



STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE, ON THE FIRST UNITED NATIONS DECADE FOR THE ERADICATION OF POVERTY [1997-2006] {AGENDA ITEM 3(A)} IN THE 44TH SESSION OF COMMISSION FOR SOCIAL DEVELOPMENT ON FEBRAURY 9 2006

Mr. Chairman,

On behalf of the delegation of India, I wish to convey to you our warmest felicitations on your election. I would like to assure you of my delegation's full cooperation in the deliberations and the work of this Commission. Our congratulations also go to other members of the Bureau.

We thank the Secretary-General for his comprehensive report and the Under-Secretary-General for his statement to the Commission.

We associate ourselves with the statement made by the distinguished Permanent Representative of South Africa in his capacity as Chairman of the Group of 77.

Mr. Chairman,

Ten years after the launch of the United Nations Decade for Eradication of Poverty, the international community is still devising effective mechanisms to eradicate poverty. The progress on meeting the Millennium Development Goal (MDG) target of halving extreme poverty

and hunger by 2015, as brought out in the Report of the Secretary-General, presents a stark and grim reminder that so much still remains to be done. Sub-Saharan Africa has suffered a setback since the 1990s and needs our cooperation and support in meeting the MDG goals. The only silver lining is that East Asia and the Pacific and South Asia are on track to achieve the target of halving extreme poverty at the national level by 2015. This is the basis for South-South Cooperation; also goals cannot be achieved in reasonable time without the application of science and technology and significant flow of resources. India's 500 million dollars highly concessional credit lines to West Africa; more than 200 million dollars to NEPAD; grants of essential medicines; debt cancellation for the HIPC countries; scheme for duty free access to our market for LDC exports; substantial programmes of technical cooperation and capacity building; and the dedicated satellite and fibre optic connectivity mission for Africa are some of the ways in which we seek to assist.

The keynote speaker, my good friend the Hon'ble Ms Clare Short, has, with eloquence, succinctly summed up all the important moments in the great international enterprise of eradicating world poverty. Therefore, we shall confine ourselves to three issues: the factors (mainly economic) that seem responsible for continued poverty; an attempted answer to a famous question asked in the first decade of the last century, "What is to be done?" specially by the United Nations; and the lessons of the Indian experience and whether it is replicable.

Poverty and internal conflicts are often not simply the legacy of the colonial past or the result of current poor governance but are epiphenomena of liberalisation and the policies of international economic institutions. The imperative of liberalisation and attracting foreign capital is inevitably accompanied by risks; low tax-GDP ratios reinforced by IMF style structural adjustment reduces

investment in the social infrastructure (especially health and education). Such policies in some regions have additionally had a negative impact on rural infrastructure and food security. The problems of sub-Saharan Africa amply demonstrate the systemic impact of such policies. The IMF and the World Bank have strayed from one of their original purposes – Keynesian demand management to maintain high levels of employment. The Bretton Woods institutions have the power but no longer have the mandate. ECOSOC has the mandate but not the power. There thus exists a justifiable role for the United Nations to provide direction in the reform of international financial and trade systems to enable them to constructively and effectively support national efforts in eradication of poverty. The report of the World Commission on the Social Dimension of Globalisation called “A Fair Globalization” clearly concluded that “Developing countries should have increased representation in the decision making bodies of the Bretton Woods Institutions while the working methods in the World Trade Organisation should provide for their full and effective participation in its negotiations” and, above all, that “the UN multilateral system constitutes the core of global governance and is uniquely equipped to spearhead the process of reform.” It is no accident that the Outcome Document of the World Summit of September 2005 emphasised increasing the “voice and participation” of developing countries in Bretton Woods Institutions. The World Bank has itself recognized that poverty is not just a question of income but also of insecurity and voicelessness. Fourteen out of the eighteen countries where poverty has increased in the last decade are in Africa, mainly sub-Saharan Africa. While private sector investment is important, in this region the physical and social infrastructure is sometimes too weak to attract any. Therefore, sequencing is important and a commitment to 0.7% target for ODA by developed countries as also innovative sources of financing are crucial. So also in the case of debt cancellation by the developed world conditionalities on encouraging privatization would only

recreate the conditions that led to debt in the first place. In the post-Hong Kong negotiations in WTO, it would be important for developing countries (and we hope that the G-10 would remain active – Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela) to maintain flexibilities and policy space particularly when negotiating on NAMA tariffs, in order to avoid the danger of deindustrialization for some developing countries. As India's Commerce Minister said, "It is no use having zero duty levels on aeroplanes while maintaining a 30% duty on leather handbags"; he pointed out that our farmers "can deal with trade flows but not with the avalanche of subsidy flows from the developed countries."

