

XXIV Annual Ministerial Meeting of the Group of 77

Statement by Mr. S.T. Devare, Secretary, Ministry of External Affairs

on September 15, 2000

Mr. Chairman,

We meet here after a year of intense multilateral dialogue that has helped to highlight the problems of development, and the resolve of the developing countries to bring their economic concerns to the forefront of the global governance agenda. Starting with the WTO Ministerial Conference in Seattle last year, we have had occasion to voice our concerns at the UNCTAD X in Thailand in February this year and at the South Summit in Havana in April. The UN General Assembly Special Session held in Geneva at the end of June reviewed the implementation of commitments made by governments at the World Social Summit held in Copenhagen in 1995. And, this month, here in New York, at the Millennium Summit, more than one hundred and fifty world leaders gathered to deliberate on the future of nations and peoples.

In Havana this April, for the first time the developing countries met at the summit level, to seek solutions to the array of our urgent development problems, and for initiating a dynamic coordination process among the G77. India would like to express its appreciation to the Government and people of Cuba for having hosted this historic Summit.

The Summit was not just another occasion for the rhetorical discussion of our problems. India, therefore, wishes to reiterate the importance of implementing the Plan of Action decided at Havana, and of the imperative to find in ourselves the unity and the determination to do so without delay. Our delegation acknowledges the initiative taken by the five Heads of State and Government in focussing on speedy implementation and coming up with specific suggestions for reorganising mechanisms so as to enhance the credibility and effectiveness of our Group.

As we know, the South Summit discussed four broad themes: globalisation of the world economy, North-South relations, South-South cooperation, and knowledge and technology. Under each of these themes, since we reaffirmed the validity of joint G77 endeavour, there was clarity in spelling out our objectives.

The blurring of economic and cultural boundaries, called globalisation, is seen by some as the hope for solving global economic problems, but is blamed by many others as the cause of troubles plaguing many nations and their citizens. There is, sadly, little consensus between the North and the South about how globalisation affects people or how it should be steered.

As we adopt free market practices, there is growing apprehension that profit considerations are outstripping social and human concerns. We do know that the solution does not lie in a retreat to rigid protectionism. Potentially, the energy inherent in globalisation could lead to prosperity for us if international trade, financial and economic

arrangements were also designed to promote global human welfare and preserve cultural diversity, instead of just helping the affluent to accumulate greater wealth. In this context, I would like to add that the South Centre, as an autonomous organisation, has the challenge of providing us the intellectual inputs to sustain and take forward our development dialogue.

Industrialised countries argue that poverty should be reduced through what is called good governance and related policies within developing countries. In contrast, we believe that the crucial factor in poverty reduction is also the international enabling environment. It is the extent to which we have market access for our exports, the scope of debt reduction and increased development assistance, the access to technology, and the structure of the world trading regime and international financial institutions.

Five years ago at the Social Summit in Copenhagen, the world adopted concrete measures for achieving social targets so that we could chart a “new course towards people-centred development”. But we have seen little as outcome.

Five years later, the number of poor in the world has increased. The testimony to this failure is overwhelming. Deprivation remain world-wide – more than one billion live on less than \$1 a day, more than one billion lack access to safe water, and more than 2.4 billion lack adequate sanitation.

These facts are the testimony of failure. Nevertheless, the UN Special Session in Geneva this June, which met to review the implementation of the Copenhagen commitments, chipped away at those 1995 goals. While Copenhagen’s commitment was of poverty eradication, the Geneva document has “set a target of 2015 to reduce the proportion of people living in extreme poverty”. You would notice also that the dates for achieving these reduced targets have all been shifted from 2000 or 2005 to 2015. Hence, many millions of people waging a daily battle for existence will not live to see ‘tangible progress’ in their lifetime. A whole generation of people will receive no benefits.

This is of concern to us, the developing countries of this Group of 77. The fundamental purpose of international decision-making must be altered. This change must come through the unity, the vitality and the initiative of the G77. We cannot face daunting challenges merely by reducing or postponing targets. We have instead to firm up international resolve to change policies and increase resources.

Global forces have to be steered on the right course. These forces may lead to segmental expansion, but by themselves are not sufficient to structure an equitable world economy. Their contribution to the improvement of human condition will remain limited to a few – individuals, classes and countries – unless directed to the benefit of all, through appropriate decisions and institutions.

