

*Opening Remarks by Pradeep S. Mehta,
Secretary General, CUTS International*

**Global Partnership for Development Conference,
Where do we stand and where to go?
New Delhi, 12 August, 2008**

Distinguished guests, ladies and gentlemen,

It gives me great pleasure to welcome you to Delhi. Modesty compels me not to expound on the achievements of CUTS, which has entered its 25th year. Since 1984, we have been working for the welfare of consumers, from the grassroots to the international level. In the early 1990s, when the Uruguay Round discussions were at a peak, we expanded into trade and development. This led to substantial growth, as very few NGOs in the South were grappling with these new issues of globalisation and liberalisation. Over time we expanded our work to include South-South cooperation, to share our skills etc and have now acquired the status of an international NGO, with five overseas centres, the latest, but not the last one, was opened at Geneva on 16th July. The common thread in our work is advocacy for a rights-based approach to development, while supporting globalisation as it generates opportunities for growth and jobs.

Ladies and gentlemen, this Conference was conceived as a step in our quest for growth across the developing world through genuine partnerships and sincere cooperation. However, at that time, we did not know that the latest ministerial talks on the Doha Round at Geneva would flop. According to some estimates, the Doha Development Round would have infused another US\$136bn into the global economy. This infusion may not be great shakes, but the downside of the flop may lead to further down turn in the global

economy, affecting the poor most. This can happen due to increased protectionism, trade disputes and the absence of the critical feel good factor among businesses.. Please recall that the Doha Round was launched in 2001 when the world was reeling under the impact of the 9/11 disaster.

The background of the last month’s Geneva meeting was not that tragic, but the food and oil crises did lead to a grim atmosphere. Thus, the meeting was already pregnant with elements which require resolution. However, despite the inability on the part of countries to arrive at a deal, the international environment is still marked by an air of optimism. Many countries have volunteered to keep their July 2008 offers on the table for the future.

As the worthy Indian trade minister said, “it’s a pause and not the end of the road”. I welcome Mr. Kamal Nath.

The indefatigable Director-General of the WTO, Mr. Pascal Lamy rightly reported to the General Council on 31st July, 2008 that the Trade Negotiations Committee had heard “multiple strong calls for preserving the package that had been so painfully negotiated in order to conclude this Round successfully”. Quite prophetically, he said, there is no doubt that “looking at what is on the table now, members believe that the Doha Round is still worth fighting for”. I welcome him.

On a more sombre note, the UNCTAD Secretary-General Dr. Supachai Panitchpakdi observed: “The failure of the talks this week is undoubtedly a setback to the multilateral trading system. It adds to a growing list of global development challenges that must be confronted by countries in order to create the necessary and conducive conditions to promote

development, eliminate poverty and accelerate the achievement of the UN Millennium Development Goals”. I welcome him.

Mr. Kamallesh Sharma, Secretary General of the Commonwealth Secretariat, who could not join us here due to other preoccupations, noted, “Despite the current impasse, it is important that the advances already made over seven years are not lost.

“For the poorest, smallest and most vulnerable states, all these are partial gains on which to build. This setback should not be allowed to undermine the concept of multilateralism, and the potentially large gains to be made by the global economy.”

I take this opportunity to welcome Ambassador Ransford Smith, Deputy Secretary General of the Commonwealth Secretariat, who is representing the Secretary General.

Ladies and gentlemen, as many of us believe, the collapse came because developing countries were asking for justified protection against import surges in farm goods through a special safeguard mechanism so that their poor farmers are not adversely affected by the hugely subsidised agricultural goods from the west. Egged on by their agribusiness lobby, the US could not agree, saying that they need to have real market access into developing countries in exchange for a cap on their agricultural subsidies, which is twice the present applied level. The more sensitive issue of cotton subsidies were not even discussed for a resolution.

This is not just an emotional issue. The well being of a poor nation is tied to the wellbeing of its farmers. They number about 58.5 percent of the

workforce in the low income countries, whereas only 3.2 percent of the workforce are engaged in agriculture in the high income countries (FAO, 2004). A country cannot hope to prosper unless food production keeps up with demand; huge dependence on the rest of the world for staple foods will always produce instability in the balance of payments and sabotage growth. The plight of the cotton farmers in West Africa will continue to remain blighted. Unless farmers are able to prosper and plough back some of this prosperity into the enhancement of agricultural productivity the onward march of a nation to higher levels of well being is threatened.

