Globalization Is A Worldwide Development in Which All Societies Must Play a Part

by
James D. Wolfensohn
President
The World Bank Group

Washington, D.C., October 13, 2001

Introduction, moderation, and closure by IAPA 1st Vice President Robert J. Cox, The Post and Courier, Charleston, South Carolina

Mr. Cox: It's a great pleasure for me and it will be a great event for you that James Wolfensohn is with us today. I mentioned to him when I met him that the last time I saw him was on television - I saw him on the Communist Chinese channel, a very slick television channel, when I was in Lima, Peru.

Like a good journalist, I did some checking out. I'll read you a little bit of his biography, because it's a fascinating biography, but I thought I might tell you about how people who have worked for him feel about him. And what they feel about him is that he has changed the Bank, so that the Bank now is on a mission to make poor people's lives better, probably make everybody's lives better.

As you probably are aware, all of us are rewriting our speeches, if we had formal speeches to prepare. I don't think Mr. Wolfensohn needs a prepared speech, he's just terrific.

I'll just give you some background, as some of you might not necessarily have followed his absolutely brilliant career. He's a banker and he's the ninth president since 1946. He established his career as an investment banker with a parallel involvement in development issues and the global environment. He became president on June 1, 1995, and he has traveled to more than 100 countries - there might be more than that now - to gain first-hand experience. He was about to go to Uzbekistan and Turkmenistan and those front-line countries now around Afghanistan.

He's somebody who is wonderfully open to everybody. He had an enormous experience first of all with globalization, obviously an issue that the Bank has to face, and now the changed world. I don't think we could have anybody better as president of the World Bank to deal with this new situation that has arisen - it's not a new situation but the situation that has come to a head, that's blown up like a volcano.

I think I don't need to say anything more except that as a journalist the World Bank is a wonderful source of information, it's reliable, and
you'll find that people right across the political spectrum will go to the World Bank studies to find out what the facts are about the world.

I'd like to thank you very much for coming.

Mr. Wolfensohn: Thank you very much indeed, Mr. Cox, and ladies and gentlemen thank you for turning out at such an early hour of the morning for these remarks.

Let me say that before I came in I was talking with one of your colleagues about what I should talk about. September 11 has changed a lot in this country, maybe it has changed a great deal all around the world, and it would be impossible to address remarks to you without touching on that subject. But I was thinking what I would have been talking about had September 11 not have happened. You would have been coming after the World Bank and International Monetary Fund meetings in Washington, your newspapers would have covered the demonstrations in the streets and there would have been photographs in the press of people with their heads bashed in and blood flowing, and the issues of poverty and AIDS and the sort of things we do at the Bank probably would have had less attention than I might have hoped. That has been true in so many of the meetings that I have gone to, starting in Seattle, then coming to Washington, going to Quebec, to Genoa, to Prague - in all of which places there has been this issue of globalization raised and the real distress that exists in the streets and in the minds of many about the way our planet is being run. That took its strongest manifestation on September 11 in a way that I guess none of us had appreciated.

So let me start first with this question of globalization, then try and get into the issue of September 11 and the relationship with this hemisphere, and at some point tell you how delighted and pleased and proud I am of the work you are doing on the question of openness and press freedom, which has a tremendous amount to do with the type of communities in which we live and indeed, in my judgment, with the solution of a number of the problems that we're facing.

Let me first start with the globalization issue. It's a much misunderstood issue. It's an issue which has a lot of catch phrases. For some it is the dominance of multinational institutions, it is the rich against the poor, it is the issue of inequity. And, curiously, in the streets when you have the globalization demonstrations, you have next to each other people with diametrically opposed views - you have unionists in this country who are concerned about jobs being expatriated demonstrating and linking arms with people who are concerned that their jobs in other countries are going to be determined by decisions taken by multinational corporations in this country. Diametrically opposed but linked in uncertainty about how the system is working, uncertainty also about how the trade is done when you've got a third of world trade done between multinational corporations. And behind it all a deep sense of uncertainty about the things that are linking us and dividing us.

