced to endure austerity measures.

Of a global population of 6.8 billion, 1 billion persons lived in high-income countries. At the other end of the scale, 1 billion others would go hungry in 2011. The poorest 50 per cent of the world's adult population owned barely 1 per cent of global wealth. Such inequality would inevitably lead to social tensions within and between countries. Although the G20 was increasingly the main decision-making forum for global problems, more than 2 billion people lived in countries excluded from its membership. As a result, 35 per cent of world population was prevented from participating in the economic and political decisions that affected them. Despite the fact that the combined population of the middle income countries that were members of the G20 was considerably greater than that of the high-income members, it was the wealthy countries that set the agenda. At the same time, there was a consensus that global power was shifting from the West to the East, with the economic rise of China and India, and the emerging powers of Brazil, Indonesia, Mexico, the Russian Federation, South Africa and Turkey, which underscored the urgent need to change the global system developed after the Second World War.

The United Nations estimated that the global population would reach 9 billion by 2050, with the greatest demographic growth occurring in middle-income and least developed countries (LDCs). The growing population would have to face some intractable problems.

Climate change was already having an impact on the world's poorest people. As a result of past actions, further temperature rises were already inevitable. Changing seasons and more intense weather patterns would put pressure on habitable land and affect food production. Resources, such as arable land and water were becoming scarce and crop yields had reached their limits.

Hunger was occurring as a result of power inequalities. In the United States, although food prices were rising, the government's biofuel laws had resulted in nearly 40 per cent of corn crops being used to produce ethanol for fuel rather than food production. Power distribution inequalities had resulted in 80 million hectares of developing world land having been bought by investors, often without knowledge of communities who relied on that land for food and employment. In order to feed 9 billion people by 2050, both power and resources must be redistributed.

Current global challenges could only be addressed by respecting democracy and the principle of sovereign equality between nation-States. At present, however, international problem-solving processes often reflected the positions of those in power, rather than the needs of those most affected. The powerful nations fielded large teams of negotiators at international forums, while small developing nations were pushed to the periphery of discussions. Similarly, while the World Bank had a mandate to combat poverty and focus on developing countries, those countries had little say in how the Bank was run. Gentlemen's agreements, by which Europe appointed the head of the International Monetary Fund (IMF) while the United States selected the chief of the World Bank, had resulted in an erosion of trust and a growing perception that international cooperation was being undermined by those in power.

Although international cooperation and institutions were crucial for safeguarding global security, reform was required to ensure that they were effective in an increasingly multi-polar world. Reform was required to redress the democratic imbalance at the World Bank and give real power to the developing country governments, which the Bank was meant to support. The World Bank's current voting structure undermined its effectiveness and legitimacy. Parity of voice should be introduced for developed countries, developing countries and countries in transition, in order for voting shares to reflect population size.

The activities of the World Bank had a considerable impact on the lives of people around the world, and the Bank should therefore demonstrate commitment to transparency, including through the publication of transcripts of meetings of its Board of Governors and the adoption of a formal voting procedure at those meetings, the records of which should be published. An extra seat on the World Bank's Board of Governors should be allocated to Africa in order to ensure balanced geographical representation and enhance the Bank's effectiveness. A democratic, merit-based process should be introduced for appointing the Bank's President. Geographical diversity and gender equality in top positions should be encouraged. Higher developing country representation on the Board of Governors would require a reduction in the representation of developed countries.

Suggested reforms to the IMF and World Bank did not, however, fully address the democratic deficit in global problem-solving forums. Although the recent global economic and financial crisis, which had begun in banks in countries of the North, had resulted in budget deficits in developing countries amounting to US \$ 65 billion, responses to that crisis had been the preserve of the G20, or the G8. An inclusive global response required the participation of the entire international community. A global economic council should be established, with representation based on a constituency system and designed to ensure that all continents and major economies were represented.

Consideration must be given to the appointment of the UN Secretary-General and the composition of the UN Security Council, both of which currently did not reflect global realities. Equitable representation would enable the Security Council to deal more effectively with the complex challenges of the 21st century.

Although concentrations of world power had always been at odds with the distribution of global populations, the rise of economies such as India, China and Brazil meant that the current distribution of power was increasingly failing to reflect global economic realities. The current composition of multilateral institutions and global problem-solving forums did not reflect the needs of those most exposed to the adverse consequences of those challenges. Climate change, the defining problem of the 21st century, must be addressed through genuinely open negotiations, and a new institution should be established for global environmental governance. Transparency of decision-making should be ensured by guaranteeing freedom of information and keeping a register of lobbyists at the national and international levels. Over the past 10 years, the rise of corporate lobbyists had been exponential at the European Parliament. Although the leaders of the world's great powers were spreading the message that democracy and accountability were the solution to problems of global insecurity, democracy for the global community as a whole was blatantly absent, which was leading to an unstable, unpredictable and dangerous world.

