

**Statement by the President of the Inter-Parliamentary Union
at the opening of the Annual Parliamentary Hearing
(2 December 2010)**

Distinguished President of the General Assembly,
Distinguished United Nations Under-Secretary-General,
Fellow Parliamentarians,
Dear Friends and Partners,

Let me begin by saying what a pleasure it is to be opening this annual hearing alongside the President of the United Nations General Assembly, Mr. Joseph Deiss. As one who knows from personal experience the demands of his office, I wish him well in his daunting tasks.

It is a special pleasure to have a Swiss President in the chair. I recall fruitful exchanges we have shared. We all owe much to the government, parliament and people of Switzerland, where the IPU has its home, for their continuing understanding and support, and I ask Mr. Deiss to thank them for all they did to help make the IPU's Third World Conference of Speakers of Parliament such a memorable success in Geneva in July this year. As that global gathering affirmed once again, there is great scope for a strategic partnership and mutually beneficial cooperation between the United Nations, national parliaments and the IPU both in dealing with the global challenges of our time and in delivering on major international commitments such as the MDGs and peacebuilding.

I would also like to extend my warmest greetings to our good friend Ambassador Sha, UN Under-Secretary-General for Economic and Social Affairs for being here, representing the UN Secretary General who unfortunately cannot be with us today due to other pressing duties.

Colleagues and Friends,

Once again we come together at the UN Headquarters to discuss the subject of the global economy. We come to talk about the rich and the poor. This city of extremes is a good place for such a debate. A city of tall glass towers and of people who sleep rough at their feet. It was a right choice to house the UN here.

When I think about the enormous economic disparities that we have come to accept as part of our daily lives, I must say that some good things have done. There have been reforms in the glass towers. In Europe, for example, tough curbs have been set on bank bonuses. That should help to dampen enthusiasm for the kind of financial risk taking which has such destructive consequences particularly for the poor countries.

That is good news, no doubt, but it doesn't solve the deeper questions facing the global economy as the stakes become higher.

The global economy is characterised by a predominance of finance over the real productive economy. What this means in practice is that Wall Street is once again announcing record profits at the same time as the worldwide unemployment figures continue to stagnate and increase poverty and unemployment.

This is the strange disconnect that we must not treat lightly. It recalls the same configuration that was there when the crisis began. Two years of talks in the United Nations, including in the Working Group on the Financial Crisis, have produced very little in practical terms. In the IPU we held an important global parliamentary conference on the crisis in May last year and then the 2009 Hearing here at the United Nations on the same theme. We made recommendations. If we feel obliged to revisit this theme, it is because the basic conditions have not changed. The poor continue to endure pain and hardship while the rich accumulate more wealth.

This year, therefore, we are assembling here together to look at questions of global economic governance, macroeconomic coordination, and the responses from states, industry and financial institutions alike.

Fellow Participants,

There is one issue that faces all our parliaments, and it concerns the question of how as a human community we respond. Do we, as some now advocate, tighten the belt of austerity to ward off the threat of debt crises? Or do we adhere to the initial intentions to stimulate an employment-driven response? This is a matter for each of our governments, the UN and parliaments to debate and act upon. It is also the sort of question we will be looking at over the next two days.

The question, as one contributor said in Geneva last year at the IPU's global meeting on the economic crisis - I think it was Lord Malloch Brown - is: is there anybody in charge out there? That's the real question and I echo it here today.

Yes, the G20 is part of the answer. And yes, the G20 does represent 85 per cent of the world's GDP. In the absence of any other authoritative body within the United Nations, I think we – the remaining 180 countries – will continue our love-hate relationship with the G20, until we find a forum where we feel better represented.

If we are talking about institutions, we should mention the World Bank and the IMF. Here I see encouraging steps to improve governance and transparency, although parliaments are still concerned with the pace and depth of these reforms. I look forward to a day when MPs are able to be better informed of decisions taken by the Boards of both these institutions, and the WTO as well.

Before I close, I will say a brief word about the General Assembly resolution that my country's permanent mission at the UN tabled a few weeks ago along with 12 co-

sponsors. The text of the resolution, which builds on the previous General Assembly resolutions on UN/IPU cooperation and the recommendations of the UNSG himself, and which sets out the architecture of what is becoming an increasingly dynamic partnership, is available at the back of the room. Since tabling it, we have received a further 21 names of co-sponsoring countries.

There are many delegations in this room from countries that are traditional co-sponsors of this important consensus resolution. If you haven't done so already, I urge you, dear colleagues and friends, to discuss this matter with your Permanent Missions with a view to formally supporting the document. In past years, this Resolution has been adopted with as many as 130 member States signing-on as co-sponsors and – come December 13th – IPU and I personally would certainly like to keep up this good practice. I count on your support.

On that note, I wish you all a lively and informative hearing.

Thank you.