What is clear is that the Bank or the Fund or the G-7 or the presidents of the Latin American, U.S., Canada, and Caribbean countries cannot stop globalization. Globalization in its broadest sense is a coming together
of our planet, and it has been happening for a long time. We are linked by environment, we are linked by health, we are linked by trade, we are linked by finance, we are linked— as you well know— by migration, we are linked by ideas, we are linked by crime and violence, we are linked by poverty. There's no way that we can set that back. The interdependence is increasing at a rapid rate. What people are very worried about is that they are losing sense of control about how this interdependence can be managed, with some people gaining and some people losing.

So the challenge as we see it is a challenge not of turning back the tide in globalization, because even before September 11 it was very clear that you couldn't put a wall around your state and let it exist and grow—all the evidence suggests that we're all subject to these globalization forces. But how is it that you deal with the issues of globalization so that people generally can benefit and those that are disadvantaged by this increasing interdependence can in fact build a better life as a result of a broader market?

I was in Quebec for the meetings of the presidents of the Americas. It put into good contrast the issue of this hemisphere, a hemisphere which has 40% of the global GDP, and a hemisphere that is highly dependent in terms of its GDP on its $9 trillion or $10 trillion neighbor, the United States, but in terms of the countries of the Caribbean and Latin America, they have a $2 trillion contribution, Canada around $600 billion, $700 billion. So it is a big economic force just in this part of the world. But I need hardly tell you that it is dominated by some major countries. Of course, if you look at the Quebec group, it's the U.S. and Canada, but if you look at the hemisphere, three countries—Brazil, Mexico and Argentina—are 70% of the GDP, with 32 countries having the rest. If you take out Chile, Peru and Venezuela you come down to relatively small states. It's also a continent which has a high incidence of poverty. It's also an area of the world in which there is significant inequity. I need hardly tell you of that phenomenon in the hemisphere, that broadly, the take of the rich is disproportionate with the take of the poor. And not just the take in monetary terms, but the take in terms of influence, social prominence, freedom, expression, the many things that many of you fight for.

But putting it in a global context, if I may for a moment, the trend that I'm concerned about is that we have a planet of 6 billion people today of whom 4.8 billion live in developing countries—80% of the world, with 20% of the income. Latin America, the hemisphere, is relatively better off than all the averages: around 7% of the people, 7% or 8% of the income, doing quite well—and improving.

Globally you've got 80% of the world with 20% of the income. The issue is not just today, with half the world living in poverty, 3 billion people living under two dollars a day and 1.2 billion people living under one dollar a day. That's a difficult enough issue, but in the next 25 years you add 2 billion people to the planet and all but 50 million live in developing countries. So that in the world of 2025 your hemisphere will move from 515 million to around 700 million and the globe will move from 6 billion to 8 billion, and as for the G-7 leaders that were sitting in Genoa, their successors will be representing the same number of people.
that they represent today and the developing-country leaders, the five of them that I sat with, with Kofi Annan, will be representing 2 billion more.

This issue of dynamic and the issue of globalization and the issue of who shares in it is the issue that is now being challenged in the streets. It's being challenged by September 11 - and why?

When I grew up and when I was in the investment banking business I had a sense that the United States and my own country, Australia, were protected against developing countries. We had our issues of poverty, but the issues of poverty and development were really things that were outside the wall. I grew up thinking that there were two worlds: there was a developed world and there was a developing world. If you were as interested as I was, for whatever reason - be it moral or social or sense of equity or sense of social justice or whatever - you give part of your life to the issues of the developing countries. Eventually I had a chance to give all my life to the issues of the developing countries. I had my apartment in New York and a place in Australia and I knew that when I retired from this I had the mental image of that if I wanted to I could go back and I could live comfortably wherever I lived.

