

2 June 2004

**Statement of H.E. Mr. Julian Robert Hunte,  
President of the 58th Session of the General Assembly,  
at the Vienna Global Agenda Forum**

Professor Hordijk, members of the Vienna Global Agenda Forum, Distinguished Ladies and Gentlemen:

As you would have heard, I have come to the Presidency of the Fifty-eighth Session of the United Nations General Assembly through a circuitous route. As a young man in my country, St Lucia, I was first drawn to service organisations and to the business sector. Later, the world of politics beckoned, and I answered the call. Politics set me on a course for diplomacy at the United Nations, the world's premier international organisation. Later, politics brought me back to serve as Minister, and endorsed candidate of my Government and the Latin American and Caribbean region for President of the General Assembly. I was honoured with the unanimous support of the membership of the United Nations for this high office.

I hope you would have gathered two points from my brief notes on my background. The first is that my initial training was in business, and it is business that has underpinned my contribution in all other areas, whether individually, nationally, regionally or internationally. The second point, following logically from the first, is that I am pleased to have this opportunity to address the Vienna Global Agenda Forum, because it allows me to bring together my divergent experiences - politics and diplomacy, and above all, business.

Let me express my appreciation to the Forum for inviting me to participate in this meeting, and for the opportunity to share some thoughts on the topic, "The role of the business sector in the achievement of sustainable development".

The conventional wisdom about the business sector is that it takes up the most promising opportunities for profit, and that it seeks to maximize those profits through efficiency. It has also been asserted that the business sector - corporations in particular - has become a dominant force in a rapidly and dramatically changing global economy. This assertion is beyond question.

I believe it fair to say, also, that few developments in today's world have expanded the reach and influence of business enterprise as has globalisation and trade liberalisation. These twin developments, spurred by rapid advances in technology and communications, are undoubtedly now the principal driving forces in the global economy.

Until recently, globalisation and trade liberalisation - ever closer integration of markets, ever larger economies of scale, ever bigger opportunities for profits and prosperity, clearer rules set by

the World Trade Organization and new terms of trade to replace existing system of preferences - was seen as the way forward for the global economy. Proponents of globalisation and trade liberalization, including in business circles, seemed convinced that there was a simple formula that would surely lead to sustainable development, "open your economies, liberalise and you will grow, and as you grow, poverty will be reduced".

The distinct impression proponents gave was that there simply is no viable alternative to globalisation and trade liberalisation. This may indeed be so. However, in the face of poverty, inequity, environmental degradation, the ravages of deadly diseases such as HIV/AIDS, marginalisation and other grave global problems, the deep sense of uncertainty engendered by globalisation and trade liberalisation is calling the global economic order into question.

The United Nations 191 Member States are all on different national paths to development. It is expected, however, that the paths will eventually converge in the same place - economic growth and development for each country, and if I dare say so, accelerated development for the countries of the developing world. This would be especially so for the least developed countries, landlocked developing countries and Small Island Developing States (SIDS) like those of the Caribbean Community (CARICOM). Now, however, the paths are not leading to the same place - more economically advanced states appear to be the primary beneficiaries of globalisation and trade liberalization.

The hopes of the developing countries had been raised that Doha would trigger a truly development round of world trade negotiations. Instead, we stand on the brink of stagnation in moving Doha commitments forward. Developed countries' subsidies, particularly to agriculture, lack of, or limited market access and no significant movement on special and differential treatment or other concessions - all these and more loom large in the path to sustainable development of numerous developing countries. Cancun, I believe, underscored the inherent problems.

Many countries are only just beginning to shake the impact of the global economic slow-down - but many impediments remain. The growing threat of terrorism and the way in which we react to it could well stand in the way of a steady march towards greater international openness and sustained economic growth and development. At the same time, world-wide events, problems and issues including the military action in Iraq and escalating oil prices, are creating resource challenges for development efforts. It is, indeed, an uphill struggle to bring development back to centre stage on the United Nations, or indeed, the international agenda.

It is becoming increasingly difficult for governments in many developing countries to take control of their economic future. Foreign direct investment is an important source of financing for development, but it is fraught with uncertainty. Investments might well move out of a region regardless of whether stability, good governance and other factors are very much in place there, to another area because of lower production costs.

Many developing countries have seen prices for their commodities continue to fall, as official development assistance (ODA) continues to decline, with many countries in the developed world falling short of the 0.7% of GDP target. In the meantime, debt continues to be a major economic issue, while the pace of the revolution in technology and communications is leaving many developing countries behind.

