

Closing Remarks delivered by the Hon. Winston Dookeran, Minister of Finance of the Republic of Trinidad and Tobago at the North –South Institute Ottawa, June 21, 2011

The North South Institute Forum is a first rate think tank– one of the first few “to hear the voice of the South” and to be premised on a genuine exchange between the ideas of the global North and the ideas of the South. The tone of this forum was eloquently articulated by the Hon. Minister Beverly Oda, Canada’s Minister of International Cooperation, in her message: that changes in development cooperation are taking place and the changing global order is very receptive to new ideas. This tone was echoed by many others, some emphasizing the risk of inaction and others calling for the need for repositioning of the development cooperation agenda with a new negotiation timetable. One of the presenters described this moment as a new juncture; others called for and outlined different development dynamics – the emergence of the private sector in multilateral development cooperation, the demanding role of civil society in a changing global order and a clinical assessment of aid effectiveness on development impacts.

The Three Notions Underpinning the New Debate

The key message of all these presentations is that we have now embarked on the search for a new diplomacy for the future of multilateral development cooperation in a changing global order. What are the premises on which this new diplomacy must be structured? I believe the first question in this forum, raised from the floor, is what will be the new anchors of the debate ahead of us. There are three basic notions that will shore up these anchors as we search to address development cooperation in a changing global order. These are development, globalization and multilateralism.

Mr. Percival Patterson, former Prime Minister of Jamaica in a publication entitled Power, Politics and performance of which I was an author, said the following:

Everywhere there is a growing acceptance that the old and traditional style of governance is obsolete. But even though the old is no longer extant, that new order for which we yearn has yet to be established as a result of constant and cataclysmic changes virtually with each passing day. Consequently, there is still an ongoing search to create a brand new paradigm for the exercise of political power and the management of national economies. To pass the final litmus test, any replacement must be accountable, responsible, inclusive, open and transparent or it will not survive.

The key words here are “the exercise of political power”. In this task there is need for a new diplomacy that will not only respond to the rising risk facing multilateral development cooperation, but also take into account the shifts in the global political order and the political demands of today.

Drilling Down for Development

The first anchor has to do with development. We have become accustomed to debating development paradigm shifts. Indeed, we have become somewhat tired of the arguments that there are strategic imperatives that must be followed. We have reset our priorities and we have reset our priorities again. Today I want to propose that we consider what I call “Drilling Down for Development”. For the real challenge that we are facing will be derived from our ability to drill down for development in our nations. In other words, it is recognition that development cannot be imported and a realization that we must unearth the natural entrepreneurship talent and capabilities of our people.

The new direction toward building capacity and for delivering public goods must be at the top of our leadership agenda. The old institutions may have lost their

relevance, calling now for new models of cooperation among the private, public and civil society. The role of the state must respond to the delivery that society expects and to the pressing issues of equity within our societies.

Globalization

The second notion has to do with the dichotomy between globalism and globalization. Joseph Nye describes “Globalism as the reality of being interconnected, while globalization captures the speed at which these connections increase or decrease.” Building the network of connections is what globalism is all about- resulting largely from the new information revolution now being experienced. This notion was referred to by one of the presenters, who called for an “open data architecture that distinguishes between “outputs and outcome.” Development cooperation must respond not only to the speed of globalization but also on the spread of globalism.

Multilateralism

The third notion that has been referred to frequently in this forum is the shrinking scope of multilateralism. This is due to changing priorities in domestic politics of nations now preoccupied with short-term concerns. These arise from austerity measures made necessary by fuel and food crises and financial risks now faced by many countries. This has resulted in a decrease of priority and a loss of support for development and multilateralism. This trend, if not averted, could adversely affect global development, especially among fragile and vulnerable economies.

Another reason for this political shift is the growing preference for bilateral arrangements between countries in the North and in the South. The reality is

that the space for multilateralism has given way to multi-track diplomacy, as nations search for new political architectures to promote their national interests. This has become even more pronounced since the aftermath of the 2008 financial crisis as nations grapple with their domestic agenda, resulting in falling commitments to development cooperation. A speaker in this forum referred to what I have been calling multi-track diplomacy as “smart multilateralism” involving all the actors at the same time.

We must enhance the development agenda so that trade, as expressed in the Doha Round becomes a development issue. Together with inclusive growth, as reflected in the World Commission Report on Development, they must become major policy objectives. As we negotiate new spaces for multilateral development cooperation, the reinsertion of the notions of development, globalization and multilateralism are in need of scholarly work of the kind that has engaged institutions such as The North–South Institute.

The New Diplomacy and Small States

Uncertain expectations have resulted in donor fatigue or overzealous lending. We can expect a rough ride in the unruly waters of a new diplomacy for development cooperation. It has been argued that the political anchor for this diplomacy cannot be expected to come from the advanced economies alone, or indeed the emerging BRIC countries. Will the G20 be the anchor for this, the new diplomacy?

Already the process of a new diplomacy has started with the imminent appointment of the new Managing director of the IMF. Jeffrey Sachs on this issue had this to say:

...the defining truth of our time is that the US-led international order – the one that gave birth to the IMF is over. The problems in Greece, Ireland and Portugal are serious, but Europe can largely manage by itself. The IMF's new leader must address longer term and more complex global challenges...The IMF's main task for the coming years should be to create a monetary and financial system that causes fewer international shocks – not to clean up after each debacle...

I, too, as Minister of Finance of the Republic of Trinidad and Tobago have joined the call for a manifesto commitment. In a statement made to the candidates this week I stated: “While there is an understandable focus on those countries in which the largest proportions of the world’s population live, economic, social, and political success of the world economy cannot be achieved by ignoring the performance and viability of small sovereign states that have small populations.” At this forum I make this call again.

The North South Institute provides us with a platform to rethink the challenges ahead of us. As the conference said “the international landscape is changing, new actors are emerging presenting new challenges and opportunities for multilateral development and cooperation...as the international aid architecture is being criticized as overlapping and incoherent...development agencies are facing greater pressure to demonstrate results.”

Perhaps now is the right time to make a declaration for a new commitment of resources and creativity by countries in both the North and South. This is a declaration for development and development cooperation in the realities of today’s times. Hence I suggest that we develop a new diplomacy, and where it is not working we must fix it for: **“The Future for Development Cooperation in a Changing Global Order.”**