In the course of this job I have been trying to convince people that those two worlds no longer exist, that in fact there is one world, that poverty in one place is poverty everywhere, that dissent in one place is dissent everywhere, and that political leaders in developed or developing countries can no longer think of their political issues behind the wall of domestic issues. That has always been better understood in developing countries than it has been in developed countries. In the presidential debates in this country there was scarcely a word about development or poverty. In fact, in one of the three debates, when Jim Lehrer, who is a friend of mine, asked the two candidates what they thought of something Jim Wolfensohn had said, I've never seen a more vacuous look on Al Gore, who knew me well. The issue was disposed of very quickly, because it was a non-issue. The issue of development is not a political issue generally.

For six years I've been trying to say that in fact you have to look at issues not in two boxes, but in one box. That the issue of trade is an issue that is a global issue, that the issue of overseas development assistance is not a fringe issue, that the issue of armies massing against each other is no longer the issue of security but the issue of terrorism and crime and violence. That gets through walls, or over walls, very quickly, as it does in countries - notably in this hemisphere, where crime and personal safety has become such a key issue. I've been saying on a global level you find the same thing in violence and terror.

Of course, never did I expect something on the scale of September 11. But if anybody believed that there was a wall around the two worlds surely they musty now believe, both symbolically and really, that that wall has come down. For me that is a huge change in terms of the issue of interdependence, globalization and the role of my own institution, but beyond that the way in which we all think about questions of development.
The two worlds are gone. There is one world. We at the multinational level have to think of it in terms of what is it that's behind the dissent, what is it that we need to be rethinking as we look at the future, how is it we can adjust to being global citizens and preparing our children to be global citizens in a world that will be even more unbalanced than the world in which we live today?

The role of the press in both understanding that and in projecting that set of dynamics is crucial, because the press broadly has not addressed that issue, at least in my judgment, with the weight that I think it deserves. But no one can avoid giving it that weight after September 11.

We have to get used to thinking beyond the wall and to thinking globally. That means a whole lot of things. It means for people that grow up in the West that they have to understand that they're not living just in a Western culture, they're living in a global culture. It means greater openness in terms of understanding, of values, of principles, of cultures, of differences. I've had the privilege of visiting many, many countries: values in Africa are different from values here but they're no less valid. Family values and the way in which Africans treat each other has a lot to teach us. The values of Islam are very valuable. In fact, we have probably created a lot of dissent and distress in Islamic communities as we have taken very superior views to the world of Islam which, by the way, in the first phase of globalization was helping us as they brought astronomy, mathematics, philosophy, culture to Europe.

We need to understand indigenous people. We need to understand indigenous people and the cultures in which they live. We need to reach out and look behind the people that we're dealing with, to try and be more open. We also need to deal with people in poverty. People in poverty are no different from any of us here. We've just done a study of 60,000 poor people. What did we find in interviewing 60,000 people? They want a safe life for themselves, they want a future for their kids, they want freedom from violence, the women do not want to be beaten up, they don't want charity but a chance. These are not second-class people; they are people who we have to reach out to. If we don't reach out to people in poverty and create a better sense of equity, there won't be peace. It's very simple.

The issue today of September 11 for me is the change of the way in which we approach each other, the way in which we approach the issue of globalization. It's a real big pull to change our outlook. This is not a wild green philosopher speaking to you - I have played the game on the other side - this is someone who has now spent six years full-time in something that has been a preoccupation of mine for all my life. But I have to say to you that I think that what I was arguing before September 11 now has to be apparent to everybody, because between countries and within countries the issue of poverty, the issue of equity, the issue of listening, the issue of giving people an opportunity and a chance, the issue of equity between rich and poor is not an issue that can be avoided any more.

So globalization on September 11 and the issue of equity and the issue of social justice is something that maybe our generation can avoid, but our
kids cannot. And that puts a huge responsibility on leadership and on the press, because these are the issues which are the issues for the future.

Most of us don't have a fully delineated view of all the aspects of it. I don't. But that it is the direction, that it is the substance of the questions that we need to look at. I have absolutely no doubt and I look forward very much to reading your editorials and your papers.

Thank you very much.

