

MICHAEL D. HIGGINS, PRESIDENT OF IRELAND

ADDRESS AT SEMINAR ON “INVESTMENT FOR ECONOMIC
GROWTH, SOCIAL INCLUSION AND ENVIRONMENTAL
SUSTAINABILITY”

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE
CARIBBEAN

SANTIAGO, CHILE,

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Estimada Alicia Bárcena, Secretaria Ejecutiva de la Comisión
Económica para América Latina y el Caribe – CEPAL.

Distinguidos Ministros, Señores y Señoras

Estoy encantado de estar aquí. Gracias por esta cálida bienvenida.

I would like to thank our kind and gracious hosts, the United Nations Economic Commission for Latin America, the Chilean Ministry for Foreign Affairs, the EU and the EU- LAC Foundation for inviting me today to speak at this important seminar. I am also delighted to have had the opportunity to visit the headquarters of the United Nations Economic Commission for Latin America and the Caribbean, one of the UN’s five regional commissions.

In a previous life I visited the headquarters of the UN Commission in Geneva and I remain impressed by the quality of the researchers and their independent, peer reviewed research reports. Indeed in the past I have regretted that it is not drawn on to a much greater extent by governments and their bureaucracies.

Ireland, as you may know, is proud to be Chairman- in - Office this year of the Organization for Security and Cooperation in Europe, and I have welcomed the opportunity to discuss with Secretary General Barcéna this morning our commitment and belief in the important contribution which the regional organizations can make to the overall United Nations architecture as together our regions confront the many challenges of the twenty first century.

Executive Secretary

Next January, this historic and welcoming city of Santiago will host the first Summit between the EU and CELAC, *la Comunidad de Estados Latinoamericano y Caribeño*. As President of Ireland, the country who will hold the Presidency of the European Union at that time, I am delighted to have this opportunity to contribute to your preparatory deliberations.

As the social, economic and cultural links between our two regions continue to grow, next January's Summit presents us with a valuable opportunity to take stock of a long, rich relationship and to reflect on how it can be improved, with the objective of supporting the just and

sustainable development of our respective regions at a time of immense global economic challenges and change too, in both the economic discourse in theory and policy.

Ours is a relationship moulded by shared history and memory, by language and values, and at the heart of it is the possibility and promise of creating together such a dense tapestry of people to people contacts across culture, ideas, politics, business and all areas of human activity as will be worthy of our shared humanity, both realized and yet to be realized. It is a dynamic relationship that continues to evolve despite, or perhaps on occasion spurred on by the various challenges that arise such as that of the economic crisis being experienced in much of the world at the present time.

Your region continues to enjoy levels of growth that are above global averages. This achievement is made all the more valuable in light of the significant progress that is being made by you on poverty reduction. This speaks of a commendable commitment to ensuring that economic growth and development have a direct and positive impact on reducing inequality and marginalisation.

Regional integration is not of course a new ideal or concept for Latin America and the Caribbean. The dream of Simón Bolívar and others of the Liberators for a unified collective of South American States working together in post imperial conditions was not realized following your independence movements over 200 years ago. Now, however, as your countries move forward together to meet the

challenges of the twenty first century, the possibilities and opportunities offered by enhanced political and economic cooperation between all the States of the region are becoming clear. As the CELAC Caracas Declaration, adopted by your 33 Heads of State and Government states:

“the Unity and political, economic, social and cultural integration of Latin America and the Caribbean constitutes, as well as a fundamental aspiration for the peoples whom we represent, a necessity for successfully confronting the challenges with which the region is presented”.

The recognition of regionalization as a relationship between peoples towards which economic growth is instrumental, is welcome.

Ireland, as an old European nation, and as a member of the European Union for forty years, has shared the benefits and advantages of belonging to Europe's twentieth century's dynamic experiment in regional integration. Membership of the European Union has been positive for Ireland, not only in economic terms but also in terms of progress in equality, in social and cultural transformation, and in giving us the opportunity to broaden and deepen our engagement on the wider world stage. It is of course the stated belief of the Heads of State and Government, as envisaged in the Caracas Declaration, that deepening regional integration will have a positive transformative effect on the development of the Latin American and Caribbean region and its Community of States.

