

Address of the President of the Republic of Croatia Mr. Stjepan Mesić at the
International Conference on Financing for Development, Doha, 29 November
2008

Your Highness,

Distinguished Presidents, Prime Ministers and Ministers,

Excellencies, distinguished guests

Ladies and gentlemen,

First I want to express my deepest condolence to the people and the government of India.

We have met to discuss a topic which is both important and pressing. And I believe that I share the expectations of all of us present here that this meeting in Doha, in spite of modest past results, will end on an optimistic note. Or, in other words, that we shall leave this place with the conviction that the world will succeed in establishing more equitable conditions in international exchange. I have in mind relations which would justify our proposition according to which the right to development is one of the fundamental human rights.

More precisely, it is the right of states and their citizens alike.

But at the very beginning of our considerations we must ask ourselves: do realistic prerequisites for that exist? Today they do not, probably, but I expect that they will come into being at an accelerated rate in the next period. My voicing such an expectation at a time when the world is swept by the global financial and economic crisis may appear to be odd, but this very crisis is the basis of my conviction. That is, I believe that it is precisely the crisis that could open up the door for changes

awaited for decades when we talk about the development of poor and underdeveloped countries.

The development of these countries ground to a halt in a period coinciding with the prevalence of the so-called neoliberal economic model. It produced the request for the maximum deregulation of economic life and the least possible interference of the state in the economy. The state was to be concerned with stability and fiscal discipline and not with development. At the same time, the underdeveloped were asked to open up their own markets to foreign goods and capital, to privatize everything, including both services and natural resources, to adjust their labour legislation to the interests of the employers, etc. All these are common knowledge.

Both the theoreticians and the practitioners of neoliberalism claimed that their model would balance out wages in the global economy, and that poor countries would develop faster than rich ones. Their predictions did not materialize. Quite the contrary - the gap between the poor and the rich has even widened. This has also been tragically demonstrated by the latest food crisis. We have all felt it, but it has affected the poorest countries most of all.

When some people gave it a thought, they recalled that the richest countries developed in a way totally differing from what is being prescribed by the current neoliberal economy model. With no exception they all protected their own production and their own markets, whether by customs or by various noncustoms barriers. There is no need to list those countries individually.

But no changes occurred. The neoliberal model donned the halo of the main weapon for the breakup of the remnants of communist economy and, thereby, communist ideology. It was proclaimed the most important element of transition to modern capitalism. In the process it has become an ideology rather than an economy. Moreover, need I remind you of a proverb, existing in many languages, which says that everything is ephemeral, only interests are eternal? In other words: once the specific rules of the game are set, interests served by the rules follow in their wake. There is no need to add anything to that.

As long as an important part of the world followed the neoliberal model, as long as international financial institutions implemented it as their fundamental ideology, all efforts to promote faster development of poor countries had few chances, even those under the umbrella of the United Nations. This is also the reason why we are basically repeating what we concluded in Monterey seven years ago, but even before that in Cancun, Hong Kong and elsewhere at such or similar meetings. Yet, let me repeat, I think that today our chances of success have improved.

Experience has taught us that no crisis can be overcome by damage control or cosmetic measures. Deep changes have always been necessary, and the state has played a major role in them. This point has recently been discussed at great length.

Thus, essential changes are being announced even in the global economic order.

It is here that I see our chance, maybe even our last chance!

This does not mean that I am advocating the abandonment of globalization or of the liberalization of international trade. I am not, nor would that be possible.

However, let me make this concluding point: the rules must also give poor countries an adequate opportunity for development.

Although a small country of relatively modest material potential, Croatia has always been prepared to provide its own contribution to the creation of a more equitable and more humane world order. I am only sorry to note that, barring exceptions, I see no representatives, at the appropriate level, of those who need to lead the efforts focused on that goal, and who need to understand and accept their responsibility for the materialization of such a common venture.

Thank you!