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G8 focus on global growth

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THE Group of Eight summit in Evian, France, next week hopes to deliver a strong message of unity, solidarity, security, growth and stability. French President Jacques Chirac hopes leaders of the world's most industrialised countries can put their differences aside and restore confidence in renewed global growth.

The trans-Atlantic rift, as a result of the Iraq invasion, has not been resolved and a new war of words on the trade front is developing. But France as host is hopeful and optimistic of positive outcomes.

Senior French officials point out that the illegitimate "war is behind us" and emphasise that they are "not blind to the challenges" that lie ahead.

The eight most industrialised nations have a responsibility in a globalised world.

Chirac said: "After the difficulties of the past few months, the Evian Summit is an opportunity to show that nations can and will get along and act together for the good of humanity, through their economic growth and through the fulfilment of the commitments made at the Millennium Summit and at Johannesburg."

In addition to these commitments, the meeting of the world's eight most developed nations has a full agenda. This includes economic and social developments, solidarity in a globalised world, security and democracy.

World economic growth has slowed substantially and this has been compounded by international uncertainties, corporate scandals, growing unemployment, the threat of deflation and in the post-Iraq era the heightened threat of terrorism.

The development agenda has been hijacked by the focus of the world's most powerful nation on Iraq. The plight of the poor and emerging economies has been ignored even as more and higher barriers to their trade and development continue to go up.

The promised debt relief for poor countries has yet to materialise and development assistance has been on the decline.

Since 1997 the Third World has repaid more each year than it has received in new money. In reality, capital is flowing from the South to the North.

Official Development Assistance (ODA) totals US\$50 billion (RM190 billion) while farm subsidies in developed countries total some US\$350 billion.

A cow in Europe has more subsidy than a human being in a poor developing country.

The access to markets for goods in developed markets is increasingly hindered by tariff and non-tariff barriers.

Even as the trans-Atlantic feud continues, Chirac is determined to revive the North-South dialogue with an "enlarged dialogue" and "inclusive discussions" on the eve of the G8 summit.

For this, he has invited leaders from emerging and poor countries, including those from Africa.

The developed world cannot shut itself from the poor developing world.

Globalisation has manifested itself not just in the economic and corporate sectors but also in diseases and terrorism.

In promoting an inclusive dialogue Chirac said: "If we want globalisation to benefit everyone and everyone to approach it responsibly,

it is critical for everyone to have a seat at the table and take part in the discussions needed to control globalisation and make it more human".

Prime Minister Datuk Seri Dr Mahathir Mohamad will have "a seat at the table" and participate in the meeting with the G8 leaders on Sunday.

The 17 leaders at the pre-summit dialogue account for 80 per cent of global gross domestic product (GDP) and 80 per cent of world trade.

It will offer leaders from emerging countries a chance to speak directly with those from the world's richest eight.

The eight many claim that they are not the world's "board of governors" or its "board of directors" but their actions and decisions have an impact and effect far beyond their borders.

Even Chirac admits: "The members' economic strength and their responsibilities give this forum between friends and allies a capacity for setting and mobilising shared goals."

These shared goals have had devastating effect on developing countries in the past. The Plaza Accord was just one of them that caused the financial position of many poor countries with loans denominated in yen to deteriorate overnight thanks to the policy co-ordination among the developed countries.

In the globalised world it is also the "shared responsibility" of the developed

nations to ensure that their policies do not "beggar" the poor.

The agenda for the summit, the first since the invasion of Iraq, is long and the trans-Atlantic differences remain and Chirac made it clear in an interview with the Financial Times that "A war which lacks legitimacy does not acquire legitimacy if it is won."

"We cannot change history. We have to face the new realities," an official said referring to the differences with US over Iraq and Paris' support for the UN resolution removing sanctions.

The war may have been won but peace remains elusive. The war has unleashed greater threat of terrorism and uncertainty in the region. This will certainly weigh heavily on discussions during the enlarged dialogue and the G8 summit itself.

There is much at stake not only for the region and for the G8 economies but for the whole world.

The leaders must send a clear message and contribute to renewed confidence. They must create the right conditions and deliver on the commitments and promises with concrete actions.