

**STATEMENT BY MR. JOSÉ LUIS MACHINEA,  
EXECUTIVE SECRETARY OF ECLAC, AT THE OPENING MEETING  
OF THE THIRTIETH SESSION OF THE COMMISSION**

**San Juan, Puerto Rico, Monday, 28 June 2004**

His Excellency José Miguel Izquierdo Encarnación, Secretary of State for Puerto Rico,

Distinguished representatives of the member countries of ECLAC and of other countries whose representatives honour us with their presence here today,

Representatives of international organizations,

Representatives of non-governmental organizations who are accompanying us in this session,

Ladies and gentlemen,

I am pleased to cordially welcome you to this thirtieth session of the Economic Commission for Latin America and the Caribbean, which is being held in the beautiful and hospitable city of San Juan.

First of all, I would like to thank the authorities of Puerto Rico, and particularly Governor Sila María Calderón Serra, Secretary of State José Miguel Izquierdo Encarnación and all the staff of the Office of the Department of State for their very effective collaboration in the organization of this meeting.

It is an honour for me to be opening this session, not only because of its importance for ECLAC and its member countries, but also –and here I must ask your indulgence for introducing a personal note– because this is the first session over which I will be presiding as Executive Secretary of ECLAC.

This is not, however, the first time I have come before the representatives of the Commission's member States. In April of this year, with the support of the Government of Brazil in its capacity as the chair for the session of ECLAC held in 2002, a meeting of the ECLAC Committee of the Whole was convened at United Nations Headquarters in New York. The purpose of that gathering was to exchange views with the ECLAC member countries' permanent representatives to the United Nations regarding the priority challenges to be met by ECLAC in the coming years.

That meeting of the Committee of the Whole also provided an opportunity to initiate consultations with the countries' permanent representatives concerning the strategic framework for the Commission's work in the 2006-2007 biennium. Once this proposal has been accepted by the subsidiary bodies of the Economic and Social Council and then by the General Assembly,

it will become the main frame of reference for the legislative mandates and structural planning which guide the Commission's programme of work in the medium term.

At that meeting, I presented a document entitled "ECLAC: priorities for Latin America and the Caribbean in the coming years". The participating delegations firmly endorsed the five priorities identified therein, namely: the region's integration with the rest of the world, productive development, international migration, social cohesion and sustainable development. They also reaffirmed the belief that development issues –viewed from an integrated perspective that encompasses their economic, social and environmental aspects– should continue to constitute the core element of ECLAC activities. As a consequence of the guidelines received from the member States, we have decided to add another issue –the issue of financing for development– to our list of priorities.

The support and ideas provided by the delegations that attended the Committee of the Whole in New York made a very important contribution to the preparations for this thirtieth session.

As you know, these sessions of the Commission constitute the most important forum at which the ECLAC secretariat meets with its member Governments. It is at these sessions that we provide an accounting of our fulfilment of the mandates we have been given and receive further guidance for our continuing efforts to perform these tasks.

Thus, during this week we will have the opportunity to review the more programmatic and institutional aspects of our work, to present the report on the Commission's activities since May 2002 for your consideration and to submit the draft programme of work of the ECLAC system for the 2006-2007 biennium to you for your approval. We will also be presenting the central theme of this session, which is devoted to an analysis of productive development in open economies.

I would like to take a moment during this opening meeting to mention some of the Commission's most significant activities and proposals during these past two years.

**First** of all, ECLAC has strengthened its interactive cooperation with the countries through the adoption of measures aimed at forging a more flexible, more effective organization; an organization which is run in a more transparent manner, in which decision-making is more decentralized and which demonstrates greater accountability. We are seeking to streamline and modernize its operations and eliminate duplications. This all forms part of the reform package that the Secretary-General proposed to the General Assembly in September 2002, reforms that have been reflected in an exhaustive evaluation of the work of the United Nations system. I would like to highlight this focus on stronger coordination, on results-based budgeting and planning and on the development of more effective systems of evaluation and follow-up.

