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ITEM 17 (B, C): MACROECONOMIC POLICY QUESTIONS
STATEMENT BY GEORG SPARBER, SECOND SECRETARY

Mr. Chairman,

The current economic situation is fragile and recovery from the 2008/2009 financial crisis has significantly slowed down. The international financial system has shown a degree of instability and displayed inherent risks that we had hoped would have been addressed more stringently through political decisions. In the wake of the crisis, the G20 have proven their ability to avert the most negative impacts of the crisis. They have also set up an agenda to sustain growth in developing countries. We welcomed these efforts on many occasions. At the same time, we emphasized that there is no alternative to the United Nations as the only genuinely global governance framework, where decisions of global impact belong and should be implemented. As a member of the Global Governance Group (3G) we believe these claims to be fully compatible. The G20 are an informal group of diverse composition representing a large portion of the world's population and economic strength. Decisive inputs and initiatives can therefore come out of the G20 in areas where economic policy coordination and cooperation are needed. The G20 have had an ambitious agenda under their current and past presidency, in particular also with respect to development policy. The time has now come to focus on implementation and we are pleased by signals pointing to a consolidation rather than to a further expansion of the G20 agenda by the incoming presidency. Implementation of global economic policy decisions is only secured through transparent and inclusive consultations in fora with universal

representation. Therefore, implementing those G20 policy decisions that have global impact necessarily involves the United Nations. Those decisions should feed into the work of this Committee. This is our understanding of complementarity between the United Nations and the G20.

Mr. Chairman,

The negative impacts of the financial crisis on hard earned development gains should motivate us to improve the current global economic and financial architecture. The United Nations should play a central role in this undertaking. We currently see two obstacles to a more effective role of the United Nations in global economic governance:

First, there has been a political stalemate among major political groups on macroeconomic questions before this Committee for too long. While differences of principle on certain subject matters are to be expected, such differences should not be allowed to stand in the way of pragmatic improvements. Moreover, such differences should not arise with regard to the question whether the United Nations is the appropriate forum to discuss these issues. By virtue of its inclusiveness the United Nations has the obvious legitimacy to discuss any topic of global concern, in particular in the economic and financial field.

Second, at the United Nations discussions on the international financial system and related issues are often led from an exclusive foreign policy perspective. We need more independent financial and economic expertise, in particular with regard to systemic risks affecting the global financial and economic architecture. The Committee's work would benefit substantially from such input. The idea to establish an expert panel to provide such input seems therefore appealing to us, while we share the concerns of many States that such a panel could fall victim to politicization. The establishment of such a panel must go hand in hand with the serious streamlining of other mandates dealing with global economic and financial issues, in particular in the follow-up to the 2009 Conference on the Financial and Economic Crisis and its Impact on

Development, and the macroeconomic agenda of this Committee itself. We hope that we will soon have a critical mass of political will for such a comprehensive institutional reform exercise.