

PMI GENEVA

10th Special Session of the Human Rights Council

"The Impact of the Global Economic and Financial Crises on the Universal Realization and Effective Enjoyment of Human Rights"

Friday, 20 February 2009

Intervention by India

Mr. President,

The current Special Session of the Human Rights Council is being held at a time of exceptional difficulty for the world economy that is undergoing its most serious crisis since the Great Depression. The policy debate has so far tended to focus on the descriptions of the crisis, as also on the economic prescriptions to solve this problem. The Special Session, on the other hand, seeks to expand the focus to the often silent impact of this crisis on human rights, especially the economic and social rights. As the experience of previous financial crises throughout the Eighties and the Nineties has demonstrated, the enjoyment of economic and social rights tends to undergo sharp deterioration owing to the adverse impacts of these crises on the rights to work, standard of living, health, education and housing. The present crisis goes much beyond choked liquidity, bad assets, capital shortage, compression of demand and reduced access to trade. Instead, given its unprecedented scale, it is important to consider the serious political risk posed by this crisis to social stability, especially in the developing countries, because of disproportionate hardships imposed on the developing countries and their differential impact on various segments of the society.

Mr. President,

2. In a globalised world with inter-related economies, no continent or country is totally isolated or insulated from the impact of this crisis. Therefore, while the developing countries and emerging market economies were *not* the cause of the present crises, they are certainly amongst its worst affected victims. The developing economies face the daunting prospect of a slow-down in their economic growth, that would

push back millions of people back into poverty, and cause setbacks to the internationally agreed upon development goals, including those entailed in the UN Millennium Declaration, that directly impinge on the realisation of basic human rights for a majority of the world's population. Worse still, these are not likely to be transient impacts but could last a full generation. It is, therefore, imperative that the negative impact on growth of developing countries is minimised, and they be assisted in their efforts of minimising the adverse impacts of the crisis on their development prospects and the enjoyment of human rights by their citizens. The international community has a special responsibility in this regard.

3. Since the crisis is global, it calls for a coordinated global response, both by the developed world and the developing countries; something that, in turn, needs to distinguish between the immediate priority, which must be to bring the crises under control as quickly as possible with minimal impact on developing countries, and the medium term objective of reforming the global financial architecture to prevent similar crises in future.

4. Mr. President, we recognise the importance of national policies as an immediate response in the face of present crisis. The nature and scope of national measures taken by a country would be a significant determinant of the impact of the crisis on the enjoyment of human rights by its citizens. A number of important and pro-active steps have already been taken by the governments of the industrialised world to inject liquidity into the financial system, recapitalize banks and other systemically important institutions. On their part, major developing Asian economies, including India, too have announced liquidity packages to shore up credit availability and are implementing numerous monetary and fiscal measures.

5. However, these immediate national policy measures, though important and unprecedented, would not be sufficient. This is because domestic policy actions cannot completely negate the effect of a global downturn as severe as the one we face today. Besides, while the state has the responsibility for the protection and implementation of human rights, the latest threat to these rights caused by the present crisis is not because of state action. Instead, it has stemmed from an unacceptable failure of effective multilateral supervision of major developed economies and, in particular, of what has been going on in their financial markets. To that extent, there is an international responsibility, especially of the

developed countries, towards more vulnerable states, and an urgent need for a new global economic and financial architecture. This architecture must include a credible system of multilateral surveillance and regulation which can signal the emergence of imbalances that are likely to have systemic effects, and also put in motion a process of international consultations that can yield results in terms of policy coordination. We also need to ensure that any new architecture we design is genuinely multilateral with adequate representation, voice and participation from countries reflecting changes in global economic realities.

6. Mr. President, it is important that the Human Rights Council addresses thematic issues on all human rights, be it political, civil, economic, social or cultural, on the same footing and with the same emphasis. The Council must provide to relevant international financial institutions a framework that includes a human rights component, in order to enable them to arrive at more comprehensive assessment, analyses and more practical remedies which, of course, given the nature of the crisis, would have to be in the economic and financial realm. We also welcome the proposals to relevant Special Procedures and Treaty Bodies to consider the impact of global economic and financial crises on the realization and effective enjoyment of *all* human rights, with special emphasis on the vulnerable and marginalised groups, and to present their recommendations to the Council.

7. In conclusion, Mr. President, the present crises have demonstrated, apart from everything else, that the developing countries have a critical stake in the international financial system. To that end, the developing countries have to coordinate their positions better and explore ways to evolve regional and broader Southern architectures for monetary and financial cooperation.

Thank you, Mr. President.

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