With a view to providing you with as comprehensive a report as possible on the work we have done, tomorrow the Programme Planning and Operations Division will present the report on the activities of the Commission in 2002 and 2003. The directors of each of the substantive

divisions will then provide you with an overview of what has been achieved during this stage together with programme proposals concerning each of the relevant subject areas. In addition, for the first time we will also be providing a separate presentation on the activities of our five national offices, which for several decades now have been working to strengthen cooperation and dialogue with our member countries.

**Second**, ECLAC has been closely monitoring the impacts of economic and social events on the political stability of some of the countries' fragile democracies and has worked to focus greater multilateral attention on the region within the framework of the priorities of the United Nations. One sign of this is the official visits paid by the Secretary-General to a number of countries in the region, such as Bolivia, Chile, Ecuador and Peru. At ECLAC headquarters in Chile, a high-level debate was organized at which the Secretary-General, President Ricardo Lagos of Chile and President Tarja Halonen of Finland analysed the United Nations' urgent need for a coherent regional agenda and for a re-examination of inter-agency cooperation with other bodies and organizations of the multilateral inter-American system aimed at building stronger institutions and organizing them into a regional network to serve as a bridge between global and national affairs.

ECLAC is in a particularly advantageous position to meet these challenges and to offer a multidisciplinary method of analysis to the countries which is in keeping with the specific features of the region and with its diversity in terms of national conditions.

Many of the central issues in the current debate on development have been the focus of attention at world summits during the 1990s. These conferences culminated in the Millennium Summit, at which the Heads of State and Government of the States Members of the United Nations adopted the Millennium Declaration as a roadmap for combating poverty. The effort to attain the Millennium Development Goals has become the chart used to plot out the path of the United Nations and thus, of course, of ECLAC.

**Third**, I would like to draw your attention to the fact that one of our primary activities during this period has been to furnish a methodological and policy platform to assist the countries in their follow-up of United Nations world summits dealing with economic, social and environmental matters from a regional perspective within the framework of the Millennium Declaration.

We have continued to organize preparatory and follow-up activities, and during this past biennium we have made progress in the implementation of an integrated approach. This approach has proved to be particularly valuable in terms of our participation in the International Conference on Population and Development, the Fourth World Conference on Women, the International Conference on Financing for Development, the World Summit on Sustainable Development and, more recently, the World Summit on the Information Society.

With the support of the United Nations Population Fund, a consolidated set of indicators has been designed for use in the joint regional follow-up to the plans of action adopted at the conferences on population and on women and development. In the areas of financing and

sustainable development, the secretariat has been fostering the establishment of links for the implementation of the measures called for in the Monterrey Consensus and the Johannesburg Declaration in close coordination with the Department of Economic and Social Affairs at United Nations Headquarters.

We have also collaborated in the meetings held on the implementation of the programme of action for the sustainable development of small island developing States and in the International Ministerial Conference of Landlocked and Transit Developing Countries, as well as holding all the mandated meetings of the Commission's auxiliary bodies. These meetings have included the twentieth session of the Caribbean Development and Cooperation Committee (CDCC) recently held in Saint Croix and the ninth session of the Regional Conference on Women in Latin America and the Caribbean in Mexico City, whose chairpersons will provide us with a detailed report on those conferences.

I would like to refer, in particular, to our participation in the first World Summit on the Information Society, whose first phase was held in Geneva in December 2003 and whose second phase will take place in Tunis in 2005. ECLAC is assisting the countries in the formulation of the regional plan of action and national strategies called for by the agreements reached in Geneva. The core objective of our work in this area is to ensure that, rather than perpetuating the heterogeneity of the region's economies, the diffusion of new information technologies serves as a tool for achieving greater equity and has a positive impact on the production structure.

