

#### SOCIO-ECONOMIC VOICES



# Building a New World: Vision and Strategies at UNESCAP

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SDGs and Inclusive Development: The Importance of Leaving No One Behind

Intro: This week on Socio-economic Voices, embark on a journey of global insights with Dr. Rajan Sudesh Ratna, Deputy Head and Senior Economic Affairs Officer at the United Nations ESCAP South & South-West Asia Office. From redefining a "new world" to unraveling the intricacies of economic integration, trade dynamics, and climate challenges, Dr. Ratna shares a compelling narrative with senior journalist Mahima Sharma. Discover the keys to inclusive development, India's role in global trade, and ESCAP's strategies for the future. Delve into this exclusive interview at Indiastat for a panoramic view of regional and global economic landscapes.

MS: About section on your professional networks says "building a new world." How do you define this new world and as the representative at the most coveted forum the UN, what global efforts will go/must go into building this new world?

Dr Ratna: My vision for 'building a new world' may be slightly different from general perception. For me, aiming to 'become a good human being' and 'helping others to be a good human being' are steps towards 'building a new world'. Today, the entire population of the world is divided by territoriality, caste, religion, political ideologies, and many other things. All these are contributing to the global and local disorders and challenges which entire humanity is facing today, be it poverty, hatred, unrest, unemployment, gender/caste/religious discrimination, etc.

In the present world, our approach towards others have changed, and this is the main cause of present conflicts, be it economic, political, environmental, or social. I am happy that the United Nations gives me ample opportunity to continue working towards my goals. To build a new world, we need to build peace, we need to build mutual respect, and we need to accept the views of others. That is what history has taught us. A global peace leading to multidimensional development will only be achieved if we treat others in the same manner as we treat ourselves! If every person, irrespective of rank and position (powerful, mightier, or weak), starts working in this direction, most of the socio-economic problems on earth will be solved.

One such thing on which we have worked is building consensus amongst people as well as governments on a common agenda for development. We are privileged that it is our platform where even policy makers from all SAARC members come and discuss with multi- stakeholders a common agenda. I am sure that slowly such efforts will pave the way for a world order, as many people have echoed my views in my journey.

MS: Given the recent geopolitical shifts and trade dynamics, what challenges and opportunities do you foresee for the Middle East, South and South-West Asian region in terms of economic integration and preferential trade agreements?

Dr Ratna: The COVID pandemic made it amply clear that when there is a crisis, the governments started looking inwards. The first reaction was closing the gates! However, it also taught us that if the Government works collectively they can mitigate any pandemic. The establishment of SAARC COVID fund worth millions of dollars within a week, despite known conflicts in SAARC, led to miraculous results of the uninterrupted supply of medicines and medical equipment. Even India was gifted with many ventilators and other equipments by friendly countries through special flights. This is the power of working together.

Many governments have realized that, however, their own priorities, interests and ambitions can be harmful to any cooperation and collaboration. Economic integration and preferential trade agreements provide a framework for such cooperation and achieving peace and prosperity. However, it is also a fact that many countries within the trade block shut doors during COVID to their Preferential Trade Agreement (PTA) partners. Thus, it is very important that irrespective of political parties in power, consistent and coherent long term policies are formulated by countries and they should not change with time. This will bring confidence in other countries which will pave the way for a better world.

MS: South and South-West Asia encompasses a diverse range of economies, from emerging markets to established industrial powerhouses. What strategies do you believe are necessary for countries in the region to navigate the complexities of international trade, including dealing with protectionism, trade disputes, and supply chain disruptions? And does ESCAP view the role of PTAs in promoting economic cooperation and regional stability?

Dr Ratna: South and South-West Asia subregions have a mix of countries which are at different levels of development. The subregion has Afghanistan, Bangladesh, Bhutan and Nepal as the Least Developing Countries and Bhutan, Bangladesh, and Nepal are in the process of graduation. Then we have island countries like the Maldives and Sri Lanka, which have their own challenges. India, Iran, Pakistan, and Turkiye are other countries - more developed, but all of them are not at the same stage of development.

