



Presentation by H.E. Mr. Winston Baldwin Spencer, Prime Minister of Antigua and Barbuda and Chairman of the Group of 77 and China to the High-Level Doha Forum on Democracy, Development and Free Trade, Doha 13-15 April 2008.

Your Highness Sheikh Hamad bin Khalifa Al - Thani, Emir of the State Qatar;

Other Heads of State and Government;

Your Excellency, the Foreign Minister of the State of Qatar;

Ministers

Excellencies

Ladies and gentleman

It is a great honor to accept the invitation of the Emir to address this august Forum as Prime Minister of one of the smallest and most vulnerable states in the world and Chairman of the largest grouping of states in the world community-The Group of 77 and China. This is a grouping with the overwhelming majority of the world population struggling to achieve the basic necessities for survival, as human beings; to escape from the worst impacts of an increasingly hostile natural environment; and in search of development with equity.

I wholeheartedly congratulate the conceptualizers and organizers of this Forum on **democracy, development and free trade**. It signals both a recognition of the need to address the fundamental challenges facing my country and more generally the majority of the member states of the Group of 77 and China and identifies some pathways through which they might be tackled.

It is a privilege to address the issue "Financing for Development and Challenges". I do this in the context of the very important global conference which you will be hosting here Excellency, later this year, namely, on "Follow-up to the International Conference on Financing for Development to review the implementation of the Monterrey consensus".

Excellency, I daresay that this Doha Conference will have to be much, much more than a review of the implementation of Monterrey Consensus, important as that is. I say this because of the insight which the organizers of this High-Level Forum have brought to bear when they ask us to address simultaneously the financing for development - the subject of the Monterrey consensus -and the "Challenges" to our development. The challenges which confront us, as an international community, at this conjuncture will force us to go beyond Monterrey in November. I start therefore, by focusing our minds on a few of these challenges.

Excellency, as I look forward, and based on my experience as a labour leader, I see three sets of inter related and re-enforcing challenges-- crises if you prefer - which will require all the negotiating skills, courage and goodwill of leaders in Doha if we are to steer this planet and inter-dependent global community away from catastrophe. I see :

- A sustainable development, some might say an environment and development, challenge. Our current technology of production, pattern of consumption and inequitable distribution of the world's wealth as unsustainable;
- A financing and monetary challenge; and
- A global governance and institutional challenge.

Our current avoidance, or piece-meal approach, to dealing with these challenges is generating and intensifying global instabilities and inequities; economic, social and political discontent and dislocation; and global environmental degradation. The fundamental causes of the situation we face have a national component but moreso a global component. Neither the responsibility for the global component nor the likely impacts is equally shared.

In the trade union world we would seek to allocate responsibility and then seek to fix the problem proportionate with the responsibility for causing it; to give any advantage to the most affected; and to address local and regional challenges through local and regional means and systemic challenges through systemic or global means. The international community is, at this time, on the very opposite path in all these areas. The entrenched unequal distribution of political, institutional and economic advantage has made it possible to circumvent logic or to disregard it where it is provided for. I need only refer to the treatment of the determinations of the global conference on environment and development of 1992 and the international conference on financing for development of 2002.

With the global community mobilized, almost with trade union militancy, those conferences took decisions which were potentially far reaching. For example, they established and reiterated, respectively, the principle of “ shared but differentiated responsibility” for dealing with the threats to the global environment. Our review, as a global community, ten years after the 1992 conference concluded unambiguously that there was a failure to implement the proposals for solution, especially by those most responsible. All the information available to me at this time is that our review of the second conference in Doha will lead to the same conclusion, and, like the assessment of the first, will confirm that the problem has gotten significantly worse.

We had, and have, no global mechanism to enforce compliance by the powerful. That situation should be rectified.

Excellency, we cannot allow a situation with such systemic challenges to continue to drift. It is not the first time that the global society has confronted a raft of systemic challenges simultaneously. It was a similiar confluence of challenges- wide spread physical and environmental destruction; economic financial, monetary and debt crises; massive disruption and displacement of populations and the collapse or absence of inclusive global governance structures which prompted the convening of the major inter-related conferences in San Francisco, Bretton Woods and Havana towards and immediately following the end of the Second World War.

That series of conferences gave the world a comprehensive governance and institutional structure - the United Nations, the Bretton Woods Institutions and an international trade organization, later operationalised as the General Agreement on Tariffs and Trade (GATT). I cannot resist pointing out that the Havana Conference was the UN Conference on Trade and Employment.

These structures are now in need of fundamental overhaul in a world where the initial membership of the UN of 51 has increased almost fourfold to 192; the concept of democracy is largely accepted at national levels; trade, finance, investment, production and culture are highly globalised, facilitated by rapid developments in information, communication and transportation technology; and challenges like those arising from phenomena such as global warming and climate change, international crime and transmittable diseases such as HIV/AIDS in humans, Mad Cow or Foot-And-Mouth in animals or the Pink Mealy Bug in plants, respect no national boundaries.

