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STATEMENT OF MR. SERGIO PAEZ VERDUGO, PRESIDENT OF THE INTER-PARLIAMENTARY UNION, AT UNCTAD XI SESSION

(São Paulo, 14 June 2004)

Distinguished delegates,
Ladies and Gentlemen.

It is an honour for me to address this tenth session of UNCTAD on behalf of the Inter-Parliamentary Union. The IPU's presence at this conference is a recognition of the importance of a growing involvement of parliaments in the development of international relations in a globalising world. I take this opportunity to thank the Government and people of Thailand for the hospitality that they have accorded us and the UNCTAD Secretariat for the cooperation it has extended to the Thai National Assembly and IPU in organizing the official parallel Parliamentary Meeting that preceded this Conference.

It is my task and my privilege to place before you the Declaration which was adopted by that Meeting. It is a document which has been agreed by consensus and which includes issues and areas where there are important divergences of opinion. The fact that it was possible to arrive at a consensus on such issues is a reflection of the tremendous capacity of parliaments and their members everywhere to generate compromises even in the most controversial areas. Parliamentarians are best at practising the art of the possible and we believe that understanding and compromise are the essential ingredients for enhancing international cooperation. With your permission, I will now introduce the content of the Declaration together with several of the surrounding issues that emerged during our discussions here in Bangkok.

Globalisation was at the heart of our discussions in Bangkok. It is recognized that globalisation creates many new opportunities for economic advancement. However, there is widespread disenchantment, especially among developing countries and even more particularly the poorer developing countries, that these unfolding processes are generating significant ill effects on their population. There are many who feel that globalisation benefits only the élites, that it marginalizes even further those who are currently marginalized, that it is leading to even greater inequalities of wealth and incomes, as between nations and within countries. They are also concerned that globalisation is being managed by a few powerful actors, be they governments or corporate enterprises.

After Seattle and Davos, the message from Bangkok is clear. We have to guard ourselves from any backlash against globalisation - a point that was also made by UN Secretary-

General, Mr. Kofi Annan in his inaugural address. We have to build mechanisms, whether it be in trade or finance, or in social security arrangements, to ensure that the benefits of globalisation are widely shared among the peoples of the world, and between developed and developing countries. We need to develop ideas on the wider involvement of communities to benefit from globalisation. In the dialogue between members of parliament and multilateral organisations, this is a critical issue which we have to address.

Another important concern that prevailed throughout our discussions was that of transparency. There are too many hidden agendas in international relations. Multilateral organisations are seen as remote and distant bureaucracies from the periphery, and that is where most parliamentarians come from. There was a time when international relations and foreign policy and relationships with multilateral bodies were largely concerns of ministries of foreign affairs. That time is now past. There is no longer that sharp distinction between domestic and foreign policies. Most international economic relations shape domestic events.

In other words, what were external issues and relations have now been "domesticated". This is why we parliamentarians have intensified our interest in and concern about what is going on in multilateral organisations. These organisations need to address us in the language, and in terms of priorities, that we and our constituents understand. There has to be good governance and democracy in their processes of rule-making. Parliaments, if they are to enact into law the decisions arrived at in multilateral contexts, must be familiar with the negotiating processes and their outcomes. You will notice in the Declaration our extensive concern with this aspect.

Trade can make a major contribution to economic and social advancement and to human development. This does not happen on its own, however, and mechanisms have to be established for this purpose. For developing countries in particular, time is required to make the considerable domestic adjustments required to fit into the evolving multilateral framework. Most of the problems with regard to trade liberalization have arisen as a result of the relative rush to make developing countries adjust to new norms and rules. We have to be more flexible. The issue of agricultural trade is specially vital in this regard. Farmers in our countries need to see in practical ways that trade liberalization can benefit and that it will not lead to their displacement and increased insecurity in what is already an insecure trade.

Trade is still not free trade. There is a significant measure of protectionism. Indeed, the point was forcefully made when we adopted our Declaration that under no circumstances should we allow improvements in labour and environmental standards as well as respect for human rights to penalize developing countries and restrict their access to markets. We have to ensure that in trade and in finance there are no conditionalities which will contribute to increasing protectionism. It is also important that corporate practices do not hinder trade.

It is clear that there is a great deal of apprehension among developing countries. These apprehensions must be addressed by the economically developed countries. Confidence-building must be initiated by them.

There is great concern about what is going on in the world of finance for the poorer countries. They are concerned with urgent issues such as the external debt problem, maintaining flows of official development assistance (ODA), and obtaining access to greater multilateral financial resources on a concessionary basis. Of course, they are concerned

with what is described as international financial architecture and our Declaration contains several recommendations for its reform. However, they cannot wait until the architects finish the work. There are some practical measures that can be undertaken, for example, wiping out the external debt more extensively, and increasing the levels of ODA flows.

The IMF has taken some encouraging steps in recognition of the fact that growth and poverty reduction are critical to the poorer developing countries, and that they cannot be sacrificed for old-fashioned forms of macroeconomic stability. The change by the IMF is itself a reflection of the pressures exerted on it by organisations such as UNCTAD to look at the world more pragmatically. UNCTAD has a lot more work to do in these areas, so that the development aspect of international finance is more deeply ingrained.

The centrepiece of the Declaration which more than 150 members from over 50 parliaments adopted here in Bangkok is a call on parliaments and their members to become more closely involved in international processes relating to trade, finance and development. As members of parliament, we speak for people from all walks of life who have elected us to represent them. We express concerns that encompass many single issues championed by various lobbies and pressure groups. We are convinced that greater parliamentary involvement can only be beneficial to development. Indeed, democracy, respect for the rule of law and a government that is transparent and accountable to parliament are indispensable building blocks for good governance and sustainable development.

That is why the participants call upon our world organisation - the Inter-Parliamentary Union - to pursue and strengthen the dialogue and cooperation it now has with multilateral institutions active in the field of trade, finance and development, in particular with WTO, UNCTAD and the Bretton Woods institutions, with the objective of providing a parliamentary dimension. As you can see in the Declaration's concluding paragraph, the Meeting called on IPU to take specific concrete steps to translate this dimension into reality.

Let me add here that the IPU very much welcomes the growing openness towards parliaments by many of these institutions, most recently expressed by the WTO Director-General, Mr. Mike Moore here in Bangkok.

We have set ourselves a large agenda to follow up on the contents of the Declaration before you. We expect to work with UNCTAD and with other multilateral organisations in the coming years to develop and implement an agenda for parliamentarians, so that we build capacities in our own parliaments to translate multilateral and international decisions and actions into the unique national context of individual countries. The IPU expects to support national parliaments in this regard and stands ready to be the link between multilateral organisations and national parliaments. Our discussions in Bangkok and this Declaration are two more firm steps in making national parliaments more familiar and more open to the work of multilateral organisations. They are also steps in making the entire process of globalisation more relevant and meaningful to our own domestic constituencies.

In conclusion, I hope that UNCTAD X will achieve success, and that you will be able at the end of this conference to provide guidance to all our members in the better management of the processes of globalisation, and also in ensuring that trade continues to enhance the quality of development in our countries.