We know that all countries, developed or developing, have primary responsibility for promoting their own development. Many developing countries have made progress, even significant progress. If, however, we are to make their exception the rule, we must take a decisive stand in support of multilateral approaches to sustainable development. We need to approach global economic problems from new perspectives.

There is no one single entity - not Government, not the United Nations system and not civil society and the business sector - that can singularly spur sustainable development. How, then, do we deliver on sustainable development objectives across the broad spectrum of priorities on the global economic agenda? Partnerships are needed.

The United Nations has increasingly emphasised partnerships as a decisive way to move sustainable development objectives forward, particularly in respect of implementing the outcomes of the more than one decade of United Nations conferences and summits in the economic and social fields, commencing with the 1992 United Nations Conference on Environment and Development to the International Conference on Financing for Development and the World Summit for Sustainable Development, both convened in 2002.

Many of you would know that in 2005, the Sixtieth Anniversary of the United Nations, the General Assembly will review implementation and follow-up to major United Nations summits and conferences in the economic and social field, and the Millennium Development Goals (MDGs). All issues set out in the Millennium Declaration will be reviewed. I expect that this review will draw significantly on the partnerships between Governments, the United Nations system, other organisations, civil society and the business sector, in assessing how far we have come, and what remains to be done.

The increasing involvement of the business sector in the United Nations sustainable development efforts is, in my view, a most encouraging development. I believe that the business sector, because it has resources, both human and financial, management and technological capacity and the capacity to take risks which governments cannot, can partner with governments and institutions in the setting and implementation of internationally agreed goals.

There is scope for business enterprises, whether national entity or transnational corporation, formal or informal, large or small, to enhance the role they play in socio-economic development, particularly in the developing world. Job creation, entrepreneurial development, technology transfer, market access, development of new private sector initiatives - these are but some of the myriad areas in which the business sector does make, and should continue to make, significant contributions when governments provide an enabling environment.

Since the 1992 UNCED, countries, communities and businesses have been urged to adopt development strategies and policies compatible with the sustainable development of the environment. I believe that the business sector has a critical role to play here, by strictly adhering to sound environmental practices, and scrupulously observing governmental and international environmental protection laws and standards. More efficient production technologies, environmental protection strategies, cleaner production processes, and cleaner technologies - these critical standards should be the norm.

Many governments continue to take the lead in providing social goods - water, sanitation, electricity, health and education to name a few - for the benefit of the wider society and community - an expensive proposition by any yardstick. The profit margins in these areas may not be great. Good corporate citizenship, however, should encourage the business sector to work with governments to create the right balance between laws and regulatory frameworks and the investment of business sector resources. This should be particularly so, I believe, regarding the provision of essential services, where entrepreneurship and management skills are needed to ensure the production and delivery of the highest quality service, efficiently and effectively. Public-Private synergies can in this way have a positive impact on sustainable development.

The influence of the business sector in world trade is beyond question. That influence can, I believe, make an important contribution towards breaking the current impasse in the Doha development round. Similarly, the business sector can facilitate movement on agricultural subsidies, an issue that seriously impacts the multilateral trading system. An equitable resolution of this issue would contribute significantly to relieving the trade challenges of many poor developing countries.

Some 1200 corporations from more than 70 countries from developed and developing countries, have stepped forward to join the Global Compact, initiated by the United Nations Secretary General in 1999. The Compact underscores the importance of human rights, labour and the environment, areas in which the activities of the business sector have a direct and major impact. The challenge to the business sector is to join the United Nations in integrating the developing world into the global economy in a way that would raise living standards for all. Need I say that the more corporations responding to the Global compact, the better.

Similarly, the more business sector entities taking part in the United Nations review of the outcomes of United Nations summits and conferences in the economic and social fields, the better. Many of the commitments made in respect of internationally agreed goals and targets for sustainable development have specific time frames. Let me emphasise here that a number of reports, including some presented by United Nations Secretary-General, Kofi Annan, state that we are in danger of falling short in achieving our goals and targets, particularly in the developing world. The business sector needs to ensure that it is implementing its commitments, even as it assists government and others to do likewise.

Experience is every day teaching us that partnerships work - nationally, bilaterally, multilaterally and with non-state entities, including the business sector. But each partner is different, works at a different level, and brings different resources and perspectives to the table. If we are to continue to develop, improve and maintain sustainable development partnerships with the business sector, there is a challenge we must all take up. That challenge for governments, the United Nations system, and for non-state actors, including the business sector, is to contribute meaningfully, setting and maintaining a cooperative framework that would enable us to achieve together what it would be impossible for us to achieve separately.

For I believe that it is through partnerships that we create cooperation and mutual understanding, and that we achieve common goals when we engage in "the art of the possible".

I thank you.