Mr. O. BENABDALLAH (Morocco), *co-Rapporteur*, introducing the second draft report (A/125/3(b)-R.2), said that the need for a redistribution of power and wealth was rooted in strategic and social concerns, and was an issue that should be discussed by the world's parliamentarians, governments and civil society. In order to redress the power balance, a shift was required in national, regional and international priorities. A philosophical and historical approach was needed in order to understand and overcome the root causes of inequality. Although the world was 40 times wealthier than it had been at the beginning of the 20th century, inequality was increasing and the number of people living in extreme poverty was higher than ever.

When reflecting on how to redistribute power and wealth, it was necessary to take into account several determining factors that could affect the positions adopted by States and the parliaments that represented them at the IPU. Consideration should also be given to the historical contexts behind converging interests between groups of like-minded countries. Particular attention should be paid to common objectives for the redistribution of wealth and power that had been voiced in the context of recent changes and upheavals in international relations. At the global level, demographic, economic, technical and organizational changes in recent years had resulted in a gradual change in the balance of power, a shift in States' capacity to wield power and influence civil society, and a transition between geographic centres of power and global influence.

The transition of powers was illustrated by the rise of Asia, which was becoming a centre of development and global influence. The revolution in communications and transport had resulted in a removal of barriers to research and exchanges of data and information, which conferred new and real powers to entities that traditionally had not been involved in the power game. New centres of power must therefore be established on a different basis from the traditional concept of world power, which had been premised on military capacity. Those developments were having a significant impact on global governance, and consideration must be given to how to ensure a democratic approach to meeting the challenges posed by rapid global change, which had been exacerbated by recent crises.

Efforts to redistribute power in order to enhance global governance must take account of how global agendas were set, and ensure that the items on those agendas were subject to effective follow-up. Consideration should be given to the role of improved monitoring and other means of establishing a new order of social, economic and environmental values, and to whether efforts to redistribute power should focus only on the functions of the leading international organizations, or whether they should also factor in the role of civil society organizations.

Reform of the UN Security Council, which was still considered to be a club of five, had been on the agenda of the UN General Assembly since 1979. The World Trade Organization (WTO) was renowned for being the least transparent of the international organizations. Countries did not have equal opportunities to participate in WTO negotiations and decisions, which had resulted in a situation where only a few large, industrialized countries exerted significant influence. As a result of the inequitable distribution of power, few international development targets had been met.

The fact that the Second Standing Committee had chosen the subject of redistribution of power for its debate and resolution at the 126th Assembly was a demonstration of the political will to redistribute power and wealth to meet the needs of the entire global community, inspired by the values of peace and genuine democracy. Increasing frustration was being felt in developing countries over the unequal distribution of power, and global cooperation must therefore change in order to overcome a wide range of problems. Global institutions and decision-making processes must be adapted to integrate change, increase their respect for democratic values and enhance their efficiency. Consolidating democracy at the global level required more equitable participation for all members of the international community, including by broadening the space given to civil society actors. Developing countries must be included in decision-making processes in international institutions. Enhanced global cooperation should be encouraged in order to ensure that solutions to global problems met the needs of developed and developing countries alike. The voices of the world's marginalized and neglected must be heard.

Ms. Y. Li, *Head, Debt and Development Finance Branch, Globalization and Development Strategies Division, United Nations Conference on Trade and Development (UNCTAD), Panellist*, said that the redistribution of power, not just wealth, was a vast topic. The draft report highlighted that the world was currently undergoing important transitions with regard to economic order, ideological beliefs, economic concepts, demographic composition, the role of the State, gender issues and the environment. Post-World War II reconstruction had shaped and coloured the thinking and institutions which the world had accepted for more than two generations. The current financial crisis had served as a wake-up call, prompting the international community to consider the impact of current realities and the need to reshape institutions to meet contemporary challenges. Redistributing power was not an easy task, since the existing distribution pattern had support to sustain it. However, without adapting power distribution to contemporary realities, the needs of the contemporary world could not be met. None of the issues addressed in the first draft report had yet been solved.

The second draft report addressed income disparities within and between nations, despite overall global economic growth. The revolution in information and communication technologies (ICTs) and transport had fundamentally affected the global economic order. Global governance structures had not kept pace with economic progress, and the political will to rectify that situation was lacking. International aspirations and expectations must be met with actions. The boom and bust cycle was hindering the achievement of the Millennium Development Goals (MDGs), and the hope of meeting them by 2015 was waning. With regard to international governance, the report underscored the importance of non-State actors, as well as the need to reconfigure major international institutions.

The idea of redistributing power had been undesirable to some, despite globalization and technological advances that had increased global wealth. That increased wealth had not been equally shared. Levels of inequality had therefore risen in developed and developing countries alike, and insufficient progress had been made towards meeting the MDGs. Economic growth was also taking place at the expense of the environment. Inclusive economic development must therefore be a deliberate economic policy. Developing countries were currently experiencing a phase of economic catch-up. Lessons should be learned from past experience

to ensure that economic development was socially and environmentally sustainable. During the catching-up phase, developing countries should pay attention to wage levels, social security, and education and taxation systems. Entrepreneurship must be further encouraged.