The United Nations played a creative and a critical leadership role in shaping the international economic agenda in the 1970s. It has to do so again. It has shown the way in the Resolution on Trade which was adopted by an overwhelming majority and clearly brought out the relationship between TRIPS and the Convention on Biodiversity and also called for duty free and quota free access for exports of LDCs. This could not be fully achieved at Hong Kong and the struggle has to go on. Many of the concerns that we have outlined above need to be taken into account in our continuing deliberations on the strengthening of ECOSOC and on Development, specially leadership on systemic issues. Equally, there are implications for Human Rights and the forthcoming discussions on mandates. The Right to Development becomes the key for developing countries' citizens to enjoy other rights: to be shut out from the Pasture is also to be shut out from the Presence (to use the Biblical metaphor). Similarly, simply because the agenda item is more than five years old one cannot get rid of it: the agenda item can be transcended only when poverty is transcended.

In India, the poverty ratio has declined from 45% in 1983 to 26% in 2000. Time would not permit me to

describe all the major anti poverty programmes but I may mention the "Sarva Shiksha Abhiyan" (Universal Education), the Public Distribution System which makes food available to every household at an affordable price; the Integrated Child Development Scheme; the Mid-day Meal Scheme for school children; the various Food for Works programmes; the Swarnajayanti Gram Swarozgar Yojana for self employment of the rural poor; the Indira Awaas Yojana for the construction of houses for the poor, free of cost; the Prime Minister's Urban Poverty Eradication Programme for employment generation, shelter upgradation, social development and community empowerment. The National Rural Employment Guarantee programme, as envisaged in the Common Minimum Programme, launched in 2006 makes the right to work a fundamental right. It provides 100 days assured employment annually to every rural household. Such rural regeneration measures coupled with innovative rural health missions and expansion of the Universal Elementary Education Scheme would help address poverty in a holistic manner. As part of our social integration policies, the "Right to Information Act" passed by the Indian Parliament would lend voice to the citizens for accessing Government policies. New programmes to eradicate poverty and for income generation launched in India in recent years are expected to assist India in meeting its commitment to reduce the poverty level by a further 5 percentage points by 2007 and by an additional 15 percentage points by 2012. Liberalisation and de-bureaucratisation of the economy has also been accompanied by State led efforts to rapidly upgrade the physical infrastructure through investments of the order of more than dollars forty billion on roads; dollars 15 billion on ports and dollars 10 billion on airports. India has been fortunate. As the Prime Minister said recently, Indian enterprise has "emerged successfully from a battle between unequals. The secret of enterprise and creativity lies in being able to score on uneven playing fields".

The lessons of the Indian experience are in general replicable though sequencing is necessary. Liberalization of the economy has to follow a certain level of development of economic and scientific capacity. The Kuznets Curve is a myth: inequality and high growth do not automatically eventually lead to greater equality and social justice; therefore direct anti poverty programmes are necessary. Adam Smith's invisible hand is totally invisible because it does not exist: the State's role is as important as the market's. Nevertheless, unleashing entrepreneurial energies is crucial. Education is an absolute must and, on this basis, a strong incentive for the rapid development of science and, technology and its application to most socio-economic areas. Finally, it is important to keep government on track through continuous popular pressure and diverse popular movements. This point was made long ago by the Nigerian novelist Chinua Achebe: "Our rulers" must "reestablish vital inner links with the poor and dispossessed of this country, with the bruised heart that throbs painfully at the core of the nation's being". One of the most unfortunate results of globalization is the kinship of developing countries' elites with those in developed countries rather than with the poor of their own countries; absolutely reversing this is critical: hence the importance of democratic governance.

Mr. Chairman,

We welcome the suggestions of the UN Secretary-General that the Commission on Social Development, and through it the ECOSOC, should continue to address poverty eradication through an integrated and holistic approach, by evolving specific development strategies to halve extreme poverty by 2015, fostering social integration and making employment a central objective of national and international macroeconomic policies.

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