Creating Opportunity for the Poor, Anacostia Business Summit, Washington DC

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Introduction by Andrew Jackson Young, Jr., a noted Civil rights activist, former mayor of Atlanta, Georgia and the United States’s ambassador to the United Nations in the Jimmy Carter administration.

MR. YOUNG: Now I would like to present to you a man that I have learned to respect and admire, and it didn't come easy, because we come from opposite sides of the political spectrum, I thought. And yet the more I looked into it, the more I realized that we had quite a lot in common, mainly a mentor. I came to Congress from the Civil Rights Movement and I ended up on the Banking Committee. I ended up on the Banking Committee not because I was interested in banking or knew anything about it, but Atlanta had just voted for a mass-transit system and there was no mass transit committee in Washington, and when I said I wanted to be on the Mass Transit Committee, they said, you probably ought to go on the Banking Committee and start one.

Well, we did, and on the Banking Committee I also served on the Subcommittees of International Trade and International Finance, and one day the Secretary of the Treasury came to testify, George Shultz. He came up to me and he said, you know, I'm going to Jamaica to the Inter-American Development Bank in a few months and I really think it's bad for us to be represented at these meetings with an all-white delegation. Would you please try to go with me? A Republican? A person I didn't know coming up to me, and yet that was the beginning.

He also took me on my first trip to Africa, interestingly enough, in 1974 to a World Bank meeting in Kenya. I learned also about this conservative Republican that he had a distinguished group of graduate students that he monitored and mentored and guided them in career directions throughout their lives. He was probably responsible as much as anybody else for Condoleezza Rice being the Chancellor at Stanford University. He was the first Secretary of State to recognize that America needed to relate to Nelson Mandela and the African National Congress. And so he broke new ground as an American Secretary of State meeting with the African National Congress and helping to lead South Africa back into the community of nations.

When I found out that Paul Wolfowitz was not only a student of George Shultz, but that he had done his doctoral training in desalinization at the University of Chicago, that hit a real chord with me. Because if you know anything about the world in which we live, almost all of the wars anywhere in the world have something to do with water, and if we could ever find ways to provide clean water, we probably could save the planet. So even though his background is mathematics, even though his tradition is one of being a neoconservative, I have come to see that those labels don't matter much, that those labels essentially say that he is a guy who is uncomfortable with the way things are, that wants to cut through the bureaucratic [red tape] and change the world.

That's what we were doing in the Civil Rights Movement. We were on the left with radical methods of social change, Marion, and he is on the right also with radical methods of social change. And so we come together at Operation Hope because the one thing that people on the left and the right can agree on is that poverty is bad for humanity, that capitalism in order to survive needs to grow and thrive, it needs more investors, it needs more customers, it needs more infrastructure. The success of my time as Mayor in Atlanta was when I realized that the business community and me as the Mayor needed and wanted the same thing. They wanted profits, and I wanted jobs. Well, there can't be any jobs if there are no profits, and there can't be any profits if there are no jobs growing. And so while we are divided by language, while we are divided by reputation, I think John Hope Bryant has created a new kind of brotherhood. He calls it the Get It Done Party, and whether we're left or right, whatever our methodology, whatever our principles, we are lovers of humanity, we're believers in peace and democracy, and we want to make the world a better place as rapidly as possible.

So I want to present to you my brother Paul Wolfowitz of the World Bank.

[Applause.]
MR. YOUNG: Interestingly enough, meeting here again in the heart of Anacostia, the place where a lot of you said that the cab drivers didn’t want to take you here, they didn’t know how to get here, because this has the reputation of being a place for poor people, and to have the President of the World Bank and the Director of the Federal Reserve coming into this community means a whole lot to us, and I want to thank you.

[Applause.]

MR. WOLFOWITZ: Mayor Young, Ambassador Young, I’m not sure what titles fit you best, but thank you. That was a wonderful introduction. I think it speaks volumes about the fact that when it comes to fighting poverty, when it comes to giving disadvantaged people a chance for the opportunities that some of us take for granted, there shouldn’t be politics. We may argue about how best to do it, but there shouldn’t be any question that it needs to be done.

And your mention of George Shultz reminded me that he is the man, among other things, who sent me to Indonesia as the American Ambassador, the largest Muslim population of any country in the world, enormous poverty, even more 20 years ago when I was there. I think roughly half the population lived in poverty and I didn’t have to walk more than 5 minutes from my elegant residence in Jakarta to be in the middle of slums that actually would make Anacostia look comfortable.

But he also taught all of us who worked for him that we were Americans. He had a big globe in his office and he would bring Ambassadors in before they went out on assignment, take a photo with the Secretary of State so that you could put it up on your wall and pretend that you were his oldest, closest friend, and he would ask the Ambassador turn the globe to your country. And he told us he went through about 25 State Department Foreign Service Officers and political appointees until he finally came to Mike Mansfield who by that time, had already been serving for President Carter as Ambassador to Japan, and the former distinguished Democratic Senate Majority Leader came to see Shultz. Shultz said, you know, Mike, we haven’t taken a picture in front of my big stand-up globe. Let’s do it, and turn the globe to your country. And Senator Mansfield, Ambassador Mansfield, turned it to the United States. Shultz always told that story to remind us that we were America’s Ambassadors to those countries and not the other way around. And there was poverty here in the United States and not just in Indonesia, and it’s unacceptable here, just as it’s unacceptable there.