The subregion faces challenges in the face of climate change, being vulnerable to natural disasters that go beyond the boundaries of any country, inequalities, and gender discrimination. Unfortunately, though SAARC has a free trade agreement as SAFTA and some of the members are participating in the BIMSTEC FTA, the economic integration is very low. Intra-regional trade and investment flows are less than 5%. This is also because in several sectors the countries see each other as competitors, for example textiles, leather, certain chemicals, tea, etc. and thus are hesitant to build scale of economies together or a resilient supply chain.

Supply chain disruptions happened due to COVID and also due to strained bilateral relationships. When countries see each other as competitors and suspect each other, cooperation and integration do not work. Several studies have pointed out that a strong value chain exists provided countries cooperate and collaborate, but unfortunately, this has not happened even since SAFTA came into existence.

Post COVID a slow realization is happening in countries that unless they cooperate through regional cooperation, they all will lose, be it in areas of climate change, disaster, cross border connectivity, or economic prosperity. More coordinated efforts are being made now, and UNESCAP is playing an important role. We have created the South and South-West Asia Network of think tanks and other stakeholders for SDGs (SANS). This is a multi

stakeholder platform where dialogues are facilitated by UNESCAP, common issues to address, and role of regional cooperation agenda, based on which UNESCAP works. ESCAP promotes regional cooperation and through it, cross border connectivity, reducing barriers to trade, and enhancing the supply chain within the region.

MS: India plays a significant role in regional and global trade. What specific challenges and opportunities does ESCAP see for India within the context of PTAs? How can India contribute to enhancing economic integration in the region?

Dr Ratna: India and China and two major economies in Asia and Pacific. They provide the largest markets in this region. India has taken lead in global (WTO) trade negotiations successfully representing the developing countries and has also been able to lead successful outcomes that are of interest to developing as well as least developed countries.

In terms of PTAs it is signatory of more than 16 preferential trade agreements, which are bilateral as well as plurilateral. However, whether these engagements have led to the Indian economy diversifying or faced import surge is always in debate as there is no public data available on preference utilization establishing value chains with the PTA partners. India has already given duty free quota free preferential treatment to all the LDCs under the WTO agreement. It is also participating with South Asian members through SAFTA and BIMSTEC (with Myanmar and Thailand).

SAFTA is not very successful in terms of intraregional trade and investment, and the BIMSTEC FTA has not seen the implementation as still some parts of negotiations are underway. India is one of the largest markets in South Asia and the PTA partners look for exporting opportunities to the Indian market and often complain about the non tariff measures and other impediments for market access.

Since in many sectors countries are competing for global exports, an effective integration or establishment of industrial linkages have not taken place. For an effective economic integration all the members of PTAs are required to collaborate and cooperate otherwise true integration will not happen. India being a leader in this regard, must lead with a new agenda of trade with lessons learnt from other successful PTAs like ASEAN, MERCOSUR etc.

MS: The Belt and Road Initiative (BRI) has had significant implications for the region's trade dynamics. How do you view the opportunities and challenges posed by BRI, and what role can the UN ESCAP play in facilitating cooperation and dialogue among countries involved in BRI projects in the region?

Dr Ratna: UN ESCAP has been working for more than two decades on cross border transport connectivity in Asia and the Pacific. ESCAP supports its member States to develop transport networks and services in various areas. The new Regional Action Programme on Sustainable Transport Development in Asia and the Pacific (2022-2026), which was adopted by the Ministerial Conference on Transport held from 14 to 17 December 2021, is centered around seven priority areas of work under three overarching objectives, namely...

The three overarching objectives are geared towards:

- 1. Efficient and resilient transport and logistics network and mobility for economic growth.
- 2. Environmentally sustainable transport systems and services.
- 3. Safe and inclusive transport and mobility.

I am enlisting the seven priority areas of work as...

