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TRADE AND DEVELOPMENT BOARD  
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Third session  
Geneva, 12 June 1995  
Item 6 of the agenda

**DRAFT REPORT OF THE STANDING COMMITTEE ON POVERTY ALLEVIATION  
ON ITS THIRD SESSION**

Rapporteur: Mr. H. Tausch (Switzerland)

**ITEMS 3 and 4 (continued)**

**ADDENDUM**

Speaker: India

**Note for Delegations**

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments - to be submitted in English or French - should be communicated **by Friday, 23 June 1995 at the latest** to:

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## Chapter I

ANALYSIS OF THE EFFECTS ON THE LIVELIHOOD OF THE POOR OF ELIMINATION OF TRADE BARRIERS, INCREASED COMPETITIVENESS, TRADE FLOWS, EXTERNAL SHOCKS, DIVERSIFICATION OF EXPORTS, PARTICULARLY OF LABOUR-INTENSIVE GOODS, AND MARKET ACCESS FOR SUCH GOODS

ANALYSIS OF THE EFFECTIVENESS AND IMPACT OF INTERNATIONAL DEVELOPMENT COOPERATION FOR POVERTY ALLEVIATION, INCLUDING THE IDENTIFICATION OF IMPEDIMENTS, INNOVATIVE MEASURES AND EFFECTIVE STRATEGIES FOR REACHING THE POOR

(Agenda items 3 and 4) (continued)

## Addendum

25. The representative of India observed that the Standing Committee, set up in response to growing concern over persistent, spreading poverty, had made a useful contribution to the understanding of poverty, through analytical studies, seminars and providing a forum for exchanges of country experiences. It had also made an important input to the World Summit on Social Development. He felt that an assessment of the Committee's work at this stage was timely, especially as the mandate would be taken up at UNCTAD IX. Whatever the approach, poverty alleviation should be addressed comprehensively and not in piecemeal fashion.

26. The documentation prepared by the secretariat had been very helpful. TD/B/CN.2/13 presented very interesting conclusions on the impact on the poor of the trade liberalization process. Likewise, it offered useful ideas on how small and medium-sized enterprises could help stimulate an economy. As for TD/B/CN.2/14, his delegation agreed with the general thrust of the report, in particular the need for ODA to be organized along more efficient lines, for more of it to be directed towards developing countries where most of the world's poor were concentrated and for further debt relief.

27. The Uruguay Round had made a positive contribution by bringing predictability and discipline to the international trading system and, by lowering tariffs, it would provide greater market opportunities. However, the latter could be exploited only by countries with the necessary capacity. Hence, capacity-building was a prior corollary for taking advantage of the results of the Round. This required investment not only in the export sector but also in such areas as infrastructure, education and health. Furthermore, as a result of the Round, there had been some erosion of the benefits enjoyed by the

developing countries under the Generalized System of Preferences (GSP). Their more open markets and structural adjustments had the effect in some cases of increasing their imports and enlarging their trade deficit, on the one hand, while, on the other hand, the expected benefits from the Round were not immediate. For instance, the result of the removal of quotas under the MFA would span ten years, with the major benefits accruing towards the end of the period. Developing countries were also more vulnerable to vast fluxes in capital markets and foreign exchange, effects which impinged on employment, income generation and poverty alleviation. More should be done about the promotion of labour-intensive goods for increasing employment and hence fighting poverty. By focusing on such issues, the Standing Committee could make a meaningful contribution to alleviating poverty.