[Applause.]

MR. WOLFOWITZ: I feel very honored to be invited to speak here today, and I feel particularly grateful for these warm introductions. I also feel like I’ve been set up. I get to speak after John Hope Bryant, Anthony Williams, Kelvin Boston and Andrew Young, but I will do my best. And I do speak from the heart.

When I met John Hope Bryant in Davos, in Switzerland, talk about “A long Way from Anacostia,” he told me that Ambassador Young was his personal hero and that Ambassador Young is America’s Nelson Mandela. I don’t think there’s a better title to wear than that. Nelson Mandela is one of the most remarkable men of the last 100 years, and I had the privilege of meeting him in his home in South Africa last June. We had just visited his old home in Soweto, and there on the wall is a saying from Mandela from, I think, 1974, “There is no limit to what a man can achieve as long as he doesn’t give a damn who gets the credit.” I told that to him, and he is sitting there, and if you wanted to name 10 individuals who had changed history in the last 100 years, Nelson Mandela would probably be near the top of any list of 10 single individuals. But his response wasn’t about himself, his response was to say, yes, we always need to remember that anything we’re doing is because we represent the collective. I think one of you used the word “collective” a little while earlier. This is a collective effort. It will only succeed with collective effort, and that’s the kind of leadership, John, that you are providing, and that’s the kind of leadership that makes things different, makes change. So thank you for that. And thank you. It’s a collective effort.

I am also glad to come here this morning for two reasons. One, the chance to talk about the power of opportunity to transform the lives of people. And second, to talk about the importance of public-private enterprise. Operation Hope does both, where programs help connect minority communities with mainstream private-sector resources that have been out of reach for them. Operation Hope also helps educate big businesses about the value of becoming more active in the inner-city communities, both for the good of the communities they serve, but also for their own good.

In my travels abroad as World Bank President, I have seen the effects of poverty in places as far apart as Burkina Faso in Africa, in China, in Indonesia, in South Africa, in Mexico, most recently in Guatemala. On one of those trips I walked through what they call a favela, or a terrible slum, in the financial hub of Latin America, in Sao Paulo, in Brazil. The contrasts that I saw there would remind you in some ways of Washington, D.C. There it was glamorous,
successful, financially important Brazil, side by side with, unfortunately, some of the most impoverished neighborhoods that you could find anywhere in the world. Here, too, in Washington we have wealthy neighborhoods and some of the most politically important institutions in the country, indeed, in the world, yet, just a few miles away in other parts of the city, as many as 4 out of 10 households live in poverty. These facts are old news for most of the people here, but too many people outside of this room across the nation seem to be unaware or inattentive to the sharp contrasts between the lives of our richest and poorest citizens.

A few weeks ago at a luncheon event I had a chance to meet a group of people in Washington, D.C., who used to be homeless. The World Bank has worked with a local nonprofit organization to help their clients gain access to a wider range of services to that they can transform their lives from survival to substantial careers. One young man's story in particular has stayed with me. This man was the youngest of 17 children in a family with no stable parents or guardians, just a single mother who couldn't handle all of that. He never went to high school. Instead, he was recruited to work in the drug markets of our city. For most of his adolescence until he was in his twenties, he was selling drugs. Then he was arrested, he was shot in the face in a failed drug deal, he served time in jail, and he was offered early release for good behavior. And if you could imagine, he was afraid to leave jail because the kind of life that was waiting for him outside was more than he thought he could handle. Think about that.

Fortunately, a caring lawyer and judge helped him enter a local shelter. After living and studying in that shelter for 9 months, he came to the World Bank through a partnership to provide steady employment and mentoring support to people in disadvantaged communities. And 6 years later, I'm proud to say, he is a regular employee of ours, earning more than $40,000 a year as a computer specialist.

[Applause.]

MR. WOLFOWITZ: With the advice and assistance of our staff, he has paid off his debts, he is helping his brothers and sisters, he is saving to buy a new home, and he's helping other people like himself.

When we met with him, I said to him, don't think for one minute that people like me who have had a lot of advantages in life and have accomplished a lot of things are better than you. I think it's the other way around. I'm not sure I could have overcome the obstacles that you did. You're amazing.

[Applause.]

MR. WOLFOWITZ: People like that young man and other formerly homeless people I met have experienced first-hand how lives can be destroyed by poverty, by homelessness, by drug addiction. It is a sad reality for too many young people here in the nation's capital and in other cities. But they have also experienced first-hand the power of opportunity to transform lives.