The United Nations offered a unique platform for action on key issues such as economic and social development, climate change, human rights, peace and security. It therefore had a leadership role to play, along with the Bretton Woods institutions, to ensure policy coherence. Thus far, change had taken place too slowly. The deepening global financial crisis meant that the need for reform was more urgent than ever. The opportunity to learn vital lessons from the crisis must not be missed.

Debate

Mr. J. JAHANGIRZADEH (Islamic Republic of Iran) said that many countries were currently facing difficulties owing to the widening poverty gap. The persistence of that gap would lead to a divided society, which would jeopardize the position of the middle class as the bulwark of social stability. Governance, taxation policy and other socio-economic policies affected economic equality. Parliaments had a crucial role to play in monitoring those policies. As the representatives of the people, parliamentarians must ensure that they played their law-making and oversight roles as effectively as possible.

There was a close link between poverty and lack of social and political power, which must be overcome. The empowerment of the poor must be included on the international agenda as a key means of eradicating poverty. The allocation of small loans and free education to vulnerable groups could kick-start the empowerment of the poor and their involvement in political processes. Women's empowerment must also feature on the agenda.

The debate on the redistribution of power should be held on an international scale. Powerful and wealthy countries must shoulder a greater share of responsibility to the international community. They had often overlooked decisions taken at the international level, such as the commitment to allocate 0.7 per cent of GNP to official development assistance (ODA), which had not been realized. Real progress required a deeper understanding of the unequal distribution of power at the international level, which must be redressed. The United Nations and international financial institutions must therefore be reformed.

Mr. D. BECIROVIĆ (Bosnia and Herzegovina) said that the global financial and economic crisis constituted the greatest threat to international peace and security in contemporary society, since poverty was the greatest threat to humanity. There were currently more than 1 billion people worldwide living in extreme poverty. Global problems required global solutions. In the contemporary world, the rich were getting richer and the poor remained poor. It was becoming increasingly clear that better social policy and a more equitable distribution of wealth could contribute to poverty-reduction efforts.

The rules of global trade, which currently protected the wealthy, should be reviewed. New solutions were required to enable developing countries to lower poverty rates and achieve sustainable development. North-South and South-South cooperation were required as problems could be more easily overcome by joint efforts. A global vision for poverty eradication should be the ultimate goal of the entire international community, which should mobilize its resources to that end. His country fully supported all efforts to eradicate poverty and stood ready to work together to take measures to achieve a fairer society and social justice.

Mr. V. BAYKOV (Belarus) said that the redistribution of power would result in a fairer society, which was much needed, given the current paradoxical trend of increasing global wealth and growing inequality resulting from the unfair and unequal system of global leadership. Current models of global power distribution had resulted from unequal

globalization. The international financial and trade systems had been developed to bring benefits to developed countries at the expense of developing economies. The need to redistribute power as a means of redistributing wealth was pertinent and urgent. There should be a global power shift from developed countries to developing ones and non-State actors. Against the background of global fragmentation, international power was currently in the hands of closed clubs, such as the G8 and the G20, which did not offer solutions for enhancing global governance. Efforts to redistribute global power had, thus far, not met the needs of global stakeholders. He believed firmly that global partnerships must be established to overcome global problems, and to ensure more equitable global governance. Inclusive global governance would enable the international community to strike a proper balance of power and ensure a more equitable distribution of global goods.

Ms. M. KUMAR (India) said that the redistribution of power was most urgently needed in the financial sector. The emergence of strong economies, such as Brazil, China, India, Mexico and South Africa, had changed the global governance architecture. Decisive and concerted action by the G20 had prevented the global financial and economic crisis of 2008 from becoming a global economic meltdown. In order to ensure sustainable economic recovery, the G20 must strive for the redistribution of power in global governance. The crisis had underscored the need to reform global financial and regulatory bodies, in particular the Bretton Woods institutions, which should be made more inclusive and representative and provide development aid to low-income countries. India believed that governance reforms must be accelerated in order to democratize those institutions by ensuring a greater role for developing countries in decision-making and agenda-setting activities.

Developing countries held about 40 per cent of the world's purchasing power. In the interests of more equitable distribution of gains from trade, a fair and just trade regime should be established, which addressed the prevailing asymmetries in the world trading system. The Doha Development Round should be concluded early and successfully in order to guarantee an open, stable and equitable global trading regime. Climate change was another area that required fair and equitable governance. The burden of addressing that change must therefore not fall on those least responsible for it, in particular small-island developing States. There was no alternative to a transparent, multilateral and equitable process for addressing climate change.

India believed that the United Nations, and the Security Council in particular, was in need of comprehensive reform to address the democracy deficit. The Security Council discussed issues pertaining to the developing countries and they should therefore be better represented in its permanent and non-permanent membership. New drivers of global change should take their rightful position in international forums. The report and draft resolution should reflect the need to address the imbalances in global agendas and establish equitable and democratic global governance.

