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PROVISIONAL SUMMARY RECORD OF THE 14th MEETING

Held at the Palais des Nations, Geneva,
on Monday, 2 July 2007, at 3 p.m.

President: Mr. ČEKUOLIS (Lithuania)

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The meeting was called to order at 3.15 p.m.

THEMATIC DISCUSSION: STRENGTHENING EFFORTS AT ALL LEVELS TO PROMOTE PRO-POOR SUSTAINED ECONOMIC GROWTH, INCLUDING THROUGH EQUITABLE MACROECONOMIC POLICIES (E/2007/51 and E/2007/68)

STATEMENT BY THE UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS

Mr. SHA Kuzang (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General (E/2007/68) on the promotion of pro-poor sustained economic growth, said that the goal of poverty eradication necessitated the adoption of a multidimensional and long-term approach, coupled with measures that could immediately relieve the distress of the poor.

Recent experience had pointed to sustained and significant economic growth as the best way of impacting on abject poverty. The Secretary-General's report focused on the complex issue - which clearly called for further study - of ensuring that economic growth led to effective improvements in the lives of poor persons. Pro-poor growth could be defined variously as: growth that benefited the poor; growth that was poverty reducing, irrespective of the relative distribution of its benefits between rich and poor; and growth that both reduced poverty and also impacted positively on income distribution. The diversity of conceptual approaches indicated that the linkage between growth and poverty reduction was multifaceted and should be seen in a broader context.

The report suggested that national policies to translate economic growth into pro-poor growth should be determined by each country's specific situation and should be formulated within the larger framework for achieving development goals. It proposed that: countries should adopt national development strategies that ensured that broad-based economic growth contributed to the achievement of internationally agreed development goals; policies should focus on creating and maintaining a stable macroeconomic environment that made full employment a central objective and integrated short-term fiscal and monetary measures with long-term development objectives; the potentially negative impacts of macroeconomic policies should be addressed by targeted pro-poor measures; and distributional impacts and equity issues should be factored into the design of policies, given the direct bearing of income inequality on

efforts to reduce poverty. While the measures concerned should be country-led and adapted to circumstances, most developing countries needed to build institutional capacity to design and implement such policies and also needed to invest in infrastructure and human resource development. Those efforts would require international support in the form of increased access to low-cost financing, including increased and predictable flows of official development assistance.

National efforts and strategies needed to be nurtured by continuous international support and a global environment that was conducive to development. External conditions had a direct bearing on the policy space available for the design of national development strategies, as well as on their effectiveness; and current global payments imbalances posed a major potential threat to the world economy. The regional nature of recent financial crises and a globalization process including “open regionalism” had raised interest in regional cooperation, which should be supported since it could contribute to growth by promoting regional stability.

The thematic discussion should lead to valuable further work throughout the United Nations system on the linkages between concerns for equity, pro-poor growth and global coordination of macroeconomic policies, while the Annual Ministerial Review could facilitate the sharing of relevant experiences at the national and international level.

He hoped that the Council’s discussion would contribute to the adoption of a multi-pronged approach to address the challenges of rising inequality and the often tenuous link between robust growth and poverty eradication.

The meeting rose at 3.30 p.m.