Another recent challenge is the rise in food prices across the globe and more so in developing countries. To developing countries, this new phenomenon could lead to many countries facing starvation and economic instability. As responsible leaders we must take action to arrest this problem.

We need to begin that process of fundamental overhaul.

Excellency, if I might say a few more specific words of performance in the implementation of the Monterrey Consensus six years after it was solemnly adopted in Monterrey, Mexico by a Conference attended by almost 150 world leaders and 189 states. We see a situation in which:

- Developing countries have reformed and liberalized significantly their macro economic, monetary, investment and trade policies and upgraded their physical and decision-making infrastructure;
- Developing countries, as a group, have strengthened their fiscal management and legal systems to deal with matters such as corruption and money laundering and have mobilized significant domestic

resources. They have been forced to “invest” much of the resources mobilised in developed countries in the face of an unstable and unsupportive international monetary and financial system;

- Developed countries have failed to meet their commitment to increase official development assistance (ODA) to facilitate developing countries, especially the least developed countries in turn meet their commitment to achieve the Millennium Development Goals, which trade unionists would define as minimal survival targets for the working poor. Developed countries have, in fact, reduced their (ODA) for development. The increase in ODA between 2002 and 2005 was mainly for debt relief (which according to the Monterrey Consensus should have been excluded) and emergency assistance, mainly the Asian Suanami where the actual transfers to date have been significantly below public pledges. Furthermore the level of ODA has fallen again in 2006 and 2007 to continue the basic pre-Monterrey trend;
- Private investment capital flows from developed to developing countries have increased but have been concentrated in a small number of fast growing or specific commodity producing developing countries. The least developed countries, most African countries and small island developing states have received little;
- Developing countries, as a group, have increased their capital holding significantly and are net providers of capital to the developed countries;
- The initiative to reform the international trading system which took its name from this beautiful city - the Doha Development - which was to have been completed with urgency after the Monterrey conference, has stalled. This has allowed the perpetuation of the situation in which developed countries have, for example, continued to maintain their agricultural subsidies and to disregard decisions including rulings of the Disputes Settlement Body (DSB). My country has direct

experience of the latter. Antigua and Barbuda was forced to complain to the Dispute Settlement Body of the World Trade Organisation (WTO), when the United States through unilateral domestic legislation, destroyed the thriving gaming industry in Antigua and Barbuda while allowing this industry in the United States. The Disputes Settlement Body first ruled in favour of Antigua and Barbuda in 2005 and through a series of appeals and other maneuverings, in 2008 awarded the Government of Antigua and Barbuda the princely sum of some 21 million United States Dollars, not in cash but in retaliatory actions. It will not be difficult for you to work out the net benefit to Antigua for the loss of real benefit from a growing industry, the real cost of pursuing the justice of its case and the returns from increasing the cost on imports which it will not be able to avoid. I am sure Antigua and Barbuda's experience is not unique among developing countries;

- The reform mandated for the global governance structure and the coherence required for the policies of various international bodies to complement and facilitate the policy reforms in the developing countries have not taken place;
- The reform demanded of the international financing infrastructure, to among other things, increase the voice and participation of developing countries has not been undertaken with any urgency. Minimal adjustments being considered in the International Monetary Fund (IMF) as we speak, will, in all probability, only increase the tension with the restricted application to a handful of developing countries. The World Bank awaits acceptance of the proposals for "reform" of the IMF by developing countries to proceed in like manner. This could well solidify continuation of the outdated, undemocratic and exclusive system.

Excellency, we are going to be challenged at the Doha conference. Frankly we run a big risk of failure which will benefit no one. We have several disparate small processes at play trying to modify pieces of the system.

I want to suggest that given the challenges we face today we cannot cross this chasm by any series of small and unco-ordinated steps. We will pull each other in and down. We need to recognize our joint peril and together make that co-ordinated quantum leap. It is our only hope. The chasm has been allowed to grow too wide and the system might already be locked on auto pilot but we need to give ourselves a chance.

In the circumstances I throw out a challenge to all leaders who will be in the Doha conference to rise above the narrow limits of the failed Monterrey process and transform that conference into a conference on the major systemic challenges we face as an international community, or at a minimum, put in place a process for a major "Bretton Woods" type conference to address, in an integrated and consistent manner, the range of fundamental challenges facing us as a global community. The very survival of our planet, societies and economies depend to our rising to that challenge.

Simultaneously, as we work to achieve that level of international cooperation, I challenge my colleague leaders of the South to step up our level of cooperation and self reliance. As a trade union leader my experience is that you get greater cooperation from the advantaged and powerful when you demonstrate that you have alternatives.

Developing countries, at this juncture, have a market size, a natural and human resource base, a financial capital resource base and an increasing scientific and technological capacity that it can begin to fuel its own development. Currently world growth and global economic stabilization are being fuelled by countries of the South but with little input into the policies which drive or retard such growth and stabilisation. The Monterrey Consensus which we will be reviewing places the burden of the responsibility for our own development on ourselves, even as the current global structures make this near impossible.

Let us strive to turn the challenges into positive opportunities; let us use the window we still have at this juncture to shift the paradigm on both fronts.

I thank you.