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Statement by Dr. Wade F. Horn, Assistant Secretary for Children and Families, U.S. Department of Health and Human Services, on Resource Mobilization and Enabling Environment for Poverty Eradication in the Context of the Implementation of The Program of Action for the Least Developed Countries for the Decade 2001-2010, in the ECOSOC High Level Segment, New York, June 29, 2004

Thank you, Madam Chair, for the opportunity to address the Council on a matter of great importance to the United States and the international community.

The United States is committed to eliminating poverty, expanding the circle of development and prosperity, and strengthening domestic institutions to sustain that development. President Bush has said that “the advance of development is a central commitment of American foreign policy” and that “development provides the resources to build hope and prosperity, and security.”¹

To this end, my remarks will address three sets of interrelated issues:

- First, creating an environment for sustained growth and poverty eradication in least developed countries;
- Second, U.S. policies and programs that promote economic development and combat poverty;
- Third, the importance of domestic social institutions, in particular the family, in successful anti-poverty strategies.

Creating an environment that enables sustained growth and poverty eradication in Least Developed Countries (LDCs)

The extent of global poverty is overwhelming, but we should not forget the progress already made. From 1981 to 2001, the proportion of the global population living in extreme poverty fell by almost half, from 40 percent to 21 percent. Gains have occurred in every region, except for sub-Saharan Africa.

¹ President Bush’s remarks on Global Development at the Inter-American Development Bank, Washington, D.C. March 14, 2002

History also shows us certain characteristics common to developed nations and sustained economic growth and development. These characteristics also are needed in LDCs, particularly as they work toward graduation from the LDC list. The Secretary General's report for this High Level Segment references, for example, the need for "efficiency and transparency of domestic administration and public spending," "accountability," "effective governance and the rule of law," investments in "education and health sectors," "guaranteed property rights," as well as "creation of inclusive systems" and "empowerment of people, particularly women."²

Similar principles were articulated by President Bush when he said, "America must stand firmly for the nonnegotiable demands of human dignity: the rule of law; limits on the absolute power of the state; free speech; freedom of worship; equal justice; respect for women; religious and ethnic tolerance; and respect for private property."³

Promoting economic freedom is an essential ingredient for development. The UN Commission on the Private Sector and Development, appointed by the Secretary General, concluded that small, private enterprises in developing countries represent the largest potential source of resources for development. G8 leaders meeting in Sea Island, Georgia this month endorsed an action plan for poverty eradication, grounded in the Commission's findings.

The United States' efforts to combat poverty and promote sustainable growth

The U.S. commitment to eradicate poverty does not consist simply of lofty ideals. Last year, the United States provided \$15.8 billion in Official Development Assistance (ODA). U.S. ODA has grown at a rate of 12 percent per year since 2001, the most significant increase in U.S. development assistance since the 1960s.

President Bush announced the Millennium Challenge Account which encourages and facilitates eligible countries to embrace political and economic reform. The MCA will increase United States' official development assistance by \$5 billion annually by 2006. To be eligible, nations must rule justly, invest in their people, and promote economic freedom. This includes rooting out corruption, respecting human rights, adhering to the rule of law, and improving their health care systems and their schools. They must unleash the energy and creativity necessary for economic growth by opening up their markets, removing barriers to entrepreneurship, and reducing excessive bureaucracy and regulation. Eight of the 16 countries selected for assistance in the first year are in the LDC group.

In 2003, over 95 percent of U.S. imports from AGOA-eligible countries entered the United States duty free, under AGOA, its GSP provisions, or zero-duty MFN rates. 24 of the 37 eligible countries are also eligible for the additional apparel benefits under AGOA. In the 4 years since AGOA was launched, we have seen exports to the U.S. under AGOA and its GSP provisions almost double to \$14.1 billion last year. AGOA has spawned

² ECOSOC, High-Level Segment, Report of the Secretary General.

³ The National Security Strategy of the United States of America, September 2002, p.3.

new manufacturing investment in Lesotho, Mali, Tanzania, and Uganda, generating thousands of new jobs. In addition, the U.S. Generalized System of Preferences provides duty-free treatment for the vast majority of LDC products.

