Symposium: Celebrating The 50th Anniversary of the Aspen Institute: Globalization and the Human Condition

by
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Well, thank you very much, Lester, and good evening, ladies and gentlemen. This is a trip back in history for me because I used to come to Aspen very often in the '70s in the days of Bob Anderson and Brad Bradshaw and Joe Slater and many others. And one I saw here tonight, Zig Nagorski, I am pleased to see is still around. And so many of the friends that I made then and the influences on my life have stuck with me. And, indeed, they were a remarkable prelude to this experience that I have had running the World Bank for the last five years.

What I remember most was that when you came to Aspen: you could let yourself go and you could talk about issues of humanism. You could talk about people. You could talk about ethics. You could talk about culture. And you could do it all without feeling slightly unnerved, being an investment banker as I was at that time. It was not right as an investment banker to talk about those things, but somehow in Aspen you had the opportunity of doing so.

And it was a useful prelude to my current job where, in fact, those issues are at the very core of what we do at the Bank day in and day out, notwithstanding the demonstrators that I have heard this evening outside who seem to have different views about what we do.

I attended this afternoon the remarkable session on globalization that David Gergen gave, and for those of you that were here, you probably wonder why someone is being asked now to come and address you on the same subject, given the breadth of the discussion. But let me try and tell you what globalization means to me as a practitioner in the business of development and someone who is deeply concerned, as I am, with the issues of poverty.

During the discussions today, I think you may have recognized that no one really offered a definition of globalization. It was alluded to, it was referred to, but there was a certain skirting of the defined focus of what is globalization.

And, indeed, it would have been useful to me, as it would be, I think, for the critics, for the people in the streets, for those that are legitimately concerned with the issue, to really have an understanding of what globalization is. I refer to the description which our President of
Aspen gave, in which he said, in the theme of the conference, that as the new century dawns, globalization represents perhaps the most profound trend in our age. It touches every life, either directly or indirectly, as it draws the world inexorably into a state of greater connectedness and interdependence.

He goes on to say that it has been around for millennia, and explain what is different about the current phenomenon of globalization. He notes that it embraces a unique combination of interrelated forces, a rapid spread of market systems, the extraordinary advances in science and technology, relentless urbanization, and changing demographics. He says that it gives opportunities and presents dangers.

Well, now I have given you the definition of globalization. Now let me talk about it in my terms and start by saying that I do believe that globalization has been around a long time. My very good friend Amartya Sen delivered a commencement address at Harvard this year in which he talked about the "kupamaduka."

The "Kapamadukas" are part of Sanskrit literature and they are a well frog. They are a frog that lives at the bottom of a well. And for them, their world is the well. They see the light occasionally at the top. They see the water. They see the walls. And for the "kupamadukas," that is their globe. Globalization for them is the well. And according to the Sanskrit stories, the reaching out of these well frogs is a drama because they move outside occasionally, outside their well, and they discover that there is more to the life than the well which they had known.

Well, we are finding in our own lives that this story from Sanskrit literature is being reflected in the way in which all of us are living. We recognize that there is an impact on every one of our lives by global influences. Whether it be influences of violence, of trade, of finance, of crime, of health, of the environment, of ideas, of communications, in all these areas we are increasingly influenced by the world around us beyond the well. And this influence is a little bit unnerving. It is unnerving because we do not quite know what the influences are. We are affected by them. And we do not really know how it is that we can relate to that world in an immediate sense.

I now see my predecessor, Bob McNamara, in the audience and I am even more nervous in talking to you. [Laughter.]

Because Bob knows all this much better than I, and I recall with great joy that, in fact, Bob we met here many years ago when Bob already knew all the things that I am going to try and tell you.

But this issue of globalization, this issue of being affected by what is going on, is indeed at the base of the discussions that we had here this afternoon. And the speakers this afternoon talked about the important opportunities that come with globalization, with trade, with financethe opportunities and the dangers. Someone referred to the Asian crisis, the crisis that occurred in Thailand and then went speedily around the world from there. We have heard about the influences of health as it is spread around the world today, or, indeed, of the spread of disease.
But the fascinating thing to me is that a good deal of the focus today was appropriately given to technology, because one of the things that has made a difference in this recent round, this recent move as it was described in terms of globalization, is that technology- and information-exchange increase the pace with which this whole globalization effort is occurring. It also conceivably increases the democratic face of it. You no longer have to be in government to know what is going on around the world. You can go in on your Internet. You can read the papers. You can do many things. And you can, indeed, be part of the world in a way that was never conceivable before because of the developments in technology.

And, indeed, as was commented on this afternoon, this is the digital age or the Internet age or whatever you wish to call it an age in which we are being linked by knowledge and by ideas.

