



**PERMANENT MISSION OF THE DOMINICAN REPUBLIC TO THE UNITED
NATIONS**

STATEMENT BY H. E. DANILO MEDINA SÁNCHEZ
PRESIDENT OF THE DOMINICAN REPUBLIC
AT THE PLENARY OF THE 67 GENERAL ASSEMBLY
OF THE UNITED NATIONS

New York, September 25, 2012

Check against delivery

Your Excellency Mr. Vuk Jeremic,
President of the Sixty-Seventh Session of the United Nations General Assembly;

Your Excellency Mr. Ban Ki-Moon,
Secretary-General of the United Nations;

Excellencies, Heads of State and Government;

Distinguished Ambassadors

Ministers and other Heads of Delegations;

Ladies and Gentlemen:

We would like to express our warm congratulations to Mr. Vuk Jeremic for his election as President of the Sixty-Seventh Session of the United Nations General Assembly.

We are also pleased that the general debate on this occasion is dedicated to considering the "promotion of sustained economic growth and sustainable development in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences."

Ever since we adopted the Millennium Development Goals, our vision of development has been linked to the reduction of poverty and the development of capabilities and opportunities for vulnerable populations.

Most of our developing countries had achieved significant progress until when, in 2007, the financial crisis that is affecting the world's economy began. This crisis threatens to neutralize the progress that has been made.

We are living in a time of simultaneous crises. The environmental crisis is endangering many species of plants and animals, and global warming poses a threat to coastal populations and small island states.

Uncontrolled population growth threatens to overwhelm nature's capacity to renew itself.

And we are witnessing a crisis in the values that have traditionally regulated the behavior of humanity.

War and armed conflicts threaten the right to cultural, ideological and political diversity and the right to live in peace and solidarity.

We, the developing countries, did not cause the global financial crisis.

This crisis was caused by the lack of application of effective regulations on the international financial system, as well as by arrogance, greed and the unbridled urge to accumulate wealth.

In this context, the old debates about how to confront this crisis have arisen again.

Debates about whether to cut back investment and social protection of populations, or on the other hand, whether to increase investment and to use countercyclical policies of social investment as leverage to revive economies, and also debates about how to measure poverty and development and how to measure the social impact of the policies that have been adopted, either by the average income level or by the reduction of social inequality and the improvement of the quality of life.

Those countries in the Third World whose economies have performed better and have proven to be less vulnerable to the global crisis in these ways, are those that have properly understood that investing in the development of human capital and in the improvement of the quality of life of their populations is the best way to reduce said vulnerability and to maintain economic growth.

Mr. President,

The economy must be made to serve people, not the other way around.

In this debate about development, we should reaffirm as populations and as leaders that we have learned by way of experience, which has often been painful, that equity and sustainability are essential prerequisites that assure sustained and sustainable economic growth.

Today we know that economic growth alone is not enough to reduce social inequalities and improve the quality of life of populations, nor is it correct to sacrifice our populations in the hope that economic growth will eventually spill its benefits over to all and reduce social inequalities, an expectation that in most cases has never materialized.

Instead, experience shows that healthy economic growth can be stimulated by improving the quality of life and by reducing poverty and social exclusion.

In a context of international crisis and uncertainty, we need to reduce national and international social inequalities, and increase social cohesion and strengthen democratic governance as well.

We also know that economic growth that doesn't take the limits of nature and the needs of future generations into account carries with it the risk of imminent collapse.

We need to rethink the ideas about development that have predominated in the

international financial system.

Equity and sustainability are the two sides of the same coin with which we must fund human development.

This vision is in accordance with international declarations on sustainable development, such as those that were made in Stockholm (1972), Rio de Janeiro (1992) and Johannesburg (2002), which promote the three pillars of sustainable development: environmental equity, economic equity and social equity.

Development implies the protection of environmental systems, increasing productive capacity for goods and services and reducing social inequality, as a way to elevate the quality of life for everyone and to multiply capabilities and opportunities.

Mr. President,

Today, there are more than 7,000 million inhabitants on this planet.

43% of this number, that is, some 3,000 million people, are under 25 years of age.

We issue a plea for investment so our youth may have the capabilities and opportunities to creatively confront the tasks and challenges that define our societies.

For many years, the development of countries has been evaluated by international financial institutions, using various measures of profit or national production expressed in per capita figures, as indicators by which the condition of material well-being is identified.

Our country, the Dominican Republic, according to these kinds of measurements, has been classified in recent years as an Upper-middle-income country.

However, more than a third of our citizenship continues to live in conditions of poverty. So then, how is it that countries like our own are excluded from development assistance?

Likewise, to compare internationally, poverty has been measured in terms of income, where those families that live on less than 2 American dollars a day are considered to be poor, and those who live on less than 1.25 dollars a day are considered to be living in extreme poverty – in both cases with adjustments taken into account for purchasing power in those countries.

According to these criteria, it is estimated that on a world level, some 2,036 million people are poor, that is, 33% of humanity, and that the number living in extreme poverty

would fall to 1,400 million people in 2005. These same estimates forecast that in the year 2015, only 883 million people will be living in extreme poverty.

The optimism of these international estimates do not seem to agree with the perception of many of our fellow citizens, who feel that the growth in the Gross Domestic Product has done nothing to lessen their sense of lack and despair.

