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U N I T E D N A T I O N S G E N E R A L A S S E M B L Y

To the Interactive Panel on the Global Financial Crisis

UN Headquarters , New York, 30 October 2008

Excellencies

Dear Colleagues,
Friends All,

Thank you all for joining us this morning. We have asked this distinguished panel to share views on the economic crisis that has now spread like a plague to virtually every country in the world. Some of the best informed experts have gathered to point the way in our urgent efforts to identify long-term solutions to this multifaceted meltdown.

I expect that this panel will identify steps that can be recommended to Member States to secure a more stable and sustainable global economic order.

And I also hope that our exchange will provide us further terms of reference for the work of the Task Force that Professor Stiglitz has agreed to chair. Let us look at this meeting in the context of an ongoing process of consultations among Member States that will guide courageous actions in the near future.

We are in the midst of a complex economic crisis whose dimensions are not yet clear but whose consequences are game changing.

What was once benignly described as “irrational exuberance” is now exposed for what it was: unbridled greed and pervasive corruption enabled by governments that lost sight of their responsibility to protect their citizens. The credibility of the dominant stakeholders has been shattered. Trust, that most precious and essential element in human exchange, has vanished. The world faces setbacks that are already causing untold suffering. For some, the consequences are fatal.

It is not reasonable to recommend that a little tinkering will restore prosperity or confidence. Of course, in the short term, financial managers in the public and private sectors are attempting to assess the extent of the damage and taking actions that will prevent the global economy from tipping into world wide depression – a nightmare that is difficult to contemplate.

Yes, we must pick up the pieces. But it would be folly to put it back together again as it was. The international community has the responsibility and the opportunity to identify longer-term measures that go beyond protection of banks, stabilization of credit markets and reassurances for big investors. The stakes are too high for half measures and quick fixes put together behind closed doors.

We have all heard many recommendations in recent months. I would like to note some of those that I think might help guide our deliberations here today and in the difficult months to come.

Solutions must involve all countries in a democratic process. Our economies are global and interdependent but the global financial architecture does not correspond to this reality.

It is time to stop viewing the global economy as the private dominion of some exclusive clubs. The G-8, G-15, G-20 are no longer sufficient in their scope to solve these problems. I believe that long-term solutions must include the G-192. Only full participation within a truly representative framework will restore the confidence of citizens in our governments and financial institutions.

Therefore, we must take advantage of the unique forum provided by the United Nations to build agreement on the new financial architecture required by the international community.

Our response must be multi-faceted. And it must take into account the poor of the world. Members States have solemnly promised to meet their commitments to financing for development. Throughout this crisis, we must ensure that these promises are kept.

Our discussion should be candid and not restrained by the powerful taboo against challenging the gods of the market place and institutions that impose the dysfunctional policies that have led to this breakdown. We are not looking for poorly conceived regulations that will be discarded at the first sign of renewed “exuberance”.

And certainly we are not looking for the next bubble that will evaporate, leaving elites astonishingly richer and well-intentioned citizens feeling robbed, bewildered and dangerously angry. And, above all, we must address the billions who do not have enough to eat, much less retirement savings to worry about. This requires some fundamental shifts in our mindset.

We must take into account the confluence of crises that we face and resist the temptation to restore things to a *status quo ante* that is not viable. The governance of a sustainable, inclusive global economy must be adapted to new and urgent challenges that will be with us for the foreseeable future.

We must factor in the unfolding food crisis, the energy crisis and the overarching problems provoked by climate change.

We must address directly the unsustainable culture of over-consumption that is contributing to wild excesses and irresponsible speculation. We must have the courage to tell citizens the truth about the sacrifices that lay ahead. These sacrifices should be shared and cannot be placed on the backs of the poor as is usually the case. All nations must be subject to financial discipline, including the rich and powerful, or there will be no effective international regulations.

This is not going to happen overnight. There is much damage to repair. It is not just the promise of prosperity that has once again been snatched away. It is the corrosive damage to the sense of trust that must guide any relationship.

Our deliberations must be calm and thoughtful. But let us be guided by a passion for justice and fairness and inclusiveness. By including new voices we can begin to restore that all important-sense of trust -- in each other, in our governments, the United Nations and other international institutions.

To advance our deliberations, we have convened a high level panel of experts to exchange views with your Excellencies. The panel is led by the 2001 Nobel Laureate in Economics, ex-World Bank Chief Economist and Columbia University Professor, Dr. Joseph Stiglitz of the United States.

Other members include Professor Prabhat Patnaik of India from the Center for Economic Studies and Planning at Jawaharlal Nehru University, and Dr. Sakiko Fukuda-Parr of Japan, Professor of International Affairs at the New School University. These three panelists will be the panelists in this morning's session.

The three panelists in the afternoon session are: Dr. Pedro Páez, Minister of Economic Policy Coordination of Ecuador and Coordinator of the Bank of the South; Dr. Calestous Juma of Kenya, who is also Professor of the Practice of International Development at the Kennedy School of Government of Harvard University; and, finally, Dr. Francois Houtart of Belgium, who is the Chief Editor of the International Journal of Religion *Social Compass*, and mentor for more than 60 years to several generations of socio-economic thinkers.

The moderator of the Panel is Dr. Paul Oquist, senior advisor to the President of the General Assembly of the United Nations and Minister and Private Secretary on National Policy to the President of the Republic

of Nicaragua.

Now let us get down to business. Let us identify the actions that advance genuine change – changes that will benefit all of us, and not just a few at the expense of the many. Let us make sure that a strong, democratized United Nations is at the centre of this transformation. This will ensure renewed trust, credibility, legitimacy and sustainability of the policies and institutions that will form the restructured international financial architecture. I now declare the panel inaugurated and ask Paul Oquist to proceed.

Thank you.

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