

Making Trade Work for the Poor What's Stopping Us?

Opening Address
Patricia Francis, Executive Director
International Trade Centre
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Madame Minister of Economic Cooperation and Development of Germany; Madame Deputy Director-General, World Trade Organization; Mr Deputy Secretary-General, United Nations Conference on Trade and Development; distinguished ladies and gentlemen, good afternoon.

I would like to extend a warm welcome to ITC's 8th annual Executive Forum global debate.

This year, it is my privilege to be your co-host, together with Minister Wieczorek-Zeul, Minister of Economic Cooperation and Development of Germany. This is the first Executive Forum in Berlin and we are grateful to the German Government for offering Berlin as the venue for Executive Forum 2006. I would also like to thank the Governments of Germany, Sweden, Norway and Switzerland for their generous contributions to the Executive Forum technical assistance programme.

It could be argued that the moral challenge of the 19th century was slavery. In the 20th century it was dictatorships. Today in the 21st century, our moral challenge is dealing with the disparity of wealth on this abundant planet. The gap between the haves and have-nots has been with us since biblical times. However, the opportunity for addressing that problem and challenges to close that gap have never been greater than today.

Globalization has made its mark, and trade between countries is skyrocketing. It's gone from \$2.3 trillion in 1980 to \$12.6 trillion in 2005. But the world's 50 poorest countries have not had a share in it. The gap between rich and poor is growing.

Even so, all of us know striking examples where poor communities have managed to trade their way out of poverty. In Brazil, for example, we have a project with poor communities in Brazil's most popular resort area. That project has allowed tourism to become a new source of exports for thousands of people in eight very poor communities. It's been an innovative partnership between big business, governments, NGOs and international organizations and we will connect live at 5 this afternoon in a video link to San Salvador, Brazil, to hear from them.

This is just one innovative example among many of how we can work together to change today's business models, so that trade and globalization work for poor communities. In

fact, many of you are here from places as far away as Cambodia, Ethiopia and Ecuador to share similar experiences.

The question at this Berlin Executive Forum is, why are these successful stories not enough to turn the tide? Can we learn from these examples to build enough critical mass to make a dent in poverty nationally, or regionally?

Over the next few days, we'll be looking at why these cases are not more widespread and more importantly, how we can go forward. To build a broader approach, we'll be looking at topics as wide ranging as land reform, the role of women entrepreneurs, finance, technology, fair trade and much more.

We are here at this forum to talk about bringing the poor into the export process. What we are really talking about is giving people the opportunity to trade on their strengths. Coming from Jamaica, I know first hand, as I am sure those of you here from developing countries also know, that there is a difference between true poverty and statistical poverty. True poverty is a state of mind, not just a lack of money. If people are given money, rather than the opportunity to make money, then as soon as the aid ends – and it always does – they are soon back to where they started. There is no incentive to improve. There is no hope for a better tomorrow, and where there is no hope, there is no future other than poverty.

There is nothing new in what I have just said, and I'm sure many of you have felt this way. Our challenge today is to figure out how to fight the mindset of poverty. How do we create the necessary linkages between export development and poverty reduction. If we empower people through education and at the same time help provide opportunity through the various processes of a market economy; if we can help overcome the discrimination faced by women in business and restore the dignity to their labour, then we will enable whole communities to trade on their strengths and work their way out of poverty.

As policy makers and practitioners, what do we prioritize, education or entrepreneurship? Can affirmative action redress gender inequalities? Is there an environmental dividend that can be earned through poverty reduction programmes? How can NGOs work with governments and business to reduce poverty through exports? These are just a few of the many critical questions we will be debating over the next few days. You have all been invited here because of your hands-on experience. We all have much to learn from each other. I look forward to hearing your conclusions.

Let me end on a note about the International Trade Centre. ITC provides technical assistance for business aspects of trade development. We are a joint agency of UNCTAD and WTO, who are here with us today.

Our aim is to support small and medium-sized enterprises become more competitive in world markets. Our strategy is to engage policy makers, business leaders and other

important players in trade policy to formulate and implement programmes that maximize trade, employment and gender equality.

Ladies and gentlemen, simply stated, competitiveness and export development are not ends in themselves. They are means to reducing poverty. Our challenge over the next few days is to find the ways forward, and the power of partnership, to find concrete suggestions to move ahead.

Introductions at opening session – points from Brian, not worked on, but may be of use.

- The German Government is at the forefront of technical assistance that reinforces the export development – poverty reduction relationship. And I like to ask my co-host, and a key supporter of the ITC's export led poverty reduction activities, to say a few words of welcome to you and to provide the “view from Berlin” of how the export development and poverty alleviation linkage can be most effectively reinforced, particularly through support from the international donor community.
- Madam Minister
- Of course, the WTO has been at the centre of the trade and development initiative ever since the launching of the Doha Development Round of negotiations in 2001. The objective of the Round is clear. The issues are, nevertheless, complex...more complex than originally thought. Progress is being made but the breakthrough has yet to be achieved.
- Any national export strategy with a pro-poor orientation will need to reflect the status, and likely outcome, of these negotiations. To provide us with that essential plank in the platform from which we can base our discussions over the next three days, we are fortunate to have with us Ms. Valentine Rugwabiza, Deputy Director General, WTO.
- Valentine, the floor is yours.
- The analysis of trade and development issues, and the generation of ideas on reinforcing this linkage is the bread and butter of ITC's other parent body, the United Nations Conference on Trade and Development – UNCTAD. We have, for the first time, in the Executive Forum's history senior management representatives from all three of international organizations concerned with international trade: WTO, UNCTAD and ITC.
- I earlier spoke about the importance of an effective public-private sector partnership to strengthen the export development and poverty reduction linkage. Such a partnership is also essential when it comes to the delivery of trade-related technical support. We are here together to demonstrate that this partnership is working and that we are committed to making it work even better.
- I would like to invite Mr. Dirk Bruinsma, Deputy Secretary General of UNCTAD, to introduce how UNCTAD is approaching the trade and poverty relationship and to provide some ideas that may stimulate our thinking during our debate.
- Dirk.
- In previous Executive Forums it has been you, the Executive Forum network, that has led the debate. We do not plan any changes here.

- I encourage each and every one of you to participate actively and enthusiastically through the debate. Please share your experience and views with us. Please challenge conventional thinking. Please feel free to express a dissenting view.
- The purpose of this debate is to hear from you in order that we - the ITC, WTO, UNCTAD, the other multilateral and bilateral technical assistance agencies in the room – can improve our own performance in reducing poverty.
- Indeed, I hope that during our final session on Saturday morning, you will help me piece together a cogent, credible programme that my organization can follow next year, and in the years to come, which will not just help your countries and your business community improve its exports, but maximize the direct contribution of the export sector to our central and shared goal of poverty elimination.
- Now, before I invite you to join Minister Wieczorek-Zeul, Madame Rugwabiza and Deputy Secretary General Bruinsma for, what I call, a “photo op”, I would ask you to participate in a short video conference that we have arranged under our export-led poverty reduction programme which demonstrates the power of the poverty sensitive public-private sector partnership in export development.