The citizens of our differing regions have lived, and are living, through difficult and challenging times since the banking and economic crises of the last few years have unfolded. In Ireland, and in many countries in the European Union, unacceptable levels of unemployment are part of the price that is being paid for the failed model of unregulated markets. There has been great personal and social suffering too as the recession has taken hold and austerity and its consequences have replaced the yields of even modest levels of growth. There has also been, however, a new and welcome sense of community and solidarity at national level, a desire to work together, to exit from what has failed, and find new ways to grow and develop our society, direct our economy towards sustainable growth and our people to economic security and indeed prosperity.

Ireland remains an outward looking country. We are debating and working towards a form of sustainable economic growth. Our exports have increased, including our indigenous industrial sector, and this form of real economy offers us a better future in the aftermath of a speculative model at home and abroad.

Irish companies continue to expand abroad, entering new markets, making new friends and connections. 2011 was a record year for exports from Ireland. Indeed last year there was a significant jump in exports to Latin America by Irish companies. Last year also saw the creation of the greatest number of jobs in a decade in Ireland through foreign direct investment. We are pleased that we have

retained international confidence as a country and a people in which to invest and come to live.

Our economy has returned to modest growth but we know that our recovery is still fragile. It will take all of us working together to ensure that, as we recover, we return to a model of sustainable employment - employment which enriches not just our economic but also our social development. I am confident that Ireland, through the creativity and resilience of our people, will meet the challenge of securing sustainable growth that supports a just society. We are blessed with a young, highly qualified generation – the highest proportion of third level graduates in Europe in our growing population.

In the European Union itself we identify great challenges. Our common European solidarity is challenged, as we share the blight of unemployment, and are called on to work together to achieve that democratic and effective Union of European peoples that was the vision of the founders.

The Latin America and Caribbean region has experienced many profound successes over the last twenty five years, successes of a democratic and constitutional kind which I was greatly privileged to witness at first hand on my first visit to Chile in 1988. Developments such as the return to democracy, the establishment of strong human rights mechanisms and civil society. Great progress has been made in levels of educational attainment, economic and social development,

in social justice and inclusion and they have been transformative. Your region too has fortunately continued to grow throughout the current crisis but I know that the uncertain world outlook presents strong challenges and the dangers of economic contagion.

I warmly welcome therefore the theme for the Santiago Summit next January: “Alliance for a Sustainable Development: Promoting Investments of Social and Environmental Quality”. As we strive to create social and economic opportunity for all our peoples, investment is clearly central to the success of our endeavours but equally important, and strongly reflected in the theme for the Summit, and this preparatory seminar, is the belief that sustainable development should be based on sound social and environmental principals and should stimulate those investments which accept responsibilities with regards to the welfare and developmental rights of local communities and the environment.

Investment should therefore not be seen as some ultimate good in itself, largely unregulated, but as an objective to be realized within such a public policy context as promotes social inclusion, innovation, entrepreneurship, corporate social responsibility, and stable, transparent, accepted and non-discriminatory legal frameworks.

The theme for this morning’s discussion - corporate social responsibility: social inclusion, employment and environmental sustainability – is therefore both useful and timely. There is always danger, particularly in difficult economic times, that such concerns

come to be regarded as secondary, to what is seen as an overriding need for corporations, the generation of profits. These environmental and social principles are seen as somehow an addition, a luxury to be afforded when times are good, but unfortunately, not sustainable when things turn bad. That is, of course, part of the legacy of the model that has failed us all, a model once presented, and taught, as the single hegemonic model of economic life – markets without regulation, national or international.

There were always of course Corporations and agencies, and I include State Actors here, who ran, and continue to run, their businesses and carry out their mandates with due regard to their obligations to society and to their employees. Grounded in resource and human realities, they have in general weathered the economic crisis better than others and are showing promise of recovery from the effects of the banking and economic crisis more quickly.

The European Commission's new strategy on corporate social responsibility which issued last year sets out its belief that:

“Enterprises, should, in the Commission’s view, have a process in place to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy.”

This stated strategy must become more than an aspiration. It must be turned into something that is accountable and transparent.

