

[LEFT] Part I on Prime Minister Ralph Gonsalves' speech to the United Nations Conference on the Economic Crisis; [RIGHT] Part II of Prime Minister Gonsalves' statement (The entire statement can also be viewed via RealPlayer by clicking [HERE](#) )

UNITED NATIONS (NEW YORK, NY), June 25, 2009: - Dr. the Hon. Ralph E. Gonsalves, Prime Minister and Minister of Finance of Saint Vincent and the Grenadines delivered an impassioned call for reform of global financial systems and architecture in response to the deepening world economic crisis.

Prime Minister Gonsalves said the small, open and vulnerable Caribbean economies had been "globalized" out of their agricultural exports, particularly bananas; were in danger of being "climatized" out of tourism because of sea-level rise and global warming; and stigmatized out of attempts to diversify through financial services. Contrary to the title of the Conference, the countries of the Caribbean viewed the world to be ensnared in more than a mere financial and economic crisis -- it was a profound crisis of capitalist globalization. Regulatory failure of banks, insurance companies and other financial institutions reflected the triumph of neo-liberal ideology, which had sought to roll back any interventionist role of the State in an effort to be minimalist. But "the chickens have come home to roost, as the poor and the working people suffer consequentially", he said, listing the crisis' numerous impacts, such as rising poverty and unemployment, shrinking foreign direct investment and strained social safety nets.

Remarking that the crisis had laid bare an unsustainable and unethical mode of production, consumption and distribution, he said the "limited" and "unimaginative" corrective measures suggested by some States and institutions seemed "bereft of logic and value". He questioned why countries should be forced to borrow from those whose bad advice and reckless regulatory neglect had precipitated the crisis in the first place. The responsibility for the crisis lay in the world's unregulated financial centres and in those who had considered it their right to prescribe and proscribe other people's policy space. In contrast, in its search for a solution, the Government of Saint Vincent and the Grenadines would seek an enhanced space where the role of the State was vital. In its view, a good solution to the crisis required a framework for a modern, competitive, many-sided post-colonial economy that was at once local, national, regional and global. It must be people-centred.

In dealing with the crisis, he said, his country had sought to strengthen bonds with other nations through various regional groupings, and added that the spirit of multilateralism must

inform the engagement of the United Nations in the crisis. Believing that United Nations involvement was essential, Saint Vincent and the Grenadines had been "deeply" and "centrally" engaged in drafting the Conference's outcome document, and its Permanent Representative was a co-facilitator. While the document did not fully reflect all of the country's interests, needs and ambitions, it was an important and actionable first step. Its 20-point action plan touched on the peculiar needs of small island developing States; called for a people-centred solution; stressed the need for solidarity and the need to restore confidence in open trade; and acknowledged the right of developing countries to employ trade defence mechanisms. It also called for national stimulus packages that did not affect other countries adversely, and demonstrated an understanding that developing countries needed the flexibility to implement counter-cyclical measures.

He called on the General Assembly to implement the outcome document's call for an intergovernmental working group to be established, so as to operationalize the 20 principles. Quoting John Maynard Keynes, he said the crisis had exposed the contradictions and inequalities of capitalism as practiced by the world. "This moment [...] must be the point at which we take financial ideological orthodoxy outside of the box of stagnation and failure," he said. Applauding the vision of the Government of Venezuela, which had first conceptualized a formal United Nations conference on the crisis, he also welcomed efforts taken by allies in the North, particularly the new regulatory and institutional arrangements proposed by President Barack Obama of the United States.

Prime Minister Gonsalves also chaired a high level roundtable discussion on the impact of the crisis.

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Prime Minister Ralph Gonsalves co-chairing a high level UN roundtable on the financial crisis.

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