- 1. Regional land transport connectivity and logistics.
- 2. Maritime and interregional transport connectivity.
- 3. Digitalization of transport.
- 4. Low-carbon mobility and logistics.
- 5. Urban transport.
- 6. Road safety.
- 7. Inclusive transport and mobility.

ESCAP supports member States in strengthening regional cooperation and advancing transport connectivity through a broad range of partnerships, research and analytical work, norm-setting and training.

We have been working on connectivity of South and South -West Asia with Central Asia as well as South East Asia using multimodal transport system. Recently we initiated working on BBIN (Bangladesh, Bhutan, India and Nepal) connectivity to enhance trade and investment integration, as cheaper and fastest transport connectivity will be reducing the trade cost. ESCAP is also working on how digital technology can help reduce the carbon footprint of transport systems.

MS: The 2030 Agenda for Sustainable Development emphasizes leaving no one behind. Can you share specific initiatives or best practices in the region that have successfully reached marginalized and vulnerable populations across the globe and improved their lives while advancing the SDGs? What more is required at the policy level and its implementation in India?

Dr Ratna: ESCAP has been promoting this concept of inclusivity to all its member countries. Many countries have included the process of localisation in the SDG planning. For example India has been working towards localization of the SDGs in alignment with the leave no one behind principle.

The country has developed a model for SDG localization that consists of four pillars:

- Creating institutional ownership with Niti Aayog as the anchor institution;
- Driving collaborative competition among states with regard to SDG implementation;
- Building capacities at various subnational levels, including through the sharing of best practices, monitoring, evaluation, and knowledge management;
- And adopting a whole-of society approach that engages government and other stakeholders as partners in SDG localization and implementation.

India has been using different monitoring methods to ensure the progress of SDG localization, including through producing regular progress reports, conducting voluntary national reviews, and the development of SDG data dashboards.

Another aspect is having multi-stakeholder dialogues before formulating any scheme or initiative. ESCAP Delhi office organized every year a subregional dialogue on SDGs. This is a precursor to the Asia Pacific Forum for SDGs (APFSD) which also feeds to the HIgh Level Policy Forum on SDGs in New York. In our subregional dialogue, we bring policy makers, private sector, think tanks, experts, as well as civil society organization representatives to ensure that the stakeholders of society are included in this dialogue.

MS: Despite significant economic growth, poverty remains a pressing issue in many South Asian countries. In the context of India's changing role in the global economy, how can the country balance its domestic economic priorities with its responsibilities as a rising global power?

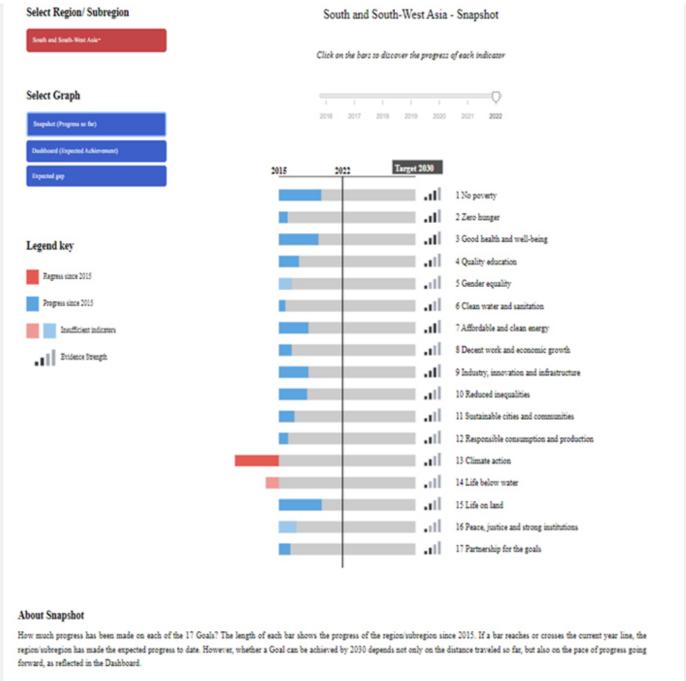
Dr Ratna: It is a fact that while the overall economic growth is happening and also poverty reduction has taken place, South Asia remains the critical region for poverty. While this region has one third of the world population, half of the world's poor live here. At the same time, there is now a growing concern on inequality, which is rising fast. So while many poor are shifting to the upper bracket and getting out of poverty, the divide between rich and poor is rising. Economists have restarted a discussion on multidimensional poverty, as in the context of SDGs assessing the poor on one criteria of per day income may not be as important as it was several years ago.

