Parliamentary Actions and Cooperation for Action

by
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Thank you very much, Bert Koenders and let me first thank you, Minister, for sponsoring and funding this conference which we are very grateful for. Especially grateful also to Mr. Zanias and Mr. Simeonidis of your Organization who did so much to make this possible.

My thanks particularly to Bert Koenders and to Charity Ngilu who have played such a critical role and of course to the Dutch and the Finnish Governments for their support.

Given that I have 89 minutes to speak and one minute for questions, I have a rather lengthy speech here because in the spirit of transparency and fear, I thought I should fill my time in that way.

So, let me open my remarks by giving you at least a small orientation on the way in which our organization sees the issues and then allow really adequate time for discussion.

It is also very fortuitous that I am speaking first, because I can pass all questions to Horst K??r, that are difficult and I ask you, Horst, to make a note of them as I proceed because you will hear, frequently, that is something you can talk to the Fund about, which will welcome you to this proceeding and ensure that you come here often.

Let me start by saying that as we meet now, it is important to stipulate at the outset that the world is not an easy place at this moment and that there are two overriding considerations which affect us, all of us, at this time.

The first is the fact that growth is not accessible, that there is concern about the pace and the level of economic growth, that we do have some examples in developing countries, notably India and China, of a decent rate of growth--6% to 8%--but that for many of us from the so-called rich world, the level of economic growth is at least a little troublesome.

And note the very close connection between economic growth and our geopolitical situation which is certainly one that must be on the minds of everybody in this room, as it is on the minds of consumers and investors.
These two interactive forces which are paramount at the moment, also affect the budgets, the parliaments, affect the focus of parliaments and to a degree, defer or deflect attention from the issues which I and Horst and others are particularly involved, which is the question of development and poverty alleviation, to which Franco Passacantando referred.

And let me say how happy I am to see the Dean of our Board here, because he pays my salary. And it is nice to have him involved on behalf of that board, which represents all of you at our institution.

We are concerned because the issue of poverty is not going away and the issue of development is not going away. You all know that the balance in the world of 5 billion people in developing countries, out of 6 billion on the planet is only changing in terms of proportion in that in 25 years, it will become 7 billion out of 8.

You all know that in terms of share of GDP, that five-sixths of the world has less than 20% of global GDP. And you know that the issue facing us in this next 25 years is the issue of what is going to happen to that equation, between scale of population and share of economic activity and the wealth.

And certainly for us, at the World Bank, the issue of poverty is not plainly an issue that is global. We take the view that poverty somewhere in today's globalized world is really poverty everywhere and that, in fact, the issue of poverty--although it is not always as apparent in the headlines as is Iraq or as is the issue of economic activity--but the issue of poverty and the issue of the social contract, the issue of social justice, the issue of equity, is an inevitable issue for us to face and is the issue, at least in our judgement, of peace.

So, although it is off the front pages at the moment, the fact that Europe's parliamentarians are coming here, gives us hope because we feel that they are those who understand and advocate and are concerned about and are interested in the issues of poverty, because you, as representatives of your constituencies, are taking a view that whatever be the emergencies of the moment, that the fundamental and underlying issue of global equity, poverty and development, are the issues that are going to affect your children and are going to affect the stability of our planet.

So, it is this issue that we are talking about and within the framework of this issue, there are a number of current issues that are of concern to us. And a number of issues which will be of concern to you.

The first of course is the level of the partnership between developed and developing countries. And there, after the Millennium Development Goals were established, the issue for all of us is, we as parliaments and we as presidents of countries have agreed to have poverty or the percentage of poverty by 2015; have agreed to deal with issues of maternal mortality and infant mortality; address the questions of environment; address the questions of water and sanitation; address the question of slums; address the questions of environment.
If we are going to do all these things and make good our promises, how are we going to do it? And it is clear that all of you, as parliamentarians, correctly address the question of the efficiency of the current system.

You focus of course on the international institutions, that the international institutions are only a part, frankly, and increasingly small part of the development paradigm, which involves also your own bilateral activities, significantly and involves very significantly the activities of civil society and the private sector.

