

CHECK AGAINST DELIVERY

**ADDRESS BY PRESIDENT OF THE REPUBLIC OF
FINLAND TARJA HALONEN
at the WTO Public Forum 2007
High-Level Inaugural Panel in Geneva
4 October 2007**

“HOW CAN THE WTO HELP HARNESS GLOBALIZATION?”

Mr. Director-General,
Ministers,
Ladies and Gentlemen,

On Tuesday morning I was speaking about globalization at a seminar in Finland. At the seminar Sir Bob Geldof gave a speech and he compared the Doha round to the famous Dead Parrot Sketch by Monty Python and said that the Doha round is as dead as the parrot in the sketch. Many people think this way. I, however, argued that the Doha round is not dead and it is our duty to keep it alive. I promised Mr. Geldof to tell about our discussion also here at the WTO Public Forum!

* * *

There are really very good reasons to keep the Doha round alive and keep pushing for a good and fair conclusion. The Doha Development agenda was launched exactly as a way to harness globalization. Another important fact is that only a multilateral trade agreement can provide for a universal, rules-based, open and non-discriminatory multilateral trading system. Bilateral or regional trade agreements are only second best solutions.

A multilateral agreement is especially in the interest of weaker and poorer nations. Yes, it is true that big trading nations and blocs sometimes dominate the WTO negotiations, but imagine how much more powerful these nations are in bilateral or regional trade negotiations. It is clear that universal rules are in the interest and protection of the weaker.

My own country Finland is a small one in the very North. Of course today we are rich in international comparison, but it was not always so. Finland used to be one of the poorest countries in Europe. Having foundation in democracy and investing in education, good governance and welfare state have made it possible for us to become one of the most competitive countries of the world. A possibility to participate in international trade has been a key in our success. We have always thought that UN centred multilateralism is not only right but it is also very much in our national interest. This holds true even today and not only for us.

But, there is always at least one but. The Doha round must be concluded into a fair agreement. An agreement that takes into account the huge variety of member states in the WTO, especially developing nations. In order to achieve this goal everybody must give in. There has to be a give and take. Let's make world trade genuinely fair and free and let's not fail in the Doha Development Round!

* * *

What else could the WTO do to help harness globalization? One part of the answer is obvious and I said it already in the beginning of my speech. The WTO should guarantee a universal, rules-based, open and non-discriminatory multilateral trading system. The aim is to increase trade and use it as means to generate economic growth, employment and broader development goals.

But before going any deeper into the WTO's role in harnessing globalization, let me say a few words about the phenomenon itself. Globalization is certainly a most debated topic in recent history. In globalization there are winners and losers between and within nations all around the world.

I am delighted that the debate on globalization has in the recent years turned from confrontation to dialogue. There is a better understanding about the benefits and deficits of globalization and that the real issue is to make globalization better – harnessing globalization as in the title of this very WTO Public Forum.

One effort to make globalization better was the World Commission on the Social Dimension of Globalization, which was established by the International Labour Organisation in 2002. I had the honour to co-chair with Benjamin Mkapa of Tanzania this commission of originally not-like-minded people. Despite of our diverse views we were able to publish in 2004 a unanimous report A Fair Globalization: Creating Opportunities for All.

I would like to mention just a couple of key issues deriving from our report which are still actual. The first one is coherence. In order to make globalization work better for people there has to be better policy coherence on national and international level. National policy in one area does not always take into account its influence in other areas. And we can all imagine – and unfortunately we know from real life – that lack of coherence on national level is multiplied on the international level. Representatives of one nation can have very different views on same issues depending on the organisation where the issue is dealt with. And to aggravate the situation further, coherence, co-operation and information sharing between international organisations leaves much to hope for. In order to have better coherence on the international level there has to be better coherence on national level. The road to better globalization starts at home.

Secondly, employment and decent work. Globalization has to be a force to promote employment everywhere. Employment is a key issue for personal and national development, and free trade should promote both economic growth and employment.

Thirdly, cross border movement of people. This is a worldwide phenomenon and no newcomer to the international arena. We need to have a better framework for cross border movement of people in order to make it a truly positive force for people themselves and countries of origin and destination.

* * *

Tremendous growth of trade and investment has increased global economic interdependence, which in turn contributes to international peace and security. This point is still as valid as in the late 1940s when the post-war multilateral trading system was set up.

The international trading system is no longer a club of industrialised nations. The WTO has turned into a universal organization. The central challenge today is to generate benefits for all its members, most of which are now developing countries. And let me be clear on this: all countries have the right to develop and to aim for growth and prosperity. No nation can think that her competitive advantage is forever in poverty and cheap labour.

Trade and trade agreements are connected to, and have influence on, other non-economic dimensions of development such as environment, democracy or human rights. For example, trade does not promote development if the goods are produced in inhumane conditions. Governments must do their duty, and luckily consumers have started to understand this too.

Even if international organizations focus only on their so-called core competences, their agendas are still inter-linked. The WTO and other international organizations should ensure that their policies are coherent with each other, as agreed years ago. I believe that the WTO is now well on its way to play an active and constructive role in cooperation with other key organizations.

* * *

I would like to take one concrete example where the WTO has taken a very positive role under its coherence mandate in the spirit of the Monterrey Consensus on Financing for Development. It is Aid for Trade.

The WTO has taken an important step by becoming the strongest advocate for Aid for Trade. It wants to play its role in mobilizing support for strengthening trade and productive capacities of developing countries. In my view this role of catalyst fits the WTO well and Finland warmly welcomes it.

The agenda of Aid for Trade has expanded much wider than very narrowly defined technical assistance. Now we are talking about supporting the developing countries efforts, 'especially the poorest ones', to achieve better competitiveness in world trade.

Aid for Trade means supporting external trade, but also productive activities in different economic sectors such as agriculture. It should be about comprehensive support, starting from the smallest individual producers at the end of global value chains. For them the first step in trade maybe the village market 10 kilometers down the road. If there is one. Aid for Trade is about infrastructure. It should also be about creating an enabling environment for domestic and international investment. Again starting from creating decent conditions for millions of informal micro-entrepreneurs in the buzzing cities of developing countries. This way Aid for Trade can have a direct pro-poor focus.

* * *

Well-being for mankind is not enough. It has to go hand in hand with well-being of nature. Sustainable development on a global scale can become a reality if we take true care of people and if we have a strong environmental awareness.

It is sometimes said that increased international trade and sustainable development are not compatible. In my opinion this does not need to be true. Better international division of labour and better functioning markets can actually provide more sustainable development for man and nature.

One answer is the access to technology. Industrialized countries must continue to take all possible steps to promote access to environmentally sound technologies for all countries. International community has to show solidarity towards developing countries that address climate change and, at the same time, strive to achieve other development goals such as poverty eradication.

To conclude I would like to thank Mr. Pascal Lamy for inviting me to this wonderful Forum. The broad agenda and the large number of participants will certainly provide for many interesting discussions and I hope answers too. It would be nice to join you for the entire forum. I wish all of you a very successful dialogue on a theme which is of great interest to all of us.

Thank you very much.

H.E. Ms. Tarja Halonen
President, Republic of Finland