

**Statement by Ambassador Bagher Asadi, Chairman of the Group of 77 (Islamic Republic of Iran), at the Second Committee, on Agenda Item 103: First United Nations Decade for the Eradication of Poverty (1997-2006)**

**New York, 12 October 2001**

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Mr. Chairman,

It is a great honour indeed to speak, on behalf of the Group of 77 and China, on this important agenda item: First United Nations Decade for the Eradication of Poverty (1997-2006). To begin, allow me to express our appreciation to the Secretary-General and Division for Social Policy and Development, Department of Economic and Social Affairs (DESA), for the preparation of a very informative and comprehensive report contained in document A/56/229. The report is a good response to the mandate contained in the General Assembly resolution 55/210. I should also thank Dr. John Langmore, for his personal contribution to the preparation of this rich report as well as for his excellent introduction.

Mr. Chairman,

At the beginning of the new millennium, in an era of global economic prosperity and major advances in science and technology, poverty remains one of the biggest challenges facing humanity. It is a grim situation on a global scale that almost one fourth of the world population; that is, one and a half billion human beings, live on less than \$ 1 a day. Still worse, this situation has to be viewed within the bigger context of extremely skewed and uneven distribution of wealth and income across the development divide. According to the latest World Bank – World Development Report 2000/2001, out of a \$ 30 trillion Global Gross Domestic Product eighty percent goes to twenty percent of the world population living in the industrialized countries while eighty percent of the world population living in the developing countries have access to only to twenty percent of the world income.

We all know that poverty is a very complex phenomenon. It relates not only to low income and consumption but also to low achievement in such areas as employment, education, housing, health and nutrition. Poverty manifests itself in different forms and involves a set of multisectoral economic development as well as social development issues. While the root cause of poverty is underdevelopment, both poverty and underdevelopment are linked to a variety of elements which affect and are affected by them. In this connection, two sets of factors are at work; external and internal. Among the major external factors, mention could be made of declining international resource flows, particularly inadequate financial assistance for development and worsening terms of international trade, and generally speaking, a not so favourable outside environment. And at the national level, generally weak and inadequate – and in some cases even practically non-existent - infrastructure and social services, rampant unemployment could, among others, be referred to. Over and above the interplay of external and internal factors, crushing external debt burden, natural disasters, and wars and conflicts are among the other major factors contributing to the acceleration of poverty. These problems have been much more compounded in recent years by the forces of globalization, further increasing the degree and forms of vulnerability of many developing nations. Globalization, whose potential benefits are yet to be realized for most developing societies, has, as a matter of fact, also led to further marginalization of some developing regions and many developing societies. It has in turn widened the tremendous economic and technological imbalances between the developed and developing countries and resulted in the exacerbation of poverty.

Mr. Chairman,

Faced with an unacceptable poverty situation on a global scale, the Millennium Assembly last year addressed the question and agreed, in the Millennium Declaration, on the goal to halve, by the year 2015, the proportion of the people living on less than one dollar a day. This is a significant time-bound target for poverty reduction. Realistically speaking, though, reaching the agreed target in all countries, within the set time frame, will not be easy. But it is imperative for the whole international community to pursue it in earnest at all levels; national, regional and international, and devise practical policies and mechanisms, which we have to emphasize, should be free from exclusivist approaches and political criteria. At this point of history, with hindsight and also with an eye to recent and on-going developments at the international level, we should be very much cognizant of the rather intricate relationship between poverty and peace and security – as alluded to by Dr. Langmore just right now and I fully share those sentiments.

Mr. Chairman,

We are almost in the midst of the first United Nations Decade for the Eradication of Poverty and implementation issues continue to be the major stumbling block. I should seize the opportunity right here and state, in very clear terms, that the Group of 77 and China views poverty as the most pervasive violation of human and development rights. An effective and meaningful global campaign against the scourge of poverty requires that poverty eradication be placed at the center of national strategies and international cooperation. National governments carry a critical, pivotal role to play in this regard and do indeed have the ultimate responsibility to ensure the success of the campaign against poverty. At the same time, we cannot but underline the fact that in this highly interdependent world poverty eradication cannot but be addressed on the basis of common responsibility of all nations and also that effective, successful pursuit of national policies need to be supported by a conducive, enabling external environment. In fact, the whole international community needs to engage in genuine international cooperation and implement concerted policies, in a mutually supportive manner - and quite urgently at that - in order to ensure making concrete progress toward the realization of the established international goals and targets.

