

**Keynote Remarks by H.E. Mr. Arvind Panagariya, Vice Chairman, NITI Aayog at the India side event "The 2030 Agenda for Sustainable Development-Southern Perspectives" co-organized by RIS and Permanent Mission of India in New York on September 21, 2015**

**Excellencies,**

**Ladies and Gentlemen,**

**Distinguished guests,**

It is a great pleasure for me to be here at the United Nations at this important moment in our history. Within days, the world leaders will be opening a new chapter in international cooperation on development. Having pursued and substantially progressed towards the millennium development goals during the last fifteen years, we shall now begin our journey towards Sustainable Development Goals popularly called the SDGs.

At the outset, let me congratulate and commend RIS India and the other co-organizers for organizing this important and timely event. It is heartening to see a star cast of speakers come together to expound and possibly even extoll the Indian perspective on this fresh global initiative that proposes to make abject poverty history in fifteen years' time.

I also wish to take this opportunity to thank my good friend Ambassador Asoke Mukerji for the important role he and his Mission have played in nudging the SDG agenda toward the priorities set by Prime Minister Narendra Modi. Grapevine has it that the early drafts of the SDG agenda were far more heavily tilted towards sustainability and not enough towards development. In considerable measure, it is to the credit of negotiating skills of the Ambassador and his Mission that the priorities set by India's Prime Minister now occupy the center stage in the SDG agenda that is likely to be adopted by the leaders of the world.

Distinguished guests, as you know I have spent the bulk of my professional life as an economist. Against that background, when I first saw the full draft SDG document, my immediate reaction was that many in my trade would react skeptically towards myriad targets and their imprecise wording. As in the case of the millennium development goals, this draft agenda too seemed vulnerable to the criticism that it mixes up targets and instruments. I imagine that as the debate on SDGs unfolds, these will remain grounds for criticism by economists and others in the years to come.

Yet, these criticisms would be misplaced. The sharp focus and precision that economists seek is often not possible in a negotiated document that must balance political differences across a

wide spectrum of views represented by the large number of member states at different levels of incomes. Indeed, if one recognizes the large variety of political interests and viewpoints that were at play throughout the negotiating process, it is something of a miracle that a consensus document could be produced at all. Viewed against this background, one can feel some satisfaction in having achieved an agreement among the member states to continue to work together for a better world.

The key question in front of this session is: “Why North-South partnership and South-South cooperation are critical to the success of the SDGs?” The expression “work together for a better world” that I have just used is central to answering this question.

The expression signifies a unity of purpose not just among all countries, whether in the North or South, but also across all stakeholders including the civil society, academia, private sector and philanthropists. It emphatically acknowledges that we are in it together as fellow travelers in a journey with a common destination.

In today’s globalized world, artificial borders cannot restrict the reach of any opportunity or challenge. Transportation and Information technology revolutions have additionally meant that these opportunities and challenges now cross borders almost instantaneously. If Uber arrives in Boston one instant, you can count on it reaching Bangalore the next. In a similar vein, when a political crisis strikes Syria, in no time it can show up on the doorsteps of Europe in the form of tens of thousands of refugees. Today, we have no choice but to work together, like joint custodians of the common home that is mother earth. And this extends to the 17 goals identified in the SDG document that define the better world we seek.

The political vision contained in the Leaders’ Declaration to be adopted on September 25th speaks of a relentless focus on ending poverty as our fundamental target. I firmly believe that with political will and right set of policies, it is entirely possible to end poverty within a generation. South Korea, Taiwan and Singapore accomplished this in the 1960s and 1970s, China did it in the 1990s and 2000s and India and many more countries in Asia, Africa and Latin America are now poised to do the same in the forthcoming decade and a half. Therefore, the end to poverty by 2030, which subsumes the provision of essential amenities for a dignified existence such as food, clean water, sanitation, electricity, good health, literacy, transportation and a roof over the head, is rightly on top of the 2030 SDG Agenda.

A better world will of course not be achieved if we spend blindly today without regard to what we must bequeath to the future generations. The agenda therefore correctly places emphasis on the sustainability of our efforts, for higher growth, cleaner energy and most importantly responsible lifestyles and consumption patterns. All of these are important priorities for India as well.

