

**SPEECH BY THE PRESIDENT OF THE UNITED REPUBLIC OF
TANZANIA AND CO-CHAIR OF THE WORLD COMMISSION ON THE
SOCIAL DIMENSION OF GLOBALIZATION, HIS EXCELLENCY
BENJAMIN WILLIAM MKAPA, AT THE PRESENTATION OF THE
REPORT OF THE COMMISSION TO THE GOVERNING BODY OF THE
INTERNATIONAL LABOUR ORGANIZATION,
GENEVA, 24 MARCH 2004**

Ambassador Eui-yong Chung,

Chairperson of the ILO Governing Body;

Mr. Juan Somavia,

Director-General of the ILO;

Honourable Ministers;

Members of the ILO Governing Body;

Excellencies Ambassadors;

Representatives of International Organizations;

Distinguished Guests;

Ladies and Gentlemen:

In 1967, a Senegalese poet, Paulin Joachim, wrote to a fellow dejected African poet, David Diop, a motivational poem the first lines of which read as follows:

“and it is true we are wounded
at the lowest point of hope
but hope in us has never beaten its wing
it rises on our human horizons
like a fresh unfolding bud
there lives in us unconquerable hope
snapping at the heels of freedom
in due course it hunts down the dawn with huge supplies
of stones
against the wall that will crack in the end
for we will not leave the smallest scrap

to the demons of despair”¹

Mr. Chairman,

I begin with this recital because I believe the World Commission on the Social Dimension of Globalization has come up with a message of hope for the many people around the world that feel wounded by their various experiences with globalization. I also believe that the report I am privileged to present to you today, on behalf of my Co-Chair colleague, President Tarja Halonen, and all other Commissioners, provides all well-meaning actors with enough stones with which to crack open the dawn of more opportunities for all in our shared, globalizing world.

The Quest for Dialogue

I wish, therefore, to congratulate the ILO Governing Body for its foresight in establishing this Commission. This decision was both visionary and timely. You were concerned about the dialogue of the deaf between extreme positions on the globalization debate spectrum, and the stalemate on action in respect of the social dimension of globalization. Rather than retreat from this impasse, you, the ILO’s Governing Body, took the courageous decision to establish an independent Commission to search for common ground, and make proposals on what needed to be done.

The fact that this decision was taken at the ILO should perhaps come as no surprise given that you, its Governing Body, represent a wide and diverse set of views from around the world: from different geographical regions to different intellectual perspectives—between governments, workers and employers. In the Commission, we were merely applying the methods which have been tried and tested in the ILO for over 80 years—using dialogue to develop common commitment to action on matters of mutual concern. The ILO’s Working Party on the Social Dimension of Globalization has itself been a particularly important forum, developing ideas and instruments to advance both economic and social goals in the global economy.

Our report is entitled, A Fair Globalisation: Creating Opportunities for All. I believe it will be found to be supportive of the vision of this Body, and the mission of this Organization for global unity, justice, equality and shared prosperity. In a world

¹ REED, John and Clive Wake (eds), French African Verse (Heinemann, London, 1972) pp 171-2.

that is increasingly becoming smaller and interdependent, this vision has today become more vital and urgent.

It was, therefore, with a sense of deep responsibility that I accepted the honour to Co-Chair the Commission. President Halonen, and I am sure all the Commissioners, share my hope that you will find the product of our work worthy of your faith in us, and up to your expectations of the discharge of our mandate.

Mr. Chairman,

Ladies and Gentlemen:

The mandate you placed upon could not be taken lightly. The debate on globalisation had spurred great controversy and at times outright anger and hostility. Our report will not end the debate. It was not meant to. Our message, however, is that if a Commission such as ours, with its diversity and different perspectives, could agree on the broad recommendations this report contains, it should similarly be possible to move the global debate from an acrimonious shouting match to dialogue, solidarity and cooperation.

