



**STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE AT THE
GENERAL DEBATE OF THE SECOND COMMITTEE OF 60TH SESSION OF THE UN
GENERAL ASSEMBLY ON OCTOBER 3, 2005**

Mr. Chairman,

My delegation would like to congratulate you and other members of the Bureau on your election. We are confident that under your able stewardship the work of the Committee will be productive. My delegation assures you of our full cooperation for the successful conclusion of the work of the Committee.

We associate ourselves with the statement made by the distinguished Permanent Representative of Jamaica, Chairman of the Group of 77.

Mr. Chairman,

We would like to express our appreciation for the statement made at the beginning of this debate by the Under-Secretary-General for Economic and Social Affairs, Mr. José Antonio Ocampo and for sharing with us his insight on the world economic situation and prospects. The medium term prospects continue to be clouded by geo-political uncertainties as well as some clear sources of potential setbacks, notably being among these escalating energy prices and slackening growth of international trade, The increasing protectionist tendencies in advanced economies threaten to thwart progress on trade. The latest World Economic Outlook projects world trade volume growth to decelerate to 6.6% in 2005 from 10.3% in 2004. Unlike many industrialised economies, the welfare implications of oil prices in developing countries, impacting on large segments of population, need to be recognised.

The 2005 World Summit Outcome Document has shortcomings but it is worth remembering that what was achieved on economic issues by developing countries was to the extent of their solidarity. This remains important in the process of implementation. Any implementation schema should not obscure the fundamental objective, namely, the rapid economic growth of developing countries enabling them to meet the MDG targets, especially and substantially reduce poverty and increase employment. Resistance to unjust international regimes is bound to grow. The fundamental objective of any government is to defend the livelihood of ordinary people. Any treaty that impinges adversely on this cannot long endure.

To give an example from my own country, yesterday, there was a rally of 100,000 farmers in Mumbai demanding that agriculture be taken out of the WTO.

The Outcome Document recognises that the realisation of the Millennium Development Goals would require a stronger international cooperation for development. Most of us had much higher expectation from the Summit in the area of development, particularly with regard to clear political direction in the area of finance, trade, technology and debt relief. It is heartening to note that the Development Committee communiqué of September 25, 2005 of the IMF and World Bank refers to the Outcome of the Summit in urging the developed countries to make concrete efforts to achieve the target of 0.7 percent of GNP for ODA and to continue to build the necessary political consensus on enhancing the voice and participation of developing and transition countries in their decision-making structures and processes taking into account progress in the context of IMF quota review. The weights and quotas are the result of gerrymandering in 1945 and the United Nations will have to keep a vigilant eye on the process of reform of Bretton Woods institutions. Similarly, it is vital for the UN to give such political direction to the WTO Ministerial meeting in Hong Kong later this year. The progress in the trade negotiations has been disappointing considering the hopes that were raised after the 'July Framework Agreement'. The attempt to achieve First Approximation did not even approximate to an approximation. Demands for reduction of *de minimis* payments by all countries goes back on the July Framework and is unacceptable to developing countries with subsistence farming and resource poor farmers. It is equally important to address the issues of proportionality and progressivity and the issue of flexibilities including special products and special safeguard mechanism for developing countries. The overarching principle of Special and Differential Treatment is a categorical imperative. In the absence of elimination of agricultural subsidies by the developed countries and non-agriculture market access, import liberalization by the developing will only lead to domestic demand constraint and industrial recession. Therefore, a clear political direction to the Hong Kong WTO Ministerial which, in spite of broad political support across negotiating groups, was not possible in the Outcome Document remains necessary. The cutting short of the process of negotiations has not cut short the relevance of the message.

The Outcome Document, in the context of commitments and initiatives aimed at enhancing resources for the developing agenda, recognises the progress made on the Innovative Financing Framework for Immunization [IFFIm]. Operationalising the IFFIm is particularly important, since frontloading aid will enable many recipient countries to overcome the initial critical bottleneck in pursuing MDGs. As proposals for innovative sources for financing reach maturity, establishment of robust and efficient mechanisms to track ODA flows would become vital, more so in the context of the recent debt relief initiative. For defending the livelihood of its people, the sovereignty of the State is important and that which erodes the autonomy of policy space needs to be reformed and checked. Hence, the need for reform of Bretton Woods institutions. And hence also the need for controls on speculative capital flows. A Tobin Tax kind of measure is not simply a means of innovative financing but also of strengthening policy autonomy through checking speculative capital flows. For economic stability and economic justice Keynes had regarded "the euthanasia of the rentier" as necessary; unfortunately, the rentier is waxing fat and kicking.

This is equally in the interests of the developed world. Paul Volcker is spoken of in the context of oil-for-food. It is worth remembering that he has also predicted a serious financial

crisis in the next five years (Bond, "US and Global Economic Volatility"). The Under Secretary General DESA has rightly drawn attention to dangerous international macro-economic imbalances. Remedies are, therefore, in the interests of both developed and developing countries.

Mr. Chairman,

As we have had occasion to state earlier in the General Assembly, we welcome the proposals for intensifying global development partnership for helping Africa. It is heartening to note the G-8 commitment to double aid to sub-Saharan Africa by 2010. Consolidating economic and social progress in Africa is a challenge for the entire international community. India has an extensive bilateral programme of economic and scientific cooperation with Africa through grants and credits that also encompass the vital areas of infrastructure and public health. We would welcome through UN system, mobilization of greater resources and coalitions of the willing to come together for joint initiatives in the areas such as agriculture, water management and public health. Similar efforts, taking into account the special needs, would be required in the case of LDCs, LLDCs and the implementation of the Mauritius strategy for SIDS.

We welcome the recent initiative on irrevocable debt cancellation for the HIPC countries. India is supportive of all efforts being extended to the low-income countries, including those in Africa, where debt burdens pose serious constraints to attainment of MDGs. It is essential to ensure that the commitments to provide additional resources are implemented without delay. Moreover debt stock cancellation should be complemented by sharp increase in ODA in keeping with the Monterrey Consensus.

Environmental protection continues to remain a major challenge for developing countries. The Johannesburg Plan of Implementation, adopted by the World Summit on Sustainable Development, recognises the need for making available the means of implementation, based on the Rio principle of common but differentiated responsibilities, to assist developing countries in their pursuit of achieving sustainable development. One of the major constraints faced by the developing countries in the implementation of the Johannesburg Plan of Implementation targets is the availability of environmentally sound technologies. The global regime in place serves to inhibit the use of technology for development by impeding the rights of all to share the benefits of technological advancement, rather than facilitate their transfer to developing countries, including in the area of public health.

Mr. Chairman,

The challenge before the Second Committee will be to build on the Outcome Document in addressing the gigantic developmental challenges confronting the developing countries, whether in the areas of employment, rising energy costs, protection of the environment, or addressing communicable diseases. We hope that the implementation of the agreements contained in the Outcome Document will lead to the creation of a more favourable international economic environment that would be more supportive of our development efforts. We look forward to working with other delegations in addressing these challenges as also those on making the WTO Doha Round truly developmental, reform of Bretton Woods institutions, stable as well as innovative sources of financing in the pursuit of the development agenda.

Thank you, Mr. Chairman.

[BACK TO TABLE OF CONTENTS](#)