But one of the things which troubles me as we get to this question of globalization and as it is converted into the arguments of pro-globalization and anti-globalization, in our country in terms of our jobs being taken abroad to lower-income countries: Are labor standards being effective overseas? Are we adequately protecting our industries? Should we open our markets to products from overseas? These are the issues translated into U.S. terms about globalization.

But what we really need to do at this seminar series is get beyond the immediate concerns that we have in terms of our interest in globalization and take a look at the world not as Kupamadukas, well-frogs, but, indeed, as members of the global community.

The biggest problem I have in dealing with questions of development is that very few people think globally. If you think globally, what is it that you see? Not what was described in the recent presidential statements by Mr. Bush and Mr. Gore, which were highly focused on domestic issues. You see a world that is having an enormous influence on our country, that is impacting our country in the ways that I described, and yet to which we give very little attention. Let me describe that world.

It is a world of six billion people. We are 270 million in this country. It is a world in which 4.8 billion people live in developing countries, with 1.2 billion living in the developed world as we know it. It is a world in which close to 3 billion people live under $2 a day, as was mentioned by my colleague earlier, and 1.2 billion people live in what we call absolute poverty, under $1 a day.

It is also a world of great inequity between countries and inequity within countries. It is a world in which the rich basically have the best life. But what is the deal? The deal is that in a $30 trillion world, $20 trillion is generated by Europe, the United States and Japan. It is a world in which just 20 percent, 96 billion in fact, is in the hands of the developing countries. So they have 80 percent of the population and 20 percent of the income.
And what is worse, with communications and with information and with knowledge, is that they now know it. It can also be a great empowerment, and an enormous step forward. It is at once a challenge and an opportunity for all of us. But it is surely not something that we can ignore, even if it may not seem to be affecting us here in the immediate-term.

But take the next 25 years. The six billion moves to eight billion in the next 25 years. Fifty years ago, when Aspen started, the world population was 2.5 billion. It is now six billion and in the next 25 years, there will be another two billion. Where does that two billion go? All but 3 percent of it goes to developing countries.

So the world of 25 years hence will be a world of eight billion people, with 6.8 billion people in developing countries and 1.2, or a little over 1.250, in developed countries. This is not a trivial issue in terms of our view of the world outside the well. It is not something that you can just put aside. It is something in which the fundamental issue of poverty is an issue for us not just because of moral sense, of ethical sense or of human sense. As was mentioned today, it is an issue of self-interest. And we are not dealing with that issue very well.

In the United States, in a period of absolutely enormous wealth, we are way down, lower almost than ever, in terms of funding for overseas development assistance. During the convention debates and in the statements for the presidential nominations, if you listened and I listened very carefully there was not a word about our role in global leadership.

The critical role of Aspen in this seminar series is, first and foremost, to make all of us wake up to the fact that leadership is required in our country to deal with the questions of assuming the role of a global citizen. I read with interest the description of what might happen in Aspen in the years to come, that globalization and being a global citizen and taking global responsibility be at the center, because if we want our children to live in peace, if we want a stable world, then we must deal with the questions of global leadership and global interdependence. And that, of course, gets me to the question, beyond poverty, of what is it that we can do about it.

The issue is not as simple as trying to solve the question of the digital divide or of trying to free up trade, important as those matters are. The real issue in the countries in which there is poverty is, indeed, much deeper. The globalization issue is at the top of the iceberg. At the bottom of the iceberg is the question of the world as we know it, the antecedent world, if you like, to this new world in which there is this focus on globalization. And there the issues that we have to be concerned with are not just technology and not just trade and not just the issues of global public goods.

To address the issues of poverty, each of the countries has to take the responsibility to create an environment in which you can have equity and in which you can deal with the questions of governance and the questions of poverty. You have to have good government. You have to have legal and
judicial systems that protect the people, that protect contracts, that protect rights. You have to have financial systems that work. You have to have a campaign to combat corruption. Because if you cannot deal with the issue of corruption, you cannot deal with the issue of equity and poverty.

You have to get to the question of fundamental education. What is the use of digital technology if you haven't had a primary school education or if there has been no attempt to provide the conditions to enable you to move out of the chains of illiteracy? You have to work on health. You have to work on power and on water and on infrastructure. You have to have policies that deal with the environmental issues, not just as a matter of beauty but as a matter of life itself.

And in a globalized environment, you need to be conscious of the issues of culture, because you cannot have effective development, in my judgment, if you do not base it on the natural cultures of the societies in which you operate.

We must give credence to culture, as, indeed, the Aspen Institute does. And then you need to look at the changing demographics. The next two billion people on the planet will be the base for another two billion people moving into cities and towns. In fifteen years, you will have over 500 cities of a million people or more, and 26 cities of ten million people or more. This creates totally new challenges in terms of management.

