

Comments at South Centre Seminar

Panel 1: Global Economic Conditions and Multilateral Processes

I am truly honoured to chair a session in which the speaker is Dr. Yilmaz Akyuz. Dr. Akyuz is an economist whose analysis and insights have influenced the thinking of developing countries on international economic and trade issues. As the principal author of the Trade and Development Report, and in his subsequent writings, Dr. Akyuz has consistently questioned economic orthodoxy and encouraged us to push for policy options that would lead to more just and equitable economic outcomes. I must acknowledge that for us, at the Pakistan Mission, our briefs and interventions were heavily shaped by Dr. Akyuz' writings.

So my task today is rather simple. It is to keep my opening remarks very brief, and give the maximum time to Dr. Akyuz so that he may share with us his views on the momentous and, rather unsettling, developments taking place in the international economic arena. However, I will take the liberty of flagging certain challenges which increasingly preoccupy developing countries and, on which, I hope Dr. Akyuz shall also pronounce himself.

First, is the persistent challenge of managing capitalist economies in a manner that leads to sustained, equitable growth. Some years back the global economy went into a tailspin from which it is barely emerging. This has been coupled with intensification of grave inequalities within both the developed and developing countries. What corrective fiscal and monetary measures are required to address this? What policy space is needed by developing countries to ensure that they can take the required corrective measures.

Second, and relatedly, is the challenge of managing the multilateral trade system. Developing countries have long criticized international trade arrangements as being inequitable. But now, the multilateral trade system is under attack from within the developed countries. The new US Administration is giving clear signals that it intends to move away from multilateral agreements and opt for bilateral, mercantilist arrangements. What is the stance that developing countries should adopt in such an environment?

Third, there is the challenge posed by emerging technologies which may lead to profound changes in existing business and economics models. Artificial intelligence, robotics, internet of things, 3D printing, and enhanced sophistication and mechanization of the industrial processes will surely reshape our future world. What must the developing countries do to actually benefit from these technologies, and ensure that changes in business models do not lock them into a new phase of underdevelopment?

I have taken longer than I intended. Dr. Akyuz, may I now request you to take the floor.