Remarks at the Council of Foundations Luncheon

by
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Colin, President Riddings and ladies and gentlemen. I was hoping they'd leave me enough space here so I could do a tap dance routine for you, but I need a little more to engage you, so I'll keep to my text and start by saying how honored I am to be here with all of you and to share in what I see from your program is a remarkable series of discussions and groups that you have assembled here.

I understand that in addition to domestic foundations, you have some 19 representatives of foreign countries, and I'm delighted that they are here also. I came first to this country as a foreigner myself, and after studying here, I had the great good fortune, when I took up a position in New York, of coming to the attention of someone in the Rockefeller Foundation, and I learned a little bit then about what foundations do in this country. And I formed a view then, which has been confirmed many times since, that the whole notion of volunteerism and the work that foundations do here in this land is one of the unique contributions of our great country. It's a unique contribution that has been emulated throughout the world, and it really expresses the American spirit of trying to help each other and take into our own hands the activities and the interests of people less fortunate than we.

I'm interested that the title of your conference relates to policy. Foundations have a significant influence on policy. Not everybody on Capitol Hill would welcome that. But, in fact, what we do in foundation work does have a significant influence. And I want to address just one aspect of that today which relates to the policy of our country and the policy of each and every one of us in relation to the world outside the United States.

I say that because I come from an institution the responsibility of which is the world outside the United States. In fact, it's the developing world. It's 4.7 billion people in 140 countries out of a world population of 5.6 billion people, of whom 3 billion live under $2 a day, of whom one billion three hundred million live under $1 a day, of whom 2 billion don't have access to power, 1 billion five hundred million don't have access to clean water. A world that is full of inequities in relation to women and less fortunate groups.

It is a world, however, which is significant—significant not only for its human value but for its economic value. It is a world that's growing—growing at 80 to 90 million people a year. Today it represents 18 percent of the world's GNP. In another 25 years will represent 30 percent
of the world's GNP. It is a world that is responsible in our country for the creation of 4 million jobs. It is a world that is not just outside the United States. It is not a different world. It is part of our world.

And when we think of policy and when we think of the activities of our institutions and foundations, we have to think not just of the United States, but we have to think globally. And we have to think globally not just as a matter of social conscience or moral responsibility, but as a matter of reality, because through technology we have become one world.

But we have become one world in more than technology. This morning, I was trying to write down a list of the issues that link us and our endeavors to this "other" world. In your program you talk of the environment. You cannot think of the environment in American terms. The air we breathe, our rainfall, our climate all relate to the world out there. And in the world out there, every second one acre of timber is being lost.

And when we talk of carbon emissions which affect us, the carbon emissions which we are putting into the atmosphere and with which we have spoiled the atmosphere over the years--as a developed country, we despoil the atmosphere more than anybody else--we now find that the issue of increased carbon emissions outside our country can have a direct and immediate impact on us over the next years.

I wrote down health. I know the Secretary was here this morning, and I've had long discussions with her. Health recognizes no borders. AIDS recognizes no borders. Communicable diseases recognize no borders. Malaria recognizes no borders. These are issues which can affect us, just as they affect people outside our country.

And migration. I saw that we are talking about inner-city problems that relate to migration. Why do people migrate to our country? They migrate to our country because they don't have opportunities in their own country. And I have just come back from Honduras where I met with a Catholic charity that was dealing with street kids under a remarkable man called Father Eduardo. And I told Father Eduardo that I'd just been to Los Angeles to see an activity in Los Angeles with inner-city kids to which some of you may be giving support. And Father Eduardo brought to me than a gang leader who had been sent out of the United States and who is now trying to teach street kids in that if they can have a better life in Honduras, they don't need to come to the United States to get arrested and get caught up in drugs. We're as concerned about Father Eduardo in Honduras as a we are with what is going on in central Los Angeles. And the issues they face are linked.

And then I wrote down trade. As I said to you, 4 million jobs in our country depend on trade with developing countries. And I need not tell you that in finance we have the same linkage. Those of you that have invested any of your funds in East Asia will surely know that there has been a problem which has affected us here. Why? Because the international financial system recognizes no boundaries. So strengthening financial systems, ensuring that people are adequately trained, building justice systems and legal systems overseas is not a distant problem -- it's our problem.
And peace and stability. We are the leading nation on earth. We cannot win a cold war and then turn our backs on the world. This morning I've been meeting on Bosnia and Gaza. These are issues that are a long way away from us, but yet they're central to us. These are not distant issues. They are issues with which every one of us is involved.

And then there's energy. We're working with the Rockefeller Brothers Fund and the Rockefeller Foundation on solar energy. Why? Because energy is a resource which affects us all.

