

Every day the face of the world is transformed - politically, economically and physically. At times, change is abrupt and conspicuous. More often it is evident only with the passage of time. We welcome it for the benefits it can bring but fear it for the hazards it can pose.

How can we not welcome the diminished tensions between East and West or the strength of the democratic impulse we see growing in this continent? How can we not welcome the dynamism and commercial economic success of the newly industrialized economies of Asia and the Pacific?

Simultaneously, we are justifiably concerned by the increasingly evident damage inflicted on our ecosystem or by the threat to democracy in debt-burdened nations of the Third World.

Welcome or not, rapid or slow, change is inevitable. What is not is how we respond to it. Change challenges us all, as individuals, as governments, as members of international institutions such as this one. Responding effectively demands of us imagination, innovation and initiative. And more than ever global interdependence requires us to respond collectively so we can together manage problems beyond the capacity of any government to resolve successfully.

The OECD has a significant part to play in helping its members confront the change major industrialized countries face ahead. It must be open and dynamic, able to help us contend with the developments beyond our own borders. As an institution, it can serve as the focal point for our cooperative efforts with the rest of the international community.

One of our most obvious cooperative challenges centres on the countries of the developing world. The task of managing our relations with them fruitfully is complex, difficult and pressing.

As developing countries achieve economic progress, they become more active trading partners. But if they cannot service their external debt, there are immediate and direct financial consequences for creditor governments and institutions, and for an important part of our international trade.

If developing countries have difficulties in safeguarding their physical environments, we too will suffer the impact. Environmental neglect means their potential for economic development is impaired. Ultimately the environmental and economic consequences affect all of us.