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Report on Johannesburg Summit Side Event
“Elimination of poverty should not be a goal of itself”

- Lessons from East Asian experience in economic development and cooperation -

The Research Institute of Economy, Trade and Industry (RIETI), in cooperation with the Ministry of Economy, Trade and Industry, held a special panel discussion entitled “Growth Driven by Trade, Investment and Economic Cooperation – The East Asian Experience in Economic Development and Cooperation,” a side event of the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa. The symposium, held on Sept. 1, was attended by government officials of South Africa, ministers of other African nations along with a number of students and representatives of nongovernmental organizations, bringing in more than a capacity audience.

RIETI will continue to take up this issue in its Asia Dynamism Workshop and present a feedback on the Web site.

The following is the main points of remarks by two main speakers at the symposium, Kenichi Ohno, consulting fellow at RIETI and professor of National Graduate Institute for Policy Studies, and Columbia University Professor Jeffrey Sachs:

1. Poverty elimination should not be a policy goal of itself. Rather it should be realized as a result of economic development. In East Asia, trade and investments in the private sector economy, complemented by Japan’s economic cooperation, have resulted in high economic growth with the “flying geese development model” leading to the formulation of a cross-border production network. (Ohno)
2. The East Asian development model would not be a direct answer to the problem in sub-Saharan Africa where no particular country is ready to play a leading role. Still, the East Asian model provides ample lessons in methodology for formulating development policies. Creating development strategy is especially indispensable. (Ohno)
3. Because of unfavorable climate in the coastal area, colonization concentrated on landlocked highland areas in Africa. Thus, exports-driven economic development has failed to take place. By implementing appropriate industrial policies, however, it is possible to promote urban-type industry. (Sachs)
4. Investments in social infrastructures and human resources are of utmost importance for the development of Africa. In addition, firm location promotion scheme should be established to expand job opportunities for the educated population. The International Monetary Fund and the World Bank profusely call for structural adjustments. Without a clear long-term goal set by the government of each country, however, its people would not follow. (Sachs)

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* **The Research Institute of Economy, Trade and Industry (RIETI)** was established in April 2001 as an independent administrative agency to undertake policy research. Its missions are to arouse robust policy debates based on sound theoretical and analytical studies, and to put forward policy proposals by utilizing synergy effects through interactions with policymakers.