

Unleashing the Power of Partnerships

Welcome Address to the 2nd Annual Staff Exchange Program - World Bank Conference & Expo

by
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Let me first of all welcome all of you very warmly to this second conference. As I was walking around with Kathy Sierra this morning, we were commenting that this wouldn't have happened six years ago.

Now, let me let you in on a little secret.

When I first came and I used to get the personnel records of my colleagues, I would see the record of the involvement in the Bank and there would be gaps from time to time and I'd say, well, what are the gaps? And they would say, well, that's when they weren't in the Bank. They were on the outside. And I said, but, you know, isn't that relevant?

And according to the old Bank practice, knowledge came from here, not from people like you, and there was this crazy thinking that the World Bank was somehow unique and that the outside world was there, but it wasn't really part of the development of individuals. People were scared to leave the Bank because they thought the reintegration into the institution would be very difficult.

All that, thank God, has changed, and today is a celebration, so far as I'm concerned, of the fact that we have not just got a staff exchange program, which itself would be valuable for us, an opportunity for us to send our colleagues and have our colleagues go and have the opportunity of working with our partners on the outside, and also to be enriched internally by the assignment from your organizations of colleagues to come and work with us.

I cannot tell you how enriching that has been in itself. But what has been quite remarkable in the hands of my colleagues is that that has emerged into something much more.

It's emerged into a basis on which partnership is created, built on the personal links that we had, and from a difficult first and second year when, in all candor, we didn't quite know how to handle people that were coming into the organization, and I guess some of your organizations didn't quite know how to handle our people.

Thank God, that has settled down, and I believe now we have a truly effective program with very few glitches in which we are, I think, maximizing the effectiveness to each of us of the relationships that we build from staff exchange and from getting to know each other better.

If you look at the list of the 119 companies, now 120 since one was added this week, if you look at the list, you'll see the diversity of the people with whom we're having partnerships, from the corporate world, from civil society in its different forms, and for us, this is truly an enrichment and a recognition of the different focus that the Bank has on development.

Ten years ago, it was possible to argue, and indeed, 20 years ago, it certainly was possible to argue that the center of the development activity was, in fact, overseas development assistance and that private sector and civil society were very much in the background. Ten years ago, the flow of funds to developing countries was around \$30 billion a year and overseas development assistance was \$60 billion a year. So we could say we're twice the size of the private sector. The private sector was focused on very few countries. And civil society, while active, had nothing like the penetration that it has today.

Well, in 1997, private sector investing, which included bank lending and portfolio investment, reached \$300 billion, up from \$30 billion in ten years, and overseas development assistance diminished. And even today, after the Asian crisis, the direct investment is still just short of \$200 billion and we are still at \$50 billion.

So from being half the size, depending on the year, private sector is four or five or six times the size in terms of dollar volume. And, of course, in terms of creating jobs and technology, it has become an enormous factor in the development process. And in addition to that, the projects that we're doing overseas, and as you know, the Bank has contributed, in our terms, over \$300 billion in our lifetime of activities, financing probably projects that are double or treble that in size.

The involvement of the private sector is, of course, essential, and so as a source of partnership in terms of our own activities, the volume has risen dramatically, and our involvement both at the project level and through IFC and MIGA, our private sector arm has brought about a new rich array of possibilities for us.

The same is true of civil society, which in its many forms doesn't always love us, as you've seen on the streets, but where there are many, many constructive relationships developed. We have a lot to learn from non-governmental organizations and community organizations around the world. We have also got a lot to contribute, and one of the things which is emerging, again from our partnership program, is to have our people work in civil society and have some of their people come work with us. Pretty soon, we discover the other group does not have horns and does not breathe fire, but, in fact, we're all trying to achieve the same objective.

And so for us, the idea of partnership, the idea of reaching out, is really a reflection of the way in which the institution itself is now working, because we have concluded that the challenge of development is simply much too big for us and much too big for any individual development institution.

Just to give you the numbers - in a world of six billion people, the Bank is dealing with 4.8 billion of them. And in a world of six billion, we've got three billion that live under \$2 a day and 1.2 billion that live under \$1 a day - what we call absolute poverty. And within countries, we have very significant differences of equity between the top 20 percent and the bottom 20 percent.

So we start with a world that, first of all, is enormous, way beyond the capacities even of us, and with very serious challenges, and with a set of objectives that the U.N. has set for us in terms of poverty alleviation, in terms of education, in terms of health.

That in itself would be a big issue, were it not for the fact that in the next 25 years, we're going to add another two billion people to the planet. And of the two billion, all but 60 million will come to the developing countries. So by the year 2025, 2030, somewhere in there, you'll have a world of eight billion people, of whom 6.8 billion, plus or minus 50 million, will be in the developing world that we address.

If that is true, or anywhere near true, and the demographers tell us that it is, then the only way that we can confront that issue is in partnership, and it's not just an issue of charity or of social or ethical values or moral values. It's really something which addresses all of us, from the developed and the developing world, because that's the issue of peace. If we can't deal with the question of poverty, there's just not going to be peace on our planet for our children.

And so for me, the partnership program is more than just a new idea, more than just a new initiative. For me, it carries within it the real opportunity to make a difference and to establish new patterns of working together in ways that we didn't before, not obviously immediately sometimes because of the profit, but because it's right and because if we don't do it, we're all going to go down together.

So both for positive reasons and for reasons of this very considerable challenge, we're delighted to have the opportunity of being with you. We look forward to growth of this program. If we've got it right, tell us. If we've got it wrong, tell us. We're anxious to make it work and we look forward to a very constructive dialogue with you in these two days.

We are very fortunate that Gerhard Schulmeyer from Siemens is going to follow and give some remarks. We have a delegation from South Africa with Maki Mandela. We have the Keidanren delegation from Japan, Ambassador Ciobanu, whom I met before, from Moldova, Mr. Smith, and many others that are here, and I thank all of you.

You will see in the programs the list of people that are joining us.

After Mr. Schulmeyer, I think a number of my colleagues on the Board of the Bank from different countries will give you their perspective from their level, and we very much look forward to an interchange with you over these days, but even more than that, to our working together in the years ahead.

Thank you so much