

TWN

Third World Network

UNITED NATIONS GENERAL ASSEMBLY 65TH SESSION THEMATIC DEBATE ON THE ROLE OF THE UNITED NATIONS IN GLOBAL GOVERNANCE

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Mr. President and Esteemed Panelists,

Thank you very much for the opportunity to briefly address this important and timely forum today on the role of the United Nations in global economic governance.

1. Since its inception in 1948, the United Nations has played an enormous role for the vast majority of its 192 member states. While many member states do not have permanent seats in the Security Council, they have a voice in the General Assembly to put forward their demands. **The UN is to date the world's only legally constituted and globally inclusive intergovernmental body that accords each member state a vote and a voice based on sovereign equality.**

2. The UN has a mandate on political, economic, social, and humanitarian affairs and plays a unique role in global deliberations. **As such, the UN is the only institutional body where the voice of developing countries have an equal standing to that of the North, and thus, it is in the UN where considerations of equity, justice and development will be raised.** This is one of the principle value-additions of the UN system, along with the ability of member states to use the UN's various and diverse organs, including Financing for Development, Economic and Social Council, Second Committee, and the Financial Crisis ad hoc Working Group in the UN General Assembly.

3. The UN does not need to prove or argue that it has competency in addressing global economic affairs in response to the recent financial and economic crisis, as member states have produced and adopted by consensus an invaluable document which was the outcome of the World Financial and Economic Crisis and Its Impact on Development, which occurred exactly two years ago on June 26, 2009. **This document focused specifically on the development impacts of the financial crisis and the most urgent concerns of most developing countries. By doing so the UN defined its distinct value-add from various**

other formal and informal multilateral groupings that did not make development its center focus.

The analysis and recommendations of the document arguably covered the most comprehensive range of topics: from short-term mitigation and crisis-response to long-term structural change of the global financial architecture in the specific areas of debt resolution, economic conditionality, trade policy and the world reserve system, as well as new and creative proposals for the long-term role of the UN in global economic governance.

4. The comprehensive and bold Outcome Document of the June 2009 conference on the financial and economic crisis is a first step in the democratization of global economic governance in both substance and process. **As such, effectiveness should not be defined solely through the lens of speed and ease in decision-making, it should also reflect a democratic process, the diversity of views and inclusivity of participants as principles of truly legitimate decision-making.**

5. **The task of operationalizing an ad hoc Finance Working Group in the General Assembly is significant as it democratizes the political discussion and contributes to a setting of parameters and options on systemic and structural financial and economic issues outside of the status quo.** Indeed, recognizing the political and substantive contribution of the Working Group, as well as the far-reaching potential of creating a permanent Panel of Experts, would mark a critical step forward in the evolution of the UN's voice and visibility in global economic governance.

6. With regard to the strengthening of the Economic and Social Council (ECOSOC), **under its current mandate and jurisdiction ECOSOC is not given the ability to fulfill the principle objective of the Financing for Development initiative in the UN**, which is to "address systemic issues by enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development."

One option to reformulate ECOSOC is to authorize the body to function at the level of the General Assembly and the Security Council, as an 'Economic Security Council,' for example. At this level, ECOSOC could be accorded the ability to take binding decisions in areas of activity of specialized multilateral agencies, and this should be firmly rooted in an accountable, inclusive and informed process.

7. As stated in the report of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System, published on September 21, 2009, the recent crisis should be seen as an opportunity to engage in necessary reforms. **Historically, moments of crises often provide a rare chance for fundamental reforms that would otherwise be impossible. But there is also a danger that existing power structures**

will seize hold and use the crisis for their own benefit. This would reinforce existing inequalities and inequities with an even greater concentration of economic and political power than existed before the crisis.

It is thus of utmost importance that the United Nations member states take charge of its rightful mandate of global economic governance through the strengthening of the ECOSOC apparatus, the actualization of the follow-up processes to the June 2009 UN financial crisis conference, as well as through other means.

Thank you. We look forward to participating in future discussion on the important topic of the UN's role in global economic governance.

Sincerely,

Third World Network (TWN)