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Delivered at the occasion of the Information and Network Event:

Swiss Programme for Research on Global Issues for Development

Relevance of research for the reduction of poverty and global risks

March 8, 2012

1 Introduction

Ladies and Gentlemen, dear Colleagues

Geopolitical shifts, competition for space, raw materials, energy and food, increasing inequality among citizens within societies and between nations, and financial, environmental and political instability leave no choice for international cooperation but to be alert, responsive, and to constantly innovate in search for solutions to global problems.

Global issues challenge many of our traditional assumptions. In fact, our current model of economic development does not pass the test of sustainability. As a development agency we have to face *fundamental questions,* such as:

- What kind of development are we referring to? Will the notion of progress still frame the global policies? How could global development policy look like in the decades ahead?

- Is a sustainable development path bound to eradicate poverty? How can development be steered away from equity without economic and environmental sustainability, and economic and environmental sustainability without equity pathways?

- How will high-income countries relate to low-income countries in an increasingly interdependent world? Who will be responsible for what?

- How can we secure the food supply for a growing world population without endangering the climate and the natural life-support system for future generations?

- How can another three billion people access modern energy services without additional CO_2 emissions from the use of fossil fuels?
- Are there socio-economic patterns for transition towards a green economy that benefits the poor? Can communities living at subsistence level 'leap frog' industrial and consumer society to achieve societal well-being and quality of life? Then, what kind of technological, political and social innovation will support the transformation towards a low carbon society?

This sample of questions illustrates the complexity of the interrelated issues we have to deal with. – And the research community can help us – with sound scientific evidence and research based solutions – to address these critical issues. Hence, it is this type of questions that are at the heart of the new SDC-SNSF research program.

2 International Cooperation is challenged: Reorientation needed

The global development landscape is changing. The North-South dichotomy seems to be fading as a concept to understand the world.

By way of example, let me outline a few trends that challenge development cooperation, but also, of course, research for development:

- First, a country's development is determined by many different factors: Aid transfers are only one. Domestic governance, foreign investment, international trade, remittances from migrant workers, financial stability, and the price of raw materials on the global market are at least as important, if not more important.
- Second, today around two billion people still live on less than 2 US dollars a day. The gap between rich and poor is increasing. Yet in a more and more globalized world, we have lost the comfort of contrasting a Northern perspective with a Southern perspective. There is a growing number of rich people in poor countries and of poor people in rich countries. The term «developing country» has different meanings today: In some developing countries the state has only a weak hold over its territory. Other developing countries are emerging as influential and powerful players in global politics, even while large numbers of people remain poor.
- Third, the growing effect of emerging economies on global poverty and global issues has opened a new chapter in development cooperation. It is in the emerging world where the greatest economic potential lies, and where it will matter whether growth will be sustainable, i.e. low in emissions and efficient on resources.