

*Agenda Item 173: Towards Global Partnerships*

*Statement by Hon'ble Mr. Rattan Lal Kataria, MP on October 31, 2000*

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Mr. President,

This is the first time that the General Assembly discusses this somewhat enigmatic topic of global partnerships with companies that have a global presence. Implicit in this is the assumption that we have not had this partnership before, and that we need it.

The first assumption may not be entirely correct. The ILO after all is predicated on a tripartite partnership and its Partnership for Development programme seems to both prefigure and go beyond the Secretary General's Global Compact, in its belief that respecting social policy is not something employers must balance against profits, but something that might actually promote profits. It is true that when the UN tried to lay down a code of conduct for transnational corporations, it was assumed, at least by the companies, that the UN saw itself as an antagonist, not as a partner, but even then, the UN system worked far more closely with the private sector than we sometimes realise. To take just one example, the global immunisation programmes piloted by UNICEF and the WHO - one of the success stories of the UN system - depended then, as it does now, on vaccines developed and produced by the private sector.

There was, however, one crucial difference. The diseases that those vaccines were meant to prevent affected people in the developed world as much as those elsewhere. It would be a sign of true global partnership if pharmaceutical companies in the developed world were to try to develop vaccines or cures for diseases that affect only the poor citizens of the developing world. There would be less profit for them in it; their help would primarily be recognition of a human obligation. Are they up to it? To developing a cure for malaria, whose toll is estimated to take 1% off Africa's GDP, or to let cheap, generic treatments be sold to lessen the pain of victims of AIDS? Again, neither the Roll-back Malaria Initiative nor UNAIDS can do very much without a global partnership with the multinational pharmaceutical companies. The Global Alliance for Vaccines and Immunisations set up by the World Bank, WHO, UNICEF, the Gates and Rockefeller Foundations and pharmaceutical manufacturers is very much the sort of partnership that is needed. Innovative triangular arrangements between technology developers, developed country assurance of volume procurement and developing country markets, has been advocated by the Centre for International Development of Harvard University and such fresh thinking is encouraging. There are other crucial areas of scarcity and those central to development where such arrangements can be developed. Technology is intrinsic even to equitable growth.

Stopping people dying from endemic diseases or epidemics is a priority for the UN system. So is ending malnutrition and death from hunger. The first Green Revolution, which was so successful in Asia and Latin America, was produced by a partnership between the public sector and a few benevolent foundations; the private sector played hardly any role in it. Now, however, its role is crucial, for a number of reasons. Though one-fifth of the world is still chronically undernourished, ODA to agriculture has fallen by over 50% in the last decade; so too has government investment in agriculture in most of the developing world.

The private sector holds the key. Bio-technology may very well be crucial if the food needs of the developing world are to be met, but fears about genetically-modified crops have to be addressed transparently. GM crops could either end hunger or humanity, depending on how they are developed. Both the benefits and the dangers are so vast, so global, that this is an area where the need for a global partnership and ownership is not only self-evident but crucial.

Or the human genome, which has now been mapped. It can, potentially, help us eliminate genetic problems and diseases. It can also be abused in the social context. Scientific knowledge cannot be controlled, but when it has the capacity for global good or global mischief, as the mapping of the human genome does, it must be shared in a global partnership.

It is not that the private sector is unmindful of its responsibilities. The success the UN has had in recent months with controlling the trade in conflict diamonds is an example of a global partnership in action. However, here too, there are lessons to be drawn. The private sector agreed immediately to what the UN proposed as much to protect the legitimate trade as to stop the trade in blood diamonds; would it have been so compliant if its self-interest had not been involved? That is perhaps not a fair question; after all, in any partnership, it is assumed that the interests of the partners are equally engaged.

Which is why we should also consider the role of a third partner not enough recognised here, the global NGOs, often based in the developed countries, whose interests sometimes clash with those of the TNCs, and sometimes coincide. Unlike democratically-elected Governments, who are responsible to their people, or global companies, who are at least responsible to their share-holders, transnational NGOs have no responsibility beyond their focus of advocacy and their conscience. Often, they take crusades on to pyrrhic victories, hurting the people in the developing world in whose name they claim to speak. No code of conduct binds them. This engagement can therefore go in different directions.

Equal responsibility is the key. All of us acknowledge that Governments are only one of several players in this globalised world. The World Bank has set their interrelationship in the conceptual grid of the Comprehensive Development Framework; the crucial point, though, is that while Governments of developing countries are listed as only one actor in a cast that includes donor governments, international companies, and local and international civil society, the responsibility for economic and social failure rests only with the host governments. That is particularly unfortunate and unfair when most developing country governments now are even more vulnerable to pressure from TNCs than they ever were; as the BWI have recognised, as developing countries compete for foreign direct investment, there is a danger of a rush to the bottom as far as social policy is concerned. This is where global partnerships could be useful, if they bound transnational companies to protect and promote social policies, not insist that they be weakened for the companies they set up abroad. We understand that this is what the Secretary General has in mind in his Global Compact, and we will watch closely to see what effect it has.

As the private sector becomes ever more powerful, some of its members are using their profits philanthropically. The Turner Fund is a case in point. They can be very useful supplements to the UN's finances, provided the weight of their contributions does not distort

the intergovernmental priorities set here. Aid agencies have used the private sector to deliver aid - through projects or research - but as official aid budgets fall and the private sector becomes more active in a globalised world, there is now a more equal partnership, with the private sector not just a contractor for aid, but a provider of funds and ideas. This is apparently a novel experience for the aid Ministries in donor countries, who find that their priorities now have to be balanced against those of their private sector partners. However, from what one can gather, this new global partnership largely excludes the beneficiaries; developing countries are still excluded from these discussions, though they now have to contend with the united prescriptions of foreign governments and their companies. The weight of faulty advice can be insupportable, as its consequences can be devastating. Hence the need for a truly global partnership between host governments, development partners and the private sector.