STATEMENT BY MR. JANARDHANA POOJARY, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 54: GLOBALIZATION AND INTERDEPENDENCE: [A] GLOBALIZATION AND INTERDEPENDENCE; AND [B] SCIENCE ANDTECHNOLOGY FOR DEVELOPMENT IN THE SECOND COMMITTEE OF THE 60TH UN GENERAL ASSEMBLY SESSION ON OCTOBER 27, 2005

Mr. Chairman,

We thank the Secretary-General for the reports on the agenda item: "globalisation and interdependence" under consideration today. We associate ourselves with the statement made by the distinguished representative of Jamaica on behalf of the Group of 77 under this item.

Mr. Chairman,

Globalisation offers opportunities for growth of the world economy through enhanced efficiency in economies by opening up market opportunities and by promoting the transfer of information and skills. However, globalisation has also brought forth several challenges for many developing countries. The 1990s was the decade in which globalisation came into full swing. This was also the decade of frustration for many developing countries. Structural adjustment policies coupled with trade liberalisation involving high interest rates, low tax – GDP ratios and low or zero import duties, impacted adversely on the policy space and policy flexibilities of developing countries to undertake social expenditure especially on health and education. With a few exceptions, most economies of Sub-Saharan Africa refused to respond to such policy advice meted out by the World Bank and the IMF. They were right for they had learnt the lessons emerging from the application of such policies in other parts of the World. As a result, there was a drastic reduction in the utilisation of loans, with conditionalities attached, from over 50% in late 1970s to 16% in late 80s.

The situation in sub-Saharan Africa amply demonstrates that fair globalisation cannot be achieved if left to the dynamics of globalisation. It is well known that the regimes and policies underpinning international trade and finance, technologies and development are critical determinants of development. Not only do they establish the 'rules of the game' for the flow of goods, services, technologies and people across borders, they also influence the actual flows in these areas. While the opening up of global markets are good for developing countries, the rules to which they are being asked to submit are often not favourable. Caught between the intellectual property rights and trade regimes, as well as World Bank and IMF conditionalities,

developing countries increasingly find erosion of the much needed policy flexibilities to evolve their own policy and strategies for eradicating poverty and achieving sustained economic growth.

As we have seen, a completely unequal bargaining power leads to regimes that are not only adverse but downright unfair. Fair globalisation, therefore, requires political will that can be manifested externally by the Untied Nations. That direction from the UN is heeded is shown by the progress made in the discussions at the Bretton Woods institutions to address the democratic deficit - that has correspondingly caused a legitimacy deficit. Similarly, a strong political direction from the UN may help break the impasse in trade negotiations. There is no doubt that a development-oriented outcome of trade negotiations is needed to enable the developing countries reap the benefits of globalisation as progress in international trade and finance can only be measured against the yardstick of poverty eradication and sustained economic growth in the developing world.

Mr. Chairman,

The determinants of developments are rapidly shifting along several paths: from manufacturing to services; from capital resources to knowledge resources. In conditions where access to critical resources are severely restricted by international rules and regimes, the challenge before the developing world is to fully tap the enormous productive potential of non-material, knowledge resources. India believes that building a knowledge economy and knowledge society is the only way to meet the challenges of globalisation. Towards this objective, the Government of India has created a 'National Knowledge Commission' to strengthen the roots and sinews of its capacity and capability building so that it is better prepared for the challenges of the 21st century; not merely to become a knowledge producing society but a knowledge sharing and a knowledge consuming society. India recognises the importance of science and technology as a critical determinant of development and is seeking to remain on the fast track to knowledge-led growth. Our investment in research and development has thus increased from US $2.1 billion in 1996 to US $3.7 billion in 2002.

Mr. Chairman,

The process of globalisation has seen an increased linkage between migration on the one hand and trade capacity, competitiveness and employment policy on the other. With global firms operating in an international context, the gap between migration policy and trade policy can manifest itself in immigration controls that act as non-tariff barriers. In the context of the general agreement on trade in services, there can be a win-win situation with labour shortage in developed countries being matched by labour availability in developing countries. Industry in the developed world has shown interest in allowing movement of natural persons across national frontiers. For developing countries such as India, the balance of gains in the negotiations will lie in the extent to which our service providers are able to provide services in overseas markets, either from remote locations or through the temporary movement of service personnel. For globalisation to be meaningful for the developing countries, the developed countries will have to demonstrate far greater openness than hitherto in allowing movement of natural persons across national frontiers; this would be in keeping with their own insistence to the other side of the coin: freedom of movement in respect of capital, goods and services.

Mr. Chairman,

The role of science and technology in development cannot be overemphasized. While developing countries are making efforts to build their technological capacities, it is imperative that the efforts of the developing countries at the national level be complemented by international rules that take into account the needs of developing countries for access to a broad spectrum in crucial areas of economic and social development. With new innovations overtaking one another continuously, timely transfer and assimilation of know-how of these evolving technologies is of relevance to developing countries. Equally significant are the terms of access. Commitments have been made to make available technologies to developing countries on favourable terms. It is, however, a matter of concern that the cost of technology transfer to developing countries through the Intellectual Property Rights regimes has risen sharply. Integration of development dimension in the rule making process in the IPR regime that would facilitate transfer of technology to developing countries is, therefore, called for. It is particularly important for the developing countries, to check the misuse of their biogenetic resources, that the requirements of disclosure, prior informed consent and equitable benefit sharing are incorporated in the TRIPS provisions on patents to align it with the Convention on Biological Diversity [CBD]. The UN should take the lead in creating a traditional knowledge and resources digital library linked to the international patent specification systems.

Mr. Chairman,

According to the World Investment Report 2005, the combined share of developing economy in global R & D spending continues to remain less than 10%. On the other hand the R & D expenditure in developed countries reached US$ 677 billion in 2002, registering an average annual growth rate of 2.8% since 1996 – more than the combined economic output of the world's 30 poorest countries. We believe that the developed countries can spur technological advances that have the potential of changing lives for the better while bearing in mind safety requirements and ethical values. There is precedent for foreign research acting to undo these technological imbalances – the 'Green Revolution'. The report of the Secretary-General rightly observes that biotechnology in the agriculture sector offers opportunities for enhancing crop production, just as the `Green Revolution' had done in the 1970s. It also has the potential to become a powerful tool in meeting the challenges in other sectors such as health environment, manufacturing and energy and could significantly contribute to the achievement of development goals. The UN should take the lead in exploring ways to enable developing countries to reap greater benefits from biotechnology and to assist developing countries in their efforts to build the human resources and infrastructure needed to participate in the bio-economy. India has contributed to the establishment of the International Centre for Genetic Engineering and Biotechnology in New Delhi which places emphasise on research and training activities in the areas of crop improvement, bio-safety and health related issues, employing the most advanced molecular biology techniques in the study of common infectious diseases and genetic disorders. The Centre has developed and patented several products which are available to the agro- and pharmaceutical industries in developing countries.

Mr. Chairman,

The Secretary-General in his report has focussed largely on building institutions for achieving the development goals and integrating in the global economy. Many success stories illustrate the importance of homegrown institutions. At the same time, several examples underline the need for creating an enabling international environment to make globalisation a positive force for all. We would like to suggest that the Secretary-General in his report for the

next session include an in-depth analysis of all factors linked to the process of globalisation for detailed consideration.

Thank you, Mr. Chairman.

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