STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE AT THE TWENTY-EIGHTH ANNUAL MEETING OF THE MINISTERS FOR FOREIGN AFFAIRS OF THE GROUP OF 77 ON SEPTEMBER 30, 2004

Mr. Chairman,

I would like to felicitate Qatar on the excellent leadership provided to the Group of 77 since the beginning of this year and for sustaining the Group’s solidarity in action in all UN fora.

I also welcome our incoming Chairman, Jamaica. We wish Jamaica a productive tenure and look forward to a constructive engagement with them in pursuit of our common goals and objectives. I recall that in the middle eighties, Jamaica was associated with the Brandt Commission and we are happy that it would bring to bear on our work the fruit of two decades of active involvement and reflection on the problems of development. Today in some respects, the environment is more harsh and therefore, redoubled efforts and solidarity would be needed.

It is well-known by now that very few developing countries are likely to achieve their development goals, in particular the Millennium Development Goals. It is crucial, therefore, that developed countries implement the ODA targets to which they are committed in the Monterrey Consensus (paragraph 42). This also applies to the commitment on technological resources flowing from the World Summit on Sustainable Development. The 2005 Major Event on the Review of the Millennium Declaration would enable us to assess the fulfillment of these commitments.

Earlier some striking statistics were given on how much could be done if we move from a consumerism-oriented to a development-oriented economy. I would cite only one statistic of more immediate practical relevance to what we intend to do. Yesterday’s Financial Times had a front page headline on the fact that trading on currency bourses has reached a record high of US$ 1,900 billion a day. This is what Lord Keynes had called a casino economy. This has absolutely no relationship to the volume of goods and services traded each day. This is speculation on a gigantic scale. Therefore, as an additionality in terms of finance for development, non-traditional and innovative sources of finance such as a tax on such transactions should be discussed. Whatever be the complex economic debates on the concept of development, there is no escaping the basic economic axiom that growth depends on the rate of investment.
The challenges of globalization demand both domestic and international action. We welcome the recognition of the need for policy space to developing countries at UNCTAD XI. The Report of the World Commission on the Social Dimensions of Globalization has provided several recommendations in this regard which are worthy of our careful consideration. It has proposed directly a far-reaching reform of international trade, monetary and financial institutions and implicitly a reform of the UN itself. Quite clearly, ECOSOC has to recover its function of oversight of specialized agencies and the UN its role of being the planetary system that sets the international economic agenda. Only through such a reform would developing countries have a voice in decision-making on international trade, monetary and financial questions.

An impression is sometimes sought to be created that the August 1st Framework Agreement reached at the WTO negotiations in Geneva was a gift of the developed countries. This is not so. It was a result of intense negotiation and struggle by many developing countries including India. A similar struggle lies ahead when details are negotiated to safeguard our position on the issues of agriculture, subsidies, market access and tariffs. The issue of subsidies obviously has a direct bearing on the stabilization of commodity markets because commodity prices continue to be supply determined unlike those of industrial goods which are demand-determined. The G-77 has a major role to play in facilitating consultation and coordination among developing countries in order to maximize the developmental gains from negotiations at the WTO and thereby, fulfill the promise of Doha.

It is lunch time and I do not wish to follow Burke who “thought of convincing while they thought of dining”. But I would like to end with our strong support for South-South cooperation. We welcome the launching of GSTP negotiations among developing countries during UNCTAD XI. India remains committed to sharing our experience in technical, scientific and economic areas with other developing countries. India’s various technical and economic cooperation programmes, including the ITEC Programme, cover 154 countries, with an outlay of over US$ 200 million annually. The new Government of India is the inheritor of the heroic heritage of NAM, UNCTAD during the golden decade of the UN and is prepared to consider further expanding this Programme both bilaterally and regionally and would welcome suggestions particularly from small and less developed countries.

The Group of 77 has been an valuable asset for developing countries. We shall remain engaged in a continuing consultative process to explore cooperative solutions both among ourselves and with the wider international community. I reiterate India’s full support and involvement in this effort.

Thank you, Mr. Chairman.

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