

**8<sup>th</sup> Doha Forum on Democracy,  
Development and Free Trade 2008**

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**Bridging the Gap between the Rich and the Poor  
Remarks by Hon. Hussein A Bhaila,  
Deputy Minister of Foreign Affairs of  
Sri Lanka**

at  
**Sheraton Hotel  
Doha, Qatar**

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### Bridging the Gap between the Rich and the Poor

Remarks by Hon Hussein A. Bhaila, Deputy Minister of Foreign Affairs of Sri Lanka

His Highness Sheikh Hamad bin Khalifa Al Thani, the Emir of the State of Qatar, His Excellency Sheikh Hamad Bin Jassim Bin Jabir Al-Thani, the Prime Minister and Minister of Foreign Affairs of the State of Qatar, Excellencies, Ladies and Gentlemen

It gives me great pleasure to address you today at the 8<sup>th</sup> Doha Forum on Democracy, Development and Free Trade. As there are a whole range of subjects up for discussion at this session, I thought it would be appropriate for me to share with you some thoughts on the topic "Bridging the gap between the Rich and the Poor", and the importance of this concept for developing countries such as Sri Lanka.

- You would agree that we have all accepted the trend towards globalisation as a reality and there is hardly a country which remains insulated from the influence of globalisation, be it positive or negative.
- You would also agree that the developing countries of the world remain increasingly marginalised in the globalisation & liberalisation processes. There is no questioning that the "Gap" between the rich and poor nations of the world exists as evidenced by the clear disparities in development among regions, countries, groups, sectors, classes and genders. In some cases even within countries certain regions lag behind and development is concentrated in particular cities or provinces.
- While globalisation and the emergence of Knowledge Based Economies have been instrumental in closing certain "gaps" it has also been the cause of the widening of others. For instance while geographic distances have shrunk, the technological and digital divide, social and economic distances and the gap between the haves and the have nots, have expanded. There is no denying that too many of us are being left behind.
- There is a sense of insecurity among developing countries due to the significant differences in the economic growth rates among these countries. While some have recorded high levels of growth others are still unable to stimulate development even after undertaking structural

reforms that are essential for integrating with the increasingly globalised markets of the world. As evident by the contagion effects of the East Asian financial crisis in the latter half of the 1990's globalised markets can transmit economic shocks across national borders, quickly destabilising the vulnerable emerging market economies.

- The global agenda is also becoming increasingly more complex. The break neck speed at which issues are being brought to focus and are taken out of focus globally, gives little room for developing countries with scarce resources, the time and expertise needed to develop policy to address such issues. Most of us in the developing world are still preoccupied with basic issues such as -undertaking structural adjustments in economies, seeking to develop basic infrastructure, searching for access to markets for our exports, and fundamentally trying to ensure that our people have the basics of food, clothing and shelter.
- However, issues such as effective governance, achieving the Millennium Development Goals (MDGs) by 2015, obtaining development assistance, full participation in international trade, preventing conflict and ensuring security, access to water and the provision of basic sanitation, preserving cultural liberty, and addressing climate change also impact on achieving sustainable development and bridging the gap between the rich and the poor.
- As highlighted in the UNDP Human Development Report of 2007/2008 and I quote

**"How the world deals with climate change today will have a direct bearing on the human development prospects of a large section of humanity. Failure will consign the poorest 40 percent of the world's population—some 2.6 billion people—to a future of diminished opportunity. It will exacerbate deep inequalities within countries. And it will undermine efforts to build a more inclusive pattern of globalization, reinforcing the vast disparities between the 'haves' and the 'have nots'. In today's world, it is the poor who are bearing the brunt of climate change. Tomorrow, it will be humanity as a whole that faces the risks that come with global warming". [END QUOTE]**

- The issues that we are confronted with are complex and it is in this context that bridging the gap between the rich and the poor becomes

crucial. We cannot afford to leave most of humanity behind in reaping the benefits of globalisation.

- The question remains, what can be done to bridge this gap? There appears to be certain significant issues that should be addressed if we are to make a discernible change. In the area of global trade, the successful conclusion of the Doha Development Round of the WTO is one such critical issue. Despite the fact that there have been eight successful rounds of world trade negotiations, inequities that distort the international trading system persist, severely hindering the growth of poor countries. Therefore, a successful conclusion of the Doha Round is imperative. We are also aware that removing obstacles to trade is not enough. Developing countries must also have the capacity to take advantage of trade openings. The move towards implementing the Aid for Trade initiative is therefore important in bridging the gap between the Rich and the Poor.
- Another issue of importance is access to technology for developing countries. The growing technological gap between the Developed and Developing countries is of central concern since technological transformations lie at the core of the development process. Information and Communication Technologies (ICT) have fundamentally changed the nature of global relationships, sources of competitive advantage and opportunities for economic and social development. There is no denying that economic competitiveness of a country depends considerably on its access to ICT.
- Violent conflicts all over the world have diverted finances from essential development projects to conflict management. Therefore we should also pay due attention to providing a stable environment in which economic and social development issues can be adequately addressed. In particular, eliminating the scourge of terrorism has proved to be costly for many developing countries including my own. Collective action by the world community in eliminating terrorism is of vital importance in ensuring security and peace in the world.
- Excessive debt servicing has severely constrained the capacity of developing countries to promote social development and provide basic services. It has also exacerbated the gap between the rich and the poor. We urge developed countries and International Financial Institutions

to work towards the outright cancellation of the unsustainable debt of developing countries. It is in this light that Official Development Assistance (ODA) is essential. Official Development Assistance has significantly contributed to individual country efforts to tackle poverty. Therefore it is important that Development Assistance be extended on the same scale as it has been done before. On the part of the recipients of ODA, it is their duty to mobilise these funds for well co-ordinated development projects. Developing countries must formulate their own national strategies to combat poverty keeping in view international development goals.

- In order to provide a more equitable distribution of the benefits of growth we must look towards the development of legitimate social policies of which improving health care facilities, providing opportunities for education, reducing levels of gender discrimination and providing safeguards for vulnerable elements of our societies. Providing greater employment opportunities and developing skills would enable us to incorporate our people in to the knowledge based economies of the future and assist them in gaining greater access to global markets. Economic and social growth therefore should be parallel, if it is to be effective, as a weapon against poverty.
- South-South co-operation or cooperation among developing countries has to be regarded as an important instrument in enhancing the capabilities of the South. Such co-operation must embrace the bilateral, intra regional and inter regional interfaces. However, as we are all aware, the impact of developing country regional and sub-regional groupings on accelerating trade among its members has generally been limited, as opposed to our northern partners. Such a status could be attributed to the absence of complementarities within our groups and the orientation of our trade towards the North. It is pertinent therefore that intra-regional preferential or free trade needs to be supported by other measures of co-operation which would include business linkages, infrastructure improvement, technological development etc. Additionally we should look into strengthened and regular contacts between regional groupings, which could result in an exchange of information and facilities.

- Similarly cooperation between the North and the South, or the Rich and the Poor, is also important if the dividends of globalisation are to be enjoyed by all.
- In addition to those that I have mentioned a plethora of issues remain to be addressed if we are to bridge the gap between the Rich and the Poor. There needs to be resolved by all parties involved to see that the benefits of globalisation are enjoyed by the most vulnerable elements of our societies, particularly those who are unable to help themselves. For each of us there is a part to play in shouldering this responsibility, in order to see that the gap between the rich and the poor is successfully bridged.