



Statement

by

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Item 87: Globalization and interdependence
a) Globalization and interdependence
b) International migration and development.

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Mr. Chairman,

This morning we had a very illuminating presentation by Nobel Laureate Professor Amartya Sen on the very topic that we are discussing now under agenda item 87 on “Globalization and Interdependence”. Professor Sen emphasized very strongly that the poorest of world should have “a fair share” of the benefits of the globalization process and wondered whether there have been “discernable benefits” for the most deprived of the world. In his presentation he outlined, what he called, “unfair omissions and unjust commissions” that impact on having a fair share of the benefits of globalization. It is in this context, Mr. Chairman, I thank you for giving me the opportunity to highlight the concerns of the most vulnerable countries of the world categorized as the least developed, the landlocked and the small islands. The vulnerability of these countries make them the least equipped to face the somewhat overwhelming encroachment of globalization in national as well as in global contexts. Recent Report on the Social Dimensions of Globalization has highlighted this aspect effectively, calling the exclusion of these countries from the benefits of globalization as “a stubborn reality”.

The Report of the Secretary-General (A/59/312) introduced earlier mentions that globalization has offered opportunities for enhanced economic growth, while underlining that such growth has been unevenly distributed across the countries and among both industrialized and developing countries. The Report goes on to emphasize that “the challenge is to create the conditions that will enable all countries, in particular the least developed countries, to benefit from globalization and to achieve the Millennium Development Goals”. This linkage between benefiting from globalization and achieving the Millennium Development Goals is very relevant and was brought up during this morning’s lectures underscoring the importance particularly of education and health that are integral part of these Goals.

It has been emphasized in the Report that to ensure that financial trade and aid flows have beneficial development impact, efforts are needed to enhance global institutional and policy coherence, bearing in mind the requirements of different countries. In this context, I would like to particularly draw your attention to the need for particular attention of the international community’s decision-making process to the most vulnerable countries and the need for special policy attention to these countries, bearing in mind that they are inadequately prepared in so many ways to derive benefits from the ever-broadening influence of the globalization process. Last year the Assembly in its resolution 58/225 on this subject reiterated the need to address the specific concerns and needs of the LDCs, LLDCs and SIDS.

In the Secretary-General’s Report, there are two box items highlighting the cases of a number of the Least Developed Countries (LDCs), some of whom are also landlocked, showing how the current state of global policies have affected the development efforts of these countries. As it has been rightly emphasized, globalization has impacted on the social goals or people’s lives through trade and financial policies. The impact is the greatest in the Least Developed Countries which have the least capacity - both institutional and human resources - constraining them seriously. In some

countries, globalization has resulted in serious gender imbalance. Trade liberalization in particular have contributed to this imbalance in the most vulnerable countries. We are seriously concerned about this imbalance getting wider when the special arrangements on textiles and apparels will come to an end by the end of this year having a negative effect on the textile manufacturing in a number of LDCs. Bangladesh and Lesotho, to cite two LDCs from Asia and Africa (Lesotho is also landlocked), employ a large number of women workers in their garments factories which would lose their export market share in the onslaught of trade liberalization. It is very important that the steps to liberalize the trade and financial sectors should be made consistent with the goals of social development.

I would also like to emphasize the larger question of global sustainability and in that context particularly the issues of biodiversity and climate change as seen in the context of the existing global institutional arrangements. An effective governance of globalization for these areas are of particular importance to the Small Island Developing Countries (SIDS) many of which also belong to the least developed category.

In the same context, it is also necessary that the poverty reduction strategy papers (PRSP) process, as a key planning mechanism for the most vulnerable countries, should reflect very clearly the ability or lack of it of these countries to effectively integrate into the global economy and thereby benefit from the process of globalization and also should link with other relevant national strategies, particularly social and environmental ones.

Development efforts in the most vulnerable countries get strong support at regional and sub-regional levels through existing or emerging institutional arrangements. It is, therefore, very necessary that complementarities between global and regional institutions are appropriately structured so that the voices of the most vulnerable countries could be effectively reflected in the global process through regional inputs. An additional benefit of this linkage would be a greater sense of ownership induced by regional and sub-regional institutions that include many of these vulnerable countries. Examples of these could be found in the NEPAD process and the activities of regional and sub-regional organizations like ECOWAS, SADC, SAARC, ASEAN, the Pacific Islands Forum and the CARICOM.

I would also like to emphasize that the international governance structures should be appropriately broadened and strengthened to enable the most vulnerable countries have a voice in the international development decision-making and norm-setting. The asymmetries and inequalities in the rules of the game, particularly those which marginalize the most vulnerable, need to be reduced particularly in the multilateral institutions if the benefits of globalization can be shared in a fair and equitable manner. These countries, in any case, have the weakest bargaining position.

The review in 2005 of the implementation of the Millennium Declaration focusing on the Millennium Development Goals will provide us an opportunity to address also the challenges of globalization and the difficulties in meeting these goals as experienced by the most vulnerable countries – the least developed, the landlocked and

the small islands. It is absolutely necessary to build into that review and the process leading up to that the situation of these countries being the most disadvantaged segment of the international community. The United Nations, being the most important global organization, cannot afford to ignore the weakest and the most deserving of international support in the review next year.

Let me, Mr. Chairman, briefly remark on the issue of international migration and development. One aspect of this issue continues to be of interest to the Least Developed Countries. As you are aware, during the High-Level Segment of ECOSOC earlier this year, a Ministerial Roundtable discussed the issue of the development impact of migrant remittances in the LDCs. The discussions there emphasized that the most direct linkage between migration and development is through remittances. Migrant remittances can constitute a very importance source of foreign exchange enabling the country to acquire vital imports or pay off external debts and are the least uncertain source of foreign currency income for the LDCs. At the household level, such remittances contribute to the reduction of poverty and opening opportunities for better health and education. In 2002, according to the World Bank, workers remittance receipts of developing countries stood at 80 billion US dollars, exceeding the level of ODA. It is estimated that globally the value of unrecorded remittances flowing through informal channels is as large as recorded remittances through financial channels and is significantly unreported in most LDCs with substantial informal remittance flows.

Looking at the issue of migrant remittances in the context of development in the least developed countries, let me first emphasize that such remittances are not and should not be seen as a substitute for development assistance. It is also necessary that the cost of remitting as well as improving access to effective e remittance services need special attention. Though migrant remittances are personal funds, it is worthy of attention as an important contribution to development in many LDCs. There has recently been increased interest on the part of national institutional players, the private sector and international institutions in identifying the most effective ways of encouraging migrants to become real economic players in their country of origin. Following the ECOSOC Ministerial Roundtable that I mentioned earlier, a proposal for calling a conference of the Ministers of Finance from the LDCs and OECD countries on remittances and development was generally supported and needs to be pursued further.
