

ADDRESS BY HIS MAJESTY THE KING OF SPAIN¹

Juan Carlos I

It gives me great satisfaction to be able to welcome you most warmly to Spain on the occasion of the Annual Meetings of the International Monetary Fund and the World Bank. In this year in which we are celebrating the fiftieth anniversary of the Bretton Woods Agreements, the fact that you should have chosen Madrid as the venue for this all-important occasion is an honor and a privilege for us. We wish to show you our gratitude with our finest tradition of hospitality.

I know that over the last few days you have already had occasion to conduct a vigorous debate concerning the significance of the last fifty years for international economic institutions and the world as a whole. This has given us an overview of the lessons of the past and the challenges of the future. Over the past five decades, the world has undergone far-reaching changes in all aspects of human endeavor. It would be impossible to discuss each of these changes in turn; however, I would like to mention in particular that the threat of widespread armed conflict similar to that of fifty years ago appears to have receded from view permanently.

The fact that both the Fund and the World Bank have lost nothing of their importance in a world undergoing comprehensive change bears witness to their continuing relevance and credibility as institutions.

In recent years we have witnessed a radical transformation in a number of the world's societies. Political and economic systems that seemed destined to endure for centuries have been toppled by the first winds of freedom. Neighboring peoples and countries, long embroiled in fierce and interminable conflict, have decided to try a different approach, based on hope and generosity, as they work together to achieve peace and progress. Men and women, especially the young people of today, have gained an awareness of the need to preserve the world in which we live, our one common home, while safeguarding the legitimate aspirations of sustainable development.

Today, no one can be said to have a monopoly on the world's problems. Today's needs and challenges are showing much the same face in every part of the globe. The developed societies must achieve increasingly close coordination in their economic, financial, and monetary policies if they are to maintain equilibrium in international relations. They need to

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work together to ensure that scientific and technological advances do not exacerbate the common scourge of unemployment.

From the standpoint of institutions, and from the standpoint of the responsibilities of government, the business community, and trade unions, the quest for a developed society that achieves the right blends of discipline and the sense of community, openness and self-interest, growth and restraint is a matter of priority concern that must be addressed, if all those who wish to join the workforce are to be given the opportunity to do so. In Europe, the most ambitious approach to such cooperation is to be found in the European Union. The advent of economic and monetary union and political union is a historic landmark that argues clearly in favor of shared solutions to common problems.

The achievement of a single market encompassing twelve industrial countries, working in accordance with the principles of cohesion and convergence, is a dramatic step forward and one that will result in a significant increase in prosperity for all of those countries. Extending the benefit of these achievements to other European countries will add to the luster of this enterprise and consolidate the guiding principles of regional integration. It is imperative to ensure that these changes do not heighten the risk of our becoming so self-absorbed that we overlook other areas that are heavily dependent on the more advanced countries. Unless we keep our sense of proportion, we could ultimately find ourselves faced with problems on a much more universal scale that will invariably require global solutions.

Spain's own experience in this area is a case in point. During its long period of self-absorption, our problems, in the best of cases, remained beneath the surface; while in many other instances they intensified as we fell farther and farther behind and were unable to keep up with the economic and social progress in which our natural partners were already firmly engaged. Historical proximity in some cases, geographical proximity in others, or both at the same time, have kept us alert to other major changes occurring outside Europe. This is especially true where the Maghreb countries and Latin America are concerned, two regions with which Spain's relations are, and always will be, very close.

Within this same spirit of an increasingly global approach, we must emphasize how vital it is not to overlook the problems of the South. For Spaniards, the South geographically closest to us can be reached by crossing a narrow strip of the Mediterranean. Far-reaching social and economic changes are taking place there and are affecting not only the societies of the countries concerned but ourselves as well. A generous response is called for, and a country like Spain must make a decisive contribution to the creation of a climate in which multilateral organizations are able to recognize all those changes and adapt to the new realities.

It is essential that the economic, financial, and human resources deployed by the IMF and the World Bank in their activities maintain a scale that accurately reflects a world situation, which has not only changed substantially since 1944 but is now characterized by the major transformations that are simultaneously affecting large areas throughout the world. Let us not allow the positive outcome of all these changes to blind us to the advent of new problems or to the work that still remains to be done. Environmental deterioration and the consequences of increasingly widespread migration are obvious examples of emerging problems that demand imaginative solutions based on the deployment of concerted efforts.

No one disputes the need to be constantly aware of the impact of economic development policies on the environment. This is an issue to which more and more attention should be devoted and one that should become a basic element of all project design. In addition to these new problems, we are faced with the many grievous situations that regrettably still exist. Poverty and the urgent needs to which it gives rise demand that we renew our efforts, in all probability reassessing our priorities in order to do so. The degree of well-being already achieved by some of our societies should enable us to allocate resources to other countries, in accordance with criteria that are more generous and, in all likelihood, more efficient. Acceptance of this new outlook means adapting our approaches in order to give the hope of a better life to those who live in appalling conditions of poverty.

It is not easy to get almost 180 countries, practically the entire world as it exists today, to reach agreement on priorities. However, with their newly globalized outlook, and based on the experience they have gained during their fifty years of life, the institutions are now in a position to reach for new goals. It is my hope that the 1994 Annual Meetings of the International Monetary Fund and the World Bank will be successful and will represent a significant step forward for the future of these institutions, which will continue to provide a forum for ongoing discussion of all the ideas that will enable us to make progress. Spain hopes to have contributed by welcoming you here today and will continue to contribute in the future.

I now declare open the Annual Meetings of the Boards of Governors of the International Monetary Fund and the World Bank Group.