

**Statement at the UNCTAD Public Symposium
18 May 2009
1st Plenary Session**

Mr. Chairman,

Thank you very much for inviting the South Centre, an intergovernmental thinktank for developing countries, to be present in this forum and to share with you our thoughts on the issues that are before us.

The global financial crisis cannot be separated from the other crises that have challenged developing countries before this crisis and those that will challenge the development prospects of our countries in the future. We therefore need to take a broader and more systemic approach to these issues in terms of understanding their causes, their impacts and implications, and the solutions.

We have heard, Mr. Chairman, excellent presentations of the causes, implications, and possible solutions to the global financial crisis, and their linkages to other crisis, given to us by the distinguished speakers of the opening high-level panel, especially in the presentations by Messrs. Panitchpakdi, Somavia, and Sha of UNCTAD, ILO, and UNDESA respectively. The South Centre has also made its suggestions and proposals on these issues that generally agree and tie in with the perspectives and concerns that have already been raised.

We take the view that the crisis, as well as the other crises, are essentially systemic in nature, in their causes and their effects, and that therefore systemic solutions need to be undertaken by the global community. They arise from the global economic and political structures, institutions and relations that have arisen from and after colonialism, from the policies and structures that developing countries were required to adopt and implement over the past 30 years under the Washington Consensus. These are the systemic factors that have given rise to these crises, and which continue to perpetuate a world of inequity, of boom-bust economic cycles, of the existence of institutionalized poverty and marginalization for most of the world's population.

Mr. Chairman,

In this regard, let me raise three points that deserve to be highlighted in terms of shaping the global response to these multiple crises, including the financial crisis, and the challenges that they pose to the development of developing countries.

First, the responsibility for these crises must be made clear. The financial crisis was caused by policies and failures in developed countries. This is similar to the historical responsibility that developed countries have with respect to global warming and climate change. This is also the same kind of systemic responsibility that developed countries bear with respect to the global development crisis. The responsibility for these crises must be accepted and acknowledged by those countries responsible for them and, once acknowledged, commitments must be made to address their systemic causes and impacts. Once made, such commitments must be honored in word and in deed. There must be no backtracking similar to what is being done in the climate negotiations, where developed countries are now effectively refusing reflect their

historical responsibility by not living to their existing commitments to provide financing and technology to developing countries to address climate change, and for developed countries to take the lead in substantially and deeply reducing their greenhouse gas emissions.

Second, fairness and equity must be principles at the heart of the solutions to the financial crisis. They must be reflected in the policies and the structures that are designed and implemented to provide solutions to the financial crisis. This means that the systemic inequities that have given rise to this crisis, and their increasingly adverse impacts on developing countries, must be addressed and redressed on the basis of fairness and equity. This brings me to my third point.

Third, fairness and equity cannot be reflected unless the processes by which the solutions are to be shaped are fair and equitable in themselves. This means that they must be as fully participatory as possible, with fair and equitable means and methods for participation so as to ensure that all voices are heard and all perspectives and opinions duly considered. In today's universe of global governance institutions, only the United Nations can provide this forum. No other global institution can match the UN's universality and legitimacy. The G20 was a step in the right direction in terms of recognizing and reflecting the reality of the increasing influence of developing countries, but still the question will remain over the extent to which it is able to reflect the perspectives and views of those 172 other countries – though they may be smaller in terms of population or economic weight – that are not at the G20 table. All too often, developed countries have sought to marginalize and sideline the UN from global economic policymaking in favor of the institutions that they control and which therefore tend to favor the status quo of inequity and institutionalized poverty in developing countries. This can be changed.

There is a golden opportunity for the world community in this regard, Mr. Chairman. In June 2009, the UN General Assembly as a follow-up to the 2008 Financing for Development Review Conference in Doha will hold a high-level summit on the global financial and economic crisis. This is a golden moment for the world community to start shaping, finally, fair and equitable institutions and structures to govern our common world. It will be an opportunity for the South and the North to listen and to understand each other, and to start global discussions on building a fairer and more equitable world for all.