



**STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE, ON
THE REPORT OF THE UNITED NATIONS MILLENNIUM PROJECT 2005.
'INVESTING IN DEVELOPMENT: A PRACTICAL PLAN TO ACHIEVE THE
MILLENNIUM DEVELOPMENT GOALS' AT THE INFORMAL MEETING OF
THE PLEARY OF THE 59TH SESSION OF UN GENERAL ASSEMBLY ON
FEBRUARY 10, 2005**

Mr. President,

Thank you for convening this informal meeting of the Plenary of the General Assembly today in order to continue the exchange of views on the findings and recommendations of the Millennium Project report. My delegation is happy to participate in this meeting and give our preliminary views on the report. We associate ourselves with the statement made by the distinguished Permanent Representative of Jamaica on behalf of the Group of 77.

We express our appreciation and gratitude to Prof. Jeffrey Sachs and his team for the report. The overview and the more detailed report contain an impressive wealth of detailed analysis, information and recommendations on the Millennium Development Goals. In particular, the report offers us detailed information on where most Member States stand vis-à-vis their efforts in achieving the MDGs and the prospects of their reaching the agreed targets by 2015. The report provides an assessment of the challenges confronting the developing countries in achieving the Millennium Development Goals and recommends practical measures. This would undoubtedly provide a good basis for further discussion on international development cooperation, albeit from an anti-poverty, country-based perspective for achieving the MDGs. Although the mandate restricted the authors of the report to the achievement of the MDGs at the country-level, they have gone beyond such a restriction and tried to tackle problems of longer-term development and offer many valuable suggestions. In particular, the report has paid considerable attention to trade and technology issues. We are confident that these recommendations will be studied in greater detail by all of us in the days to come. We would like to especially acknowledge the intellectual energy and the moral passion that Prof. Sachs has brought to bear on the Project which has played an important role in mobilising intellectual and emotional support. But this is only a very important first shot in a battle that awaits decision. This battle would neither be short nor easy.

The report is cautiously optimistic that MDGs are achievable within the agreed time-frame, though this would require a much more intense degree of cooperation at the international level, a flow of resources to the developing countries that is considerably more generous than it has been hitherto, and efforts need to be redoubled for achieving these objectives. We share the view that the slogan 'trade, not aid' is misguided. We are particularly pleased by the resounding call made by the report for a substantial mobilisation of resources for achieving the MDGs, particularly through meeting the ODA target of 0.7% of GNP. We perceive the intermediate steps as only those which lead to the realisation of the long-agreed target.

The report emphasises the importance of national ownership with regard to determining the priorities and strategies in country programmes, and their being driven by local means and circumstances and by making decisions at the national level. We do see merit in country-based MDG Strategy with national ownership. However, such a strategy would be effective only if there is assured commitment to meeting the financing gap. The report calls upon OECD countries to undertake an evaluation of their policies, particularly with regard to development cooperation, in direct relationship to the MDGs. The report recommends, quite rightly in our view, that the donor countries should subject themselves to at least the same standards of transparency and coherence as they expect from governments of the developing countries.

The report emphasises the overall role of the State in socio-economic development and the importance of public investment in this context. We agree with the authors that the role of the State should not be limited merely to providing a favourable macro-economic, legal and regulatory framework for business-growth and for attracting investments from abroad. There is also need for substantial investment in human, fiscal and social infrastructure and the promotion of science, technology and innovation.

Mr.President,

The imperative of liberalization and attracting foreign capital inevitably means low tax-GDP ratios and sharply reduced fiscal deficits, both of which inexorably mean a cut in government expenditure and health and education are the first sectors to be targetted. Direct tax cuts, accompanied by liberalization of consumer goods imports accentuates inequalities of income and consumption and may even stimulate deindustrialization. In any case, the deflationary impact on the economy reduces the demand for food and hence production of food crops and thereby encourages the shift to export cash crops at low prices. Statistics from sub-Saharan Africa amply demonstrate this inverse relationship between agricultural exports and domestic food production. This is the crucial underpinning of the high living standards of the developed world. The Millennium Project Report has done signal service in highlighting the problems of sub-Saharan Africa and the poverty trap (low tax returns, low saving rates and the like) but the systemic reason that we have referred to, which is behind these phenomena, needs to be addressed.

Debt constrained structural adjustment policies compounded the problem through decline in agricultural investment. The region got the worst of both worlds

because of the agricultural policies of developed countries underpinned by enormous subsidies (Incidentally, given credit constraints so called non or minimal trade-distorting subsidies also increase output though their overall impact is less than that of trade-distorting subsidies). It logically follows that any achievement of MDGs in a sustained manner leading to real economic transformation is hardly possible without debt relief; a fundamental reform of international economic and monetary institutions (as recommended by the Report of the World Commission on the Social Dimension of Globalization); a successful realization of the development agenda of the Doha Round and the United Nations recovering the role it had in the mid-seventies of setting the international economic agenda. The Millennium Project Report is the second vital step after the first at Monterrey on the difficult but hopeful path that we have collectively taken. From the foregoing it is evident that the fulcrum of international economic endeavour is MDG 8 as also paragraphs 42, 44 and 62 of the Monterrey consensus. Only the General body of the United Nations can go beyond coherence: academic studies have shown that by themselves or through discussions there cannot be much coherence between the IMF, World Bank, WTO and ECOSOC; it has to be set and articulated externally by the UN.

The Report has innovative suggestions on 'quick win' actions and 'fast track' approaches. We need greater clarity on ways of kick-starting the implementation of these recommendations. It would be important from a developing country perspective to ensure transparency and to avoid double standards in 'fast-tracking' the achievement of MDGs. At the same time, we wish to underscore the importance we ourselves attach to schemes such as those for mid-day meal and food for work programme which have proved successful in our own experience. There is a commitment in the Common Minimum Programme of the Government of India to an employment guarantee scheme which in the context of some unutilized industrial capacity and large foodgrain stocks can be implemented without any financial burden or inflation. The Indian Planning Commission's foreign exchange for infrastructure scheme which in some variants implies a monetised deficit would be equally non-inflationary in that context.

The Report's recognition of the role of science and technology is especially welcome. Through a computer-based functional literacy programme, the growth of literacy underwent a quantum jump in several projects. Similarly, satellite remote sensing has greatly increased fisheries production and the discovery of water sources. India is committed to rapidly expanding its programme of South-South Cooperation. Another important area here would be pharmaceuticals.

While the Report's emphasis on support for liberalization of mode 4 of the General Agreement on Trade and Services – temporary movement of labour – is greatly welcomed, it needs to be recognized that it is inconsistent to ask for liberalization of goods and capital movements from developed countries to the developing world while restricting and regulating strictly the movement of labour in the opposite direction caused precisely by the deindustrializing and deflationary tendencies inherent in liberalization and globalization, as we have seen earlier. There are illegal migrant pressures which lead to the developed countries spending huge resources to keep them out besides tackling the political phenomenon of the rise of extreme right wing groups. Therefore, what requires reform at the roots are these economic policies and the

international institutions that cling to them; the UN has to set and control the agenda. It is, therefore, evident that a bargain is irrelevant: a sharp reduction of poverty and a substantial increase in development is required equally by the developed countries.

We shall have the opportunity to reflect in detail on the recommendations contained in the main report, which we received earlier this week. We shall participate actively in the consideration of the recommendations.

Thank you, Mr. President.

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