What is important for India as well as other countries in this regard is creating opportunities for employment and a social protection system. COVID has demonstrated how a disaster can immediately turn around all developments. Therefore, policy interventions by governments should ensure that regular and permanent employment opportunities are available, along with a sound social protection system. The government of India has implemented many schemes which are pro poor and ensure minimum work guarantees; however, they are not a permanent solution. More opportunities for self employment, agricultural value chain establishment within the country and effective logistics and supply chains need to be established.

MS: Climate change poses a severe threat to South and South-West Asia, affecting agriculture, water resources, and livelihoods. How is the UN ESCAP planning to support these efforts in the next five years, at a time when the food crisis is hovering around the corner?

Dr Ratna: The South and South-West Asia face multiple challenges on climate change issues. Despite most countries undertaking commitments to attain net zero, the share of renewable energy in the total energy mix is declining. At the same time urbanization is posing several challenges.

In fact, the subregion is regressing on SDG 13 which is climate actions as per ESCAP report (2023). If you see overall progress of all 17 goals the scenario is like this as depicted in the image below:



For more details, please refer to ESCAP's Progress Assessment Methodology.

ESCAP works on providing technical assistance to its member States which include policy advisory, training and capacity building. It also provides a platform for multi stakeholder dialogue where countries come and share their best practices with each other. This paves the way for facilitating cooperation amongst countries for successful replication of those schemes. ESCAP Delhi office also promotes sharing of best practices through its SDG best practices online platform: UNESCAP

This database of good practices on SDGs is prepared on the basis of already implemented practices in the South Asia subregion and beyond. This is an open knowledge sharing platform to be used for implementing these good practices for accelerating achieving SDGs. The good practices and other details can be searched for by countries' names, SDGs and their targets, year as well as other parameters. This also allows searching for a particular key word which a researcher or implementing agency may like to look for.

- ESCAP also helps countries to make long-term policies on sustainable and inclusive urbanization, including proper land-use planning.
- It helps sensitizing communities to contribute to climate action and utilize green technology for climate mitigation, including using new generation solar panels and better batteries and scaling up indigenous technologies.
- Strengthening early warning systems, coupled with inclusive contingency plans and related technical capacities to predict potential hazards, understand people's needs during hazards and prepare for them, and consider climate migration and its consequences is another area that ESCAP is working on.
- ESCAP has also developed a Risk and Resilience Portal and its projections for data-informed planning.

MS: The last question is for our student readers: Could you share an example from your career where your work in policy analysis and diplomacy has had a tangible positive impact on a specific regional or global issue? What lessons can be drawn from that experience for aspiring diplomats and policy analysts?

Dr Ratna: I can give two examples in this regard, one is relating to my work in Government of India and another one is working in the UN.

In Government of India I was posted as Deputy Director General of Foreign Trade in Varanasi, UP from 1994 to 1997. I was incharge of several districts which were producing a lot of carpets and silk materials which were exported. At that time two issues were challenging the carpet exporters - use of child labour and use of certain chemicals to dye the wool which were banned for exports in EU. This posed several challenges as carpet weavers were not educated and working in their homes/huts where anyone from their family could tie knots to carpets. One of my roles was export promotion, and the situation led to slump in exports, creating pressure on local weavers for their livelihood. I led a campaign to educate the weavers and MSME exporters as to how not adhering to these provisions will be against their interest and the entire carpet industry may shift to mechanical, and they will have no livelihood jobs. I am also convinced to send these children to schools rather than making them study at home or informal educational institutions.

