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Overseas Press Club of America
Annual Awards Dinner - New York, New York - April 24, 1985



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Overseas Press Club of America, Annual Awards Dinner, New York, NY, April 24, 1985

Address

By

A. W. Clausen, President

The World Bank

and

International Finance Corporation

before

The Overseas Press Club of America Annual Awards Dinner

New York, New York

April 24, 1985

Thank you, Anita.

I am very grateful to you, to Dinner Chairman Charles Brophy, and to the Overseas Press Club of America for inviting me to join you here tonight.

To be a guest speaker at a media awards dinner is something of a challenge; rather like being called as a baseball fan out of the stands to see what you can do against an All Star team. But it's a great honor, and I would not have missed this evening for anything.

I find it of special interest that the theme of this year's edition of Dateline is the revolution in technology and its impact on how news is gathered and disseminated. It interests me for two reasons. First of all, The World Bank has been supporting telecommunications projects in developing countries for many years -- facilities that news correspondents routinely use in sending their reports around the world. The second reason is of a personal nature.

I learned typesetting at my father's small-town weekly newspaper in Illinois, The Hamilton Press. I later helped finance my college education setting type at a neighboring newspaper and occasionally helping out at my father's publication. Little did we imagine that one day, the writing, the editing, and yes, even the typesetting would all be done electronically and that wire copy and even entire newspaper editions would be delivered by satellite. For those of you in the electronic news media, rapid technological change has been a constant characteristic of your business as we approach the "global village" popularized by Marshall McLuhan.

This technological reach is reflected in the news coverage that we gather here to honor tonight. And permit me, at this point, to extend my sincerest congratulations to tonight's award winners.

I note, without surprise, that three of the awards being presented are for coverage of the appalling famine in Ethiopia. But for the media, the nature and scale of that tragedy would have come to the world's attention far too late for any remotely adequate humanitarian response from a shocked international community.

Ben Bradlee has said that "news is the first rough draft of history." A very apt aphorism. But there are times when it is the act of news-gathering itself which decisively shapes history. It was the persistence of that first unit to reach the stricken areas that changed the course of events. And that action is most deservedly recognized tonight by your award for the best TV news spot. And let me take this opportunity to congratulate the media in general for their continuing coverage of the tragedy and the response that that coverage has engendered. But let me emphasize that the story is by no means over, because this crisis is a long-term crisis.

The catastrophe in Sub-Saharan Africa is of unprecedented proportions, and the plight of the seven million men, women, and children starving in Ethiopia is a plight shared by millions of other Africans all over the continent, especially in the 24 countries most severely affected by the drought. But the food crisis in Africa is not just the product of bad weather. African agriculture has endured years of neglect and decline, and for Africa's greatest human resource -- the small farmer -- poor roads, inadequate seeds and fertilizers, and lack of marketing facilities have been his lot. Little wonder that he has reaped a harvest of disappointment if not despair. And with Africa burdened with the highest population growth rate in the world, it is not hard to understand that when the rains fail to fall, the impact can ascend from crop failure to famine with horrifying speed.

We have a choice of more Ethiopias with ever increasing frequency, or the painful and slow process of putting in place policies, institutions and incentives, which will make more efficient use of Africa's resources, expand its abilities, and reduce its vulnerability to external factors, including drought. The World Bank is taking a very active lead in efforts to address these underlying factors.

But we do not have much time. Today Africans are poorer than they were in 1970; by 1995, on current trends, they are likely to be poorer than at independence. Only in Africa has there been a generation of declining per capita income. There will be some economic growth in Africa this year. But with population growth rates still accelerating, with returns on investment -- already low -- sinking lower, and with growth in food production still lagging, the descent into decay continues.

This is not a new story. The World Bank published a clear warning in 1981 of the inevitable consequences of these trends. And last September we sounded a call to action on the medium- and long-term measures needed to avoid more Ethiopias in the future. We published a "Joint Program of Action;" some of you may be familiar with it. If the need for action was based on the bad news that had long been coming out of Africa, the incentive for action was the good news enshrined in the Report's conclusion that the prospects for growth in Africa are considerable. Growth opportunities from existing technologies are far from exhausted and much can be done to expand the knowledge base, particularly in agriculture. But, there are no magic solutions and the task will be long. It requires a better economic policy framework by the African countries themselves, a heavy investment in human resources and much greater emphasis on technology development and its application. The focus of the effort must be in agriculture because of the scope for increased yields and because by increasing productivity in this sector the lives of most people can be affected most directly and most immediately.

In designing the Program, which has been widely endorsed by African governments and by aid-donor governments, we have tried to draw on the lessons of the past so that we can apply them pragmatically to the future. And the success of the Program now depends on the African governments elaborating sound national programs of rehabilitation and development with corresponding policy reforms; and on the donor nations who for their part must support these painful policy reforms in Africa with timely and well-coordinated assistance. To assist the process, we established at the end of January of this year a Special Facility for Sub-Saharan Africa -- a pool of money currently totaling in excess of \$1.1 billion to be used over the period 1985-1987. Fourteen industrial nations, but not including the United States, are either contributing directly to the Facility or providing joint financing for the same purpose and under equivalent conditions. We are now ready to put this Facility to work.

These initiatives are important steps in the right direction, and lend credibility to the contention that it is possible to lead Africa out of its long nightmare. History should have taught us never to despair. Many journalists will recall the gloomy stories being written about India in the Fifties and Sixties. India, it was said, would be forever dependent on massive food imports to feed its escalating millions. But look what happened! Without much increase in acreage under cultivation, wheat production in India grew nearly fourfold in just twenty years. Farmers learned the value of good crop management with one crop and began applying it to others. And today India is self-sufficient in grain. India still has many problems, but the threat of famine is not one of them.