But having said that, the one thing in which the parliaments have a direct say is the issue of the level of development assistance. And it is fairly clear, by every study that has been done, that even the most effective use of development assistance, as it now is constituted, even the most ardent pursuit of coordination and simplification of process, even the most effective conceivable use of moneys and human resources is likely to be less than the transfer of resources that is needed to meet these various development goals by an amount that is variously estimated, as being an extra 50 or 70 or 80 billion dollars.

Now, what are these proportions? What are the numbers? You have an international global economy of over $30,000 billion. And of that $30,000 billion, you have $50 billion now being devoted to development assistance. How does this compare with other expenditures?

Well, it compares first with the amount that is given to agricultural subsidies, which last year were $311 billion and the year before, $350 billion. So, it is one-sixth or one-seventh of the amount of agricultural subsidies.

I love to say when I am looking at this issue that the number of people in the world, in our planet that live under $2 a day is 3 billion, at a time when the average European cow gets a $2.50 a day subsidy and the average Japanese cow gets a $7.50 a day subsidy.

It is a cute statistic but carries with it some meaning, in terms of the way in which we, as leaders and as parliaments, allocate funding. The same $50 billion compares with close to $900 billion for defense expenditures.

And so, the question which we ask in our institution and for which we seek leadership and direction from groups particularly such as this, is a recognition that against domestic needs and against urgent needs there is a persistent and important requirement to have effective use of resources on an ongoing and long-term basis.

Because the issue of development and the reaching of the goals is not going to happen, if we start in 2014. We already know that in many parts of the world, it is unlikely that we will achieve these goals and if we do have any hope of achieving them in a majority factor, then we must be starting now to make good all the promises that we have already made to the international community and to each other.
And the second issue of course is the issue of trade, which is coming up in the Doha Round, the issue of subsidy, the issue of tariffs, the issue of access. Because you cannot discuss the issue of transfer of resources without thinking also about the other side of the issue of access to markets so that countries can build up their own capacity to achieve their development objectives.

And so, for all of you, there is going to be a pressing and extraordinarily important issue facing you in the coming months, in terms of Doha and trade. And although it is not directly within the mandate of the Bank, it is nonetheless an absolutely critical component of the whole question of poverty alleviation and of development.

So, these two specific issues of levels of development assistance and the issue of trade are surely going to be issues that face you and confront you in the year ahead and indeed in the years ahead, if we are to meet the needs of the Millennium Development Goals.

And here, Mr. Koenders, I am thrilled that after Johannesburg, you, yourself, formed a committee to monitor the process of the Millennium Development Goals, which it is important that you as parliamentarians should have a handle on, so that you can bring into alignment the promise of your leaders with the fulfillment of the efforts on the part of your executives, administrations and the like.

And then, of course there are other particular issues which are extraordinarily important and are getting attention on which you will want to pay attention. Not in any particular order but of all the more important, the first is the issue of AIDS, and the impact this is having certainly in Africa—but not limited any more to Africa—in the Far East, in the Caribbean, in Russia, in Ukraine, in fact in all our countries, there is a challenge of this scourge. And to meet it, UNAIDS has been talking of $5 or $10 billion a year, both to confront the question of prevention and to deal with the issue of treatment.

And notwithstanding the fact that in the last year we have reduced the cost of retroviral—something over $10,000 dollars a year per person. That is something that is now possible at between $200 and $300 a year.

We still have a massive issue in front of us, in terms both of political will, the provision of resources and the addressing of the questions of health systems in the countries that are reached. And for all too many countries, there is still the political decision to confront the issue straightforwardly, within the context of culture and in terms of recognition of the existence of this scourge.

And here I am also grateful to the Asian and the Inter-European parliamentary force on population and development for the contribution that it is making on this issue.

Another issue in which we are joined is the question of corruption. An issue in which a Canadian initiative within the last 6 months has brought together a global response from Parliamentarians.
Our own experience at the Bank was that when I personally arrived, I was
told that you did not talk about the "c" word. I said, "what is the 'c'
word?" and someone whispered to me "corruption". And I said, why can you
not talk about the "c" word? And they said, that is a political issue and
the World Bank is non-political and you cannot talk about it.