Our own experience as a Commission illustrates that this is, indeed, possible. The broad public consultations undertaken by the Commission also confirm this possibility. For, beyond the Commission, we were supported by national and regional dialogues. These too were not taken lightly. We heard the views of, and discussed with, governments and opposition politicians, with groups representing the widest possible cross-section of professional bodies, interest groups and non-governmental organizations: trade unions, representatives of religious organizations, businesses, farmers, employers, the media, academia, people deeply concerned about unemployment and loss of jobs, as well as groups particularly concerned with the problems and needs of women, the youth and indigenous people.

I cannot think of any theme or issue, concern or problem that was not aired in the course of these dialogues and consultations. The problems of globalization, in its broader perspective, were widely discussed; but so too were a full range of other issues that concern people and communities in their lives and work places. In some instances, flashes of anger were exhibited, but so too were rays of hope.

We also commissioned a number of knowledge networks and studies on issues and concerns requiring in-depth analysis and rigorous examination of options for action. We are grateful to them. They should continue to be valuable to those seeking

deeper understanding of the issues pertaining to the various aspects of globalization we looked at.

All these efforts, views and concerns shaped and influenced our Report. And, this is what makes this report so unique: globalization as seen through the eyes of people who did not have to agree on everything but were convinced of the urgency for the local and global rethink of policies, and for urgent corrective action. Underpinning all this is one clear statement: the potential of globalisation for good or bad is immense. It is a force with many positive aspects that can be harnessed for humanity's collective well being, but some of its elements have to be tamed for the sake of our common civility and existence.

Globalization Without Accountability

Mr. Chairman,

Ladies and Gentlemen:

Our report offers no elixirs or easy targets. But it firmly states that globalisation **can** be fair, and it **can** provide opportunities for all. The only precondition is that it be better governed and more actors be more accountable to more people.

Ed Ayres, editor of the environmental magazine *World.Watch* has written in the current issue an article entitled "What Happens to Civilisation When Its Main Source of Knowledge is Ads?" He said, "What's dangerous here is not that the ad creates a deception far bigger than any single lie, but that it further accelerates the movement toward a culture in which no one is accountable for anything."

Likewise, the problems related to the social dimension of globalization can be attributed to **globalization without accountability**. While more and more governments are held accountable by their citizens, fewer and fewer global actors are held accountable by anybody. And yet, the world is interconnected than never before, and it will be even more integrated in future. If we are all parts of a whole, damage to one part is damage to all parts. Global problems require global solutions. And sustainable global solutions require that global actors be held accountable for policies, processes and outcomes.

A key message of our report is that globalization begins at home, and someone must be accountable for this. Individuals, communities and countries have the

primary responsibility to create a conducive environment that would build local capacity to access opportunities for self-advancement that globalization presents.

Globalization is not a proposal or a policy choice; it is a fact. And the Commission points out that how we respond to it, in an accountable way, will make a lot of difference. We must respond in ways that can maximise the potential of the market, without rejecting accountability for social justice and our sense of community.

Financing Development

Mr. Chairman,

Ladies and Gentlemen:

The Commission believes that a more concerted global response is necessary if global conditions are to be improved. **We should also not confuse decisions with progress.** Many decisions have been taken at the global level to speed up the global war on poverty, but most of these have not resulted into coherent policies and demonstrable action at the national and global level.

The Monterrey Consensus of March 2002 was meant to bring global coherence to various well-meaning initiatives to finance development. This Report reminds everyone that nothing substantial has happened since then to increase resources for global goals, including the attainment of the Millennium Development Goals. Three United Nations Conferences on the Least Developed Countries have been convened over the last 3 decades, each one promising to spare no efforts to raise resources for global development goals. Nothing much has happened. This Report urges action on all previous commitments. I will today mention two areas only: Official Development Assistance and Debt Relief.