Mr. Chairman,

As indicated in the report of the Secretary-General, the current prospects for all countries to achieve the agreed poverty reduction targets and other development goals by 2015 appears extremely bleak. Even assuming the scenario that countries will achieve faster and more broad-based growth, it may seem unlikely that almost 50 countries will halve the poverty rate by 2015. The forecast for many of the Least Developed Countries (LDCs), particularly in Africa, is of special concern because the number of people living in poverty may increase. If progress remains slow in Africa, particularly in sub-Saharan countries – and this may well be the case if the relentless march of HIV/AIDS epidemic, itself a tragic consequences of poverty, is not reversed – then the gap between that region and the rest of the world could widen significantly. We hope that the New African Initiative would make a substantive contribution in this regard and also that the review of the United Nations Decade for the Eradication of Poverty would take due account of this Initiative.

Therefore, in order to bridge the existing stark differences and to meet the agreed goal by 2015 in all developing countries, particular attention must be paid to accelerating pro-poor economic growth as well as social development. It is rather axiomatic now that rapid economic growth is the most powerful means which could not only result in higher living standards and poverty eradication but also benefit social indicators. It is important to recognize that poverty eradication is dependent on economic growth, but more importantly, it needs to be pro-poor. This aspect needs to be insured in the process and policies geared to achieving economic growth.

Mr. Chairman,

Turning to the requirements for acceleration of economic growth, I would like to emphasize, first and

foremost, on the fundamental role of financial resources. Although the bulk of the savings available for investment could, and in fact, should, come from domestic sources, foreign capital represents an indispensable valuable complement. As Dr. Langmore just emphasized, many developing countries simply lack the necessary capacity to mobilize the domestic resources. Artificial and politically-tainted constraints on investment should be removed and countries should refrain from imposing severe restrictions on access to the of other countries – that is, developing countries - to credit, with a view to the full achievement of the international development targets as well as the goals of the Millennium Declaration. Moreover, as has been argued by the developing world for quite a long time, the international financial system needs to be reformed in order to, inter alia, reduce the impact of excessive instability of capital flows and ensuring transparency in the international financial system and participation of the developing countries in decision-making of the international financial institutions.

Official Development Assistance (ODA) which is the only source of external financing for many developing countries also remains crucial in helping them to achieve economic growth and fight poverty. We urge all those developed countries which have not done so to fulfill their commitment in allocating 0.7 percent of their GNP to overall ODA urgently to complement domestic efforts and foreign capital flows. Debt relief is also one of the various financial assistance instruments which could increase the ability of developing countries to eradicate poverty. Although the HIPC initiative has made some progress, the external debt overhang in poor countries still constitutes a serious obstacle to their development efforts and economic growth, thus calling for faster, deeper, broader, more flexible and enhanced debt relief initiative. Donors should provide necessary resources for full implementation of HIPC initiative while also ensuring that doing so is not at the expense of other ODA flows.

The Group of 77 and China commends the broad positive response of the international community to the proposal for the establishment of a world solidarity fund for poverty eradication. Reiterating our full support, we believe this fund would complement commitments made by the international community to eradicate poverty and would help alleviate the resource deficit in this regard. We hope that an urgent decision would be made during the current General Assembly session on the establishment of the proposed fund. Needless to say, though, that its practical operationalization would require, among others, voluntary contribution by the donor community which needs to be additional to existing levels of resources for development.

Mr. Chairman,

International trade expansion can also contribute to the promotion of economic growth and the eradication of poverty. Developed countries should be urged to remove trade barriers and subsidies which constitute serious impediments to market access by developing countries. It is a fact that market access for the agricultural and manufactured exports as well as access to service markets in high-income countries would help create jobs in the developing countries and thus help them in their national policies and endeavours towards economic growth and poverty eradication. Within this broad context, it is also necessary to make a brief reference to the role of technology. Facilitating the transfer of technology by developed countries to the developing world plays a critical role in helping them in their developmental efforts and accelerate their economic growth. Given the very serious threat of increasing technological marginalization of the South, including and particularly in the area of ICT, due and urgent attention needs to be paid by the international community, and in this regard, the United Nations system, to the formulation and implementation of appropriate measures to address and overcome this situation.

Mr. Chairman,

In conclusion, having reviewed the annex of the report before us summarizing the coordination at the intergovernmental level and activities of the United Nations System, let me just add that the Group of 77 and China appreciates the activities carried out thus far in support of national efforts to eradicate poverty. We

would like to emphasize, however, the necessity, and in fact, the urgency, of such support to be continued and most certainly to be intensified.

Mr. Chairman,

The message from the Group of 77 and China to you and to the Second Committee, as underlined in the statement at the beginning of our work last week, remains to be full cooperation towards reaching the best consensual outcome. We are wedded to the principle of consensus, within the Group as well as within the bigger intergovernmental body.

Thank you very much, Mr. Chairman.