Mr. I. PALĂR (Romania) said that the distribution of wealth and power in society affected individuals' opportunities to enjoy their human rights and live in dignity. He was keen to see the European Union (EU) become a sustainable and inclusive bloc. Under the Europe 2020 Strategy, the EU had set five ambitious objectives: employment, innovation, education, social inclusion and climate/energy, to be met by that year. Each Member State had adopted its own national targets in each area. Romania's national strategy for sustainable development contained thematic and sector-specific activities, which followed the objectives outlined by the EU and the guidelines set by the European Commission.

Romania's short-term strategy was to incorporate the principles and practices of sustainable development in all of its public programmes and policies by 2013. Its medium-term objective was to attain the EU average for the main sustainable development indicators

by 2020. In the long term, Romania was striving to achieve above-average performance among EU Member States by 2030. The Romanian Government considered that European standards on quality of life should be pursued hand-in-hand with a revival of traditional occupations and ways of life in a modern setting.

Mr. M. GAROYIAN (Cyprus) said that the peoples of the world should have ownership of the international agenda, which should reflect their aspirations. Ensuring the effective participation of all peoples in decision-making was the essence of participatory democracy. Highly centralized executive decision-making and global negotiation mechanisms with insufficient parliamentary oversight and transparency and without opportunities for citizen participation had deepened public distrust in democratic institutions and democracy itself. The concentration of power and money had exacerbated that problem. Increased concentrations of wealth went hand in hand with the growing corruption of democratic institutions.

The crisis in representation should be overcome through enhanced participatory democracy and increased political accountability and transparency. Promoting public discussion and raising awareness of the need to increase public participation in decision-making processes was therefore essential. Young people should also have the opportunity to participate in democratic processes. Reforms must respond to citizens' needs and expectations in order to prevent social unrest. The relationship between society and the authorities should be redefined. National parliaments were ideal forums for democratic debate and they should define policies and promote initiatives in accordance with citizens' wishes. Public participation should be encouraged through transparent debate and ensuring that adequate information was available.

Mr. R. LEÓN (Chile) said that global power was concentrated in the hands of a minority. Those who had wealth wielded power, and those who held power set the international agenda. That set-up must be changed radically. Wealth must be redistributed. The world was currently witnessing major social changes, such as the Arab Spring and the Occupy protests. The use of the social media to mobilize protesters was unprecedented. Global challenges such as the need for fair trade and to overcome the impacts of climate change must be addressed through international cooperation and consensus. Parliamentarians had a crucial role to play, and must take action urgently.

Mr. Y. FUJIMOTO (Japan) underscored the important role of tourism in economic development. International cooperation for the promotion of tourism should be incorporated into the Second Standing Committee's draft resolution. The World Tourism Organization had predicted that by 2020, global tourism figures would exceed 1.5 billion, and tourism would be a major driver of the world economy. Eco-tourism was a form of sustainable tourism that enabled people to enjoy nature without damaging the environment. Protecting and preserving valuable natural assets could help secure national and regional autonomy. Countries with established tourism industries had a responsibility to share their experiences with others, in particular developing countries, in order to promote sustainable development. Steps must be taken to develop tourism infrastructures that maintained a balance between conservation and development. It was easy to destroy a country's historical and natural assets, but replacing them would be impossible. International cooperation was increasingly crucial for helping developing countries take an economic step towards autonomy through sustainable tourism.

Ms. L. AL-GAOUUD (Bahrain) commended the two draft reports and said that measures must be taken to strengthen international financial institutions and the UN Security Council. The countries that currently controlled those institutions wielded considerable influence over global events. Equality and democracy were required in the management of those institutions.

A democratic reform process was currently under way in Bahrain, which had brought an end to foreign interference. The Bretton Woods institutions were at the centre of the world's current financial crisis. Developing countries were in despair, since they were not in a position to solve their debt problems and were not on schedule to achieve the MDGs. Bahrain had made considerable efforts to maintain its unemployment rate below 3.6 per cent. She wondered whether the countries that currently held the majority of the world's power were ready to relinquish it. Strategies were required to ensure that power was redistributed more equitably.

Mr. HE KENG (China) said that major changes were required in the architecture of international governance, since common challenges and development opportunities required a coordinated response. Peace and development remained significant challenges on the international agenda. The situation in North Africa and western Asia was particularly volatile. The United Nations had a crucial leadership role to play in international affairs and was the most appropriate forum for addressing international problems and practising multilateralism. The right to express one's opinions and take decisions should not be the privilege of a minority of countries.

Greater attention must be paid to emerging economies, which should be equitably represented in the international financial system. Developing countries could no longer be a negligible force on the international stage. The G20 had a crucial role to play in managing international economic governance. Mechanisms for cooperation should be established between emerging markets, and efforts should be made to construct an international free trade and financial system that was fair, inclusive and well organized. Reform of the international financial institutions must therefore be actively pursued. Developing countries must enhance their capacity to cope with financial risk. All forms of protectionism must be dismantled and the principles of the WTO must be respected.

