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Rich sends poor unity in strength message

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THE leaders of the eight most industrialised countries produced 15 declarations, action plans, reports and summaries at the end of their summit in Evian.

Among them are co-operative G8 action on trade; fostering growth and promoting a responsible market economy; non-proliferation of weapons of mass destruction; securing radioactive sources; fighting corruption and improving transparency; building international political will and capacity to combat terrorism; and a G8 declaration and action against famine, especially in Africa.

But even before the ink on the action plan, declarations and reports was dry and the leaders had left there were already questions as to how much had been achieved.

The African leaders who had a separate meeting with the G8 leaders told leaders of the world's richest nations that the debt relief for poor countries, most of them in Africa was "not enough".

Nigerian President Olusegun Obasanjo, a critic of the Highly Indebted Poor Countries (HIPC) initiative, said: "There has been little giving too late. HIPC came in little bits and pieces and the effect is that it really hasn't made a tremendous impact".

Statistics compiled by Oxfam showed that the debt relief delivered to Africa amounted to just over one per cent of what was spent on the Iraq war.

Developed countries spent over 25 times more on subsidising their own big farm owners than they did on aid to sub-Saharan Africa and last year the G8 spent an equivalent of just half a stealth bomber supporting basic education in poor countries.

Pop singer Bob Geldof, who was in famine-hit Ethiopia, attacked the G8 leaders for failing to deliver on their promised aid to developing countries.

He argued that the leaders had not paid enough attention to issues and problems affecting the poor countries.

"What did they do about debt and trade? Zero," he is reported to have said.

Development issues were overshadowed by the weakness of the US dollar, economic recovery, terrorism and the trans-Atlantic rift over the US-led invasion of Iraq.

The G8 leaders pledged to provide the leadership needed to ensure the success of the WTO ministerial meeting in Cancun.

But unfortunately there was not much commitment to tear down their own barriers to trade and neither was there any move to reduce subsidies and export assistance for farmers in rich countries.

A seven-point action plan set out in a joint communique contained no fresh initiatives and glossed over differences, particularly between the US and the European Union, on the agenda and priorities for the Doha negotiations.

Oxfam pointed out that the plan unveiled by the G8 at their meeting last year to tackle poverty was "ambitious in its rhetoric. The plan produced little new aid or debt relief for Africa, and no reform of unfair trade terms".

But the rich leaders expressed satisfaction and confidence that they will turn their economies around and send a "message of confidence" that

their economies could achieve growth.

The leaders said "major downside risks have receded and the conditions for a recovery are in place. We are confident in the growth potential of our economies".

Chirac cited low oil prices and favourable interest rates as grounds for optimism. He told the Press that the summit would serve to strengthen confidence among businesses and consumers.

It is significant that the rich countries did not lecture other countries, and especially the poor and developing nations, on what they should and must do and what policies and approaches they had to pursue.

Instead the rich asserted that their "common responsibility is to raise growth in our own economies, and thus contribute to a stronger global economy".

Recognising that the rich countries cannot continue in isolation and that in the globalised environment the plight of the poor must be dealt with the views of others were also sought.

Chirac said that it is only through joint efforts that the world can "address the challenges of promoting growth, enhancing sustainable development and improving security".

The enlarged dialogue on the eve of the G8 summit provided an opportunity for developing countries to say their piece and for the rich nations to consider their plight before they make any decisions.

The "exclusive rich man's club" must offer the other stakeholders in the global economy, no matter how poor or small they may be, an opportunity to be heard.

It is a credit to the French President that he invited leaders from 12 developing countries for the first time. This enlarged dialogue, according to Prime Minister Datuk Seri Dr Mahathir Mohamad who participated in the discussions, was "useful and effective".

The summit which was being closely watched for the "handshake and body language" of the US and what US Secretary of Defence Rumsfeld chose to call "the Old Europe".

"I know there are a lot of people in both our countries wondering whether or not we could actually sit down and have a comfortable conversation. And the answer, according to US President Bush, is 'Absolutely. We can have disagreements, but that doesn't mean we have to be disagreeable to each other'."

Bush admitted that "We went through a difficult period. I understand his (Chirac's) position. He made it very clear from the beginning. It's because of that that our relations are good, because we can be very honest with each other".

In the end the French diplomacy prevailed to ensure that the meeting was not overshadowed by the fall out from the differences over Iraq.

Canadian Prime Minister Jean Chretien best described the situation when he said: "We had a good meeting. Because it could have been a disaster".

The only disaster was on the streets of Geneva and Lausanne where demonstrators and protesters smashed windows and caused considerable damage.