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## Statement by MR. SHA ZUKANG UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS TO THE ECOSOC HIGH-LEVEL SEGMENT THEMATIC DISCUSSION <u>Geneva, 8 July 2009</u>

Introduction of the Report of the Secretary-General on the current global and national trends and their impact on social development, including public health (E/2009/53)

Madame President, Distinguished Delegates, Ladies and Gentlemen,

I have the honour to introduce the report of the Secretary-General (E/2009/53) on the theme of "current global and national trends and their impact on social development, including public health". The report covers in detail the impacts of recent trends in the financial, economic, food, fuel and climate change areas. I would like to highlight some of the key messages.

Firstly, the world economy, after several years of robust global growth, is forecast to contract significantly. Virtually all economies will see a marked slowdown in 2009, with the contraction in the developed economies translating into weaker growth in all other countries. Of particular concern is that growth will fall below the level needed to make meaningful progress towards the Millennium Development Goals.

Second, the threat of climate change looms large. Recent studies suggest that the pace of change is much faster than earlier predicted. All evidence points to the need for bold collective actions to reduce greenhouse gas emissions and for a comprehensive agreement at Copenhagen later this year, on both the environmental and developmental challenges of addressing climate change.

Third, the global financial and economic crisis has exacerbated the effects of the food and energy crises, which have already pushed 130 to 155 million people into poverty. This constitutes a major setback in efforts to achieve the MDGs, particularly the goal of eradicating extreme poverty and hunger. Many people, especially in the poorest and most vulnerable countries, are faced with a sheer struggle for survival.

We cannot allow the sense of urgency surrounding the food crisis to fade, as the crisis is far from over. The food shortages are likely to resurface. It is therefore imperative that the commitments made to address the food crisis – including the impetus for strengthening the agricultural sector – should be kept by all. Increased food prices have also led to reductions in dietary quality, even among populations not normally considered food insecure. This dietary change is severely affecting the health and nutritional status of hundreds of millions of people.

Fourth, at this time of economic hardship, social cohesion is under threat, with rising social tensions and an increase of violence. Rising unemployment and levels of poverty, and a general sense of despair, can potentially fuel social conflicts. Lack of social cohesion is likely to undermine efforts to deal with the consequences of these crises as well as to meet the MDGs.

Fifth, fiscal revenues of low-income countries are likely to fall as a result of the economic downturn, which could force cut backs in social spending, with long lasting effects on human development. An intensified effort must be made to maintain or increase resources for public investments in the social sector in order to achieve the MDGs.

Sixth, job losses are increasing rapidly, which will have a deep impact on the livelihoods of the working poor, pushing many under the poverty line. Volatility in financial markets has particularly harmful effects on prospects for decent work. The current efforts to stimulate economies should include a strong focus on generating productive employment and decent work for all.

Seventh, the current crises are set to have profound implications for public health. The full impact is still being analyzed. Yet, we are starting to see that populations' health, as well as health services, will worsen as unemployment rises, as safety nets for social protection fall short, as savings and pension funds erode, and as health spending drops. Non-communicable diseases will likely increase. We need to pay special attention to the negative impact on health outcomes, especially for vulnerable populations.

Fiscal consequences will have severe impacts on the health sector, as financial and economic policies and public health are closely linked. So are the health and social policies. All social determinants of health will be impacted. Preserving health spending is therefore critical to ensure care and can serve as a bridge for economies to recover from the crises.

I would like to highlight a particular aspect of public health. In the aftermath of conflict, there is a strong peace dividend in ensuring greater access to healthcare. While health initiatives alone cannot lead to the consolidation of peace, providing healthcare to populations living in war-torn areas is one way to promote reconciliation.

Finally, in our interdependent world, many of the threats and challenges cannot be met by independent actions. The recent influenza pandemic has also underscored the need for collaborative action. We need to take a global and long-term perspective. Development cooperation must not falter. There should be no backtracking on commitments to the developing world. The implementation of large-scale internationally coordinated fiscal stimulus packages, aimed to reactivate the global economy, should be aligned with long-term sustainable development goals. They must address the health goals and social objectives, as set forth in the Millennium Development Goals.

While these multiple challenges are daunting, I trust that the deliberations of this Council will guide us toward finding the right policy mix for developing an effective, collective response.

Thank you.