China was opposed to any interference in the economic sovereignty of other countries. Coordination was the only path towards shared development. All countries must be equal members of the international community and their right to development must be guaranteed equally. China stood ready to cooperate with the international community to foster South-South cooperation, as well as North-South dialogue, in order to ensure the establishment of a fair international economic system.

Mr. P. MARTIN-LALANDE (France) said that new rules of international governance were required to establish a more transparent, effective and legitimate system of decision-making. He welcomed universal acknowledgement of the need for a new model of global economic governance. There was increasing awareness of the fact that citizens' daily struggles with regard to health, employment, security, the environment, and migration, could only be addressed through a new global approach.

He called for reform of the UN Security Council to increase the number of permanent and temporary seats to enable it to reflect global realities. It should take account of emerging powers and facilitate their contribution to ensuring international peace and security. France supported the proposal to allocate permanent seats to Brazil, China, Germany, India and Japan, and to increase the representation of African countries on the Security Council. There should also be an Arab country among the permanent members.

Rather than establishing a new international economic council, the existing UN Economic and Social Council should be reformed to enhance its efficiency and coordination. Economic coordination within the United Nations should have an impact on the G8 and the G20. Although the G20 represented progress in terms of the higher number of countries participating in important international economic decisions, many decisions were not made by political powers, but were rather dictated by the markets. The G20 represented 85 per cent of

the global economy, and two thirds of the global population. Countries that were not represented on the G20 could make their voices heard through their geopolitical groups. International governance could only be achieved if the international community had a common vision of the general interests of the world. The IPU had a crucial role to play in promoting international acknowledgement of the world's common interests. State sovereignty must be respected in the context of regional governance. Monitoring, evaluation and sanctions must be globally recognized and accepted. The best means to address global problems was to ensure equitable global governance.

Ms. B. Contini (Italy), First Vice-President of the Second Standing Committee, took the Chair.

Mr. M.F. AZIM (Bangladesh) said that developing countries were marginalized in trade, technology, connectivity and global decision-making processes. Despite talk about renewed commitment, enhanced assistance was not being provided to the LDCs. Global discourse was becoming too technical, and intellectual property rights were being used as a pretext to hinder technology transfers. The digital divide was widening fast, and in many cases, the interests of disadvantaged countries were not reflected in global decision-making forums. Bangladesh had always been in favour of promoting the participation of LDCs in international decision-making processes. Bangladesh believed in the importance of ensuring an equitable voice for all in international organizations to ensure a sense of ownership of the international agenda.

LDCs and marginalized countries should be represented in international forums such as the Bretton Woods institutions. The world must realize that the absence of plurality of opinions and common efforts could impede progress. Peace, security, solidarity and development could only be achieved through joint commitments and solidarity between nations. Appropriate conditions should be established to bring LDCs out of poverty, and their opinions and concerns must be taken into account when considering development and poverty-reduction initiatives. The marginalized must be given a voice in international financial institutions, the UN Security Council and other international forums such as the UN Framework Convention on Climate Change (UNFCCC) and the Doha Development Round of trade negotiations.

Mr. M. LEMMA (Ethiopia) said that the contemporary world was witnessing new economic dynamics, with new growth patterns that had far-reaching consequences for global political and economic relations. Diversity in the global power balance and international relations had given rise to new opportunities with potential benefits for the world's population, including opportunities for South-South cooperation, which were particularly beneficial to African countries. Globalization presented both challenges and opportunities and had accelerated economic growth in some countries, while leaving others behind. The global economic system was suffering from a democratic deficit, and the new global economic realities required a more inclusive and democratic global economic and financial architecture. Developed and developing countries must have equal representation in global decision-making bodies.

LDCs were suffering the most from the global financial, food and fuel crises, and although they had contributed the least to climate change, they were suffering its most disastrous consequences. Ownership of national development agendas was crucial for promoting sustainable and inclusive growth. Governments should pursue economic policies that were suitable for their own situations. Ethiopia recognized the efforts made by the IPU to promote agendas to advance the world's collective interests and aspirations.

Mr. L. RAMATLAKANE (South Africa) said that parliamentarians had a role to play in mapping out a strategic path from generation to generation. They must use their international and bilateral influence to change the status quo and ensure a redistribution of power and

ownership of the international agenda. Wealth could not be redistributed without the redistribution of power. Efforts should be made to achieve greater synergy between the IPU and the United Nations on a shared development agenda. Efforts must also be made to strengthen the United Nations capacity to fulfil its mandate.

Consolidating democracy at the global level required giving greater space to all members of the international community. Developing countries should be given more opportunities to participate in decision-making in international institutions. The IPU had a role to play in encouraging the United Nations to recognize the voices of the poor and marginalized and that developing countries must be involved in worldwide problem-solving. Developed nations had thus far been unwilling to respond to the challenges faced by developing countries. That exclusion demonstrated a lack of political will. The IPU should lobby to ensure that all international forums were reformed and that power was redistributed to include developing countries. Voiceless nations must be given the opportunity to participate in global decision-making institutions, such as the UN Security Council.

