

## NOTES

ADDRESS DELIVERED BY  
SENATOR THE HON. DELANO FRANKLYN, MINISTER OF STATE  
MINISTRY OF FOREIGN AFFAIRS AND FOREIGN TRADE  
TO REPRESENTATIVES OF CIVIL SOCIETY  
ORGANISATIONS FROM LATIN AMERICA AND  
THE CARIBBEAN ATTENDING TWO-DAY CONSULTATIONS  
HOSTED BY THE INTER-AMERICAN DEVELOPMENT BANK  
AT THE BEACHES GRANDE SPORT VILLA RESORT  
OCHO RIOS, ST. ANN  
FEBRUARY 16, 2004

- Congratulates the Inter-American Development Bank (IDB) for organizing consultations with people of the region. The Bank cannot make responsible and correct decisions on behalf of member countries if it does not understand the social realities of the people it purports to represent.
- Twenty years ago decisions relating to development were significantly influenced by the ‘left or right’ ideological orthodoxy, which then existed.
- Today, the situation is completely different. Ideological differences have been replaced by the mantra of “the unification of markets” which is being driven by a neo-liberal oriented philosophy known as globalization. The notion of development is now predicated on the extent to which liberalization and structural adjustments are taking place in order to adjust to the rapid changes being brought about by globalization.
- Globalization has had a profound impact on the structure of international economic relations.

- Globalization has brought about tremendous benefits
  - Accelerated growth of international trade and capital flows
  - Growth in regional trading blocs (e.g. CSME and FTAA)
  - Rapid development of new technologies and communications
  - Restructuring and re-organizations of multi-national corporations.
  
- Globalization has also brought about lopsided development
  - More than 80% of the Foreign Direct Investments in developing economies in the 1990s went to only 20 countries
  - The top fifth of the world's people in the richest countries enjoy 82% of the expanding export trade and 62% of Foreign Direct Investment
  - The bottom fifth of the world's population enjoy barely more than 1% of the export trade and Foreign Direct Investment

There has also been a significant shift in power relations – away from Governments and towards big business.

- The 100 largest multinational corporations now control about 20% of global foreign assets and 51% of the 100 largest economies in the world are now corporations.

- Globalization is also taking place at tremendous social costs
  - Inequalities between the rich and the poor have grown exponentially over the last 20 years. Never has the gap been so wide in the history of mankind.
  - The assets of the 200 richest persons are more than the combined income of 41% of the world's people.
  - Nearly 1.3 billion people or more than a fifth of the world's people do they have access to knowledge.
  - A quarter of the 4.5 billion people living in developing countries do not live beyond the age of 40 and neither do they have access to knowledge
  - One in seven children of primary school age is out of school.
  - About 840 million people are malnourished
  - 1.3 billion people (more than one sixth of the world's population) live on incomes of less than one dollar a day.
  
- What is very clear from the data is that the notion of development as promoted by Globalization has not been as 'pro-poor' as some of its chief proponents would like us to believe.
  
- Rather than the rising tide of the market lifting all boats, globalization with no concomitant obligation on redistribution appear to be confining more and more of the most vulnerable to the corridors of underdevelopment.

- This trend has to stop. More efforts must be made by all stakeholders, including members of Civil Society, to ensure that there is greater sensitivity to the most vulnerable in society by those who exercise leadership and power.
- A method must be found by those who influence domestic, regional and international policies, to identify and implement policies, which are pro-business; pro-growth and pro-poor.
- If the benefits of globalization are not share more widely and equitably the people are going to refuse to accept that globalization will ever be of benefit to them. This will inevitably lead to social instability and unsustainability.
- The simple fact is that the owners of businesses and governments need sustainable societies in order to protect their own sustainability.
- I do not oppose globalization; it is unstoppable. What I oppose is the approach of globalization.
- I disagree with the view that market forces left unregulated will lead to an improved situation for all.
- Any sane and reasonable person will easily come to the conclusion that the current unbridled approach to globalization is spinning the global economic

system out of control – and the developing countries, including those in Latin America and the Caribbean, are the ones most affected.

### PROPOSALS

- Need for a more strategic integration of developing countries into the global economy.
  - integration in the global economy would occur on a more selective and phased basis in terms of the liberalization of those sectors, which are capable of competing in the global economy.
  - Developing countries need to be given time to develop suitable institutional capacity to manage the process of liberalization;
  - Given the under-developed nature of the economies of the most developing countries, particularly small states, there is the need for special and differential treatment.
  
- These requests are not unique as most developed countries were themselves given breathing space in the early period of their own development, thus allowing them to grow and be the powerful economies that they are today.

### CIVIL SOCIETY

- The role of Civil Society in bringing balance to developmental strategies cannot be underestimated.

- Civil Society must be prepared to work towards breaking down the distrust which exists between many Civil Society organizations and governments.
- The collaboration between the Inter-American Development Bank and Civil Society organizations will go a far way in helping both to further understand each other.
- The Bank cannot proclaim to be for the people if it is not of the people and know the people. This dialogue will help that process.