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HEADLINE: U.N. Launches Economic Growth Commission

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BODY:

The United Nations launched a commission that will seek to harness small business as an engine for economic growth in poor countries.

Former Mexican President Ernesto Zedillo and former Canadian Finance Minister Paul Martin will be co-chairmen of the Commission on the Private Sector and Development, which was convened by Mark **Malloch** Brown, head of the U.N. Development Program.

The commission, set up Friday, is to report back by the end of the year with recommendations on the role businesses, especially small businesses based in developing countries, can have in creating jobs and fighting **poverty**.

Secretary-General Kofi Annan announced the initiative, saying he hoped the commission would provide "both a fresh analysis of these issues and practical proposals that can have an impact."

Annan called the U.N.-private enterprise partnership essential to achieving the Millennium Development Goals that U.N. member states hope to accomplish by 2015, among them cutting in half the number of people living in extreme **poverty**, halting the spread of HIV/AIDS and providing universal primary education.

The goals are "simple but powerful objectives," he said, but they cannot be reached without the involvement of private enterprise.

Martin said the commission aims to place the ambitions of local, small-scale entrepreneurs at the heart of efforts to spark economic growth.

"The entrepreneurial spirit is everywhere; it doesn't need to be imported," he said at a press conference announcing the commission. "People want a hand up, not a handout. They want a fair chance."

Zedillo said the UNDP has asked the commission to think beyond foreign investment as a catalyst to economic growth and come up with strategies "to allow developing countries to tap the enormous potential in the bottom of the pyramid." The commission, which will make practical recommendations and run pilot programs to test them, aims to determine "how to empower people to overcome **poverty**," he said.

The private sector is no "silver bullet" guaranteeing development but can play a strong role along with democracy, rule of law, free trade, international cooperation and good economic policies, Zedillo added.

Malloch Brown said organizations promoting development consult local non-governmental organizations, but they rarely get to hear the voices of business people in developing countries. Hearing their views will enable governments and development agencies to change

the system so that small businesses can get the financing, laws, infrastructure and other elements they need to grow.

The United Nations has launched other private-public initiatives in recent years, including the Global Compact, which brings together companies, governments, labor, non-profit organizations and U.N. agencies "in support of universal values." The new commission aims to make that compact work at the local level in the poorest states, Annan said.

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