



PERMANENT MISSION OF
JAMAICA TO THE UNITED NATIONS

STATEMENT BY

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TO THE UNITED NATIONS**

IN

THE GENERAL DEBATE OF THE SECOND COMMITTEE

**58TH SESSION OF THE UNITED NATIONS GENERAL
ASSEMBLY**

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Mr. Chairman,

First of all I wish to congratulate you and the other members of the bureau on your election. We look forward to working closely with you to ensure a successful session of the Second Committee.

Mr. Chairman,

Despite signs of economic recovery in a number of the world's major industrial economies, the economic turnaround appears to be losing momentum as indicated in the World Bank's most recent publication "Global Economic Prospects 2004". The economic decline occasioned by the SARS epidemic added to uncertainties and a fall in consumer and business confidence resulting from geopolitical developments, including the war in Iraq, demonstrate the close integration of the global economy. The economic downturn resulting from these developments in many parts of the world will continue to have long-term effects on global economic growth.

With uncertainties in the global environment remaining high, any positive outlook for the remainder of 2003 and 2004 may not produce the levels of growth required to stimulate development in the developing world. Similarly, while macroeconomic policy responses in the major industrial countries have contributed to a slight turnaround, these may not be sustainable.

International trade has stagnated with increased protectionism against products of strategic export interest to developing countries. The projected sluggish recovery will therefore have a particularly severe effect on developing countries whose export revenues have declined significantly as a result of the global downturn and unfair trade practices.

In view of the continued economic stagnation in developing countries, it is clear that after decades of closer integration, increased liberalization and privatization as prescribed in by the neoliberal orthodoxy, the process of globalization, driven in part by the unbridled free market has failed to bring the projected benefits for the developing world. If globalization is truly to benefit all, developing countries must participate actively in the global economy. This requires special attention to the development of clear mechanisms for managing the process of globalization.

Renewed attention must therefore be given to the creation of an effective global financial architecture. In the absence of improved regulatory structures, the free flow of financial capital has exerted enormous destabilizing pressures on the economies of the developing world. Historical experiences have clearly demonstrated a correlation between unregulated global financial flows and economic and financial instability. If globalization is truly to contribute to stable growth and development, every effort must be made to ensure that the process is managed in a manner beneficial to the interests of all.

To achieve a truly fair global system of trade, monetary and financial relations, the structures of governance at the global level must be urgently revised. The international monetary, finance and trade organizations must become more democratic in their decision-making processes. Decision-making must be inclusive, giving a voice to the most vulnerable. It is only under these conditions that the operations of these global institutions will command legitimacy.

International trade remains a principal engine for development. While the failure to reach an agreement in Cancun may have delayed progress in reaching a number of crucial targets to improve the global trading system, it is critical that every effort be made to keep the development agenda at the forefront of future negotiations. Developing countries in Cancun demonstrated their ability to achieve results which serve their long-term development interests and we believe that continued solidarity and unity of purpose will be critical in ensuring that any final agreement supports the interests developing countries. In this context, we are hopeful that there will be greater flexibility on the part of our developed country partners.

In the area of trade in services, we remain concerned that the contribution to developing country earnings from services remains low. Impediments to the free movement of labour across borders to supply services remains a serious constraint to the ability of developing countries to fully maximize of their competitive advantage in services. The asymmetry between the international flows in labour and capital must therefore be addressed as a matter of urgency as policies aimed at curbing labour mobility will continue to act as a serious constraint on the potential for growth in developing countries.

Enhanced international cooperation is at the core of efforts to improve the development prospects of developing countries. Such cooperation cannot be limited to traditional areas of support. In this connection we stress that greater emphasis must be given by donors to support for increasing the supply capacity of developing countries to take advantage of the potential benefits of increased free trade. Without the development of productive capacity and infrastructure to ensure competitiveness, reduced barriers to market entry and a generally more liberalized system of trade will have little impact on development.

We note the emergence of what has been dubbed the "new aid architecture" which is based on two pillars, namely partnership and accountability. It is important that the concept of accountability be applied to all sides including donor and recipient countries. The donor community should be held to account for inconsistencies in aid, trade and financial policies which do not necessarily create a conducive environment for the developing world. Additionally, while partnerships are important, they should not be used as tools for the imposition of conditionalities. In our view, true partnerships must respect the concept of ownership by recipients and the national priorities as determined by them.

The follow-up to the Monterrey Consensus should constitute one of the core issues during this session of the General Assembly. The main task will obviously be identifying ways of ensuring that we monitor the commitments made and encourage full implementation. In addition to clearly assessing the follow-up mechanisms, we must also

that we identify new, more effective approaches to fulfilling the goals set at Monterrey and at the Millennium Summit. It is therefore a matter of concern that while ODA levels increased by about 5% in 2002 this may not be sustainable. Such an increase is in any event too low to meet development needs and may also be unevenly distributed. According to some estimates, attaining the MDGs will require an additional \$50 billion per year over the 2000-2001 period. In this context, we welcome the contributions made through the Barcelona commitments and the Millennium Challenge Account but stress the need to reduce conditionalities and ensure that funds are disbursed in a timely manner.

Of particular importance to SIDS with open vulnerable economies, is the need for special attention faced as a result of vulnerability and its effects on development prospects. We insist on ensuring that in all international economic arrangements special provisions are made to accommodate the interests of SIDS. There is an urgent need for the development of a policy framework to ensure that the international financial system takes into consideration and grants concessions to enable SIDS to manage and recover from natural disasters and other recurrent threats. We therefore look forward to the international meeting in Mauritius in 2004 to review the Barbados Programme of Action and stress the importance of the full support of the international community.