Mr. R.H. MOHAMMED (United Republic of Tanzania) said that the United Nations was not enabling power sharing among its Member States. The reform of membership of the UN Security Council was long overdue. The WTO played a pivotal role in enriching the developed world. International bodies should be more democratic and representative. Power and wealth were intertwined. Powerful nations were more advanced in technology and were wealthy, although that wealth was not equitably distributed among the people. Although global financial assets had quadrupled over the past 30 years, the number of people living below the poverty line was increasing. Even in a democratized and powerful country like the United States, the majority of the nation's wealth was in the hands of a very small minority. A strategic social and economic plan that involved all stakeholders was necessary if global power and wealth were to be redistributed. The voice of the marginalized and neglected must be heard.

Mr. D. PACHECO (Portugal) said that the contemporary world was experiencing considerable change, with a new international order. Power shifts were occurring daily. Change was also required in the structure of global governance and international organizations. The fact that Libyan Arab Jamahiriya, under the regime of Muammar Gaddafi, had served as the President of the UN Human Rights Council was unacceptable. The UN Security Council should be reformed and new permanent seats should be allocated to Brazil, India and South Africa. It was time to translate words into positive action.

Ms. M. GREEN (Sweden) pointed out that there was a worrying degree of underrepresentation of women in positions of power, in particular in the context of the Bretton Woods institutions and the UN Security Council. Women should be recognized as key players in the international system, and the number of women at all decision-making levels must be increased. Gender mainstreaming was required in all spheres. If women were able to participate fully in society, the impact on economic growth would be considerable. Equal rights and equal opportunities would lead to progress for all. Gender equality and women's empowerment were fundamental to the global goal of achieving dignity for all.

Gender equality was a priority in Sweden, and 40 per cent of Sweden's parliamentarians were women. The struggle for equality had been a long, uphill battle, which was ongoing. Women who had reached positions of power were often unable to exercise their rights fully, owing to traditional attitudes. Much progress had been made, and the gap between women and men in employment, education and research had narrowed. Sweden had demonstrated that change was possible provided there was the vision, courage and the will to act.

Mr. C. WIMMER (Venezuela) commended the draft reports presented by the co-Rapporteurs. The events currently taking place in North Africa, the United States and elsewhere in the world were examples of people's desire for democracy. They were comparable to the Bolivarian revolution in Venezuela, which had been an expression of dissatisfaction with social injustice and had resulted in constitutional reform and the establishment of participatory democracy. Previously unheard of sectors of Venezuelan society had become visible. Electoral and moral power had been established to guarantee the direct participation of the public. Elected representatives were obliged to put public decisions into practice. They were scrutinized by the public, and could be removed from office before the completion of their mandate by secret referendum. Changes should be made to establish participatory democracy at the international level and to foster true cooperation and collaboration.

The President of the Second Standing Committee, Mr. S. Al-Husseini (Saudi Arabia), resumed the Chair.

Mr. M. AL-GHANIM (Kuwait) said that democratic and demographic changes were taking place in the world and a new international order was emerging. Many international institutions required considerable reform. Humankind had been responsible for climate change, and the poorest countries were suffering as a result. The Arab Spring had occurred as a result of popular uprising against repressive dictatorships. Half of the world's population lived on less than a dollar a day, while a small minority owned the majority of the world's wealth. The rich were getting richer while the poor were getting poorer and children were dying of starvation. The current international order must therefore be changed. Global power was in the hands of a small number of industrialized nations, whose decisions had far-reaching consequences. Power and wealth must therefore be redistributed.

Equality was crucial to overcome poverty and climate change and ensure sustainable development. Civil society and parliamentarians must participate in decision-making processes. Kuwait was prosperous and its citizens benefitted from good quality health care and education services. The Kuwait Fund for Arab Economic Development allocated 4 per cent of GDP to meet the needs of developing countries around the world. International democracy must prevail for all peoples and the voices of the marginalized heard. Kuwait looked forward to the day when peace and security prevailed around the world, when repression no longer existed and when the world's population could live in peace and equality.

Mr. M. AMWEELO (Namibia) said that on 21 March 1990, Namibia had gained independence and become a full Member State of the United Nations. Namibia was a friendly country that sought friendly relations with other countries on the basis of respect for the principles of human rights, freedom and justice. Namibia was not immune to global challenges, such as threats to international security, the effects of climate change and the global economic and financial crisis. Those problems had emanated from developed countries. Namibia had been hit by severe flooding in 2010 and 2011 as a result of climate change, which had been caused by greenhouse gasses emitted by industrial nations. The poor and the vulnerable were suffering the most.

Parliamentarians were the voice of the people and therefore had a duty to consider global issues critically. They ratified international treaties and agreements and should therefore know how those instruments would affect the lives of the people. Parliaments must oversee their governments' implementation of those instruments. For developing countries and fledgling democracies, capacity-building efforts were required. The negotiators of developing countries must be on an equal footing with those of developed nations. Rich and powerful nations should assist developing countries and discourage biased international practices. Africa sought fair representation in all major international forums.