An agenda cannot merely be a collection of noble intentions. It must meaningfully address the 'how' question. The present agenda accomplishes this by imbedding within the targets what economists call instruments. Here I am not referring to Goal 17 on global partnership and what in UN parlance is called the "means of implementation." These are obviously important and India is pleased that a robust component of a strengthened global partnership is an integral part of the new agenda. But when I say that the agenda embed the answer to the question of "how" within the targets, I am referring to Goals 8 and 9, which address such important instruments of poverty alleviation as economic growth, jobs, infrastructure and industrialization. The fact that these instruments have been explicitly recognized as policy objectives in their own right, perhaps for the first time in the history of multilateral development negotiation, is of great significance for developing countries.

We simply cannot overstate the importance of robust economic growth, which in turn depends on well-functioning infrastructure and policies that enhance productivity. Without it, none of our objectives, be it eradication of poverty, empowerment of women, provision of basic services or even protection of environment and reversing climate change, would be possible by 2030. In the end, growth is what creates employment opportunities at decent wages for the masses thereby giving them the means to access on their own basic amenities of life such as food, clothing, housing, education and health. It also provides the government the necessary revenues to undertake and sustain social programs that help speed up poverty elimination. As an example, it was on the back of 8% growth over a full decade that India was finally able to introduce and sustain the Mahatma Gandhi National Rural Employment Guarantee Scheme and greatly expand its public distribution system through the National Food Security Act. And, of course, fiscal resources also allow governments to clean up the environment as illustrated by the successful cleanup of the Assi Ghat in Varanasi in India and the launch of the India-wide "Swachh Bharat" campaign by the Prime Minister of India.

It is for this reason that Prime Minister Narendra Modi has embarked upon a policy agenda that would return India to the high-growth trajectory. Because the poor are heavily concentrated in agriculture, accelerating growth in this sector can bring the fastest relief to them. To this end, the government has begun to reorient public investment in ways that would raise productivity while economizing on our scarce water resources. Emphasis on micro irrigation, soil cards, better seeds and improved extension program are all steps in this direction. Action is also under way to bring the Green Revolution to the eastern states.

But agriculture in India today accounts for only 17% of the GDP and this share has been steadily declining. The small and declining share cannot support half of the workforce of India as it currently does. Indeed, the majority of the small and marginal farmers and, especially, their children today seek to exit agriculture and are keen on alternative employment opportunities to

satisfy their rising aspirations. There is acute need to create good jobs for these young aspirant Indians.

This is what makes the second piece of economic strategy of Prime Minister Modi critical. I refer here to the “Make In India” campaign of the Prime Minister, which has served as the umbrella for the policies and initiatives necessary to accelerate manufacturing growth and job creation. An end to the bureaucratic paralysis, improving the ease of doing business, paving the way for the reform of labor and land acquisition laws by the states, skill development, industrial corridors and smart cities are all essential ingredients in making the “Make in India” campaign a success.

India’s success in sustaining high growth and therefore poverty alleviation will contribute in substantial measure to the success of the SDGs. Improving the lives of 1.4 billion Indians would make a major dent in the goal of improving the lives of all humanity. The process of doing so will bring forth technologies and pathways to progress that can be shared with other developing countries to enable them to also share in the increased prosperity.

Nearly all developing countries including South Korea, Taiwan, Singapore and China that have succeeded in eliminating abject poverty within a generation relied exclusively on growth. Growing employment opportunities at real wages that themselves grew at near double-digit rates sufficed to end the scourge of abject poverty. Social programs and social spending in these countries came later.

But today, we live in a highly globalized and democratic world and the sequence of growth first and redistribution later is not a choice. Rising prosperity must be shared with minimal lag while also ensuring environmental sustainability. As the world’s largest democracy, India has recognized this fact and its successive governments have ensured that rising incomes are accompanied by rising social expenditures with sufficient attention paid to the protection of the environment. It is therefore no surprise that the first two task forces that the Prime Minister appointed under the auspices of the Niti Aayog were on Poverty Elimination and Agricultural Development. It is for the same reason that he has set the target of 175 gw of installed capacity in renewable energy by March 31, 2022 and launched the India-wide campaign for a “clean India” by the 150<sup>th</sup> birth anniversary of Mahatma Gandhi on October 2, 2019.

Working together would mean acknowledging and supporting this historically unprecedented effort of the world’s largest democracy by creating an enabling environment for sustained growth and therefore poverty elimination. It is in this spirit that we must implement the SDGs.

In conclusion, let me once again thank and commend RIS India for organizing this event. I can say without hesitation that the world can count on India being a torchbearer in the effort to seeing our collective aspirations and ambitions fulfilled. Thank you.