Question and Answer Session

Mr. Cox: Thank you very much, Mr. Wolfensohn. It was even more fascinating than I expected and of tremendous impact, I think, on all of us. Mr. Wolfensohn agreed to take some questions, and is delighted to receive them.

Question: Mr. Edward Seaton (Seaton Newspapers, Manhattan, Kansas): I certainly find what you said very interesting and I think it's correct, in my view, but I want to place it in the context of the lead articles in our two leading journals on foreign affairs in the United States, Foreign Affairs magazine and Foreign Policy, both of which had biting criticism of the Bank and the direction that the Bank is taking, saying that the Bank was in chaos, that the mission had become so complex that it was just unwieldy to manage things, that NGOs are dominating the Bank and the Bank ought to get back to the basics of structural reform. You have touched on that, I think, without speaking to it directly and I thought it might be interesting for all of us to hear your response to what the two leading journals of international affairs in this country had laid out.

Answer: I'm delighted to have a chance to do that. They are actually two journals: one is Foreign Affairs, in which was an article written by a former colleague of mine, someone whose views I respect enormously, and the other journal the views of which I do not respect.

I have to say that I think there is a highly legitimate issue on the question of the focus of our institution and there are those that would like to see us as an institution that completes projects, that builds edifices, that does what we did for 50 years. I have taken the view, rightly or wrongly, that development is not that simple. I have taken the view that if you want to have development you have to start with the structure of the countries in which you operate, that there is no sense pouring money into countries that have no adequate governance, that do not have a legal and judicial system which functions to protect people, that do not have a financial system that works and that are wracked by corruption. That is precedent to putting up buildings or even dealing with education and health. Because you can pour money into any social system, but if it's stolen, if it's poorly administered and if it goes to only one sector of the community you're not, in my judgment, effective in terms of development.

I've also taken the view that countries should decide themselves beyond political mandates what their objectives are, because development does not occur overnight - it is a 10-, 20-, 30-year generational process. It
is a generational process in this hemisphere. If you're going to have a generational process, it has to go beyond political mandates and you need therefore to build a national consensus.

It's not that I am suggesting that the Bank stipulates a national consensus, but I draw to your attention what, for example, was done in Bolivia, where they have built a national consensus on what the Bolivians want to do, Bolivian Plan, and which will transcend political periods. My own judgment is that that approach is both necessary and sensible and it is embracing of the ideas of the private sector, the press and civil society.

The suggestion made in Foreign Policy magazine that this was giving out decision-making to wild-eyed NGOs is simply preposterous. It shows no understanding, it was malevolent and I reject it totally.

I was also greatly criticized in those articles in having an interest in three things. One was culture, one was religion and the other was technology. I am thrilled to be criticized for those excesses in terms of our objectives. I'm thrilled because now, after September 11, it might be that the issue of culture is seen to be integral to development. It might be that my efforts to build a dialogue with religions - which is not to adopt the religions, it is simply to acknowledge that religion is the major force in the villages around the world, the major force, and has been for millennia - that the notion that you cannot talk to religions about what's on their minds is preposterous. With the Archbishop of Canterbury I run two very successful global conferences called "Development and Faith," which have led to remarkable initiatives that we're now taking.

On technology, where it is alleged that going into technology when people don't have something to eat is the wrong thing to do, to put it very simply, I simply tell you that the leadership of the developing world when asked to give their priorities, in the case of Africa, they say number one AIDS - which is why I am wearing an AIDS button, and if I could I'd be wearing a computer on my head, because the second thing that they ask for is technology. Not because they don't want to eat, but because there isn't any leader in the developing world that I've met, more interestingly the poor people we interviewed, who have not said that they do not want to be left behind a generation when the opportunity exists for them to make a leap in terms of knowledge and access.

In the case of Andhra Pradesh in India, which is a very poor state, with 80 million people, they have decided that by the end of this year every village will be linked by fiber optic cable - their decision, not mine. They will be doing e-governance, e-trading, e-education, the works. You already see the results of it.