Mr. C. HANSUEBSAI (Thailand) commended the co-Rapporteurs on their work. The subject of the redistribution of power and wealth was particularly relevant to Thailand, where the majority of people worked in agriculture and was economically disadvantaged. Over the past decade, the gap between the rich and the poor had widened considerably. Thailand must consider not only how to redistribute wealth equitably and establish a multi-party democracy, but also how to enable the authorities to enforce the law fairly and equally. The greatest obstacles in Thailand were the lack of tolerance among the various political groups, unwillingness to accept decisions, an undemocratic system and deep-rooted corruption. Parliamentary democracy was still perceived to be the best system, but should be strengthened in an effort to help to overcome that corruption.

On the global level, the developed countries set the agenda and the rules in the international system, which was unfair. Developing countries should be granted an opportunity to claim their rights and make their voice heard in the international arena. Democracy was recognized as an effective mechanism for building a better future. The international community must unite its efforts to ensure that democracy became a reality, rather than simply an ideology. Parliaments were vital to the democratic process and provided a crucial link in the chain between citizens and the government, and they therefore performed the essential function of holding their governments to account on behalf of the electorate. Parliaments debated, scrutinized and refined policies, oversaw government action and prevented corruption. Stable democracy required the full participation of parliamentarians.

Mr. M. BAYIGGA (Uganda) said that the world's population was divided into two economic groups: the rich and the poor. The rich were plagued by the pursuit of profit at all costs, to the disadvantage of the poor. The constant pursuit of riches was fuelled by neoliberal orthodoxy, which was supported by the Bretton Woods institutions. The WTO had not helped the situation and the poor continued to be marginalized owing to their low negotiation capabilities. Developed countries' markets had closed their doors to developing countries, as a result of which the volume of trade from Africa had dropped to a meagre 2 per cent. That approach would continue to skew the global economy to the disadvantage of the poor. It was critical not only to establish a power balance, but also to overcome the immoral pursuit of profit. Fair trade was important, and regulation was required for profit-seeking oil companies that preyed on poor countries' resources.

Mr. Q. ABDELKARIM (Palestine) said that the international system should be reviewed and reformed drastically since it functioned on the basis of outdated principles. Those who had wealth used it to exert power, and through power obtained further wealth. That situation led to greater imbalances, inequality, injustice and crises in the world. The Palestinian people were the main victims of that system, which was based on double standards. Recently, Palestine had requested full membership of the United Nations. Although many UN Member States had supported that request, one, which had the right to veto in the Security Council, had opposed it. The granting of full membership of the United Nations could open the door to the peace process that had, thus far, failed. The international system must be changed, and the UN Security Council, among other international institutions, required urgent reform.

Mr. I.A. BILOUR (Pakistan) said that basic foodstuffs should be taken out of the equation of rising oil prices in order to ensure that sufficient food was available for all.

Mr. A. HAGEN (Norway) agreed that the world should be remodelled and reordered. The reports submitted by the two co-Rapporteurs were a good point of departure, and should be merged into one document before the 126th IPU Assembly. The draft report submitted by Lord

Judd accurately described the shift in global power from West to East. He agreed that there was a pressing need to reform the IMF and the World Bank. Many people in Norway had long been sceptical about the World Bank's focus on privatization in developing countries. The Norwegian Government had therefore introduced a condition for its support to the World Bank, which specified that Norwegian support would not be provided to loan facilities that required privatization in developing countries.

In order to retain its legitimacy and credibility, the UN Security Council should be subject to comprehensive reform, not merely in terms of composition, but sweeping reforms. It seemed absurd that countries such as France and the United Kingdom, with very small populations, had the right to veto in the Security Council, while other countries with very large populations, such as India, were not represented. The composition must be reviewed to take account of global realities in order to prevent the Security Council from becoming irrelevant.

Mr. C. GANYA (Kenya) said that the 125th IPU Assembly afforded world parliamentarians an opportunity to discuss and face up to global realities, which were compounded by economic crises and challenges thereby presented. The mandate of governance and leadership was an expression of trust, bestowed by the people. The Assembly should strive to enhance the promotion of compromises between capital and finance on one hand, and labour and people on the other. Efforts should be made to ensure that there was visible movement towards achieving progressive deliverables in global forums such as the WTO and the Bretton Woods institutions. Appropriate, dynamic, socio-economic models and policies should be developed. Parliamentarians should urge the executive to adopt dynamic economic models. The economy must be at the service of people. Each country must adopt the necessary internal framework for regional economic and social policies to meet the challenges of the contemporary world and move towards sustainable development. Efforts must be made to ensure that IPU resolutions were translated into action nationally, so as to ensure that the Organization did not lose its legitimacy.

Ms. S.M. ESCUDERO (Argentina) said that Argentina supported a zero-tolerance policy towards tax havens, since they led to illicit flows of capital and encouraged multinational corporations to invest in certain countries. As much as US \$ 2 billion was being held in the Cayman Islands, for example, which was equivalent to six times the GDP of Argentina. That situation generated downward competition on tax regulation to the detriment of all, and encouraged the privileged not to pay tax. One third of the world's private wealth was held in tax havens.

