

Fourth Asia Development Forum
Trade and Poverty Reduction
3-5 November 2002, Seoul, Republic of Korea

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Opening Ceremony Welcoming Remarks by

Dr. Choongsoo Kim, President of Korea Development Institute

H.E. Jeon Yun-churl, Deputy Prime Minister of Korea,
Mr. Jemal-ud-din Kassum, Vice-President of the World Bank,
Mr. Shin Myoung-Ho, Vice-President of the Asia Development Bank,
Mr. Ahn Choong Yong, President of KIEP,
Distinguished Guests,
Ladies and Gentlemen,

<Introduction>

Warm welcome to all of you on this beautiful autumn day. It is an honor and pleasure for me to participate in this forum along with such distinguished participants. This morning, I would like to speak to you on our aims at strengthening links and engaging in policy dialogue to promote trade liberalization in parallel to tackling poverty issues.

<Globalization>

Trade and investment liberalization is the most important policy means for countries to not just stay afloat, but also excel in today's globalizing world. Liberalization brings about economic growth, produce and distribute wealth, along with overall expansion in national and global welfare, in both developed and developing countries.

I trust that I do not have to describe in great detail the positive aspects of globalization, for increased trade, new technologies, foreign investments and other unprecedented progress has enriched and brought together the global community more than ever before.

However, globalization also has its downside. We recognize that the benefits of growth have not always been equitably distributed. The rich get richer, and the poor get poorer. This very fact threatens world economic, social, and political

stability, where the income as well as knowledge gap continues to widen and marginalize the poor. As such, globalization offers great opportunities, but only if it is managed more carefully and with more concern for global equity. In this regard, when we look at the situation of poverty around the world, and especially noting that 75% of the world's poor are our Asian neighbors, we must succeed in eradicating poverty for human development to be truly universal.

It is through international forums such as today's that we can derive international commitment and real solutions that drives globalization to greater benefit the marginalized. The Asia Development Forum has especially made a noteworthy effort in the past years to address the key issues and include Asian countries more in the globalization process. In this sense, meetings such as today's, are both crucial as well as timely for pro-active national as well as international efforts to translate trade and globalization into poverty reduction.

<Liberalization & Trade>

To make this happen, we must recognize that economic liberalization is very important and the international financial market must be better understood. Rapid liberalization of trade, finance and investment is still the surest foundation for success, allowing developing countries to overcome resource and foreign exchange constraints on capital accumulation and growth. However, should liberalization occur too speedy without supporting rules and institutions, further problems will be ahead. This does not mean we should slow down liberalization, but that this process should be gradual as well as sequential. In order to achieve this, countries engaged in this process should seek the advice from neighboring countries, as well as economic organizations such as the World Bank and Asia Development Bank, for their knowledge and resources.

<Regional Cooperation>

It is undeniable that in the present era, where the world economy is more integrated than ever, developing countries are dependent even more on external resources to achieve rates of growth. Given this situation, loans and technical assistance should be made more available. Despite the diversity of Asia, we also have many commonalities, and to be able to share knowledge in designing

effective policy responses to development is also a prime way of enhancing regional cooperation. More involvement of countries in the international community is therefore crucial.

As we will be further discussing today, the WTO entry of China is a prime example. It is truly a good opportunity and momentum for China as well as the rest of the world to have China play a larger role in the international community and bring about advancement of Asia as a whole.

As for behind-the-border issues, such as intellectual property rights, infrastructure services and related competition policies, these have become prime issues of concern for developed and developing countries alike. Thus developed countries and international economic organizations need to take upon an even more proactive role in institutional building of legal frameworks, raising greater awareness as well as morale regarding these issues. It is through such endeavors that innovation and advancement in technology as well as more interaction in the global community will justly protect and nurture resources, and also result international cooperation to be further strengthened.

<Korean experience>

Korea has been studied as a prime case of how the poverty cycle of a destitute country in the 1950s was broken in just a few decades. While the paradigms for understanding and implementing poverty reduction as well as that of the world order may have changed in the 21st century, the commitment of the people for the betterment of one's livelihood on an individual as well as national level, continues to be the key to development.

Moreover, as you no doubt know, Korea has also made a remarkable recovery from the financial crisis of 1997. Timely macroeconomic policy adjustments, structural reform in the four key sectors, market opening and liberalization were pivotal to Korea's overcoming of the crisis. Through initiatives of the Korean government as well as the international community, many developing countries, especially those in Asia continue to study the Korean experience and implement similar policy approaches in their own countries.

The Korea Development Institute which plays a significant role in the development of Korea through providing analysis and advice of government policies, and an increasing role in promoting international economic cooperation, networks and carries out projects with leading academics and research institutes as well as government officials internationally, to continue our commitment to using our resources to benefit not just Korea, but also developing countries, especially in Asia.

<Conclusion>

The challenges facing us today with increased threats to human security reminds us that greater commitment must be made to consolidating peace by addressing the core problems of poverty, trade inequities and other issues as that which we will be discussing in the next three days. It is my hope that ADF will contribute to showing the world what regional cooperation can achieve, where economies can help each other with a common agenda for development, and where partner economies through assistance can help all countries turn the threats from globalization into opportunities.

I am positive that our deliberations will present us with interesting and provoking thoughts as to the future course of policymaking in the fields of promoting trade and reducing poverty.

Thank you.