And food. The work that we've done with the Consultative Group for International Agricultural Research to try and lift the level of food. If the world's population goes from 5.6 billion to 8 billion over the next 25 years, food becomes a central issue, not just for people that are poor, but for us, too.

And crime and narcotics. They're not a problem existing outside our country. They're a problem that affects us directly.

I hope I need say no more to tell you that the barriers are down, that the responsibilities that we have do not end with our cities and communities. They end with a global view. And for those of us who think we can finish our lives thinking only about our local institutions and our local activities, remember that in 30 years' time, when this meeting is held again in Washington, our children are not going to have that luxury.

Linked by Internet, linked by satellite, linked by trade, linked by quick means of transportation, linked by migration, linked by finance--I need hardly tell you that this is one world.

And I've had the opportunity since I came to the Bank to go out and look at this world, and I've concluded that, for my children, the job that I'm doing is critical. And I've concluded that the job that the 10,000 people that are working with me at the Bank are doing is critical.

It is critical not just as a matter of economics and not just as a matter of social responsibility, although those two would be enough. It is critical not just as a matter of moral responsibility, which would be adequate. It is critical as a matter of self-interest. It is critical to the lives of your children. It is critical to the peace and stability in the world that we're all going to live in and that our children will live in 20 to 30 years hence.

And we have to feel as close to issues of African development and what's going on in Latin America and what's going on in Asia and what's going on in South Asia. We have to be as concerned with what is happening in the Middle East and in Bosnia and in Gaza and in the Congo.

These are issues which we have to learn about. And for those of us above a certain age, that's tough. It's tough because, when I grew up, it was not part of my education. It may not be part of many of your education. But the world is moving so quickly that we no longer have the opportunity
of saying it is outside our sphere of influence or outside the influence that it will have on us.

We are a unique world today. There aren't two worlds. There is not a developed world and a developing world. There's a singular world. And the role of foundations becomes extraordinarily important in that equation. Why?

Well, let me tell you a little bit about the Bank. The Bank was set up 50 years ago with a view to dealing with the issues of development. In fact, initially, it was set up to deal with the issue of post-World War II reconstruction. But it quickly moved into the areas of development, because our leaders knew that it was necessary to assist countries to develop if we were to have a peaceful world and a growing economic environment.

And for a time, the Bank was a dominant figure, along with the International Monetary Fund, as one of these two Bretton Woods twins, owned by all the countries of the world--today 181 countries own the World Bank and the International Monetary Fund. Well, it soon emerged that two institutions couldn't do it alone, and countries started bilateral assistance. As they gained more money, they thought they would help. And regional development banks were set up. And a whole network of multilateral institutions came into being. And overseas development assistance became for a time a growing activity.

That growing activity has now diminished. Overseas development assistance at a net flow of funds of about $37 billion last year is the lowest it has been in decades. So although there is an interest, governments of the world are not providing the money that is needed for that overseas development assistance.

So what has happened? Two other factors have come in to have an enormous impact on what is happening in developing countries. The second factor is that the governments of the countries themselves have changed. Ten to 15 years ago, one country in four had a democratic government. Today it is two in three. Ten years ago, a billion people lived in a market economy. Today, 5 billion people live in a market economy. And governments are emerging with fine leadership. I'm spending a lot of time in Africa. You would not recognize the leadership in Africa which is emerging: committed, concerned, with a strong African feel, with a desire to make that continent vibrant and alive--and succeeding.

And it's happening in other parts of the world. I am just back from a meeting of the Summit of the Americas in Santiago, where you had 34 Presidents together, talking not just about economic issues but talking about issues of equity, about social justice, about education, about health, about the rights of their people. A debate that would have been impossible 15 years ago. But is happening now as we emerge from a Washington consensus based on economics to a consensus in government that is looking more at the rights of people, looking at stability, looking at equity, looking at opportunity. So governments are strengthening in a more democratic environment.
But the third big element has become the private sector. In 1990, $43 billion flowed to developing countries from the private sector. At that time, they got $56 billion in assistance and loans from official sources.

Today, that $43 billion has risen to $256 billion. And so with official money having drifted down to $44 billion, private sector investing is now six times the size of official assistance and loans. But seventy-five percent of it goes to 12 countries. We have to equalize it so that countries in Africa and countries that are less fortunate can, in fact, attract more investment. But the fact is that the largest single factor in monetary terms today is private sector.

