



STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE, ON  
'PROMOTING FULL EMPLOYMENT AND DECENT WORK FOR ALL' TAKING INTO  
ACCOUNT ITS UNDER-RELATIONS WITH POVERTY ERADICATION AND SOCIAL  
INTEGRATION[AGENDA ITEM 3(A)] AT THE 45<sup>TH</sup> SESSION OF COMMISSION  
FOR SOCIAL DEVELOPMENT ON FEBRUARY 10, 2007

Mr. Chairman,

Allow me, on behalf of the delegation of India, 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 of this Commission. Our congratulations also to other members of the Bureau. We broadly associate ourselves with the statement made by Pakistan as Chairman of the Group of 77.

Mr. Chairman,

In 1995, the World Summit for Social Development committed all countries to address, in a concerted manner, the challenges of poverty eradication, the expansion of productive employment and the reduction of unemployment as well as social integration. Current indicators on the progress made in each of the above three areas present a dismal picture. No doubt, the global labour force increased by 438 million workers to about 3 billion workers from 1995 to 2005. However, unemployment worldwide rose from 6 % to 6.3 % during the same period. Developing countries continue to register an increase in their unemployment rate; the most glaring has been the case of Africa, in particular Sub-Saharan Africa. It is noteworthy that, despite the increase in GDP growth rates, the unemployment rate continues to rise. Continued dependence on agriculture, high demographic growth, significant increase in youth unemployment and a record toll on the labour force caused by HIV/AIDS continues to make the challenge of full employment and decent work much more difficult in many parts of the world.

There are fears, many well founded, that liberalisation and globalisation are creating an environment that is not conducive to expanding employment,

especially in the private sector. Some distinguished economists have argued that rising unemployment is not due to globalisation but as a result of technology. In terms of economic logic, it should not be forgotten that the increasing demand for labour saving technology is inexorably driven by globalisation with its cost cutting competitive pressures. John Stuart Mill's statement in the 19<sup>th</sup> century that workers have not benefited from the introduction of machinery seemed to be wrong during most of the 20<sup>th</sup> century but is beginning to seem right again. However, Luddism is not the answer. What is needed is not computer smashing but computer education and generally investment in education, skills and concerted efforts for a different national and international environment.

Nationally, a partnership between private and public sector as well as social security has to accompany the unleashing of entrepreneurial initiative. Private enterprise mostly finds it difficult to take account of the social costs of unemployment. It is worth remembering that the waste caused by the inefficient allocation of capital is not the only kind of waste. Unemployment can be even more wasteful not just economically but in terms of wasted lives, "so many strong men's courage broken, so many hands numbed as though by nightshade". Externally, globalisation means that inefficient enterprises have to close down under competitive pressure which causes unemployment. The IMF programmes combine encouraging privatisation with high interest rates. This makes job creation more difficult. Sequencing is critical and has often been ignored and hence a fast pace of liberalisation before ensuring social security, training in new skills and an adequate regulatory framework has often created problems. The IMF therefore needs to update and integrate even into its current activity its original Keynesian mandate of providing resources to strengthen aggregate effective demand. One of Keynes's children – ITO – though stillborn had the mandate to prioritise the objective of full employment rather than simply rules and it was recognised that positive action on employment was required because getting prices right, comparative advantage and liberalising trade were not enough to maximise welfare.

Trade barriers for developing countries remain (even the tariffs, in actual terms, imposed by the developed on developing countries are far higher than on fellow developed countries). The job destruction through the inability of many developing countries' farmers to compete, as a result of subsidies in the developed world, is well-known. As India's Commerce Minister famously said, we can deal with a flood of goods coming in but we cannot deal with a flood of subsidies. In fact, the latest report - World Economic Situation and Prospects 2007 – makes the point that one of the reasons why unemployment is not really decreasing significantly in spite of growth is the shift away from agriculture, including from foodcrops. In the case of non-agricultural goods, fair trade liberalisation could have offset the unemployment-creating effects of liberalised imports because exporters are more productive than non exporting plants and

higher exports mean more job creation and less job destruction for the economy but this effect is impeded by what have been described as "subtle trade barriers".

The conclusion to this argument is self evident: there needs to be a fundamental reform of global economic governance which would ensure changes in voting structure and accountability. The United Nations General Assembly therefore has mandated the ECOSOC in the resolution on its strengthening (61/16) to periodically review international economic policies and these have to include an evaluation of the policies of international economic institutions.

Mr. Chairman,

India has been focusing on promoting full and productive employment and decent work. The Prime Minister of India, Dr. Manmohan Singh, has recently emphasized the 'need for a growth process that is much more inclusive, a growth process that raises incomes of the poor to bring about a much faster reduction in poverty, a growth process which generates expansion in good quality employment, and which also ensures access to essential services such as health and education for all sections of the community'. He has also stressed that 'the most effective weapon against poverty is employment'.

Employment growth accelerated to 2.6% during 1999-2005 outpacing population growth. Employment generation, on a sustainable basis, has been one of the important objectives of India's planned economic development. India's Five Year Plans have always conceptualised productive employment for all. During the Tenth Five Year Plan (2002-07), particular attention was paid to the policy environment influencing a wide range of economic activities with large employment potential, such as construction, real estate and housing, transport, small scale industries, information technology as well as IT Enabled Services, financial services and tourism.

Mr. Chairman,

India has been implementing various employment as well as self-employment generation programmes, in addition to a number of poverty alleviation programmes. Prominent self-employment programmes for educated and uneducated unemployed people, particularly youth and women, include *Swarna Jayanti Shahari Rozgar Yojana*, Prime Minister's *Rozgar Yojana*, *Swarnajayanti Gram Swarozgar Yojana* and the Rural Employment Generation Programme. The Prime Minister's Bharat Nirman Scheme on the six critical areas of rural infrastructure would enhance rural economic activities and generate both more incomes and more rural employment.

Another notable initiative undertaken in India is the National Rural Employment Guarantee programme [NREGP] launched in 2006. It makes the right to work a fundamental right by providing 100 days assured wage employment annually to every rural household, and thus creates a social safety net, infrastructure and access to health in rural areas. At least one-third of the beneficiaries of this programme would be women. Productive employment and decent work also depend on higher productivity of labour and enhancement of skills. The Indian Parliament is considering an Unorganised Sector Workers Social Security Bill. This would roll back any commodification of labour. The National Rural Health Mission is striving towards health for all. Pluralism, freedom of speech and association in a vibrant Indian democracy are crucial in satisfying some of the aspirations of working people. Even those occasionally locked out of a private factory are never locked out of political space.

Mr. Chairman,

In conclusion, Mr. Chairman, my delegation welcomes the Secretary-General's affirmation of the need for creating an enabling environment at the international and national level as a key challenge for realising full employment and decent work. We hope that the current session of the Commission for Social Development would provide more insights into the effective realisation of the Millennium Development Goals, particularly to halve extreme poverty by 2015 and foster social integration by making employment a central objective of national and international macroeconomic policies.

Thank you, Mr. Chairman.

[BACK TO TABLE OF CONTENTS](#)