This required collaboration with local communities and their leaders, exporters as well as self help groups to go from home to home to convince them that the weavers' kids are not encouraged to sit and weave carpets. It took a lot of effort and time and after almost a year, the Indian Rugmarl label was put in place which certified that no child labour in carpet manufacturing is allowed. Parallelly similar campaigns for azo dyes were launched to educate how they are even harmful for skin causing cancer and other diseases, which was finally banned for use. These efforts revived the carpet industry and the exports tripled in two years and the kids of weavers started going to public schools. This work also gave me immense sense of personal satisfaction and pride. The people in districts still remember me and show their respect and warmth even when I meet them.

While working in the ESCAP Delhi office I implemented a project on building the capacity of women-led MSMEs to use digital technologies to promote their business. South and South-West subregions have been scoring low on gender equality (SDG 5), despite progressing well on economic growth.

Women have not benefited economically and despite their desire, they face challenges relating to access to finance, ICT; thus not able to expand their businesses and become part of a wider regional and global supply chain. Lack of digital skill and knowledge has also been one of the impediments for upscaling of their businesses especially for women-led micro, small and medium enterprises (MSME).

The project "E-Commerce Capacity Building for Women-led MSMEs in South Asia", aimed to enhance the knowledge and capacity of women entrepreneurs, in the application of e-commerce platforms to expand their business exports and participate in local, regional, and global supply chains.

COVID-19 pandemic also forced many consumers and suppliers to change their business module, paving the way for this project to play an important role in women empowerment in the subregion. Several national and subregional online and off-line trainings were organized in collaboration with women associations, self-help groups, Commonwealth Secretariat etc. During September 2020 to March 2023, more than 3000 women were trained and onboarded on digital platforms and a subregional network of these women have been created. The training not only enhanced their knowledge and skills, but also gave them confidence that they can do online business. Many women got international orders, including from other women through the network; diversified their production and supplies and benefitted from the training.

The project illustrated that woman entrepreneurship through its positive multiplier effects on the society such as job creation, increase in labor force participation and uplifting families out of poverty, can in turn lay the successful path towards achieving SDG 5 and is key to economic growth. The training and workshops as part of the project, also acted as a regional networking platform for women entrepreneurs, enabling them to showcase their products and services and connect, share their experiences, thereby helping creation of regional networks. The project has been recognised as a success story for W2W business model and South-South Cooperation.

#### About Dr Rajan Sudesh Ratna

He is the Deputy Head of South and South-West Office of UN ESCAP, New Delhi, India. Dr Ranta is leading research, policy advisory and capacity building of countries in the region, especially trade negotiations, trade policy formulation and promoting women empowerment. He has been awarded for his work on women empowerment as Male Champion of year 2023 by (June 2023) by Women in Management and International Finance Corporation in the Global Economic Forum, 2023. During 2008 to 2010, he worked as Professor and Head, Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi. Dr Ratna is an Indian civil servant (1987 batch) and has worked for 27 years in the Government of India, mostly in the Ministry of Commerce handling the trade policy issues and trade negotiations in WTO and FTAs. He has done his M.Phil. in Environment Sciences, Ph.D. in Economics and Trade Policy and Negotiation Course from Harvard University. He has written several books and published many articles in peer reviewed international journals and is a visiting Professor to many Universities in India, China, Republic of Korea and Thailand.

#### About the Interviewer

Mahima Sharma is an Independent Journalist based in Delhi NCR. She has been in the field of TV, Print & Online Journalism since 2005 and previously an additional three years in allied media. In her span of work she has been associated with CNN-News18, ANI - Asian News International (A collaboration with Reuters), Voice of India, Hindustan Times and various other top media brands of their times. In recent times, she has diversified her work as a Digital Media Marketing Consultant & Content Strategist as well. Starting March 2021, she is also a pan-India Entrepreneurship Education Mentor at Women Will - An Entrepreneurship Program by Google in Collaboration with SHEROES. Mahima can be reached at media@indiastat.com

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indiastat.com November, 2023 socio-economic voices

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