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2009 Parliamentary Hearing at the United Nations IPU President's Conclusions

We have had two days of good debate that has been instructive and lively. Before I go on to draw some broad conclusions from our discussions, let me begin by applauding the remarks this afternoon by Congressman Meeks alluding to the imminent return of the United States Congress to IPU membership. I hope that objective can be reached in the very near future.

Dear friends,

Everybody here knows that our world is in need of therapy, and while we all tend to agree on the source of the ailment, there have been many suggestions for what kind of treatment should be applied and how far it should go. But there have been some basic lessons that, as parliamentarians, we all share.

One point is that the crisis will be with us for a long time to come. It could even get worse if we are not extremely careful. We are still close to the abyss.

Second, we are talking about a crisis with many dimensions. This is a calamity was triggered by a financial crisis, and is made more acute by concurrent food and energy crises. It is also a crisis of an ethical nature. And against this backdrop, we are struggling to cope with the potentially disastrous effects of climate change.

Nonetheless, there are things that we can do, and that we can push our governments to do. The economic crisis does offer an opportunity. An opportunity to shift the economy toward greener and more sustainable solutions. An opportunity to return to sound public policy, to return to the real needs of human beings.

If we are going to seize the opportunity before us, we must fight in our parliaments for stimulus packages that are more targeted on the environment, with bold infrastructure investment that favors less carbon-intensive consumption and production. There should also be more public investment in research on sustainable solutions, especially by our young people in universities. Unless we want to see a jobless recovery, the aim has to be major job creation. Social safety nets must be cast much wider.

Alongside this, we also have to change our way of life. Those of us, I might say, who have a way of life to change. Some of us are too busy hanging on to life itself. But there is a message here that we parliamentarians can spread. In the end, no improved

energy efficiency will ever keep up with constantly rising consumption; at the end of the day consumption itself must be kept in check, not just reformed toward greener products. Developing countries can also be mindful of the problem and begin to apply affordable solutions. Microcredit, for example, can be used to good effect. The principles of common but differentiated responsibilities must inform policy throughout.

We talked about how the G20 has become the central locus of global economic management. The G20 is obviously more representative than the G8. But it still leaves a lot to be desired. The group is not fully representative of developing countries, and the LDCs, where poverty is worst, are excluded entirely. We hear the word exclusion all too often. We intend to exert pressure for much greater legal empowerment of the poor, so that they too can acquire land titles, property rights and other such rights.

We believe that we can do better. We should honour the old promises of debt cancellations, 0.7% of GDP in ODA for developing countries, and duty free and quota free market access for LDCs. There is a real risk of a new debt crisis. Innovative forms of financing such as an international currency transaction tax should be considered as part of the response: they can help raise funds for development while also curbing speculation.

There is also a real risk that new regulations of the financial industry won't do enough to prevent future speculative bubbles. The financial industry needs more drastic regulation. Tax havens should also be tackled head on.

Needless to say, we discussed the Bretton Woods institutions, with some harsh words being said about their role in the present sorry state of the world. IMF conditions in particular have helped undermine production in developing countries and, by extension, the revenues that social programs depend on. We welcome the relaxation of such conditionalities, but many in this room called for a more watchful attitude to make sure that reforms are transparent and far-reaching. And - dare I say it - subject to external accountability. Our talks showed that members of parliament can do much to ensure the accountability of the International Financial Institutions. You all heard the proposals for the IPU to organize greater and more structured interaction with the IMF and the World Bank, with which I wholly concur.

In conclusion, I think it is fair to say that we have resolved to try and change the way we think about the economy and the environment, and to influence others to do the same. One of the most significant ways of doing this is to change the way we measure progress and wellbeing. Gross Domestic Product cannot remain the sole indicator of progress and development. Other indicators that measure the deeper happiness and satisfactions in our lives must count just as much.

Thank you.