By not bowing to commercial interests, trade ministers of poor countries have collectively made a momentous contribution to the preservation and advancement of the livelihood security of millions of farmers from all over the developing world.

Ladies and gentlemen, the idea of organising this Conference was conceived a year ago in the backdrop of slow progress in the WTO Doha Round of negotiations. The Doha Round was dubbed as a Development Round even though even a completely successful Doha Round cannot possibly solve the serious developmental problems in most of the poor countries, many of which are domestic in nature and need to be addressed domestically. Besides, significant domestic supply and governance constraints limit their ability to take advantage of increased global trade and investment flows.

Many poor countries are now concerned that the possible outcomes are unlikely to offer anything meaningful to them, since prospects of significant real reductions in market access barriers faced by many of them are dim.

An overwhelming majority of African, Caribbean and the Pacific group of countries are realising that their preferential trading arrangements with the European Union, which are to be transformed to WTO-consistent reciprocal preferential schemes, can hardly help them to increase their share in world trade and deliver development.

Whilst international trade is still recognised as an important vehicle for fostering economic growth, lack of supply-side capacity along with market access barriers have reduced development opportunities for a large number of very poor and vulnerable countries, thus threatening the achievement of a number of their development goals.

There is a widespread recognition of the need for developed countries to help developing countries achieve their development goals, which necessarily go beyond the development elements envisaged in the Doha Round and EPA negotiations.

The reality is that the eighth Millennium Development Goal, the MDG-8, which stresses the importance of a global partnership for development remains largely rhetorical. There is no firm and concrete commitment by the rich countries to reform their trade regimes, to provide effective opportunities and to take concomitant measures to assist the poor countries in their fight against poverty.

The direction and priorities of trade, aid and debt policies, the principal ways through which the North interacts with the South, are perceived by the South to be largely decided in the North. Yet they have profound impact on the socio-economic fabric of countries in the South. It is high

time that both North and South are at least equal partners in the choice of schemes and modes of development impacting the latter.

Many observers are of the view that now, when the expectations of the poorest countries from Doha and EPAs are quite low, an emphasis on a broad development agenda with a clear delineation of commitments and obligations of the North and the South might provide an opportune avenue for triggering joint North-South engagement in development cooperation. With this in view, this Conference, involving important stakeholders from various corners of the globe, is being organised.

To conclude, I urge you to kindly participate fully and constructively to achieve the specific objectives of this Conference, which are to:

- assess the impact of the increasing delay at the Doha Round of negotiations on LDCs and small vulnerable states and the prospects for achieving their enhanced and beneficial participation in world trade;**
- discuss the scope for cooperation between developed and developing (including least developed) countries over and above multilateral trade talks and regional trading arrangements, including supply side reforms, to strengthen the link between trade, growth and poverty reduction in the world;**
- identify the scope for and means of ensuring fuller and more effective participation by developed and the more advanced developing countries in the advancement of growth and development in the rest of the world, and**
- Based on the above, to formulate concrete recommendations for making the global partnership for development more effective.**

A historic opportunity and responsibility awaits us. I am confident that our collective deliberations on the mentioned issues at this particularly difficult time in international trading relations will renew the hope and commitment of all to a more prosperous, equitable and united world.

Let me take the opportunity to acknowledge with gratitude the participation of various dignitaries on the dias and the audience, who have taken the trouble to be with us; the support of the Government of India; Commonwealth Secretariat; Commonwealth Foundation; World Bank; DFID; AFD; Government of the Netherlands; IDRC; Friedrich Ebert Stiftung; and the Government of Norway. Last but not the least, FICCI, who agreed to partner with us and are co-hosting this event in their grand premises.

This meeting will not result in any concrete outcomes as we do not possess a magic wand, but it will certainly act as a stimulus for a renewed attack on poverty around the world through better understanding and cooperation. What better opportunity than this to undertake a mid term assessment of the MDGs, which has the target of reducing poverty by half by 2015. We owe it to the poor around the world. Can we do it?

I thank you.