Community Based Productive Social Welfare Programs - Clear Efforts at Poverty Reduction and Peace

by
James D. Wolfensohn
President
The World Bank Group

via videoconference from Washington, D.C., September 6, 2001

Good morning. I would like to first of all acknowledge the Minister of Health, Minister Won-Gil Kim, and say how appreciative I am for the opportunity to speak to you today from Washington on behalf of the World Bank. We are honored to join with the Korean Government, colleagues and donors associated with the ASEM trust fund, and others, in coming together with you for this very, very important international symposium on sharing productive welfare experience.

What is interesting to me is that I can recall very clearly my discussions with President Kim during the time of the Korean financial crisis. This was a crisis from which the country has emerged extraordinarily strong, based on the efforts of the Government and the Korean people. I remember in my discussion with President Kim talking about welfare and about the need to help those people who had been adversely affected by the crisis such as the million-and-a-half people who were out of work. President Kim said to me at that time that welfare or grants were not really part of the Korean experience – not part of the Korean mentality. Nevertheless, he and his Government responded in a most effective way because they knew that any form of economic recovery would not be complete unless everybody shared in it. The Government developed, as I think you would remember, some remarkable programs, the scope of which was adequate to really help the Korean people through a difficult time: the establishment of temporary public works programs; the strengthening of social insurance through further expansion of unemployment insurance and pension reforms; and the implementation of the National Minimum Living Standards Act. These programs reflect the far more comprehensive view which Korea itself has developed, enacted sometime ago, and in force since October of last year. This is an excellent opportunity to stand back and to review what has been happening.

At the base of the Korean approach has been the desire to establish a springboard in which people can move forward from a position of disadvantage to become full members of their economic society. It is not a charitable activity. It is an activity which is geared to building on the strengths of the Korean people. It is geared to giving them opportunities to work and to participate, as well as taking care of those who are so disadvantaged that they cannot take care of themselves. This is indeed an overall program that has been developed under the guidance
of President Kim, as has the notion of a springboard; the notion of having a program which is constructive and inclusive.

It is very important that this meeting should take place so that experiences can be exchanged on what has happened in Asia as a result of the crisis. More generally, this meeting can address the question of how Asia is adjusting to new safeguard programs that will apply in this new period of globalization - these will be not just government programs but programs that will embrace the activities of the private sector and civil society, so that people everywhere can be included in a more community-based structure.

There is absolutely no doubt that for economic development to take place in a stable and effective way, it is important that everyone be included. Social welfare programs that are based on participation, that form a springboard for involvement, that give opportunity not charity, are the type of programs that the Korean Government has developed and which are worthy of examination at these meetings.

Certainly, we at the World Bank have been very proud to participate with the Korean Government, throughout the period of the crisis; but much before that, we assisted the Government in their work to lead the nation to become the eleventh largest industrial country in the world, and to have a rightful place in the competitive group of nations who have responded so effectively to the opportunities of globalization.

This conference is worthwhile because it addresses the issues of those who are at risk of being left behind. It is a program that is designed to ensure that everyone has a chance to participate in the opportunities of international economic growth. It is a program which ensures social equity, social justice, and caring for the people not only of Korea, but for peoples in the region generally. This is an important conference. A conference which is not just about economics. It's about people, it's about poverty, it's about opportunity and, in the end, it's about peace. So I wish you well in your discussions. I am sure that they will be productive, and again, I am very grateful to associate the World Bank with the work of the Korean Government, and with all of you, in discussing this extraordinarily important series of issues.