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**Welcoming remarks by IPU Secretary General, Mr. Anders B. Johnsson,
to the participants in the Second Plenary Meeting of the Commission of Experts
of the President of the United Nations General Assembly
on Reforms of the International Monetary and Financial system**

Geneva, 9 March 2009

I returned this morning from a ten day tour of the Middle East. I was accompanying the President of the IPU, Speaker Theo-Ben Gurirab of Namibia, for political talks about the world's most intractable conflict.

We ended the tour yesterday in Muscat with a debate that brought together all the Speakers of Parliament from the Arab countries. All of them, of course, addressed the Palestinian Israeli conflict, but they also spoke about the economic crisis. For some of them this was, possibly, the bigger issue.

Predictably enough, you hear very different reactions. To people in Gaza, the economic crisis doesn't mean very much. Their daily reality is already marked with the crude stamp of insecurity, fear and abject poverty. Palestinians in the West Bank, however, are already seeing the effects of lower remittances, a decline in investment and construction, and increased joblessness. At the other extreme, political leaders in Dubai and Abu Dhabi are worrying about the huge negative impact the crisis is having on their financial institutions and economy.

What I heard in the Middle East last week is very similar to what I hear elsewhere when discussing the economic crisis with parliamentarians and political leaders. They are concerned by the downturn in the economy, which in many countries has already led to recession. They see the effect it has on their exports. They are worried about the health and resilience of their financial institutions and banking systems. They ask themselves what will happen to their national development plans.

At heart, they are all politicians. Their views span the full political spectrum from right to left and this is reflected in the divergence in their views on this crisis. At the same time, I sense that they all share a common concern which can be encapsulated in the one word of stability, or rather the lack of stability; stability of institutions and stability of countries.

Many of their countries are badly positioned to confront a crisis of this magnitude. They do not have the resources and policies that will allow them to look after the most basic welfare for their citizens. They do not have the money and services that are needed to provide social protection to people in need. The crisis is starting to put their countries under enormous strain and they fear that it may simply trigger too much instability.

So, my first message to you is to place people's concerns at the centre of your deliberations. And if you ask the members of parliament they will tell you that it is all about being able to earn a decent living, the ability to feed themselves and their families, to live a decent life and earn the income they require to survive.

You stand much to gain from formulating your recommendations in a way that addresses these core concerns and is seen and understood to be doing so. After all, in order for your work to be effective, you are going to need the support of members of parliament everywhere to institute change. In fact, it is going to be absolutely essential that they understand what you are trying to achieve and how this is going to help people in their countries to ensure their support for multilateral cooperation and stave off protectionism and the spread of nationalism.

My second point relates to transparency and accountability. Parliaments are present in all countries to provide this dual concept. Yet, clearly, there has been a lack of both. The machinery of parliaments allows it to hold government to account, to examine policy, to adopt the budget, to review public accounts and to ask probing questions relating to the economy and its financial institutions.

This has not worked well enough in many countries. In part, this may well be explained by the fact that some parliaments perform better than others. But it is also the fact that - for all the rhetoric about democracy - parliament has not been given the place and the means it requires to fulfil its constitutional functions.

It is a fact, I believe, that many parliaments are not consulted by the executive or the international donors or lending institutions when it comes to development policy. The poverty reduction strategies are not debated in parliament, and the overseas development aid is not vetted in parliament and - often - is not even reflected in the national budget.

There are many of us who are trying to change this, and a growing number of parliaments in developing countries are working to secure national ownership of development policies and accountability for ODA.

I make this point to highlight the need to involve parliaments in reviewing and developing national economic, financial and development policies and to hold government to account in their execution.

There are many other examples of how parliament can be helpful in providing greater transparency and accountability. I would like to suggest that you do not lose sight of this when you develop your proposals.

My third point relates to the international financial architecture. Much of today's public debate refers to the need to reform the international financial architecture. The idea may well be sound and I am sure that your commission will give us guidance. That said, there are not many members of parliament who are familiar with the term.

When you go beyond the terminology and examine what is behind it, many politicians that I meet dwell on two issues - the actual policies that are pursued by the Bretton Woods institutions, and the lack of democracy when the policies are made.

People are concerned about policy guidance and conditionality. They want to be reassured that the policies they are asked or forced to accept are in fact policies which allow them to create jobs for their citizens and that they are suited to their country. This is of course a very topical concern, since the policies many countries are encouraged to pursue these days are not designed to create employment.

Equally, members of parliament believe that multilateral institutions, and the Bretton Woods institutions are no exception, are not particularly democratic. They want to see much more accountability of these institutions to parliament and they view parliamentary oversight mechanisms as being suitable for the purpose. In other words, there is a need for greater and more systematic interaction between parliament, the executive and the Bretton woods institutions at the national level.

This needs to be complemented by parliamentary interaction with the multilateral institutions at the international level. I have no intention of proposing that we create more new structures for this purpose. That is not necessary. There are enough international structures in place. What is needed is a clear signal to the Bretton Woods institutions that they have to open up to greater parliamentary scrutiny and interaction. This is where I believe your report could also be very helpful. The IPU for its part is ready to facilitate parliaments' interaction with and oversight of these institutions, based on the experience we have gained in doing exactly that in relation to the United Nations and the WTO.

Let me conclude by affirming that a great many parliaments are today debating the economic crisis. They are engaged and they are taking action. At their request, the IPU is convening a global parliamentary conference on the economic crisis here in Geneva on 7 and 8 May. We are expecting MPs from all our 154 member parliaments and even others to join the debate.

They will discuss the crisis with a view towards the future, trying in the process to identify what they can do to deal with the crisis and to prevent its recurrence. They will also examine how the crisis affects women, what needs to be done to ensure gender sensitive responses to the crisis and how women can contribute to solving the crisis.

In the best tradition of parliamentary debate and scrutiny, the participants will examine your report and its recommendations. Let me take this opportunity to invite all of you to participate in that exercise. We look forward to a stimulating and constructive event in which the members of parliament will build on your work and, no doubt, formulate additional recommendations for consideration by the United Nations when it meets later this year.

With these few words, I wish you a very fruitful session here at IPU Headquarters. This building goes by the name of the House of Parliaments and like parliaments stands as a symbol for the basic tenets of democracy, transparency and accountability. I hope this setting will offer you additional inspiration for your work. Like so many people around the globe, we look forward to learning of the outcome of your work which I can promise we will submit to every single Parliament in the world for their attention.

Thank you.