

**Statement by the Hon. Mrs. Indra Chandarpal Minister of Human Services and Social Security,
Republic of Guyana, on behalf of the Group of 77 and China, before the substantive session of the
Economic and Social Council**

Geneva, 6 July 1999

Mr. President,

As the Economic and Social Council begins its summer session in Geneva, I would wish on behalf of the G77 and China to convey to you, your Bureau and all members of the Council our warmest greetings and all good wishes for a productive meeting.

In recognising your personal commitment and efforts to enhance the profile and effectiveness of the Council, we are ready to cooperate with you in the quest to enable this important organ to live up to the expectations of the founding members of the United Nations and to fully discharge the mandate given to it under the Charter.

It is fitting that this Ministerial High-Level Segment should focus on the theme of the Role of Employment and Work in Poverty Eradication: the Empowerment and Advancement of Women. The empowerment and advancement of women is at the heart of development and is therefore of great importance to the developing countries which constitute the Group of 77. The comprehensive, cogent and timely report which has been produced by the distinguished Secretary-General offers us a perceptive analysis of the issues involved. I would wish to thank him and his Secretariat for the document and to deal with some of the more salient points which are of interest and concern to our Group.

Before doing so, however, Mr. President, let me on behalf of the Group of 77 say how pleased we are to be celebrating today, the Anniversary of the Convention on the Rights of the Child undoubtedly a very important instrument in preserving the welfare of this and future generations.

Mr. President,

Although the incidence and distribution of poverty across countries and regions is uneven, varying as well in terms of individual and family/household characteristics, the consequences of this scourge particularly on women, remain the greatest problem confronting humanity. In the context of the emergence of what has been termed the feminization of poverty, it is important for us to acknowledge and address the gender impact of macroeconomic policies on poverty particularly as these relate to the distribution of productive assets, wealth, opportunities, income and services. Similarly, with rapidly changing populations and their distribution worldwide, dynamic changes in the labour force, employment, unemployment and under-employment are occurring with significant impact on economic and social conditions everywhere.

The G77 countries concur entirely with the view expressed in the report that poverty has structural and systemic causes and has evolved as the product, not only of economic circumstances but also of other conditions. Given its complexity, pervasiveness, scope and its related adverse social, political and cultural effects, poverty has become a "one world problem" which can only be overcome through coordinated national and international action, pursued in a holistic and integrated way.

In this context we would wish to note the extent to which characteristics of recent global growth magnify the problem of poverty. We refer in particular to the failure to meet UNCTAD's projected minimum growth rates of 3 and 6 percent per annum for the global economy and the developing countries respectively. Rates that have been deemed necessary if inroads are to be made into unemployment and poverty in **both** the North and

South and, if there is to be a narrowing of the gaps in the major global indicators such as income, production, consumption trade and investment. We would also point to the grossly uneven distribution of the benefits of growth between North and South which, today is in the ratio of 60:1 - up from 30:1 in 1960.

Linked to these characteristics is considerable global financial market volatility. During the 1990s there has been an approximately two-yearly cycle of currency and exchange rate crises. Recent estimates show that this volatility has contributed to the loss of about one percent per annum of global GNP in this period. We believe that the emphasis introduced here, on the structural and systemic characteristics of the global economy, serves to draw attention to the importance of these factors, not only for the analysis and diagnosis of poverty but, ultimately, for the framing of policy prescriptions aimed at its eradication.

The policy prescriptions which have been advanced in the Secretary General's Report are indeed worthy of consideration. Economic growth is clearly a necessary but not sufficient condition for poverty eradication. Poverty eradication policies should have a gender perspective and reaffirm fully all appropriate agreements reached in earlier international fora, especially as they relate to social development, women, children, human rights, environment, migrant workers, shelter and peace. Moreover, policies should be directed at structural causes, recognizing the multi-dimensional nature of the phenomena we are addressing. They should be based on effective building-blocks, including sound macroeconomic policies, labour market improvements and an enabling international environment. These building blocks should recognize the complementary roles of national, regional and international authorities. Moreover, to be effective, policies should be well targeted and directed at vulnerable groups such as women, youth, the elderly and the disabled as well as at the promotion of small and medium enterprises, microcredit, greater employment opportunities, workers' security and protection, and the adequate provision of safety nets.

