

## **Summary Event Report – 21 April 2005**

**Lecture by Dr. Biagio Bossone,  
World Bank Executive Director  
for Albania, Greece, Italy, Malta, San Marino and Timor-Leste**  
coordinated by  
**Professor Georgios Mergos,  
Secretary-general of the Hellenic Ministry of Economy and Finance**

### **Millennium Development Goals**

Professor Mergos introduced the discussion by pointing to the North-South divide in the world and stressing the fact that five out of the six billion of the world population live in developing countries. The world is faced with severe problems of poverty and underdevelopment, and the reduction of inequalities has to become a top priority, in an interdependent world. Underdevelopment cannot be a sole concern of the African continent or regions in Asia and South American, as it affects immigration flows and world climate. Thus, the need to realize the Millennium Development Goals by 2015 in order to reduce poverty becomes urgent.

Greece was quoted as an example of a country gradually moving in the development path and achieving a satisfactory level of growth, following its ruinous economic situation after the Second World War. Greece now is seen as part of the developed world and is in a position to provide 0.21% of its GDP as development assistance, a quite substantial amount for a small country like Greece.

Mr. Bossone congratulated Greece on the recent ratification of the European Constitution, with the hope that it will be implemented, since it commits the European Union to foster development and eradicate poverty. He presented briefly the Millennium Development Goals and focused on the issue of poverty. The Millennium Development Goals aim to combat poverty, not simply in material terms, but in all dimensions of life. Human development can be promoted by providing access to basic health, education, sanitation which will contribute to a lasting social and economic progress. The way to realize the goals is by setting objectives on which progress can be measured.

Mr. Bossone shared with the audience the conclusions of the one-week old Development Committee meeting of the representatives of the Member States on the progress which is being made towards the fulfilment of the Millennium Development Goals. The messages were clear:

#### **Urgency**

Poverty indicators point to a rapid increase of inequalities, especially in sub-Saharan Africa. Selected cases of developing countries are moving in the right direction and growth in India and China may be increasing but the forecasts remain distressing when one looks at the whole picture. At the moment, 3 billion people in the world live with up to \$2 per day and 99.5% of the 2 billion that will be born by 2030 will be born in developing countries. There is an urgent need to get back on track.

### **Opportunity**

The rare convergence of the views of both developed and developing countries on the strategies to be implemented provides a unique window of opportunity. The developing countries have committed themselves to providing the necessary conditions for development: sound economic policy and governance, institution building, and fight against corruption. The developed countries agreed to more and better aimed aid, while accepting the principle that the developing countries will propose and implement their own strategies and reforms.

### **Action**

The aid needs to be anchored in country-led strategies. Investment should be targeted in social sectors and in research for products for which markets can be found. More importantly though, there is a need for more and better communication on the development programmes of the World Bank in both the North and the South, in order to involve public opinion. People in the developing world should be directly included and citizens of the developed world need to realize the magnitude and dangers of the prolonged inequality.

1.3 billion people have no access to clean water; 3 billion people have no access to sanitation and 2 billion people have no access to electricity. These numbers are morally unacceptable. People in the developed world need to be better informed e.g. of the fact that the level of aid coming from the European Union is equivalent to one cup of coffee per person a week. As the prompt reactions to the Tsunami victims showed, there is scope for generosity. However, the appeal to altruism is not enough. In the era of globalization, what happens in one region of the world affects the whole world, through externalities: the immigration flows are incontrollable, financial instability increases, the number of fragile states which can become hosts to terrorism increases. Poverty and underdevelopment in parts of the world are not confined to these parts of the world; they are the responsibility of the international society.

During the discussion time, one of the issues that were raised was the degree of compatibility of the Millennium Development Goals with the levels of total debt in the developing countries. Comments were made about the gap existing not only in material terms, but also in the public perceptions of the citizens of the North and the South, with people in the developed world not realizing the urgency of the situation. Questions were also expressed regarding the sustainable development strategy of the World Bank and the level of development in Albania.

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