So I think that it is possible to make ad hominem arguments about what a terrible leader I am and how lacking in priority I am: I just simply say to you that I don't propose to change and that I will continue with the programs that we have launched. I also think we're right. I hope that's clear!
Mr. Cox: I think that's very clear. Thank you very much. Any other questions?

Question: Mr. Roger Parkinson (The Globe and Mail, Toronto, Canada; current president of the World Association of Newspapers): Mr. Wolfensohn, when you addressed the World Press Freedom Committee a couple of years ago right here I was also delighted to hear you add one other ingredient that was necessary for development which I want to give you the chance to include now again, when you talked about a free press also being necessary for development. We were pleased to hear that then and I thought you might want to add a couple of words about it.

Answer: Thank you very much - when I sat down I thought, My God, I forgot to do that! I'm so grateful to you for giving me the chance.

This is not an adornment on the speech just because I'm addressing this group, because I have been consistent on the question of free press since I got to the Bank.

For me one of the crucial issues on our central issue of poverty is the issue of voice, the issue of giving a chance for people to express themselves and to have uncomfortable issues raised publicly - issues of rights, issues of the voice of people in poverty, the fundamental issue of corruption, which can only be solved by transparency in the press. It cannot be solved by pompous statements made by me or Kofi Annan or Transparency International. It can only be solved with transparency and getting the people together.

On the whole question of education, in terms of views of people in your populations, both rich and poor, it seems to me, and has always seemed to me, that the responsibility of the press in this is paramount and that if we in the institution of the Bank talk about the need to have the structure - and I talked about legal and judicial systems and I talked about financial systems - free press is alongside those, and that's what I said also at that meeting here. It is a right that has been hard won - and your Association has done a hell of a lot to ensure it. But it is a right that, in my judgment, is absolutely essential if we are to both represent the people who need representation and focus on the right issues.

My single big question mark and issue now is that I think that never has it been more important, never, for the press and radio and television to be able to explain the realities and the new perspectives of the post-September 11 period. We had tragedies before, we lost many more people in Rwanda and in the Congo and in East Timor and in places in which the Bank operates. It has generally not been front-page news. But I do think that now the sort of thoughts I was trying to express before become really a huge responsibility for a thoughtful press and television; to change people's perceptions and participate in the debate for which I guess there aren't many answers.

The reason I accepted immediately coming here was because of my feeling about the press. It was not to explain myself about Foreign Policy, although I'm glad to have had the chance to do that, it was because I
really do believe that if the Bank is to be successful, and if you're all to be successful in creating a peaceful world, public opinion and the molding of that public opinion and the representation of public opinion is absolutely critical, and it must be free. I've written on that, I've said it and I believe it and I will keep fighting for it. I thank you for the question.

Question: Mr. Horacio Aguirre (Diario Las Américas, Miami, Florida): Sr. Presidente, quiero formular dos preguntas. Una de ellas es que si ¿existe alguna explicación que países sumamente pobres hayan alcanzado unos préstamos internacionales que crean la deuda externa en proporciones gigantescas cuando, aparentemente por lo menos, quienes otorgan esos créditos saben que esos países no pueden pagar ni en dos siglos la deuda que deben en circunstancias normales? Es decir, hace algunos años la deuda de países pequeños y más o menos pobres era relativamente lógica de acuerdo con su proporciones y circunstancias. De pronto, de la noche a la mañana, son cifras astronómicas. Y la pregunta es que si ¿el Banco Mundial o cualquier otra entidad similar puede controlar eso?

Y la segunda pregunta es: Ud. Se refirió con sobrada razón a el hecho de que se necesita lo que podríamos llamar un estado de derecho para que el poder judicial funcione en forma normal que garantice la justicia y el respeto del derecho a la propiedad, etcétera, etcétera; ¿puede hacer algo el Banco para presionar que un país donde obviamente, sin ninguna duda, no hay un estado de derecho porque el poder judicial está sujeto a muchos caprichos o cosa así por el estilo?

La primera es la deuda que ha crecido enormemente y luego ¿qué puede hacer el Banco para estimular la vigencia de un estado de derecho?