One thing you see every day in my job is that poverty doesn't mean just poverty in income. Poverty means denied opportunity and lost futures. Poverty means fewer opportunities for children to get the quality education they need and deserve, including basic training in financial literacy. Poverty means that it's more of a challenge to get the kind of services you want and need in your own neighborhood, whether you're looking for a place to buy affordable groceries to have a sit-down meal with your family, or a place to open a bank account.

I was told a story about a mother in the District who wanted more books for her children so they could improve their reading skills, something my kids were able to take for granted. But there was no bookstore or library in her neighborhood, and she couldn't afford bus fare to go somewhere else for books. She was denied and her children were denied a basic opportunity, and that shouldn't exist in Burkina Faso, in South Africa, in Mexico, and certainly not here in the capital of the free world.

[Applause.]

MR. WOLFOWITZ: If you know what poverty looks like in Washington, D.C., and you do, then that story won't surprise you. One report from the Brookings Institute found, as you might expect, that poor neighborhoods in Washington, D.C., have fewer businesses, fewer goods, fewer services of any type. The same report found that most banking outlets in this city are either downtown or in affluent residential areas. If you go to a less affluent neighborhood like Anacostia, you'll find more check-cashing services than banks, and people who bring their
paychecks to check-cashing services pay a fee of 2 or 3 percent of face value to get their cash back, people who can least afford it.

If you’re poor and you don’t have a bank account, then you may find the only way to get a loan is to go to a pawn shop or a car title lender, and then you’ll need to pay interest rates from 100 to 500 percent. That is a sad reality here in this community and in communities across the country, indeed, around the world.

When poor people lack access to basic financial services, it’s much, much harder to break out of poverty. Poor people need better services, but to get them they also need more education in how to use those services and what is called financial literacy. Operation Hope and many of the organizations that people here represent have been involved with efforts to spread financial literacy among poor people. The people here today have accomplished these efforts in coordination with donors, the government, and businesses. The World Bank works with more than a hundred governments in countries around the world in national programs to reduce poverty. Some of them have done an outstanding job. And indeed, governments can and should lead the way, but no government can do it alone. Civil societies and donors have a great deal to offer, too, but they can’t do it alone either. That’s where the private sector comes in. And those of you who represent the private sector at this event are here because you care. You know that reducing poverty, spreading financial literacy, and promoting better education are the right thing to do.

But it also helps your bottom line, because too much poverty and too much inequality takes a toll on the entire economy. So those of you who have invested in poverty-reduction programs are accomplishing two things. You’re doing the right thing by helping more families seize opportunities so they can lift themselves out of poverty. But you’re also helping yourselves because you’re helping the entire local economy grow stronger.

In 1997, the World Bank launched a community outreach effort in D.C., including in the Southeast community. We are absorbing all the costs to run a foundation in the work place so that World Bank staff can give back to their community. Our staff members are giving hundreds of hours of volunteer time in communities East of the river. Last year we set a record. We raised just over one million dollars from our employees, all of which is going to organizations in the greater Washington area.

[Applause.]

MR. WOLFOWITZ: And this year we announced for the first time that we would give priority to organizations that provide services in Wards 6, 7, and 8, the least-affluent communities.

[Applause.]

MR. WOLFOWITZ: This is the one I like best. Currently, we are providing grants to several programs that benefit Southeast, and just last week we have a $400,000 grant to support D.C. public school teachers so that children in this community can receive a better education.

[Applause.]

MR. WOLFOWITZ: And Vicki Betancourt [ph], you’re going to kill me, but stand up. This is the woman who runs it. She’s a dynamo.

[Applause.]

MR. WOLFOWITZ: Another grant will go to the D.C. Creative Writing Workshop which is a relatively new nonprofit organization that’s been working East of the river since 2000. That grant will support an in-class and after-school literary arts program for 400 students are high risk for academic failure for dropping out of school for exposure to criminal behavior and for depression. That program gives them an opportunity to avoid these risks and acquire a love for learning.

Another grant will go to D.C. Scores which we also supported last year. D.C. Scores works in partnership with businesses and law firms to create opportunities for poor children to succeed. Children in their program participate in sports, in literacy training, and in civil service. Nearly a third of the students in D.C. Scores last year improved their reading and writing skills by one whole grade level.
These are examples of how we are trying to support partnerships among business and community organizations to make a difference. I know other organizations here are doing similar things. I know you have a busy agenda ahead of you here today. Let me just conclude by saying that I hope the dialogue today will help foster stronger partnerships among government, nonprofit, and private sectors. By working together, working collectively as Mandela would tell us, we can find more ways to use the power of opportunity to transform lives.

I look forward to the outcome of these discussions, I look forward to attending many more celebrations like this. Thank you for inviting me to participate today, for the opportunity to visit this beautiful facility, and I am grateful that the World Bank is included as a partner in the collective effort to provide opportunities to realize the enormous talent that lies here East of the river. What you see today and at many more events like this one, I hope I will be able to join in. Thank you very much.