

Excerpts from the plenary: Call for a fairer world

1 | 24/09/2003

Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance and Industry

ANNUAL MEETINGS OF THE BOARDS OF GOVERNORS
WORLD BANK GROUP and INTERNATIONAL MONETARY FUND



The United Arab Emirates has been completely transformed since its formation in 1971...Our country has become a model of how to combine the technologies and advances of the western world with the traditions and values of the east. We are proud that the UAE is in many ways a melting pot of nationalities and cultures, with people from all over the world working together in harmony...

...We will have to diversify further our economy and export base. As part of this strategy, the government is working to create a suitable investment climate that will enable Dubai to become an international financial centre as well as a popular tourist destination in the years to come...

...In the wise and well-known words of our President His Highness Sheikh Zayed bin Sultan Al Nahyan, "Wealth is of no real value unless it is used to serve the people." This strategy has enabled the UAE to obtain a high ranking in the UNDP's Human Development Index...



...It is critical that the developed countries honour their shared objective of providing 0.7 of their GNP as official development assistance if the Millennium Development Goal of reducing poverty by half by 2015 is to be met, along with working to reduce the debt burden...

...Successful and durable economic development requires not only aid, but also the empowerment of and investment in people so that they can make a meaningful contribution to the development of their society and realise their aspirations. For their part, developing countries have to increase investment in the education and training of their own citizens...

...No meaningful discussion of poverty reduction can take place unless it addresses the issue of trade, as a more open trading system will help poor countries achieve sustainable development. In this regard, a critical contribution to poverty reduction can be made if the advanced economies improve market access for developing country exports and reduce trade-distorting subsidies, which cause greater hunger and poverty in developing countries throughout the world...

...Embracing free trade is equally important for developing countries. Their implementation of more open trade policies can potentially boost domestic productivity through increased competition, spur foreign direct investment, create employment opportunities, and thereby raise the overall standard of living...

...The free flow of trade should also be accompanied by the steady transfer of the modern technologies of the developed world to developing countries.

James Wolfensohn, President of the World Bank

In our world of six billion people, one billion own 80 per cent of global GDP, while another billion struggle to survive on less than a dollar a day. This is a world out of balance. Over the next 25 years, 50 million people will be added to the population of the rich countries. About one and a half billion people will be added to the poor countries...

...There is further imbalance between what rich countries spend on development assistance \$56 billion a year-compared with the \$300 billion they spend on agricultural subsidies and \$600 billion for defence. The poor countries themselves spend \$200 billion on defence more than what they spend on education. Another major imbalance...



...Reform is not happening fast enough in the developing nations. There is still too much cronyism and corruption. In nearly every country, it is a matter of common knowledge where the problems are and who is responsible. Frankly, there is not enough bold and consistent action against corruption, particularly at the higher levels of influence...

...In Dakar, donors said no sound primary education project would go unfounded. They committed to an "Education for All" initiative requiring several billion dollars of incremental grant funding for a 5-1- year period. Yet, today, under the "fast track" programme, only seven countries have received a promise of funding, only for a total of \$200 million over three years, and reaching less than five per cent of the 115 million children who are not in school...

...Two-thirds of the world's poor people depend on agriculture for their livelihood. As the developing countries see it, rich nations put forward proposals (at Cancun) that did not respond to their central demands in this crucial area. They also found unacceptable a view of negotiations in which they are expected merely to respond to rich-country proposals...

...Aid today is at its lowest level ever. It has fallen from 0.5 per cent of GDP in the early 1960s to about 0.22 per cent today. And this at a time when incomes in developed countries have never been higher...

...It is inconsistent to preach the benefits of free trade and then maintain the highest subsidies and barriers for precisely those goods in which poor countries have a comparative advantage. Developing countries also need to help themselves on this point, since they pay substantial tariffs in South-South trade...

...We are linked in so many ways: not only by trade and finance, but by migration, environment, disease, drugs, crime, conflict and yes-terrorism. We are linked-rich and poor alike-by a shared desire to leave a better world to our children. And by the realization that if we fail in our part of the planet, the rest becomes vulnerable. That is the true meaning of globalisation...

...It is time to take a cold, hard look at the future. Our planet is not balanced. Too few control too much, and too many have too little to hope for. Too much turmoil, too many wars. Too much suffering...

...The demographics of the future speak to a growing imbalance of people, resources, and the environment. If we act together now, we can change the world for the better. If we do not, we shall leave greater and more intractable problems for our children...

...We must rebalance our world to give everyone the chance for life that is secure-with a right to expression. Equal rights for women. Rights for the disabled and disadvantaged. The right to a clean environment. The right to learn. The right to development...

...These are not exotic objectives, All of us want the same, rich and poor alike. There is no better time than now to join in a common effort to make a better world.

Horst Koehler, Managing Director of the International Monetary Fund

We are all in the same boat. Tackling our common problems means we must fight together against inertia, and must embrace change in all societies. For change is the life-blood of human progress. Innovation, competition, and expanding markets are the key to job creation and raising living standards everywhere. The way forward lies in redoubling efforts to implement structural reforms in all members...

...In our quest for sustained global growth and international financial stability, the large global current account imbalances and the persistent high levels of public debt in many countries represent significant risks...

...In the United States, the sharp swing in public finances has provided economic stimulus to the global economy during this period of economic weakness. We now look to the United States to establish a credible framework for a return to a balanced fiscal position over the cycle as an essential contribution to sustaining global growth and resolving global imbalances...



In Europe and Japan, the ambitious implementation of structural reforms to raise productive capacity must take centre stage. In Japan, reforms in the corporate and financial sectors must continue. And in both Japan and Europe, looming demographic pressures require urgent steps to place public finances on a sound medium-term footing...

...I see four lessons to guide us in restoring balance to the world economy. First, sound and sustained global growth requires a better balance between foreign and domestic sources of growth.

...Second, over the long term, social equity and an acceptable income distribution are essential pillars of political stability, and hence of economic development.

...Third, globalisation and interdependence must reinforce, not weaken diversity. Without respecting diversity, globalisation will not succeed. But also: we must see diversity as a valuable asset for learning from all human experience.

...And finally, sustained global growth requires both the public and private sectors to contribute to restoring public confidence in markets world-wide. The public sector needs to continue to strengthen institutional frameworks, with predictable, well-enforced rules. And in the private sector, it requires a new awareness of the need to observe ethical principle and foster long-term value creation...

...The breakdown of the trade talks in Cancun must be a wake-up call for the international community. We all know that trade is the most powerful force for global growth and poverty alleviation. And this force works best when applied in a multilateral, rules-based context. What is needed now is political will on all sides to overcome the impasse and return to the negotiating table as soon as possible.