A strategic approach to corporate social responsibility is seen then, not just in terms of its indisputable social value, but also as a key determinant for a company's competitiveness and creativity, which can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity.

In Ireland, where we are experiencing an enormous explosion of growth and productivity in all the creative industries, and in science and technology, our experience is that it is those companies who are embracing corporate social responsibility in its fullest sense, who are performing best, and delivering the innovation and related jobs, which we are convinced offer the best way to creating a sustainable future for our young people.

In line with this positive experience we are seeing an increasing welcome and interest, both within business and the academic community in the practice of corporate social responsibility, with both large and small firms increasingly aware of and engaged with the implementation of those ethically minded policies.

Coillte, our national Forestry Company is one example of a large and successful State agency which is actively pursuing such policies.

Equally, I was delighted to read recently a study of eight small Irish firms showing how each was, in different ways, committed to pursuing their business objectives in a manner which focused on

engagement with their communities and the integration of human rights issues into their strategies.

High standards on social responsibility provide our differing regions - and our regions do differ with differing contexts and differing institutional responses even within regional realities and prospects - providing an excellent basis for dialogue on this important question. I know that many who will speak during this session are at the coalface in terms of delivering real strategies to bring forward and strengthen adherence to the practice of corporate social responsibility in all our countries. I look forward very much to seeing the outcome of these discussions reflected in next January's Summit.

Executive Secretary

We are meeting today in the Raul Prebisch auditorium, in the institution where the great Argentine economist spent many years and contributed in a formative way to the seminal twentieth century debates over the future direction of economic policy for the Latin American and Caribbean region. When reading him recently what struck me most was his adaptability, and how, unlike the single model of markets without regulation, of other economic and social theorists, he was prepared to adapt his theories and ideas when he found that they did not work out as he had imagined, or supposed that they would. He was prepared to adapt and change in the light of experience as we must all do now with original insight and courage.

Prebisch and other committed theorists and policy makers in the Economic Commission for Latin America occupied themselves with looking for a better deal for their region by questioning the prevailing orthodoxies. Public policy-makers and society in general, have both the opportunity and the responsibility of doing likewise by encouraging such a dialectic, as may indeed question prevailing policy prescriptions. That is to be welcomed. A review of decades of economic planning convinces me that there can be little less certain than apparent certainties, axiomatic generalisations without empirical basis or theoretical rigour that often claim a false scientific basis and go on to become an authoritarian stranglehold on policy. Constant review of policies and models, through a culture of independent thought, manifestly improves the design and impact of policies for the benefit of all our citizens.

In tackling the economic crisis, we need new thinking and innovative models. To this end, we should encourage greater critical capacity among policy makers, academics and participation by the public at large using foras such as today's gathering, but also drawing on the new tools of participation and consultation that have emerged in Latin American society. There must be such an adequate response as enables critical thinking to be respected as an essential preliminary to a later imaginative use of the social media. Real participation, after all, requires an active rather than passive citizenry.

As we move forward in this great adventure of cooperation between our two regions let us also build on what we know is true and lasting

in our joint heritage and cooperation, our commitment to democracy and human rights, our ambition for real social inclusion and sustainable development; our commitment to protect our environment and our rich and inclusive cultural heritage so that it can be passed on intact to succeeding generations.

I wish you every success for this seminar's successful conclusion and for the Summit in January. You have the possibility of helping to deliver that kind of global interdependence such as the UN Secretary General Ban Ki Moon said at a sustainability summit earlier this year, "delivers dignity, stability and opportunity for all." I hope that the deliberations today and in January will generate new ideas as to how both of our regions can jointly work in the world, followed by real commitments to work together too in multilateral organisations such as the WTO and ILO so as to make the ethical globalisation policies we all now desperately need to contribute positively to economic development and make a real and lasting difference to the lives of all our citizens.

Our two regions together have the possibility of achieving so much, of putting a great example in place, at a crucial time for humanity.

Quisiera concluir expresándoles nuevamente mi agradecimiento, y el de mi esposa Sabina, por la calidez de su recibimiento.

[May I conclude by expressing to you again my thanks, and those of my wife Sabina, for the warmth of your reception.]

Go raibh míle maith agaibh y muchísimas gracias.