The United States attaches great importance to the successful completion of negotiations to fulfill the Doha Development Agenda. Concerning agricultural trade, the U.S. has proposed ambitious world-wide reforms in market access, domestic support, and export competition with the long-term goal of eliminating all tariffs and other trade-distorting policies. These reforms would spur growth in agricultural trade and promote greater equity in world agriculture.

In addition to sound economic policies, we must confront the global crisis of AIDS. Through the President's Emergency Plan for AIDS Relief, we have committed \$15 billion over five years to combat the disease in 14 severely affected countries, 7 of which are LDCs and 12 in Sub-Saharan Africa. Congress appropriated the first funds earlier this year, and we are implementing programs for anti-retroviral treatment, abstinence-based prevention along the lines of the successful Ugandan ABC model, safe medical practices, and care for orphans and vulnerable children. Additionally, the United States helped launch and remains the largest donor to the Global Fund to Fight AIDS, Tuberculosis and Malaria, contributing \$623 million and pledging nearly \$2 billion through 2008.

The importance of domestic social institutions, in particular the family, in poverty eradication strategies

Yet, poverty eradication will not be accomplished solely through entrepreneurship, investment, trade and aid. We believe that, along with these, strengthening domestic institutions, particularly the family, is crucial to any long-term strategy for poverty reduction.

UNICEF has stated that "Poverty Reduction Begins with Children."⁴ Indeed, during the commemoration of the International Day of Families, UNICEF stated that "while 14 million children under 15 have lost one or both parents to AIDS, mostly in sub-Saharan Africa, only six of the region's countries have addressed the needs of children orphaned by AIDS in their national poverty reduction plans, and none have specifically included this concern in poverty reduction budgets." UNICEF argues that "The best way to help children is to prevent families from being disrupted in the first place."⁵

Indeed, family disruption imposes enormous and enduring costs to society. For example, research in the United States and other parts of the world has found that compared to children with married parents, children living with a single parent are five times as likely

⁴ http://www.unicef.org/publications/index_5616.html

⁵ UNICEF, Press release, "On Day of Families, Remember Children who are Alone, Children Without Parents Face Greater Risk of Abuse," New York, 14 May 2004.

to be poor, and more likely to drop out of school, to suffer emotional or behavioral problems, to commit suicide, and to be victims of child abuse or neglect.

That is why President Bush, in his proposal to Congress for reauthorizing the 1996 Welfare Reform Law, prioritizes the need to make welfare focused on the well-being of children and supportive of families including programs that encourage healthy and stable marriages, and responsible fatherhood. Strengthening the family is thus a cornerstone of the United States' policies and programs.

In this connection, we join the United Nations and the international community in celebrating this year the 10th anniversary of the International Year of the Family. The United States looks forward to the reports on the 10th Anniversary of the International Year of the Family coming to ECOSOC from various UN agencies and their eventual reporting to the 59th session of the General Assembly this fall.

Conclusion

Before closing, Madam Chair, I would like to speak to the issue of graduation from the LDC list. It has been 10 years since a country graduated from the LDC list. Some countries on the LDC list no longer meet the objective criteria for LDCs, while others with similar conditions are not on the list. The United States hopes that the graduation process will resume at this session of the Council.

The United States remains committed to international efforts to promote sustained growth and combat poverty in LDCs. We believe not only in the rights and dignity of our own citizens, but in the rights and dignity of people everywhere. The character of a society can be fairly judged by how it treats the weak, the unborn, the vulnerable, women, children, the most easily forgotten. As such, we believe that everyone has a place and a purpose in this world, that every life matters, that no insignificant person was ever born.

As President Bush has said "A compassionate society sees needs and suffering beyond its borders, and cares enough to act."⁶ Our efforts to eradicate poverty by promoting sustained growth through trade and aid, investing in people, and strengthening domestic institutions attempt to do just that.

Thank you very much.

⁶ Remarks by the President at Concordia University Commencement, Mequon, Wisconsin, May 14, 2004.