Nor has it lessened the feeling discontent on the part of our youth, who despite having received high levels of education, are not finding decent jobs, nor are they finding opportunities to put their business ideas into practice.

This discrepancy between the optimism of various international measurements and the discontent to be found on our streets, can be attributed to the use of inadequate indicators to measure poverty, development and well-being.

At least in the Dominican Republic, it is difficult to support the idea that the quality of life, and the opportunities for improving it, for a person with an income of 2 dollars a day, or for even those with incomes of 3 or 4 dollars a day, differs significantly from someone else whose income is a few cents less.

Poverty in a family and in a community is much more than the lack of income with respect to a predetermined threshold, just as the development of a country is much more than the size of its average income.

In 2010, The International Labor Organization (ILO) reported that 81 million out of the 620 million economically active youth from ages 15 to 24 worldwide, which is 13% of this age group, were unemployed the year before, mainly due to the global financial and economic crisis.

Between 2007 and 2009, the worldwide unemployment rate for youth had its greatest increase ever recorded: from 11.9% to 13.0%.

Young women have had more difficulty than young men in finding work.

The results, in terms of health, education and maternal and infant mortality, show the limitations of this unilateral and extremely optimistic approach to poverty and development.

It is not in vain that some scholars have considered that “we are gambling with our planet through “games” in which private individuals reap the benefits while society bears the costs. A system that allows such outcomes is doomed to mismanage risk.”

Social investments in education, health and employment for youth can build a strong economic base, with the goal of preventing the transmission of poverty from one

generation to another.

By strengthening the capabilities of youth, the conditions are created in which they can obtain higher incomes throughout the course of their economically active lives.

The way in which we measure and understand poverty is translated into decisions about national and international policies.

The assumption that poverty and underdevelopment are only the expressions of family and national average incomes has led to social policies that are limited to assigning or transferring resources to temporarily raise the incomes of impoverished families above the so-called “poverty line,” sacrificing the possibility of developing more effective and higher quality systems of public services that are of a universal nature, that reach, as a right, to those who have traditionally been excluded.

Adam Smith, the father of economic liberalism, had already included social and cultural aspects such as “being able to appear in public without shame” in his definition of poverty.

More recently, Nobel Prize winner in Economic Sciences Amartya Sen has spoken to us about Development as Freedom. And that by enlarging our concept of poverty by incorporating participatory dimensions, social inclusion, unmet basic necessities, this will allow us to develop more comprehensive and effective solutions.

Poverty is a multidimensional phenomenon, a complex system of problems that requires a systematic approach to solutions that lead to increasing capabilities, freedom and opportunities for those who have been traditionally excluded.

Investments in the development of health and education systems of universal quality, universal social protection, access to employment and to decent residential environments, personal security and security of goods, among other things, constitute essential elements for the increase of capabilities and opportunities for impoverished peoples.

The reduction of poverty provides the basic leverage to spur growth in the production of goods and services and to unleash dynamic phases of growth and development.

Measuring the development of countries exclusively in terms of national per capita income leads to decisions that have a negative impact on our efforts toward development.

When a country is classified according to these simple criteria, international cooperation contributions are reduced, and this tends to make access to international bank loans more difficult or more expensive.

As developing countries we also need to assume our own share of responsibility.

At the internal level, we need to improve our information systems in a way that we can have a better awareness of social, territorial and gender inequalities, as well as a better awareness of its impact on nature.

Likewise, we must redirect our investment patterns and our public policies in order to promote equity and social inclusion for the groups that are the most vulnerable.

In order to accomplish this, we need the support of the international community. It cannot be accepted that a country would no longer receive development assistance, just because its average national income has risen beyond a certain arbitrarily defined threshold.

In Latin America, there exists a long history of experience in the search for multidimensional measurements of poverty and development.

Since the middle of the last century, ECLAC has developed a methodology based upon Unsatisfied Basic Needs.

Many countries have applied composite indices that have a multidimensional character. In the Dominican Republic, we use a Quality of Life Index, adapted to our reality.

The UNDP has applied the Human Development Index, and various other indices have been proposed on an international level.

Nevertheless, the majority of agencies in the international financial system prefer to continue using one-dimensional measurements that are centered in monetary income, to measure and catalog the development of our countries and to define policies regarding conditions of access to international financial cooperation.

We want to take the opportunity in this assembly, Mr. President, to call upon international financial institutions to take on our efforts with greater enthusiasm and understanding, in order to break the vicious cycle of poverty and social exclusion, as a basis for development.

We need to have them employ more enriched indicators that have a greater capacity to capture and measure the complex and dynamic nature of human development.

And this means working together to overcome exclusion, and not to maintain poverty and extreme poverty in an indefinite manner.

Mr. President,

The Dominican Republic reiterates its firm commitment to peace, tolerance and international coexistence, as well its commitment to democracy and freedom, as the basic components of development. It is our aspiration that sustainable development would enrich the daily lives of people, families, communities and countries, as well as protect our natural resources.

Peace, overcoming social inequality, environmental sustainability and the steady growth of our capabilities in the production of the goods and services required by our populations, go hand in hand with the essence of development.

Thank you very much.