Answer: Well, thank you for those two questions. Let me answer them in reverse order, taking the judicial system issue first. Since I've come to the Bank I have taken that subject from being a useful subject to be a central subject. Just four weeks ago we ran in St. Petersburg, Russia, a conference on legal and judicial reform in which there were many jurists from this hemisphere, chief justices of a number of your courts. I might add that this is supplementing the work that Enrique Iglesias has been doing for years in the hemisphere - you'll have a chance to talk to Enrique at lunchtime. Enrique, in my judgment, has been a leader in the whole issue of legal and judicial reform, because he realized before I did, he was earlier in the job, that if you can buy off judges and if the administration of justice is whimsical and poor people can never have justice, there is no sense having laws. There's also no way that you can encourage foreign investment if you cannot protect contract rights, where there's no system of bankruptcy laws. So it is just obviously fundamental.

I think the international community generally, and I think many countries, gave much too little attention to the fact that if you do not have an operating legal system that works you cannot have a healthy economy. It's impossible in my opinion.

So what we're doing is a tremendous amount of educational work, support work, financing for examination of judicial systems and trying to support
the governments of countries and, in those cases where the judiciary itself is prepared to cooperate, in reforming the legal system. I was trained originally as a lawyer. It is a very difficult thing to do, but it is a critical thing to do, because if the judges are crooked and the lawyers learn that the only way they can do their cases is by being crooked and in many cases they don't know the law, it takes quite some time to dig into that system and change it. But we are succeeding in doing it in a number of countries.

You'd be perhaps interested to know that in the country of Georgia in the former Soviet Union two years ago, under the leadership of the president and the head of the Congress, they decided that they would have examinations for the judges because they discovered that the richest people in the country were the 200 judges and they didn't think that was logical. So they decided they would run an examination which, to the surprise of the judges, they did on television - and 170 of them failed. They were replaced by 170 others, largely women, interestingly enough. That has brought about a big change in the Georgian system. I'm not suggesting that you do that in Latin America, but it may not be a bad idea and it would certainly make for good television and good press!

The point is that I think that it must have national support. We're able now, I think, to give financial support and support in terms of experience. But just rewriting the laws is not enough - getting a modern legal code can only be effective if you deal with the human aspects of it, and that varies by country; in some of your countries you're doing very good work in terms of ombudsmen and getting an earlier and cleaner administration of justice. I think it's something that's going to be with us for the next 20 or 30 years, but I think it is central. We're doing everything we can and if any of you have any issues on that we'd be delighted to respond.

On the question of debt, I think that first and foremost I was fortunate to be able to introduce a scheme which was previously not possible, which was the scheme to address the question of overhanging debt. There was no such previous scheme. But now, with 42 countries that have been overburdened with debt, we have already put 25 through the system and we've reduced their debt by more than two-thirds. We have them back to a point now where the whole of the debt is not wiped out but where clearly they can function effectively, access markets, access credit markets, and put the savings into education and health and social programs.

How we got into this situation varies by country. In some cases international institutions and banks themselves were lending just very imprudently, they were lending to sometimes dictatorship governments where the money was just coming in one door and going out the other door, where the money was simply being stolen or where it was being misappropriated.

The motives were always pretty good, they always had on them a program for education, highways or infrastructure. But the implementation was terrible. I think if you were to look at most international institutions you would find behind each of the loans a very good file which said that if you spend money on this you'll get it back in such-and-such a time and
it will make such-and-such a return. But in too many cases it didn't happen.

I think what is remarkable in the case of your hemisphere is the change in the quality of the governance, and the change in fiscal and monetary management in the last 30 years. I think what we're trying to do in this hemisphere, in Africa and in other places which are suffering, is to regroup, reposition and essentially do a reorganization of the debt, much as you do it in the case of corporations or individuals.

I think everybody was guilty in the past. I think that there was guilt on the part of the member and I think there was guilt on the part of the borrower. I may be making bad loans now. I hope that they're not. But I find it less useful use of my time to go back and find out why rather than how I can fix it. And it varies so much by country.