There are however additional areas of policy which we would wish to emphasize. One of these is the issue of distributive justice of equity which the report does not adequately engage. The evidence shows that it is impossible to separate the prevalence and incidence of poverty from the distribution of power, influence, income and assets at both the national and international level. Structures that perpetuate and, indeed, extend inequality, cannot in our view be relied upon to contain poverty. To the contrary, these require that we directly address their cause. The widening gaps at the international level, accompanied by a growing concentration of power, wealth and income are mirror images of the poverty that we have to deal with.

We need therefore to simultaneously and systematically pursue the many proposals already advanced to remedy the structures of global inequality. Included among these are proposals for stronger debt relief efforts, the reform of commodity pricing, the reform of the international financial architecture so as to reduce the likelihood of financial and currency crises, enhanced ODA flows, food security, halting the marginalization of the United Nations and the erosion of its influence on economic and social affairs and, the re-activation of both the international development principle and the concept of international support for countries in special situations in global cooperation and partnership. These steps would go a long way to enshrine development as a recognised right.

Mr. President,

While we did not expect policies to be developed in detail in the Secretary-General's report we do have a concern that some of the proposals come close to a **one-size-fits-all approach**. The danger of this approach is that the vast diversity of situations around the world may not be properly assessed. Consider as an example, the emphasis correctly laid in the report on education. This is done with little or no recognition of the empirical studies which show that variations in the level, quality, dispersion and rewards obtained from education determine its effect on income distribution and poverty across regions and social groups. Another example is the concern raised by the G77 and China in many fora about the adverse impact on poverty and unemployment, of structural adjustment programmes (SAPs) and sectoral adjustment loans (SALs) which

adopt a one-size-fits-all approach.

We go further to urge that lessons should be drawn from successful experiences and on-going efforts among the countries of the G77 to deal with issues, as well as initiatives being pursued at the international level. Among the many examples of test-proven best-practice experiences would be the redefinition of fiscal policy in the context of the new international environment and domestic economic reforms. Although some regions are seeking to promote a fiscal covenant, the Secretary-General's report does not address fiscal matters. Currently efforts to promote these covenants are based on five principles which may have a wider usefulness elsewhere. These are fiscal consolidation to harmonize the macroeconomic context, growth and distribution; increased productivity of public expenditure; transparency and accountability to ensure that political and economic objectives are being pursued adequately; social equity both in terms of access to public services and the burden of taxation; and, an institutional framework to ensure democratic participation and partnership.

Other useful experiences would be those in regional cooperation and integration to promote development. These include the development and application of technology to address poverty as well as the adoption of policies to cope with urbanisation. In this latter regard there is the expectation that there will be 21 megacities by the year 2010, 12 of which will be located in the developing world. This will dramatically alter the face of employment, unemployment and underemployment. There is a rich experience, both positive and negative to be drawn from ongoing efforts to anticipate these developments among the countries of the G77.

Finally, we may mention policies designed to redistribute assets. There is also considerable and varied experience in this area, especially with regard to land and credit among the countries of the G77 and China. In some cases, such redistribution measures have been linked to incentive payments to reward efforts to use the redistributed assets productively. Economic-capacity building programmes in chronically poor areas and schemes designed to search for and release the productive potential of communities are notable examples.

In the end, however, Mr. President, the tasks of poverty eradication, employment provision, and the empowerment and advancement of women worldwide, will not be accomplished without strong political will and genuine efforts to improve existing standards of international governance. At this meeting of the Council, the G77 would urge therefore that an attempt be made to infuse the economic and technical issues which are treated in the Secretary-General's report, with requisite political dynamism. It is only by so doing that we will be able to effectively address the causes of poverty, promote the empowerment of women and the growth of global peace and prosperity. We are confident, that under your leadership we will respond to this challenge.

I thank you.