In a joint op-ed article in *The Guardian* of 17 February this year, World Bank President, James Wolfensohn, and UK Chancellor of the Exchequer, Gordon Brown, hit the nail on the head when they said, "Either resources are made available now to tackle poverty, or targets set in a fanfare of publicity will once again be missed and the world's poor left further behind."

At Monterrey, donors made commitments to increase Official Development Assistance (ODA) by USD 16 billion a year by 2006. Even if these commitments were to be met, which as matters stand is highly unlikely, this is still only a third of the actual requirements of at least USD 50 billion a year in additional ODA if MDG's

are to be met. In reality, in 2002 ODA from OECD countries increased by a mere USD 6 billion over the previous year. Reviewing this trend, the 2004 edition of the OECD's Development Co-operation Report concludes that such levels of increase, while a step in the right direction, are nowhere close to ensuring Monterrey commitments are met, and MDG's achieved.

The second and last source of global resources for development I will mention today is debt relief. Our Report says that efforts to address the challenges of globalization must begin at home. But there are an increasing number of Least Developed and Developing Countries that are trying hard to make the necessary policy adjustments at home, creating conducive environments for investment and growth, but which remain hamstrung by an unbearable debt burden. Our Report states that, "It is vital that the debt problem is resolved as soon as possible to enable the countries concerned to face their difficult development challenges with a clean slate."

Policy Coherence

Mr. Chairman,

Ladies and Gentlemen:

Our report urges coherence in development policies within developing countries themselves, but also in the policies of donor countries.

Two years ago, the Centre for Global Development produced and applied an index—the Commitment to Development Index—to evaluate the policies of OECD countries in relation to these countries' declared commitment to development and poverty reduction in the world. The index covered policies on aid, trade, environment, investment, migration and peacekeeping. People in academia may continue to debate the methodology applied, but there is no doubt that the index has exposed substantial weaknesses in policy coherence, and strengthened the case for a more comprehensive approach to development cooperation.

As Mr. Richard Manning, Chair of the Development Assistance Committee of the OECD states in his overview of the 2003 Development Co-operation Report, "...the coherence agenda (is not) just about economic policies: the importance of development needs to be factored into policies of every kind, from the environment to foreign affairs, defence and anti-terrorism." Our Report supports and echoes this assertion.

These, Mr Chairman, are challenging times, in some instances even distressful; but they are also hopeful times. Globalisation has presented us the chance to build a world that is more prosperous and more united than ever before. But, it has also unleashed forces that can divide communities, societies and countries. We can choose to act and fashion the manner we wish these forces to unfold. The Commission calls for an “urgent rethink” of current policies and institutions of global governance. It calls for a series of coordinated measures across a broad front to improve governance at both national and international levels. These include fairer rules for international trade, investment, finance and migration, measures to promote core labour standards and a minimum level of social protection in the global economy, and, as I said earlier, new efforts to mobilise international resources to meet the Millennium Development Goals.

Fairer rules are critical, but they will not be sufficient to ensure that globalisation delivers for all people. There must also be respect for the international framework of human rights and measures to promote social justice. The Report urges the stepping up of efforts to promote the ILO’s Declaration on Fundamental Principles and Rights at work, and calls for greater dialogue and other efforts to promote decent work in global production systems.

Markets and the Private Sector

Mr. Chairman

Ladies and Gentlemen:

The Report highlights the important role of markets, of investment and entrepreneurship in creating economic growth, providing employment and increasing productivity. It points to the need to find ways to unleash the entrepreneurial energy of the millions of people working in the informal economy and to bring them into the mainstream. It urges governments to engage the private sector and tap into their potential to contribute to development and poverty reduction. Private actors have a key role to play in building a fairer globalisation. Even the best policies will have little effect unless increased levels of investment and enterprise back them. Enterprises create jobs, opportunities and wealth. Some major corporations are setting the example; carrying forward the values they believe are needed to underpin the global economy in their public statements and their practices in supply chains.