The one thing we have done is to bring in, in the period since I've been in the Bank, a massive campaign against corruption. That applies inside the Bank and outside the Bank. When I came to the Bank I was told I could not use the “C word.” I said, “What is the C word?” They said, “The C word is corruption.” I said, “Why can't I use the C word?” And they said, “It's political and you're a non-political organization, you can't get into politics.” Well, I stood that for about a year and then I redefined it as being an economic and social issue, not a political issue. Since then we're now doing work in more than 100 countries.

But the thing you should understand is, as I said before, that the Bank cannot solve the corruption problem. I can give you hundreds of examples where it is transparency in the press that solves the corruption problem. It needs popular support in countries in order to deal with the question of corruption, in order to deal with the question of legal and judicial reform, and it needs the people in power to agree that they want to change the system. Those rigidities of the people in power who don't want change are surely evident in this hemisphere. So the role of the free press to try to bring about change is very important. I know this hemisphere pretty well for a very long time and you'd have to say that there are powerful groups and there are less powerful groups, and to bring about change of the type that I'm talking about requires not just a free press but requires the ownership and the publishers of the press to take a view that they want to bring about that sort of change. That's where the responsibility comes. And that's the rub, in my judgment.

Mr. Cox: One more question.

Question: Mr. Oliver Clarke (The Gleaner, Kingston, Jamaica): Mr. President, is the Caribbean socially and economically viable?

Answer: Let me start by saying before September 11 you already had a big problem with AIDS. We have just set up a $350 million trust fund. I start with AIDS not because it is the most obvious issue but because it's a killing issue and needs to be dealt with. Unless we deal with the question of AIDS in the Caribbean - not in every country - there's not a hell of a lot that can be done. So I start with AIDS because I think it's a sui generis issue, a special issue that needs to be dealt with. I think
the signs that we are getting in the Caribbean are that that is really, really important, and I hope you would agree.

On economic viability, the nations are obviously very fragile and together with the Commonwealth Office and the UN we've done a study on the island states and their dependence on focused economic activity, whether it be agriculture or tourism, with a view to trying to see if they can be made more economically viable by new industry and, in particular, the use of technology for work that can be done in those island states as a new industry.

I think that you need to do a lot still in terms of bringing the Caribbean together as part of both the area itself and the hemisphere. Certainly in my discussions with your leaders up in Quebec I got a sense of greater optimism today than I had before. That was pre-September 11, when you had a new disaster – since you're very subject to natural disasters anyway – the disaster of tourism, where 70% of the income for many of the countries is based on tourism and if people are not traveling that is a hell of a problem. So when you talk about economic viability I think you have a special problem at the moment which we and the Inter-American Development Bank are going to try and deal with and hope that people return to thinking of the Caribbean as a safe place to go, and therefore increase your tourism rather than staying at home and not traveling at all, since you've got a very heavy dependence on that.

My own judgment is that the Caribbean does have an economic and social future. I think the leadership is addressing the right issues. I think we need a bit of luck. We certainly don't need drops in tourism of the type that we've had. I think we need a proper trade round that can protect your agriculture. I myself think that in terms of the lifestyle that you choose for yourselves it's a pretty good place to be. I think a lot of it is in your own hands, but I do think that the international institutions now are ready to support you, and certainly at this very difficult time on AIDS and on tourism we are right there with you. I hope those are transient issues and that we can then get down to the longer term issue. But it's certainly one of the places that I dream of retiring, so I hope it has a strong political and social future.

Mr. Cox: We really are just past the clock. Mr. Wolfensohn has given us a lot to think about and a lot to write about. Unless anybody has a very urgent question, I'll give out very great thanks. This has been quite remarkable, I think, and extraordinarily useful. In a way I'm very sad that it's been so timely – we all have this double feeling about things, we've got to wake up, it's a pity that perhaps we didn't wake up before September 11, but I think we had an awakening.