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Statement at the closing of the Interactive Panel on the Global Financial Crisis

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P R E S I D E N T O F T H E 6 3 R D S E S S I O N
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

At the closing of the Interactive Panel on the Global Financial Crisis

UN Headquarters , New York, 30 October 2008

Excellencies, Colleagues and Friends,

As we come to the conclusion of this day-long dialogue on the international financial crisis, I want to thank our panelists and all the representatives of Member States for providing your views on this complex and unprecedented crisis that affects all of us.

I am heartened by the enthusiastic and constructive participation of Member States in this initial dialogue and by the support you have expressed to continue to use the General Assembly and the United Nations system as a forum for this unfolding process. It has been acknowledged by panelists and Member State representatives alike that the UN is the unique representative and democratic body that possesses the convening power to bring together all the stakeholders in this global pursuit.

I would also like to acknowledge the presence of scores of representatives of non-governmental organizations who have been observing this exchange in the gallery of the chamber. They too are stakeholders in this process and will give voice to civil society recommendations at the International Conference on Financing for Development in Doha at the end of November.

From what we have heard today, it is very clear that there is broad-based agreement on the need to work together to identify the new elements for our outdated international financial architecture and long-term solutions to the faltering governance of our global economy.

The UN is accustomed to dealing with problems without borders, especially those that no single government or group of governments can solve alone. Its system of regional commissions, specialized agencies, funds and programmes maintain a global presence working with national governments throughout the world. It draws on a deep pool of expertise and wisdom that will be very helpful in providing support for long-term solutions to this crisis.

Today we have deepened our understanding of the systemic nature of this breakdown and heard many constructive recommendations.

We know that the global consequences of the current financial crisis are having a devastating effect on our economies, especially in developing regions. The Millennium Development Goals, vulnerable in the best of times, are under siege. Many of you have reminded us that economic policies translate immediately into life and death issues in many societies.

Most of us here today are convinced that our problems do not have to provoke wider human tragedy. But to address this downturn and prevent future crises, we cannot continue with business as usual.

There is urgent concern that we deal with the devastating loss of confidence and trust in our international financial institutions, which have proven to be so unprepared and inadequate in the response to today's turmoil. Rebuilding that confidence, dear friends, requires exploring new paths, and traveling them together.

The need to construct a more responsive international financial structure has been strongly addressed. This requires the reform of existing institutions and the introduction of new ones

Our diverse panelists have pointed the way regarding institutional solutions to the crisis we face. But the unanimity in their concern for the human costs of this crisis is particularly striking. They spoke of the small farmers and urban workers, women and men and their families who through no fault of their own now face food shortages, reduced social services and unemployment.

These people are as distant from the origins of this crisis as the bankers are from their small farms in Ecuador and Kenya and Cambodia. Yet they will suffer the most. It is no longer acceptable that the poor and vulnerable pay for the costs of our mistakes.

As Professor Stiglitz put it, a market that socializes risk and privatizes profit is no longer acceptable. Then, many of you ask, who will pay for the recovery and the new mechanisms required to prevent another breakdown of this magnitude? We need to ensure that businesses are not starved for credit and people keep their jobs, their homes and food on the table.

In this regard, several of you made the case for the establishment of a new multilateral reserve fund to ensure the liquidity for developing countries in times of downturn. China, Russia and the oil-producing countries, for example, possess large foreign exchange reserves. But which of them will entrust this money to the existing institutions that have such poor records of impartiality and transparency?

Clearly changes in such global economic arrangements can only be successful if there is broad involvement in creating them and strong confidence in their implementation.

The same is true for international oversight mechanisms and the enforcement of regulations, instruments to safeguard emerging markets and ensure the transparency of cross-border financial activity, including the banking sector. All of these are required for the long-term stability and equity of the global financial system

I believe that the United Nations is a good-faith partner in this process, which we all know will be difficult. I will do my part within the General Assembly to rebuild the trust required to work together and ensure that all voices are heard.

In the weeks and months ahead, we must stay engaged in the search for solutions that transcend narrowly defined national interests. We must ensure that the changes that are decided on truly serve the good of all our peoples, nations as well as our fragile planet. We must draw on the resources and good will of all Member States to keep their promises in these trying times.

There are many opportunities ahead that will enable our ongoing consultations and negotiations. We look forward to working with the Secretary-General, the Economic and Social Council, the Security Council and all Member States to ensure that the results of these efforts strengthen the capacity and the credibility of the entire United Nations. Only with democratization can we fulfill the trust that so many people have placed in this Organization to represent them in the process of constructing a new international financial architecture.

Thank you

[Back to Top](#)