This is a menu which goes beyond globalization: It incorporates the essential element terms of addressing the question of poverty in a way that can be effective and that can impact poor people. And poor people must be impacted. We cannot have a world that is divided in terms of equity and opportunity if we want a stable world.

I have now traveled to more than a hundred countries, maybe less than Bob traveled to but still quite a lot, and I have been to slums and villages around the world. The very best people you meet in the countries are those people. These people do not want charity: They want an opportunity; they want a chance. They are like every one of us.

We have just done a study of 60,000 people called "Voices of the Poor." The voices of the poor are your voices. They are voices that want security: They want opportunity; they want voice; they want a chance to represent themselves. They do not want violence against women, which is apparent throughout the world. They want their kids to have an education. They rarely mention the issue of money. What they want is security and safety, and they want health, because if you are living on $1 a day and your health goes, your life goes.

But these people whom I have met are not the objects of charity. They are, in fact, the asset on which one can build. And what the impact of globalization and technology gives us is an opportunity to reach out and to engage these people in a way in which they can construct and develop their own futures.
For me, globalization and the digital revolution is not some glossy, exotic idea. For me, it is a practical methodology to empower people to improve their lives. And for me, that is the dream of this new age. We at our institution have already been reaching out. We have created an activity that sponsors entrepreneurs in developing countries called InfoDev. We have a Virtual University in Africa, teaching degree courses in 14 countries. We have got 35,000 kids linked from schools in the South to schools in the North. We have linked research institutions. We have now got 16 learning centers around the world where we can, from central locations, run courses of all types for governments and for students. And within a year, we hope to have over a hundred.

But more important even than this is reaching down to community levels. Every Saturday morning through the Monterrey Institute of Technology, we run courses with 300 towns and villages through Latin America in seven different countries. I see President Figueres there. We have even got some in Costa Rica, I am happy to say.

And this reaching out is not just in the form of lectures; this is the creation of a community. This is the ability to have people talk to each other, to exchange ideas, and, frankly, it is an opportunity for us to get ideas from the field because typically they are more practical and more attuned to the environment.

And we are now coming to a new initiative, an initiative which we call the Global Gateway, because for the first time we think it is possible to have a website on which you will be able to get information on all the development activities that are going on in any country in the language of that country and in English, French, and Spanish. And it will enable us to have on one site a transparent view of what is going on not just from the governments of those countries or the multilaterals, but from civil society in all its ramifications in the private sector.

And let me touch on another point that was raised earlier by Gerry Levin. The issue of the private sector to which he referred today is absolutely central. Let me give you some numbers. Ten years ago, about $40 billion a year was invested in the developing world by private corporations and the private sector. At that time around $60 billion was transferred from official development institutions. It was almost half the size of official assistance.

By 1997, the $43 billion had risen to above $300 billion and official development assistance had dropped to around $45 billion. From being half the size, it was 6 to 7 times the size.

And it was not just the money. It was the fact that people were moving out; technology was moving out; that there were opportunities for job creation- for development. And nothing could be truer than Gerry’s view that businesses must recognize, just as individuals must recognize, that as a global citizen, the issue of social responsibility is at the core of intelligent business as well as at the core of what is morally and socially right.
It is very difficult to sell goods in a country where your factories are being burnt down by dissident people. It is very difficult to develop the market when people are boycotting. It is very difficult to create a stable market in a national context unless you show a sense of social responsibility.

So I put to you that the issue of private sector and the issue of the individual have many similarities. But it starts with individuals. It starts with the people in this room and the people that we can influence.

My issue in terms of the globalization process is really very simple. It is that the issue of globalization as it is broadly defined, the issue of development as I address it, the issue of poverty which I regard as central, is not just another issue. It is the issue of the very future of mankind; It is the issue for our children. It is the issue of whether or not leadership now will establish a basis on which our children can live in a global environment, happily and peacefully, or whether by inattention we will commit them to a world where there is no peace.

This is not a light-hearted issue. This is an issue where we have enormous opportunity now, where if we come together in ways that we have not done before to support governments, the multilateral institutions and bilaterals, civil society in all its ramifications, from NGOs to religions, to universities, to foundations, to private sector if somehow we can get it into our heads that this is the issue, then we can come together, all participants, and address the question of globalization in a humane and equitable and effective way.

The issue of globalization for me is an issue of poverty and it is an issue of peace. We have to get out of the well and live a global life, and if Aspen can continue in its past tradition, then seminars like this and people like you can give the leadership that we need to assure that we all have a fair stake in what I assure will be a remarkable future.

Thank you very much.