The prophets were also confounded over South Korea. The bleakest of stories were written about that country's prospects in the wake of the Korean war. It was economically an international basket case, and forecast to remain so. And by 1960, when annual per capita income had only reached \$80, it looked as though the prophets were anything but false. But look at Korea today, an awakening industrial giant with an annual per capita income of \$2,000 and still rising strongly.

India and Korea may be the sharpest reminders that those who write off countries and continents may later be slicing humble pie. But it has happened elsewhere too. Across the globe the lives of tens of millions of the poorest peoples have been more substantially improved in the past thirty years than in all history that has passed before.

It is important to recall that between 1955 and 1980, most developing economies grew faster than the industrial economies, and great strides were made in their social development. It was an astonishing performance and by far the greater share of the credit was due to the countries themselves. They took advantage of an international environment more favorable to growth than ever before, and worked hard at planning and managing their economies more efficiently. The lesson is clear: the international community must strive to make today's external environment less hostile to struggling Africa, and give it the opportunity that many Asian, Latin American, and Mediterranean countries so effectively exploited in the Sixties and Seventies. Above all it means providing open markets for their exports and maintaining adequate flows of capital to support their development efforts.

That is the responsibility of the international community. And in this effort the international community needs a leader. It needs the United States as leader. But that leadership will not be forthcoming unless grassroots America demands it. And it is you, ladies and gentlemen of the media, who are helping to build that demand.

In fact, it cannot be built without you. The enormous development achievement of the past thirty years is a great story. And while we all know that it's the bad news that usually grips our attention before the good news, your reporting of the good news does a great service to development. For this simple reason: when people know and understand what is possible, they support what is possible.

But, as a stimulant to knowledge and understanding, citizens have to be able to see the connection between their own well-being and the well-being of citizens in some far-off land. A public affairs specialist at The World Bank recently spent a month with a Hattiesburg, Mississippi, newspaper, "The American," looking for that connection between Hattiesburg and the Third World. It was there, and in many forms; migrants from developing countries working as doctors and teachers; an increasing enrollment of developing country students in the local university despite rigorous admission standards for foreigners; local churches making contributions to famine relief in Africa and community work in Mexico; a local bank lending to the Third World; a local executive inviting trainees from China to his company; local drug problems originating with the desperation of poor farmers in developing countries to find a viable cash crop; a rash of farm failures attributable in part to the decreased buying power of heavily indebted developing countries. And there were many other connections.

Seasoned journalists such as yourselves would not be surprised by the findings. But some of the readers of "The American," which duly reported them in a series of five front-page stories, certainly were. A before-and-after reader survey registered strong attitude changes about the importance of U.S. relations with the Third World; strongest in relation to the main theme of the series, which was economic interdependence. The people of Hattiesburg read about the connection, and it became important to them. If that was replicated across the United States, one might one day be able to declare obsolete Scotty Reston's dictum that "the people of the United States will do anything for Latin America except read about it."

My own belief is that, as the news spreads wider and wider through the land that there is a real link between the well-being of the Third World and the well-being of the United States, the people here will, in increasing numbers, want their country to show leadership in promoting Third World development. The Third World as a vast and growing market for U.S. exports is a Third World to be helped, not hampered, in its development efforts. That is simply enlightened self-interest.

And that self-interest is not just economic. There are clear links between economic progress and political stability; they are mutually reinforcing. Looking at the awful statistics of global military spending -- for the first time more than one trillion dollars this year -- one is bound to ask whether, at the margin, an extra dollar spent on development buys more global security than an extra dollar spent on the weapons of war. I have no doubt in my mind that the development dollar is by far the better investment. If more had been spent on stimulating economic development in Central America during past years, would so much be spent now on military operations?

These are issues on which you, the media, shed the light that enables the citizen to choose a path into and through the public debate. At The World Bank we have long been both conscious and appreciative of that role of yours. The Overseas Press Club and the news organizations from which it draws its membership have followed the fortunes of The World Bank since its foundation at Bretton Woods in 1944; through the European reconstruction period; the first development loans to Latin America and to Asia; the Bank's response to the wave of independence of former colonies in the Sixties; the emergence of the Third World as a force in global political and economic affairs; the North-South dialogue; the birth of the age of economic interdependence; you journalists have witnessed and reported on it all.

And there development and journalism have something in common. Both enterprises, if they are to be effective, must deal with the world as it is -- the real world. Effective development efforts analyze the reality and attempt to convert the economic inadequacies it finds into something better. Good journalism reports both the successes and the failures, and through its commentaries and editorials seeks to increase the incidence of the former over the latter.

As human beings, our attention is powerfully attracted toward bad news. But in your coverage of the developing countries, we ask that you not overlook the successes, such as the enormous strides taken by the people of India and Korea to which I have already referred.

We ask you to give success "equal time", to borrow a phrase that many of you have to live with. We ask you to bring your professional sense of balance and fairness to the story of Third World development.

One hundred and fifty years ago, Alexis de Tocqueville -- not a bad foreign correspondent in his own right -- said of Americans that:

"They admit that what appears to them today to be good, may be superseded by something better tomorrow."

That's a pretty good philosophy of optimism for the whole international community.

We at The World Bank are convinced that economic development in the Third World is a plus-sum game, with benefits for all. And we are ready to help you journalists bring that story to your readers and to your audience.

Thank you very much.