



**Address by
the President of Iceland
Ólafur Ragnar Grímsson
at the opening of the seminar
Rich and Poor Nations
Icelandic International Development Agency – University of
Iceland
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Distinguished guests

For centuries we Icelanders were the poorest nation in Europe; infant mortality, famine and suffering were the fate of generations which were bound by the fetters of foreign domination, with neither the right nor the ability to make their voices heard.

In effect, the fate of the Icelanders resembles the struggles of the nations that obtained independence in the last century and embarked on the road to welfare and progress, which for many of them has proved to be beset with obstacles. Some became prosperous, others are still wrestling with poverty.

What causes such different fortunes? Is it the fetters of climate or undiversified natural resources? Is it a legacy from colonial rule? Is it misgovernment, corruption or the lust for power? Is it the guidance of international creditors, the theories of experts of varying degrees of wisdom, the straightjacket created by the regulatory frameworks of global trade? Is there any universal explanation why some have fared well and others badly?

It is a praiseworthy initiative to organise a seminar on this theme here and invite an internationally renowned scholar who has enjoyed the confidence of governments in many countries and has built up a bank of knowledge about the experience of nations throughout the world, and is now a Special Advisor to Kofi Annan.

Jeffrey Sachs has made yet another gesture of friendship towards Iceland by taking part in our discussions here. I recall a fascinating

seminar which he organised in Harvard just over a year ago on Opportunities for Small States in the Age of Globalization, where he chose to make Iceland, our experiences and successes, the focal point of his deliberations. After being assigned key responsibility for the implementation of the Millennium Development Program agreed by world leaders, Jeffrey Sachs has also expressed an interest in seeing a strong Icelandic presence in the formulation of a new strategy for conservation and harvesting of marine resources, a task which the nations of the world have seriously neglected to give the priority it deserves if even further damage in this area is to be prevented.

I also express my special thanks to the Icelandic International Development Agency and its Director for their initiative in arranging the seminar which is now beginning, because Iceland needs to be an eligible participant in the urgent debate taking place worldwide about how to liberate nations from the shackles of poverty and offer billions of people realistic hopes of a better life. Participation in this seminar by the Icelandic Ministry of Foreign Affairs and the University of Iceland is also a pledge that this issue will remain on the agenda.

Over the past few decades Iceland has gained substantial experience in development projects, at first in collaboration with our close cousins in the other Nordic countries but more recently on a growing scale on our own; we can also draw on a wealth of our own experience in this field, the way that farmers and fishermen in former times tackled the challenges of the modern age, changes in production and marketing structures, and the conflicts and difficulties that accompanied their diversification of basic industries and their transformation into a developed economy founded on sophisticated technology and economic stability.

It is healthy for us to remember, when we give advice to others, that Iceland frequently made huge mistakes on the way, that prejudices and irrelevant conflicts often overbore common sense and professional capability, that for a long time people clung to obstinate viewpoints and repeatedly followed paths that led nowhere.

Far too many years that were wasted in this way, perhaps even decades if we look more closely, and it is healthy to ask ourselves why it proved so difficult to bring Iceland to the forefront.

I am convinced that our own experience, if examined honestly and frankly, could provide ample material for the dialogue on the diverse problems that now afflict everyday life in other continents. In light of this newly acquired experience we are also in a better position than many other European countries to inspire confidence in new approaches, but

also because we pose a threat to no one, have no hidden agenda, strategic interests, military might or historical grandeur to defend.

On the other hand, we must admit that we will have to display great integrity, especially now that we are seeking a seat on the United Nations Security Council, the most influential body in the global community where the fates of whole nations are determined, and now have a special responsibility within the World Bank and give ourselves a higher profile within the agencies that address the state of poorer countries, their progress and the welfare, education and health of their people.

While we have said that we want to shoulder more responsibility, this will be accompanied by obligations and our contribution to development programmes will be weighed up then, the spotlight will be turned on the amounts we provide. Here it is vital to make substantial improvements. Otherwise there is a risk that our reputation will suffer and we will be handicapped by this if we need to compete for a seat on the Security Council in a vote at the UN General Assembly.

We need to step up our contribution in the immediate future and seek new methodologies for putting it into practice, methodologies which reflect our capability in the modern age, enrol young and well educated people to work in this field and invite other nations to send people here.

In this respect the University of Iceland, the new Small States Center Research Institute and the Public Administration Center could have a vanguard role to play, because many of the poorer nations have more need for experience and sound advice, training in public administration and institutional operations, than for large handouts.

We ought to have the broadness of vision and the imagination to repackage our development aid and take advantage of innovations which we have nurtured on the home front, thereby lending a helping hand to others and at the same time strengthening research institutes here in Iceland. In this way, increased development contributions and a range of Icelandic interests can be compatible.

I hope that the seminar on rich and poor countries which we are now beginning will serve as an encouragement to Iceland to reach new milestones in its international development work, create a solid foundation for further dialogue and also help us to hold our heads up high when we undertake greater responsibilities in the international arena.

In this spirit and with pleasure and gratitude I have the honour of declaring that this seminar is hereby open.