

STATEMENT BY MR. MOHAMMAD SALIM, MEMBER OF PARLIAMENT AND MEMBER
OF THE INDIAN DELEGATION, ON AGENDA ITEM 56: GLOBALIZATION AND
INTERDEPENDENCE AT THE SECOND COMMITTEE OF THE 62ND SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY ON NOVEMBER 01, 2007

Mr. Chairman,

We thank the Secretary-General for the reports on the agenda item "Globalization and Interdependence" under consideration today. We associate ourselves with the statement made by the Chair of the Group of 77.

Mr. Chairman,

The increasing interdependence in the world as a result of the processes of globalization have meant that national policies and actions can no longer be formulated or implemented in isolation from international environment driven by market forces. Accordingly, last year we had requested the Secretary-General to submit a report on the impact of international commitments, policies and processes on the scope and implementation of national development strategies. The resultant report has very eloquently highlighted the difficulties developing countries face in pursuing national development strategies, particularly in the areas of capital flows, aid, trade and technology.

The report serves to reinforce the argument that while globalization, through enhanced exchange of information, capital, goods and services, technology and people, has provided tremendous opportunities for progress and prosperity, it has also presented significant challenges and constraints for developing countries. As was emphasized in the Millennium Declaration, the benefits of globalization are unevenly shared, while its costs are unevenly distributed. We welcome the recognition in the report of the negative impact of capital flows on exchange rate stability, inflation rates and liquidity, and in the ability of developing countries to implement counter-cyclical measures. Moreover, traditional macroeconomic policy prescriptions of the Bretton Woods Institutions erode space for policy autonomy of developing countries and force them to adopt inappropriate policies that cannot give adequate attention to much needed public investment or social sector development. For example, problems of liquidity in financial markets of developed countries are tackled with short-term measures to inject liquidity, as should be the case, while similar problems in developing countries are diagnosed as "structural problems".

In the area of trade, agricultural policies of developing countries are severely affected by the massive subsidies by developed countries, while steady reduction in their industrial tariffs has greatly enhanced the risks of de-industrialization of developing countries. Further, despite international trade laws, developing countries face practical barriers in the form of unfavourable market access regimes and non-trade barriers. In the area of technology access, critical technologies in the area of public health and climate change remain inaccessible and unaffordable for developing countries due to the Intellectual Property Rights regime. Most importantly, developing countries do not have a say in shaping the international financial, economic, trade and technological regimes, which have the maximum impact on developing countries themselves.

Mr. Chairman,

The trade-off between the benefits of accepting international disciplines and rules, and the consequent loss of policy space, represent a difficult decision for developing countries. Apart from their marginal role in formulating international regimes, many developing countries lack the necessary capacities to evaluate all options, and analyse the impact of international rules. We reiterate the need for the international community to consider as a whole the issue of a balance between national policy space and international disciplines and commitments while deciding collectively on future disciplines and commitments, as well as during implementation and interpretation of the existing ones. Greater flexibilities must be provided in current international regimes so that developing countries can have policy space to determine their own development strategies.

We believe that a fundamental reform of the international economic and financial architecture in a time bound manner is required in order to ensure fair globalization, in which the benefits of globalization are more equitably spread. This process must be overseen by the United Nations, which has a unique legitimacy and universality.

Mr. Chairman,

Science and technology are critical determinants of development. The scientific and technological base of any country usually has a direct co-relation to the level of development achieved. It is perhaps no exaggeration to say that it is the level of technology, both in terms of access and utilization, that differentiates developed and developing countries. Given the restrictions on access to critical technologies due to existing international regimes, developing countries need to pay special emphasis to accessing and acquiring knowledge resources in order to give a boost to their development paths. India recognizes the importance of science and technology in the development process, and is actively engaged in capacity building not only to become a knowledge producing society but a knowledge sharing and knowledge consuming society.

Developing countries also need to effectively utilise traditional knowledge and biogenetic resources. International technology regimes must integrate the development dimension fully. We also call for pragmatic ways to promote collaborative research and development efforts between developed and developing countries which assist capacity building in developing countries. We reiterate the importance of the World Summit on Information Society, and its follow-up process.

In this regard, we also welcome the enhanced mandate of the Commission on Science and Technology for Development.

In conclusion, Mr. Chairman, allow me to emphasize the importance of a conducive international environment that will permit all countries to benefit from the process of globalization.

Thank You.

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