

STATEMENT BY THE HOLY SEE

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**São Paulo, Brazil
13-18 June 2004**



HOLY SEE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

11th Session

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Intervention of H.E. Archbishop Silvano M. Tomasi, Apostolic Nuncio, Head of the Holy See Delegation

Mr President

The Holy See Delegation joins previous speakers in congratulating you and the Bureau on your election to guide this important Ministerial Conference on the 40th anniversary of the establishment of UNCTAD. It thanks warmly the Government and the People of Brazil for their welcome and hospitality.

1.- Forty years ago the States participating in the first U.N. Conference on Trade and Development in Geneva expressed their determination "to seek a better and more effective system of international economic cooperation, whereby the division of the world into areas of poverty and plenty may be banished and prosperity achieved by all." They called for the abolition of poverty everywhere and they saw it as essential "that the flows of world trade should help to eliminate the wide

economic disparities among nations ... The task of development," they added, "is for the benefit of the people as a whole." ¹

Today UNCTAD remains a valid instrument to achieve its initial aspirations and to promote development and dialogue between developed and developing countries. The goal of the present Conference shows the importance of enhancing coherence between national development strategies and global economic processes.

2.- Globalisation is indeed a reality. Over the past fifteen years this process has been further accelerated by changes in international geopolitics, by the rapid fall in transport costs and, in particular, the spread of information and communication technologies. Many of the world's economies are increasingly integrated. With regard to advantages and challenges, costs and benefits, each society and each economy must come to terms with the global markets.

3.- The importance of the economic dimension, based on market integration, is such that many international institutions consider it to be the salient feature of globalisation. But globalisation has other facets, such as the cultural and the ethical. Faced with problems like poverty, protection of the environment, security and the right to development, the global community is beginning to set itself common goals which are shared by all states and by civil society as a whole. The acceptance of the right to development, and the importance of everyone's participation as the means of achieving it, are some of the steps in the development of a common awareness of the ethical and cultural aspects involved in the process of integration. As Pope John Paul II states: "The Church on her part continues to affirm that ethical discernment in the context of globalization must be based upon two inseparable principles: First, the inalienable value of the human person, source of all human rights and every social order.... Second, the value of human culture which no external power has the right to downplay and still less to destroy." ²

4.- We must recognise that present gains are far below what might have been and that the dynamics of globalisation have led to the marginalisation, if not the impoverishment, of many people in the world.

For this reason the different aspects of globalisation, be they positive or negative, must be confronted by the various actors with shared responsibility. In different contexts globalisation yields different results. "Globalization, a priori, is neither good nor bad. It will be what people make of it. No system is an end in itself, and it

¹Final Act of UNCTAD I, adopted on June 15, 1964. Preamble, 1,4.

² John Paul II, Address to the 7th Plenary Session of the Pontifical Academy of Social Sciences, 25-28 April, 2001.

is necessary to insist that globalization, like any other system, must be at the service of the human person; it must serve solidarity and the common good."³

5.- The number of people who live below the threshold of one dollar per day per capita has decreased since the eighties. This positive result has been attributed to the process of economic integration implemented by certain countries.

There is, however, a marked regional imbalance. While some countries have significantly reduced their absolute number of people in poverty thanks to strong growth, in other regions, notably sub-Saharan Africa and Latin America, this number has increased.

In overall terms the relation of economic openness to poverty reduction does not seem to be a solid one. Increased participation and integration represent an important avenue towards a more dignified life, At the same time the understanding of the relation of economic integration to poverty reduction must be deepened and improved.

6.- It has been observed that economic integration, in some of the present modalities, has led to greater inequality. The gap in pro capita income between the richest decile and the poorest has grown significantly and there is no indication that this trend will be reversed.

Furthermore, the process is often associated with increased inequality within countries. We see countries with strong economic growth accompanied by growing inequality of income and an increasing gap between sectors of the population due to other aspects of poverty such as market access, health conditions, mortality - in particular child mortality - and education.

Increased inequality, if permanent, leads to the firm exclusion of whole sectors of the population and may result in a structural dualism difficult to tear down once in place. An example is the marginalisation of vast rural areas and the increase in the numbers employed in the informal sector as compared to those in the formal sector in the urban areas of developing countries, structural problems which must be appropriately addressed.