It is Time to Act Decisively

One of the key contributions of the Report is that it represents a common commitment to urgent decisive action. I cannot overemphasize this aspect. We were a very diverse group of people with very different perspectives who did not always agree with each other. But by listening and being open to other points of view, we were able to make progress and call for rethink and action. All of us had to adapt our positions, and express our ideas in ways that everyone could accept. We held different opinions about the impact of globalisation, but we agreed that to be sustainable globalisation had to create opportunities for more people; it had to be more inclusive. We made the effort to understand each other, and as many of my fellow Commissioners have told me, **we learnt together**. Of course, in a long report, not every Commissioner will agree with every single word, and every detail, but we are able to give you a report and a set of recommendations endorsed by the Commission as a whole, and which can be acted upon.

Let me also say that this report is of particular relevance to developing countries, and especially to Africa, where action to include the continent in the benefits of globalization is long overdue. If the benefits of globalisation are to be expanded, then we must ensure fairer terms for the goods from developing countries in global markets. We also need fair rules for FDI, applied fairly, so that investments can contribute to meeting development objectives. The Report also draws attention to the urgent need to mobilise international resources to reduce poverty and work towards the attainment of MDG's.

There is already a growing momentum for action around the messages in the Report. In the Declaration of Santa Cruz de la Sierra last November, Heads of State and Government in the America's reaffirmed their conviction that decent work was the most effective means to promote better living conditions, so that all could share in the benefits of material and human progress.

African Heads of State, in addition to their regular Summit this year, have decided to hold an Extraordinary Summit in September 2004 on Employment and Poverty Alleviation. For, we believe that efforts to reduce poverty in the region will not succeed unless more and better jobs are created. We have asked the ILO to work with us to examine ways in which the global goal of decent work can become a reality in Africa.

In Europe, my Co-Chair President Halonen, tells me that she will be taking up many of the issues in the Report with the European Council in Brussels over the next two days.

Earlier this month, the Commission on the Private Sector and Development established by the UNDP, and Co-chaired by Mr. Paul Martin, formerly Canadian Finance Minister and now Prime Minister, and former Mexican President, Mr. Ernesto Zedillo, presented its report to the UN Secretary-General, Mr. Kofi Annan. The Commission was created to provide analysis and evaluation of the key factors that inhibit the role of the private sector in development, and to develop strategic recommendations on how to promote strong indigenous private sectors.

Following as it does on the heels of our Commission's Report it is highly welcome as an important concrete contribution to the "global strategy for growth, investment and employment" that we call for. The potential for the private sector to provide jobs and incomes needs to be nurtured and strengthened at all levels. We must build a strong coalition—nationally, regionally and internationally—to devise practical measures on how to empower people to overcome poverty and exclusion. We recognise the centrality of trade in development. But trade is of little help to many poor countries if they lack the capacity to take advantage of existing trading opportunities.

I am glad too that Prime Minister Tony Blair of the United Kingdom has established a Commission on Africa, in which he has invited me to participate. He is charging the Commission with the task of identifying global trends influencing Africa's development, and proposing ways in which Africa can be supported to take advantage of global opportunities. Our Report points out that Africa has fared far worse than other regions in the last 20 years of the recent wave of globalization. And Africa wants to be in the mainstream of globalization. This is the thrust of the New Partnership for African Development (NEPAD). Such initiatives and efforts are, therefore, timely and necessary in mobilising action for change.

Conclusion

Mr. Chairman,

Ladies and Gentlemen:

There is a great deal of substance in the Report for you to get your teeth into – building a global socio-economic floor, dealing with global production systems and

how they can deliver on the needs of people, enterprises and countries, helping countries to construct integrated responses to globalization, coherence in action among international organizations, and greater accountability to people.

I am looking forward to hearing how you think the ILO can take this agenda forward. For, this Commission Report was not written to gather dust on a shelf. We want it to be used. You had the vision and foresight to establish this Commission. We are looking to you to now provide leadership in the international system, and find the means to take our work forward. The recommendations in the Report call on the ILO to fully exploit its mandate. I trust that the Organization will indeed do so. It is also my hope that new partnerships will be forged around this Report, both within the ILO and the UN system as a whole, and in the International Community.