So, we redefined it rather quickly as a social and economic issue and
what was fascinating was that in the meeting after we raised this at an
annual meeting, every single Minister of Finance spoke about the subject.
It was the central item on the agenda.

But we cannot do the most effective work in countries on corruption, by
indicating how it should be dealt with or by setting forth reform
mechanisms. Of course we do this but corruption can only be addressed
from the inside, in our experience. It is only when the citizens
themselves decide they want to rid the country of corruption that it
really happens.

And there, the role of parliaments is absolutely crucial, as the
representatives of the people. And so for me, as I was saying to your
colleagues this morning, this is the last part of the circle that needs
to be brought together, which is the involvement of elected
parliamentarians in bringing about the results of efforts on corruption,
of shining a light of transparency on the questions of corruption and
bringing about reforms within the context of the governmental system.

And beyond that, we have discovered again many things, that if you like,
are conditions precedent to corruption, in which you as Parliamentarians
are involved. There is of course the question of capacity building, of
capacity building within the parliaments but also within administrations.

But there is also the question of legal and judicial reform. In
developing countries, they have agreed, as NEPAD [The New Partnership for
Africa's Development], the African countries in their own determined way,
the conditions precedent for advancement in Africa, for capacity building
legal and judicial systems that are honest and effective, dealing with
the issues of financial integrity, stability and spread and addressing
the question of corruption.

All those issues are issues which find their way back to parliamentary
bodies and in Africa this has been signed onto, but it was not just
signed onto in Africa. The same things came out in Monterrey and
Johannesburg and they all involve parliamentary oversight and in many
cases, parliamentary introduction of legislation and changes.

And we, in the Bank, have had numerous experiences of working with the
executive branch to try and prepare steps forward only to find that there
is a lack of understanding at the level of parliaments.

So, again for us, the existence of this body, to pose questions, to build
their own strategy, to form a view of where the countries could go,
almost apart from political beliefs, these are all issues which need to
be carried forward, even when there are changes of government, but where
there is need for fundamental moves, for that need to be carried forward from parliament to parliament.

And just to complete the story, there is then the question of education, of health, of infrastructure, building of the links to cultural heritage, to environment, all the things that go with the comprehensive framework for development.

And finally, there is the challenge that all of us are facing, which is how in this development paradigm we can reach out to people, other than multilateral and bilateral executive branches and parliamentarians, to broader sectors of civil society, to the unions, to NGOs.

Today, I met with a group of youth that came from many countries, representing several hundred million young people, on how we can deal and then franchise, the various segments of the society so that they can become part of this development process and carry it on.

And so for you, as parliamentarians, there is not only the satisfaction that you have in representing your constituencies, which is in a way the ultimate public participation, but we are also finding that it is necessary for executive and parliamentary bodies to interface with civil society and with the private sector in ways that we have not done before.

And in this area, I think there is the possibility of common ground between us, to find how we can put this whole thing together in ways that we have not done before, to bring together the executive branch, to bring together the elected bodies, civil society and private sector in effective ways on a global basis to achieve the millennium goals.

These are the sorts of issues which are on our minds at the moment. The issue of coordination and cooperation of relief efforts. The issue of the pressures of particular problems, be they AIDS or water or post conflict or longer term problems on education. The issues of legal and judicial reform, the issues of regulatory reform, the issues of corruption. These are all elements that you cannot ignore in the quest for a reduction of poverty.

And so, it is a complex area and one in which there is a need for knowledge and a need for partnership. And within that context, I welcome enormously the existence of this group and I can assure you on the part of our organization that we stand ready to work with you in whatever way you wish.

Your organization is now separately constituted. You now have a hunting license to criticize the Bank at all times because we are not paying the bill. This is something that Bert can now use to whip us in any way you wish. But we are willing for that because frankly we know that without your help, the challenge of poverty is not going to be met.

But we also believe that we, as an instrument that you own, because you are our shareholders, that we can help you in the achievement of your objectives and so there is a very real partnership, a partnership that all of us think is the quest for peace.
Thank you very much.