

Presented by Dr. Arjun K Karki, President of LDC Watch
To ECOSOC High-Level Segment Preparatory Meeting (Round Table A)

*Resources Mobilization and Enabling Environment for Poverty Eradication in the
Context of the Implementation of the Programme of Action for the Least Developed
Countries for the Decade 2001-2010*

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UN Headquarters, New York

Mr Co-Chairs,

Thank you for this opportunity to present my concerns as a representative of civil society organizations in what has been categorized as Least Developed Countries (LDCs). The topic for this roundtable--the mobilization of domestic resources--is right at the centre of the Brussels Programme of Action. Doubtless, much of the Programme's success or failure depends on how resources are mobilized and allocated domestically.

Mr Co Chairs,

Three years after the Brussels Conference, a lot has changed in the political landscape of the world. The single event of 'September 11' has brought about significant shifts in policies and priorities. The so-called 'war on terrorism' has since been a doctrinal principle of global politics. Domestic arenas are not untouched by this fatal policy shift.

This shift has strong implications for, among others, resource mobilization at various levels. Today, a huge amount of resources goes to fight the elusive enemy, **terrorism**, while the evident enemies--**poverty and want**--have been left to grow more dangerous than ever before. Consequently, poverty, poverty-catalyzed diseases (malaria, tuberculosis, diarrhoea, cholera...) and such epidemics as HIV/AIDS, which gains its strength from poverty, claim hundreds of lives each day. Revolutionary achievements in science and technology, the wealth of epidemiological knowledge that we have gained about these diseases and the piles of resolutions, declarations and commitments made have not helped us fight them. Mr. Co chairs, it is shame on the progress of science and technology, shame on our expertise and knowledge.

On this background, I would like to raise a few concerns for your serious attention:

- The earth is not resource poor, but the resource distribution is unequal, globally as well as domestically. The vast majority of the people, particularly the rural folks and indigenous people, who in fact are the custodians of the natural resources, are deprived of the very resources they have nurtured and cared for, while a small minority commands control over them and exploits them extravagantly and in a manner which means that re-generation is not possible. This unequal distribution should end. The peoples' right to resources should be guaranteed and indigenous methods of resource protection and regeneration should be adopted. We should learn from the people to 'use', not 'exploit', resources. It is only through empowering the people--the rural folks, the indigenous people, the fisher folks, the highland people, women, the ethnic and minority groups, the aborigines--that domestic resources can be protected, generated and mobilized to create an enabling

environment for poverty eradication. National policies should be enacted accordingly. The effective development of rural resources should accord the highest priority in most LDCs because the vast majority of the population is dependent on natural resources for their livelihoods.

- We must realize that internal conflicts and terrorism stem in large part from deprivation and discrimination and the resultant poverty and want. Conflicts, be they internal or external, can best be handled only when the root causes—the deprivation and discrimination—are addressed. Addressing deprivation and discrimination calls for political reasoning and political actions. The current focus on military solution to these problems is extremely faulty. There should be an immediate halt to building defence infrastructure. The resources being allocated for defence should be channelled to building basic infrastructure in LDCs (link-roads, schools, health posts, safe drinking water supplies) and creating livelihood opportunities through which to mitigate the causes and effects of poverty. As long as discriminatory policies and structures exist to divide people between the rulers and the ruled, the causes of conflicts and wars cannot be eliminated.
- The effects of globalization have been harmful to LDCs; it is proven. To the credit of the architects and proponents of globalization, costs and risks have been globalised and decentralized down to local communities, while opportunities and privileges have been centralized into a few hands. The poor communities, their local market systems and emerging national economies in many LDCs have been threatened by the hegemonic market rules unleashed by the IMF and WTO thereby resulting in fiscal crises. This should stop forthwith. The IMF and WTO should be radically reformed.
- Debt servicing poses a major challenge to domestic resource mobilization. Since a large part of domestic revenue goes to debt servicing, much fewer resource remain for investment in national infrastructure for poverty eradication. Take for example: my country Nepal spends nearly 50 per cent of annual government revenue for foreign debt servicing. As per international human rights law, every country and every society has the right to resources. Those who are resource-rich have a duty to assist their resource-poor counterparts. It is very unfortunate that the rich countries often fail to abide by their international obligations. I insist, as I have been doing for years in such fora, that all the so-called debts be cancelled immediately.
- Some of the foreign aid conditionalities run counter to the principles of justice, equity and empowerment, and thus are detrimental to domestic resource generation and mobilization, the key to fighting poverty. Such aid conditionalities should be seriously reviewed and restructured. Let us all be reminded that foreign aid should not contribute to widening the gap between the rich and the poor, and fueling resource conflicts.
- Corruption and irregularities in our own countries is a major impediment to domestic resource mobilization. It is vital that our governments operate as per the principle of good governance if the fight against poverty, injustice and inequity is to proceed through the rule of law.

Thank you for your attention.