The Commission is grateful for the support and cooperation it received from the United Nations system, the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO). We really appreciate it that the World Bank President, Mr. James Wolfensohn; the then Managing Director of the IMF, Mr. Horst Köhler; and the Director General of the WTO, Mr. Supachai Panitchpakdi all came personally for lengthy discussions with the Commission. Their clear personal commitment to make globalization more fair in its process and more inclusive in its benefits is, in my view, unprecedented and sets the stage for addressing governance issues at the global level. Speaking as President of Tanzania, I can say that the leadership that Mr. Wolfensohn and Mr. Köhler have shown in recent years in reorienting the approach of the Bretton Woods Institutions to the challenges of development facing countries like mine is truly a breath of fresh air, and the beginning of new hopes for the future. We count on the continued support and cooperation of these institutions in the implementation of the recommendations in this Report.

Mr. Chairman,

Ladies and Gentlemen:

In conclusion, I should like to recap on the following 10 key messages that our vision embodies:

1. *A focus on people.*

The cornerstone of a fairer globalization lies in meeting the demands of all people for: respect for their rights, cultural identity and

autonomy; decent work; and the empowerment of the local communities they live in. Gender equality is essential.

2. *A democratic and effective State.*

The State must have the capability to manage integration into the global economy, and provide social and economic opportunity and security.

3. *Sustainable development.*

The quest for a fair globalization must be underpinned by the interdependent and mutually reinforcing pillars of economic development, social development and environmental protection at the local, national, regional and global levels.

4. *Productive and equitable markets.*

This calls for sound institutions to promote opportunity and enterprise in a well-functioning market economy.

5. *Fair rules.*

The rules of the global economy must offer equitable opportunity and access for all countries and recognize the diversity in national capacities and developmental needs.

6. *Globalization with solidarity.*

There is a shared responsibility to assist countries and people excluded from or disadvantaged by globalization. Globalization must help to overcome inequality both within and between countries and contribute to the elimination of poverty.

7. *Greater accountability to people.*

Public and private actors at all levels with power to influence the outcomes of globalization must be democratically accountable for the policies they pursue and the actions they take. They must deliver on their commitments and use their power with respect for others.

8. *Deeper partnerships.*

Many actors are engaged in the realization of global social and economic goals – international organizations, governments and parliaments, business, labour, civil society and many others. Dialogue and partnership among them is an essential democratic instrument to create a better world.

9. *An effective United Nations.*

A stronger and more efficient multilateral system is the key instrument to create a democratic, legitimate and coherent framework for globalization.

10. *Policy Coherence for Global Development*

The time has come to have a more comprehensive and coherent approach, in terms of policies, processes and actions, to make globalization inclusive and beneficial to all people.

Mr. Chairman,

Ladies and Gentlemen:

Let me end by once again commending this Governing Body for the wise and timely decision to establish the World Commission on the Social Dimension of Globalisation, and for the honour bestowed upon President Halonen and I to co-chair it.

I thank all the Commissioners for the energy, commitment, and dedication they brought into our work, and I thank all institutions, knowledge networks and individuals that shared their research findings and thoughts with us.

To you, the ILO Director-General, Juan Somavia, I express our very deep appreciation for making our work much easier in view of the support and encouragement you always offered.

Finally, I thank the Commission's Executive Secretary, Padmanabha Gopinath, and the entire Secretariat for enduring our endless demands with smiles, and for the coordination, facilitation, background work and paper work they handled so well, so smoothly, and so professionally. Needless to say, the Co-Chairs are grateful to their advisors and assistants.

Mr. Chairman,

Ladies and Gentlemen:

It is now my great pleasure and privilege to formally present to you the Report of the World Commission on the Social Dimension of Globalization.

I thank you for your kind attention.