But what is the fourth factor? What is the factor that actually gets to the people? What is it that has emerged in this new environment of democracy and openness? What is it that has allowed development to flourish? It's civil society. It's a society that most of you work through and with in our country. It is the people. It is the trade unions. It's the non-governmental organizations. It's the local groups. It's the Southern non-governmental organizations. It's groups of individuals that are coming together, trying to take their lives in their hands to develop their countries.

And what I am doing in the Bank now is to recognize that there is no way that the World Bank or any other international institution can do this job alone. The job can only be done on the basis of partnership—partnership with the governments with whom we work as the key factor, with the other multilateral institutions, with the private sector, but most particularly with civil society.

This is not something that we can or should opt out of. This is something where everyone in this room can have an impact. It's something where there is need for all of us to take a global view. I am not remotely suggesting that we should forget domestic issues. I've spent too long in the foundation world, both on other people's foundations and on my own, to know that you must not forget home base. But working with home base itself is not enough. There is a real chance now for our country, with the spirit of the people that there are here, and with the experience of the people that are here, to affect policies internationally, to affect programs internationally, and, most significantly, by those efforts to affect the policy of our government and the people in our country.

This is a very select group. But it is a group that can give leadership on something that will make the difference in the next century between a world that is improving, between a world that offers people a better chance, a world that gives stability and peace, a world that gives us an environment that is conducive to our lives here and around the world. These are issues which cannot be passed off to governments. These are issues to which every single foundation and person needs to make a contribution.

And I say very frankly that if we do not grab that responsibility, if we do not respond to the challenge, it will not be us that suffer. It will be our children. I see the clock running out in terms of taking action. And to do it, we cannot do it singly.
I am looking at my own organization in terms of our effectiveness. And we have for years, like many of you, looked at the success of our projects, and we've done a project here and we've done a project there, and most of them we get right and some of them we get wrong.

Looking at development in terms of individual projects done individually is not going to win the battle of making the world a better place. The resources are too limited. We don't want fragmented effort. We must come together with the governments of the countries in which we're working with a sense of strategy and a long-term plan. And it is possible. And it is happening. We're working with governments now where we're setting the objectives, not for one political cycle but for a decade. We're working with them, and they're saying "we need rural roads, we need basic education, we need health care, we need a justice system that works, we need power, we need clean water, we need a financial system that works." And into this set of systemic issues and into a strategic set of objectives, we try and bring together not just our activities but the activities of the other players of whom I've spoken: the governments, the multilateral institutions, the private sector, and civil society.

You may be interested to know that I decided that the people with the best distribution were the churches. I realized that the churches are in every village, whatever the religion. So I took my courage in my hands, and I went three times to the Vatican in the last 18 months. I had an audience with His Holiness the Pope. I just met this last week with the Latin American Council of Bishops. But not wanting to be singularly prone to the Roman Catholic Church, I also, with the Archbishop of Canterbury, convened a meeting three weeks ago with the heads of 12 religions. And we met for two days at Lambeth Palace in London.

Why? Why the World Bank from Mammon with all these wonderful leaders of the church? Because we have much to learn from each other and much to do together. And I said to them, look, don't assume you have the moral advantage on the Bank. I have 10,000 people working for me who get up every day trying to make a difference in the world. You have people working for you trying to make a difference every day. I'm holding my people accountable. You're accountable to God. But we're all accountable for the same issue. The issue in the end is how it is we reach the people that need our help and whom together will assure us all of a stable and peaceful and a growing economy. And I've done that with trade unionists, and I've done it with dozens of organizations.

But I have to say to you, with great sincerity--and Colin Campbell and the other foundation heads with whom I met will know that I have not changed my tune for two years. It is crucial--crucial--that the foundation organizations in our country that have the experience, that know about volunteerism, that know about taking things in their own hands, that know about diversity of interests, that know about different points of view, that know about experience, should come together on the global issues.

The Bank is anxious to be a partner. We cannot do it alone, and we are looking for partners. And I can promise all of you that, to the extent
that any of you is interested in the international field, either directly or through your organization, we want to work with you--not because we want to pick your pocket for money. That's not the issue. The issue is that we need your brains, your experience, your ingenuity, and, of course, your funds to try and make sure that the world that we give to our children is a better place.

It's a very simple objective, and very hard to achieve. It is not something that we can delegate to others. It is something that we have to do together. And I have come really to say to you, in all frankness, that for myself, for the feelings I have for my own children, and from the experience I've had in the Bank, I believe totally and absolutely that it is the time for us now to come together on global issues.

Take a small part of what you're doing, if you're not already doing things internationally, and experiment. Create a basis for your successes to know that your marketplace, your objectives are global, because they are global. And if we can come together in the sort of partnership I envisage, we can together leave our children a better and more peaceful world.

Thank you very much.