

STATEMENT BY MR. A.K. BHATTACHARJEE, MINISTER, UNDER AGENDA ITEM 39  
'TOWARDS GLOBAL PARTNERSHIPS' AT THE PLENARY OF THE 56TH SESSION OF  
THE GENERAL ASSEMBLY ON NOVEMBER 5, 2001

Mr. President,

We have read with great interest the comprehensive and informative report of the Secretary General titled, "Co-operation between the UN and all relevant partners, in particular the private sector."

2. There can be no doubt that the process of globalisation, characterized by liberalization of trade and capital as well as rapid strides in information and communication technologies, has resulted in enhancing the financial resources and technological capacities of the private sector. Some of its members have used their profits philanthropically by contributing to the UN, Governments, NGOs, charities and even spending directly on social development projects. There is growing awareness that the business community can contribute to the global objectives of development and poverty eradication. Combining the pursuit of profit making with the principles of social responsibility might actually result in creating business opportunities, on a sustainable basis, in the long run.

3. The voluntary Global Compact of the Secretary General aroused some interest in the corporate world. Companies from India also joined this initiative, reflecting their desire to make a better world by sharing responsibility and contributing to national efforts in the fight against poverty, hunger, illiteracy and disease.

4. The idea of global partnerships with all relevant partners, including the private sector generated considerable debate and discussion in the UN last year. The inter-governmental process has not yet accepted or endorsed Secretary General's Global Compact. This is not because the concept of partnership is new nor because partnership is considered irrelevant. After all, as it is clear from Secretary General's report, the private sector has been interacting with the UN since the founding of the latter. The ILO is based on a tripartite partnership. GAVI represents a successful partnership. More recently, the Global AIDS & Health Fund as well as the ICT Task Force have been set up by co-opting the private sector. At the Millennium Summit our leaders resolved to develop strong partnerships with the private sector and with the civil sector organizations in pursuit of development and poverty eradication. Partnership was clearly recognized as a significant and effective instrument for attaining development goals. The debate last year, in our view, reflected the desire of Member States to establish a viable partnership in which the terms of reference, the rules of engagement and the inter-relationships are clearly defined. Private companies operate in the territories of Nation states and in accordance with the national laws. If Governments are not involved in the discussions on the nature and scope of the global partnership there would, at best, be limited engagement with the UN. It is important that all partners are equally engaged. This is precisely the exercise that we are engaged in at the moment.

5. We acknowledge that global partnership is an interesting and useful initiative, but, as it develops from the present experimental phase, we would recommend that the following points be kept in mind:

(a) The principle on which it is currently based is a partial and arbitrary selection of a comprehensive set of social and development compacts that Member States have carefully negotiated; it runs the risk of giving greater weight to one set of principles, at the cost of others;

(b) While it is not, therefore, universal in scope, the initiative also draws on some principles that are distilled from Conventions or other legal instruments to which not all Member States are party; the fact that companies in the Global Partnership operate in these countries should not force their governments to change their local laws or become conditionalities for investment.

(c) The purpose and objective of the partnership is not clear. What is the partnership between UN and private sector to do? To commit one partner to follow, voluntarily, some of the principles of social behaviour set by the other can only be a limited partnership. The UN in this case becomes the sleeping partner. The global partnership does not commit the private sector to the promotion of any economic and development goals, which in our view, must be the objective for the global partnership.

(d) In the era of globalization and competition for foreign direct investment, there is a danger of a rush to the bottom. It will be good if the global partnership would not force government to lower standards for them. We would also need to guard against some private sector companies using the global partnership as an alibi for pulling out of countries which are no longer profitable but arguing that it was doing so because local conditions are incompatible with their other objectives under the global partnership.

6. In addition, we would like to seek the incorporation of the following principles in the global partnership: -

(i) Co-operation between the UN and relevant partners, including the private sector should be in accordance with the UN Charter and principles, without compromising in any way the independence and neutrality of the UN.

(ii) The global partnership should aim at contributing to the achievement of development goals and the eradication of poverty. The private sector can do this through financial resources, transfer of technology, capacity building, social spending and adopting responsible corporate policies. We would encourage such an approach by the private sector both at the national and the international levels.

(iii) We seek enhanced dialogue and consultation with the private sector in the UN, within agreed mechanisms, with the inter-Governmental machinery and with the UN system. Their involvement through financial contributions and in the implementation of projects would be welcome. The engagement with the private sector should not, however, change or dilute the inter-governmental nature and decision-making process of the UN.

(iv) Even though involved with the global partnership, the private corporations while continuing their business operations must abide by the law of the land and the local rules and regulations. Involvement with the partnership cannot provide exemption from accountability to relevant national authorities.

(v) The global partnership should have a balanced composition with business companies of developing countries being adequately represented. We would also encourage a partnership between the private sectors of developed and developing countries that promotes the transfer of technology and development of human capacity.

7. My delegation is ready to engage in a constructive dialogue. We believe that we are moving forward not only in the process of evolving a global partnership with the private sector but also in enhancing a better understanding of good corporate practices and responsible corporate behaviour.