7.- This type of marginalisation violates human dignity and deprives people of their right to full participation in growth opportunities and it stifles growth thus creating a vicious circle: many countries are prevented from staying apace with the complex dynamics of the global economy and they are led to new forms of poverty.

³ Ibid., n.2

8.- Inequality is a source of conflict. Denied expectations in certain cases and under certain conditions generate social unrest and even the acceptance of violence as a form of social expression.

9.- In short, although economic integration may lead to increased growth and "through growth, trade is good for the poor", care is required before the unevenness of the development process. Since opening up the economy is not, per se, an anti-poverty policy, we must develop an understanding of how trade integration policies can be real poverty reduction policies.

10. The elimination of poverty increases social cohesion and becomes a means for sustainable growth. To this effect we must forcefully stress the importance of "poverty eradication" as a common goal, and the road to achieve it passes through the strengthening of national markets and, above all, through investment in the development of human resources and through improving the capacity to participate in the opportunities offered by economic integration to the active population at first and then to the whole community. Together with infrastructure investment, investment in human capital is the decisive factor to ensure sustainable, rather than volatile, growth.

11.- The sole goal of development is not to make persons "more productive" but rather to guarantee their dignity and improve their capacity to act freely. To speak of human capital and human resources means identifying the central element in the development process. Development is not only the elimination of poverty, but also better health and education, inclusion in society and the full enjoyment of civil and political rights. The economic, social, cultural and political dimensions of development are indissolubly linked. The nexus of these dimensions is the human person in all his/her relations.

12.- If men and women are to become protagonists they need above all a family and social context in which they can be educated to meet the challenges of life with responsibility. Development policies then should become more creative in taking these aspects into account. Of equal importance to guarantee balanced development is the gender issue. Dealing with gender issues means adopting policies and behaviour patterns which ensure the full integration of women, particularly young women, in the social fabric thus guaranteeing them equality of rights and of access to education, health and growth. The empowerment of women contributes to change and brings about immediate results as regards effectiveness, income growth and enhanced investment in human capital.

13.- All actors, national and international, public and private, can guarantee better success if in their common goal they embrace a concept of development which deals simultaneously with the microeconomic aspect of assistance to the growth of individuals and of civil society and the national and international macroeconomic support policies.

14.- At the international level, support policies include: renewing the flow of ODA, adopting more advanced forms of debt relief to ensure social development, adopting common rules to control the volatility of financial markets, reviewing trade rules on markets which are crucial to the development of the poorer countries. The private sector, on the other hand, should feel a greater awareness of its responsibility to become involved as a protagonist in the pursuit of this development goal.

15. In the present context of interdependence, States must engage in dialogue in order to identify the particular ways and means of their individual national development. Within this fine-tuning of the process, the basic responsibility rests with the individual government. Access to education and health, a better quality in public administration, good governance, education of public officials, inter alia, are all elements indispensable to ensure a sustainable development.

16.- It is not merely a matter of striking a balance between national and international responsibility but rather a matter of re-directing the joint action of the protagonists, simultaneously and coherently, towards the same goal: development widely shared by all elements of society and an equitable and fair international trade system.

Mr. President,

17.- I cannot conclude without mentioning the fundamental and pioneering role played by UNCTAD during the last 40 years in carrying out its three-dimensional mandate. Without UNCTAD, dialogue and consensus-building between developing and developed countries would have been less rich, effective and meaningful. In a world more and more interdependent, the role of UNCTAD remains valid and necessary if we want to maximize the advantages of globalization and minimize, if not eliminate, some perverse consequences. The Holy See takes advantage of this occasion to reaffirm its support for the revitalization of UNCTAD so that it may better honour its mandate and reach its objectives in close cooperation with relevant international organizations.

I would like also, in this context, underline the importance of the role of the UNCTAD. Secretariat and congratulate in particular the Secretary General, Mr.

Rubens Recupero, for his commitment and dedication to the cause of global development.

We are convinced, Mr. President, that UNCTAD XI will be a decisive moment in the long and difficult journey of development.