Statement by

Mr. Guido Mantega
Minister of Finance of Brazil

On behalf of Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad and Tobago
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We meet today in a moment where the world economy still presents deep uncertainties, and the recovery is vulnerable. The advanced economies continue to be confronted with the responsibility of taking the appropriate measures to deal with their domestic realities, whereas developing economies, which have been the main source of world economic growth, should continue to pursue measures to sustain their dynamism. It is still imperative that we take coordinated actions to improve the current situation, while avoiding negative spillovers to developing economies.

Jobs

In this economic context, I welcome the focus of discussion of the Development Committee on jobs and their importance for economic and social developments. Despite the international crisis, the Brazilian labor market is extremely dynamic. In 2011, 1.9 million formal jobs were created in Brazil, and we aim at creating more than 1.5 million for the current year.

From our own experience, I could not agree more that good jobs are not only the engine for poverty reduction, but also are transformational and capable of fostering development. It is my view, nevertheless, that any jobs policy and economic growth need to be paired with social policies that can guarantee a better income distribution and help to establish a stronger basis for inclusive growth.

Further, we must acknowledge that, while many jobs are mostly created by the private sector, the public sector plays a crucial role in developing a convening environment. The role played by public policies on this matter must not be neglected.

I concur with the World Bank when it recognizes that there is not a single solution to deal with different problems faced by countries experiencing distinct stages of development. While benefiting from its global presence and rich experience, the Bank must play a role in supporting its member countries to design specific policies to deal with their diverse realities.

In order to maintain harmony and coherence among the United Nations (UN) institutions, I urge the Bank to continue to coordinate its work in this field with other partners, especially the International Labor Organization (ILO). The experience ILO has developed in areas such as youth employment should be used to complement the work of the Bank in this realm.

Lastly, I believe the Bank must support its members in improving or creating instruments that can better measure and compare labor statistics among countries.

Disaster Risk Management

I welcome the initiative from the Government of Japan to promote a constructive dialogue on disaster risk management (DRM). Even though last year’s tsunami in Japan reminded us that all countries may experience enormous natural disasters, we must bear in mind that developing countries remain more...
vulnerable to their impacts, and their poor populations are further affected. The 2010 earthquake in Haiti must be a constant reminder of how such disasters can be devastating. In this regard, I strongly support the view that prevention is more efficient and less costly than disaster relief and response actions.

In my constituency, most countries suffer from severe natural disasters. This makes the topic even more critical for me. As a consequence, I strongly favor the Bank Group’s engagement in prevention and preparedness as a way to minimize the impact natural disasters can have on a country, its people and its development.

**Sustainable Development**

In the aftermath of the UN Conference on Sustainable Development (Rio+20), I continue to lend my strong support for the promotion of the green economy, as committed by our Heads of States in the Rio Final Declaration (“The future we want”). This Declaration sends to the international community the message that we must transform our existing systems of production and distribution, to make them sustainable, and to continue to develop nations with equally sustainable investments.

I support the constructive engagement of the Ministerial Dialogue on Sustainable Development, and urge the Bank to work with the UN Statistical Commission in all matters related to the use of natural capital accounts.

**Modernization**

I continue to lend my support to the modernization reforms being carried out at the World Bank Group. For the Group to maintain its relevance in the multilateral development architecture and to really become a “solutions Bank”, it must accelerate the move towards becoming an institution that is more open, transparent, and democratic. I appreciate President Jim Kim’s commitments in this regard and his focus on results.

The Bank’s engagement with middle income countries (MICs) is an integral part of this debate. While underlining the Bank’s mission of eliminating poverty, it is always important to recall that more than 70% of the world’s poor live today in MICs. A more solid engagement with middle income countries will definitely increase the Bank’s credibility and widen its knowledge of poverty-alleviation strategies – not to mention allow for a sustainable, strong financial capacity.

We will all gain from a stronger World Bank. But we will only have a strengthened institution if the engagement with MICs goes hand in hand with the progress in the voice and representation reform. The steps we have already taken are positive, but still timid. The reforms must be deepened and I keep advocating that the Board of Directors initiates a serious discussion on a solution that mirrors the development nature of the Bank, as well as the world’s current economic context. Discussions on this must be started as soon as possible to allow for its conclusion before the 2015 deadline.

Finally, I would like to express my sincere appreciation to the people and the Government of Japan for hosting this year’s Annual Meetings, as well as the Sendai Dialogue on Disaster Risk Management. Their impeccable organization and great hospitality will always be remembered.