

Commentary

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ECONOMIC INVESTMENT AND ACTUARIAL RESEARCH

World Leaders Learn from Finland

At the recent World Leaders Forum in New York, Professor Joseph E. Stiglitz opened the session by introducing Tarja Halonen, President of Finland, saying that the U.S. should look to Finland as a model and could learn from Finland's President on her country's accomplishments. Her speech, titled "The Millennium Development Goals: Social Justice and Promotion of Equality," focused on The UN Millennium Summit and Globalization. The following is a summary of her speech to the World Leaders.

"The world is our joint responsibility. The UN has proved its importance over the past six decades. As Chair of the 2000 Millennium Summit, I remind you that the UN Millennium Declaration is a fundamental and far-reaching political commitment for peace, security and development. The Millennium Development Goals were approved unanimously. The goals are ambitious and the primary aim is to radically reduce poverty. In 2002 the UN Monterrey Conference agreed on means for financing development; the UN Johannesburg Summit focused on sustainable development, and combined the social dimension and ecological issues. Also the ILO appointed a World Commission on the Social Dimension of Globalization. It is now a question of transforming political commitment into action. We have the capacity, the knowledge and the resources. But we must understand the international dimension of the situation; that is why globalization is so important. Globalization is a mega-trend that has a decisive impact on development and people's lives all over the world.

The message of the World Commission is critical; globalization has enormous potential for improving people's quality of life, but it has not been fully used; too many are suffering or entirely excluded from globalization. Fair globalization means more focus on people and their

needs. Nation-states are the main actors in globalization. The quality of global governance depends to a great extent on their actions. The way in which states pursue their own business has an impact on whether people benefit from globalization and whether they are spared from its negative effects. A strong democratic state that respects human rights and the rule of law and applies good governance and social justice creates a solid foundation for the actions of individual citizens. Non-governmental organizations and civic movements are needed to support this. In addition, the business proponents of globalization have social responsibilities in globalization. The commitment of nation-states to multilateralism, general values and shared goals, their awareness of the impact of cross-border activities and their commitment to solidarity are essential for the quality of global governance.

Each country has its own history and no model can be transferred directly to another country. But allow me to present the example of Finland. Within half a century Finland has developed into a prosperous and stable society. Our Nordic welfare state model is based upon social justice and equality. We have made investments in health care, education and equality. Finland and the other Nordic countries often come out on top in international comparisons, whether these concern competitiveness, the stability of the public economy, education, equality for women, reducing poverty, absence of corruption or the level of sustainable development. The Nordic model has proven to be just and competitive.

The World Commission focused on the consequences of globalization in policy making. Usually, discussions on globalization concentrate only on economic factors: growth, inflation, interest rates, economic deregulation or market access. Employment is a key means of eradicating poverty and

should be made into a global goal. If the employment impacts of economic policy decisions would be systematically assessed, that alone might bring improvement in this situation. We also need to do more for the equality of women; we cannot succeed in reducing poverty unless the position of women is improved.

Coherence of global policies and a long-term approach are crucial for controlling the negative effects of globalization. International organizations must be willing to cooperate and welcome each other's particular strengths. The UN, the World Bank and the OECD have all acknowledged the importance of the World Commission. The UN Charter represents the values that will enable us to preserve security and stable conditions in the world, as well as balanced development. All countries, both great and small, are needed in the international cooperation that will ensure development, security and human rights. This international cooperation particularly needs the participation of the U.S. due to its political and economic power.

Policy actions need to be grounded in better analysis, research, policy reviews and systematic reporting to ensure better governance of globalization. I encourage you to continue open and critical research in your various expert areas. I encourage you to share your information with the entire international community. Many of the leading institutions of the world are located here in New York; you are in a position of great privilege and this brings with it great responsibility."

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