The 2010 reforms of the international financial institutions had been insufficient. Developing countries accounted for 50 per cent of global GDP, and should therefore have 50 per cent of voting power in the World Bank and the IMF. The reform of the UN Security Council should involve reconsideration of the categorization of members, voting rights, regional representation, size and working methods, as well as its relationship with the General Assembly. The citizens of the world would never feel secure if the permanent members of the Security Council that had the right to veto could act against the decisions of the General Assembly, since that situation undermined credibility and hope in the system, which, in extreme cases, could lead to violence and even to international terrorism.

Mr. H. TAJAM (Uruguay) said that participation in international institutions was critical to their performance. When considering how to redistribute wealth, consideration must also be given to the redistribution of power. Democracy required equitable participation in decision-making and the implementation of and respect for decisions made. Countries that had set standards had failed to apply them and had led the rest of the world into financial crisis. The monetary system must be reformed to ensure that no single currency was central to

trade flows and undermined other economies. Monetary reform must accompany reform of the international financial institutions. The redistribution of wealth had to do with the redistribution of economic power. Participation in international institutions must be more equitable and the veto in the UN Security Council should be eliminated.

Mr. A. CHERRAR (Algeria) said that the global governance system currently in place had been designed by the victors of the Second World War, and was therefore outdated. A new system was required, under which the right to veto at the UN Security Council should be replaced by a voting system requiring a qualified two thirds majority, in which each country had one vote. No single country must have the power to wave the red flag. The Security Council should be enlarged, but power should not be in the hands of an elite few. The Bretton Woods institutions should also be reformed to provide for more inclusive decision-making. In order to achieve international democracy there must be genuine democracy within countries, with an equal distribution of powers and more representative governments that were better placed to represent their people in international institutions.

Ms. S. TIOULONG (Cambodia) said that wealth meant power in today's world. There was a widening gap between the rich and the poor, both within and between countries. That gap was a time-bomb set to go off by masses of people who were hungry and poor and had nothing to lose, and who were envious and angry at the privileged few. That situation was leading to revolts and demonstrations, most of which had, thus far, been controllable and not resulted in violence. That notwithstanding, if the situation continued, it would lead to terrorism and conflicts over food, water and land, since the world's resources were becoming increasingly scarce. She agreed with the representative from Algeria that reform of the UN Security Council should go beyond simply expanding its membership to eliminating the veto. The reform must begin with a change of mindset, particularly of the wealthiest. Wealth was currently concentrated in the hands of a few. Wealthy societies must therefore shoulder their global responsibilities and use their wealth and power for the common good, rather than simply for their own interests, in order to guarantee security.

Ms. R.R. NINSIIMA (Uganda) asked how power could be redistributed while maintaining democratic values. In countries such as Uganda, power was often concentrated in one region, the redistribution of which would require constitutional change. She raised the question of how to address the situation of people who, despite having the capacity to lead, did not have the necessary qualifications to stand for election as leaders, owing to their underprivileged background and lack of formal education.

The MODERATOR invited the panellist and co-Rapporteurs to make their concluding remarks.

Ms. Y. LI, *Head, Debt and Development Finance Branch, Globalization and Development Strategies Division, United Nations Conference on Trade and Development (UNCTAD), Panellist*, said that the debate had reflected a general disenchantment with the delays in redistributing power. There was no doubt that the UN Security Council and the Bretton Woods institutions must be reformed. Although many models and proposals for change were available, a lack of consensus persisted on the way forward. Parliamentary influence could be used to overcome that stalemate. A list of the proposals made should be annexed to the co-Rapporteurs' report for further consideration. In order to reach a consensus, those proposals must be convincing and support for them garnered. If measures were taken to resolve and manage financial crises and redistribute wealth, equality would increase. Gender mainstreaming in all spheres was also important to advance equality.

Mr. O. BENABDALLAH (Morocco), *co-Rapporteur*, said he had taken note of the convergence of opinions among the participants and their collective awareness. He agreed that reference could be made in the reports to the issue of tourism as a key driver of the global economy. He asked participants to submit in writing any proposals for additions to the report or elements to be included in the draft resolution.

Lord JUDD (United Kingdom), *co-Rapporteur*, said that he had been encouraged by the fact that he and Mr. Benabdallah had come to similar conclusions when drafting their separate reports. It would not otherwise be possible to do justice to the far-reaching nature of the discussion that had taken place. He noted that all participants had been in favour of change and had agreed that the present situation was untenable. The debate had been thought-provoking, and had cautioned against the extremism and violence that could ensue if the current situation did not change. He looked forward to further collaboration on the subject, and the adoption of the resolution at the 126th Assembly in Uganda. He expressed his gratitude to all participants for having shared their opinions.

The MODERATOR thanked all participants and the co-Rapporteurs for their contributions.

The meeting rose at 5.25 p.m.