

Statement

by

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at the

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Mr. President,

We welcome the opportunity to participate in the discussions in the High-level segment of the ECOSOC on the implementation of the development agenda. This would enable us to discuss the key challenges and possible actions that would help developing countries in their efforts to achieve the Millennium Development Goals and other development priorities. We look forward to the demonstration of political will at the high-level event of the General Assembly later this year, which would undertake a comprehensive review of all the commitments made in the Millennium Declaration as well as in the outcomes of the major UN Conferences and Summits. We associate ourselves with the statement made by Jamaica on behalf of the Group of 77.

Mr. President,

The Millennium Development Goals embody a quantifiable vision of human dignity and solidarity and of certain important economic and social rights. In this sense, they carry forward the Right to Development. They are not an economic framework or blueprint or even a new strategy but are extremely important as indicators of progress in achieving these rights and as a stimulus to action in the North and the South. Unfortunately, the 8th goal which is not just 0.7 per cent ODA or innovative finance but action on debt, on trade, on technology does not have clear timetables and targets. When implementing these

goals, it is important to bear in mind that important objectives such as employment, critical for all developing countries are not included. More important, they would be difficult to achieve on time without the application of science and technology and, above all, the addressing of systemic issues, including global economic governance. In this context, we hope that the MDGs would be mainstreamed into PRSPs by the Bretton Woods Institutions without becoming new conditionalities.

A few illustrative comments may be in order. Scientific research in India has resulted in clinical trials of an HIV AIDS vaccine which would be marketed in three to five years; the DNA recombinant vaccine for Hepatitis B and the drug for cerebral malaria are already being supplied to developing countries. The use of satellites and remote sensing increases manifold the certainty of striking water sources. In India, the Employment Guarantee Bill has just received detailed and helpful comments from the concerned Parliamentary Committee; given overflowing foodgrain reserves and unutilized industrial capacity it can be implemented without any net indebtedness for the Government. Using \$ 2.3 billion from our foreign exchange reserves in an innovative, special purpose financial vehicle for long term investment in rural infrastructure would increase both output and employment. For all the three goals concerned with public health, apart from the relationship between poverty, disease and deprivation, remembering the social basis of disease and devising welfare strategies to address this is crucial. Here, one has to see the danger of a purely quantitative technocratic approach. Giving Zinc and micronutrients to under-nourished children or promoting reproductive health irrespective of the general health of women would fail to address the problems since they would keep recurring unless the systemic cause that creates them is effectively addressed. Commodification of health care has to be avoided.

The imperative of liberalisation and attracting foreign capital implies inevitably low tax-GDP ratios and sharply reduced fiscal deficits, both of which inexorably mean a cut in government expenditure and human development sectors such as health and education are the first to be targeted. Direct tax cuts, accompanied by liberalisation of consumer goods imports, accentuate inequalities of income and consumption and may even stimulate de-industrialisation. One of the reasons for economic gap between the developed and developing countries is regimes that restrict, control or deny technologies. To give one example, India was denied the Cray Supercomputer; she developed her own more powerful Param Supercomputer which was also sold to some countries: the Cray company went bankrupt. The revolution in information and communication technologies offers us the tool to face the challenges of globalisation. It is ironic that the shrinking of the world as a result of technology and communications should be accompanied by evolution of controls that restrict movement for the peoples of the developing world. It is imperative that such regimes are liberalized as quickly as possible. Further, any achievement of MDGs in a sustained manner, leading to real economic transformation, is hardly possible without a fundamental reform of international financial, monetary and trade institutions, a successful realisation of the development agenda of the Doha Round, and the United Nations recovering the role it had in the mid-Seventies of setting the international economic agenda.

If globalisation is inexorable, multilateralism has to be its life-sustaining and corrective mechanism. An increasingly globalising world reinforces the growing interdependence among nations. No one country can take on the exclusive responsibility of ensuring peace and security and/or development. The early reform and reinvigoration of the United Nation system to reflect changed ground realities acquire a certain urgency. It is particularly important to address the deficit in global decision-making through enhanced participation of developing countries in the international institutions. There has been little progress in implementing the agreement in Monterrey to enhance the participation of developing countries and giving them a greater voice in the decision-making processes. Addressing this question at a very early opportunity could have a direct and beneficial impact on the ability of the developing countries to influence the multilateral systems which do not always take their interests into account.

Mr. President,

The report of the Secretary-General emphasises the role of the State in socio-economic development and the importance of public investment in this context. We believe that the role of the State should not be limited to merely providing a favourable macro-economic, legal and regulatory framework for private sector growth and for attracting investments from abroad. It also needs to undertake substantial investment in human development sectors and in basic physical, social and institutional infrastructure, and in the promotion of science, technology and innovation. Reduction in rate of child mortality cannot be achieved without improving access to safe drinking water and basic sanitation, roads that facilitate access to schools and hospitals, and electrification that improves efficiency of basic services. It is a truism that rate of growth cannot be increased without increasing the investment ratio and the marginal output capital ratio. In short, both finances and efficiency are required. The Sachs Report has clearly concluded that ODA levels cannot be increased sufficiently and sufficiently rapidly to meet development demands, including the achievement of MDGs. Therefore, innovative financing is inevitable. There are different proposals ranging from an international travel surcharge through a variant of the Tobin tax and developmental SDRs to the most apparently popular, namely, an International Finance Facility that would leverage the amount got by frontloading ODA in the money market, presumably through bonds, to raise resources for development. In any case, it would be important to ensure that ODA does not fall below a pre-committed level. Good global economic governance is as important as good national governance for economic efficiency.

Trade is an important instrument of development. Achievement of MDGs hinges critically on realisation of the development dimensions of the Doha Round of trade talks. A major reform of agricultural trade and subsidies policies in developed countries is needed so that agriculture can become an engine of growth and poverty reduction in developing countries. Liberalisation of services sectors to facilitate exports and removal of service provision restrictions will be essential to enable countries to reap the benefits of their comparative advantages. In the case of NAMA, it is particularly important that any reduction formula adopted does not infringe the principle of special and differential treatment and the flexibilities available to developing countries in the July 2004

Framework Agreement. It is time to bring down the barriers not just against trade but also the barriers to development erected in several industrial economies which deny opportunities for faster growth in developing countries.

Mr. President,

We would be supportive of the Economic and the Social Council playing its due role in promoting awareness and giving policy guidelines in the area of development cooperation. The central question is one of political will – in allowing ECOSOC to discharge its responsibility, and not so much its mandate. Article 55(a) and (b) of the UN Charter seeks to promote higher standards of living, full employment and conditions of economic and social progress and development and solutions of international economic, social, health and related problems. We support, in particular, measures that would give practical effect to the provisions of the Charter in the coordination, policy guidance and oversight functions of ECOSOC with regard to its own functional commissions and subsidiary organs and funds and programmes and above all, the Specialised Agencies of the UN system. We believe that the strengthening of ECOSOC in this way would help in the UN retrieving the economic agenda and in providing guidance to other institutions dealing with trade, money, finance and technology.

Thank you, Mr. President

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