



Delegates at the 2024 Common Action Forum yesterday. BERNAMA PIC

## Anwar pushes for reform of global governance

**KUALA LUMPUR:** Prime Minister Datuk Seri Anwar Ibrahim has called for urgent reform of global governance, highlighting its inability to address the pressing challenges facing the world.

He said poverty reduction had stalled, with the Covid-19 pandemic pushing 120 million people back into extreme poverty, the first global rise in poverty in two decades.

"Today, almost a tenth of humanity lives in extreme poverty. By 2030, 600 million people may face hunger. At current rates, ending extreme poverty will take decades," he said in his keynote address at the 2024 Common Action Forum.

Anwar added that these outcomes were not coincidental, but rather the result of a global system that was not designed to be inclusive.

"The Global South faces challenges shaped by policies made without its full participation. Climate impacts, conflicts, economic instability and cycles of debt have all been worsened by this exclusion."

Anwar said the International Financial Architecture was one of the areas that urgently needed reform.

"The current financial system still favours wealthy countries, leaving developing nations at a disadvantage. Developing nations face worse market access and higher borrowing costs despite having similar risk profiles.

"During times of crisis, they struggle to access essential liquidity, while debt repayments siphon away resources needed for vital public services. The system refuses to change."

Anwar said during the Covid-19 pandemic, the International Monetary Fund released US\$650 billion in Special Drawing Rights.

"However, two-thirds of that amount flowed to wealthy nations, leaving those in greatest need with the scraps. This is how global governance fails by entrenching inequality instead of dismantling it."

Anwar said the second area demanding urgent reform was the international trading system. He said despite the World Trade Organisation, unfair trading practices, protectionist measures, and non-tariff barriers continue to hurt developing countries, with the 2023 global trade decline especially impacting them.

"Trade no longer offers developing nations a ladder up the value chain. Export markets have become concentrated and dominated by large corporations and digital platforms.

"They have driven down global labour incomes and worsened inequality. Geopolitical restrictions, inward-focused industrial policies and unilateral climate actions add further obstacles to the green transition.

"In light of this, it behoves me to reiterate that international trade must not only be free, but it must also be humane and equitable."

Another area, Anwar said, was climate finance and climate justice.

"The climate crisis continues to intensify, with the consequences, from devastating storms, floods and droughts, falling most heavily on the poor. The cost of climate disasters now is more than double what it was three decades ago."

Anwar said effective climate action depended on adequate financing.

"Without sufficient funds, energy transition and climate adaptation will remain out of reach for many developing countries. Despite longstanding commitments, developed nations have consistently fallen short in providing adequate climate finance."

He said the current climate finance flows paled in comparison with the wealth that had moved from the Global South to the North.

"To eliminate poverty and achieve climate resilience for all, we must work towards a more balanced flow of resources that supports those in greatest need."