The UN Special Session in Geneva also left us with little doubt that the weight of industrialised countries will act in support of corporate rights. When we sought to insert language that would include “the right to development” within the category of “human rights and fundamental freedoms” we faced pressure for the deletion to the reference to the right to development.

There is now evidence from a variety of studies that the costs of essential medicines are rising as a result of the TRIPS agreement. While WTO members theoretically have a right to compulsorily licence the production and fix the prices of such medicines in order to make them available at affordable prices, we still risk facing bilateral trade actions. In this context, another G-77 proposal was that intellectual property rights under the TRIPS Agreement should not take precedence over the right to the highest attainable standard of health care for all, nor the ethical responsibility to provide life-saving medication at affordable cost to people in developing countries. This is an even greater necessity today if we have to effectively tackle the awesome scourge of HIV/AIDS and other infectious diseases.

The G-77 also put forward proposals to encourage corporate social responsibility, so that the behaviour and activities of major corporations would support our development goals. There was opposition to such proposals, and therefore the task of formalising some manner of corporate social responsibility remains ahead of us.

The role of national governments in social policy is undermined by international requirements to reduce government intervention. Globalisation also implies reduction in government revenues and, therefore, lower allocation for social sector spending by the state. Hence social responsibility today requires a degree of regulation by governments, to ensure that market actors, both trans-national and domestic, balance the desire for profit-maximisation with the need to serve public good. Otherwise multinational corporations are likely to fulfil their responsibilities in a minimalist and fragmented fashion.

We have also seen how in the Okinawa Summit in July, the G-8 countries reiterated their commitment to the new round of WTO Trade Negotiations, which would include social policies and environment. No mention was made however of the outstanding implementation issues, including the special and differential treatment to developing countries. These have been the issues that we have been emphasising from the very beginning, and we cannot let them be ignored at any cost.

Markets must serve human beings. A vibrant market economy can be the engine of long-term sustainable development. But market forces must be guided to maximise welfare and avoid social distress. Economic growth must go with the needs of development, respect for the environment, and investment in education and health for all, which are fundamental to human life and dignity. India would favour any move to channel as much as possible of the gains of globalisation into time-bound poverty eradication initiatives. The spin-offs from globalisation must translate into social benefits, into development for all.

Development requires resources – far more resources than we presently can access. The Conference on Financing for Development is not about assistance alone, but about generating resources for bringing economic opportunity to every doorstep.

Human development is essential for realising human rights, and poverty is a human rights issue, according to the latest Human Development Report. The report says that the fulfilment of all human rights requires democracy that is inclusive – protecting the rights of minorities, providing separation of powers and ensuring public accountability. Poverty eradication is not just a goal for some countries – but also a central challenge for this, the 21st century. A decent standard of living, adequate nutrition, health care, education, and protection against calamities aren't just development goals; they are also human rights. And

we cannot but agree that democracy alone can finally guarantee all categories of rights – economic, political, social, civil and cultural. Promotion of democracy is a crucial task that we have set for ourselves at the recently concluded, historic, UN Millennium Summit. If we set our minds to it, we can ensure that such human development is realised universally through stronger international action.

Just as nations need an inclusive democracy to guarantee respect for human rights, so the system of global governance needs to be inclusive, transparent and fair. It needs to give voice to all countries, bring them in from their marginalisation, and impart to them the benefits of technology and economic opportunity.

India has always set great store in the inherent value of developing countries sharing their experiences and skills with each other. We can all play a more influential role in global affairs if we simultaneously exploit the potential of South—South cooperation. To do so we have to develop a genuine faith in the merit and import of working together. This should be in our endeavour for social sector development and strengthening institutional capabilities, in jointly developing our technologies and human resource capabilities, and in our coordination for the leveraging of our dialogue with the industrialised nations.

We have discussed all these issues exhaustively in the South Summit in Havana – the terms of the North-South dialogue and the strengths of South-South cooperation. It remains for us to implement the decisions taken by all of us. The G-77 cannot forget, and cannot let forget, the right to development and the right to poverty eradication. Trade, investment, technology and aid have all to serve the primacy of these rights.