Based on these experiences and with a view to enhancing cooperation with member States, we have tailored our programme of work to support their efforts to fulfil the commitments they have undertaken. I would like to underscore five basic lessons that will allow us to direct the Commission's future work more effectively along the lines set out in the Millennium Declaration:

- Poverty reduction policies should not be confined to social policies but should also address the impact of economic policies on equity and inequality. We understand the goal set forth in the Declaration as referring not only to extreme poverty (for which specific targets are established therein) but also to the alternative definitions of absolute and relative poverty that this Commission has been using in its analyses for quite some time. ECLAC also places priority on gender equity in terms of both the indicators it uses and the policies it proposes.
- National policies as well as regional and international cooperation mechanisms offer us a means of mounting a systemic, multisectoral, inter-agency response to the need to link economic development with social equity and environmental sustainability. The framework for this efforts is provided by a partnership for development that has been enriched by the agreements reached at the summit in Monterrey. To mention just a few examples, in 2002 ECLAC, in collaboration with the United Nations Development Programme and the Institute for Applied Economic Research of Brazil, assessed the chances of achieving the poverty reduction target in 18 countries of the region based on their economic outlook and prospects for growth. In collaboration with the United

Nations Development Fund for Women, the United Nations Development Programme, the International Labour Organization and the Government of Italy, we have also completed nine case studies on the chances of meeting the target relating to gender equality and the empowerment of women.

- The links between economic and environmental strategies form the foundation for Goal No. 7 regarding the sustainability of development. In order to assess the progress made in this area, we have identified a set of more accurate indicators for measuring the depletion of natural resources, sustainable energy use and policy integration. These indicators enable us to link the Millennium Development Goals with the commitments made at the World Summit on Sustainable Development.

Today we also have the privilege of presenting to you a special web portal that provides information on the work being done in the region in pursuance of the Millennium Development Goals from a regional, inter-agency perspective. This information platform has been designed to facilitate follow-up efforts and thus to serve as a vehicle for communication and interaction among ECLAC, other bodies within the United Nations system that are working in the region, the countries and civil society.

The aim of this portal is to strengthen our cooperation with other entities of the United Nations system and, in particular, to furnish a system-wide platform for the achievement of the Millennium Development Goals. We are grateful for the close collaboration in this effort of the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund, the United Nations Environment Programme, the Pan American Health Organization, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the International Labour Organization.

**Fourth**, I would like to mention the cooperation that has taken place between ECLAC and the economic commissions for Africa, Asia, Europe and the Middle East with a view to creating an interregional mechanism for collaboration on specific subjects. These cooperative efforts include active participation in international forums organized by the United Nations system with the aim of highlighting the regional dimension in global debates. The most recent instance was at the eleventh session of UNCTAD, held in São Paulo, Brazil. During the subsequent visit paid by the Executive Secretaries of the other four regional commissions to ECLAC in mid-June, we identified many different areas for cooperation among the commissions, one of which is follow-up to the World Summit on the Information Society.

The **fifth** element is coordination between ECLAC and intergovernmental bodies outside the United Nations system. In this respect, special mention should be made of the Commission's close cooperation with the Inter-American Development Bank and the Organization of American States in various areas of common interest, including support for integration, governance and equity. As a member, together with these two agencies, of the Tripartite Committee on the Free Trade Area of the Americas (FTAA), ECLAC has been providing support for the negotiations on this subject.

Lastly, I would like to note that we have also maintained close contact with other sectoral intergovernmental forums, particularly within the framework of ministerial meetings on agriculture, the environment, energy, housing and urban planning. Carrying on a long-standing tradition, we have strengthened the Seminar on Fiscal Policy, which is held each year for finance ministry officials from the region in conjunction with the International Monetary Fund, the Inter-American Development Bank and, in recent years, the Organization for Economic Cooperation and Development.

Within the framework of this thirtieth session of the Commission, meetings will also be held by the sessional Ad Hoc Committee on Population and Development, the Committee on Cooperation among Developing Countries and Regions and the Presiding Officers of the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES). In addition, we have taken advantage of the Commission's well known contributions to the integration of environmental and social dimensions into development policy in order to organize a special meeting on sustainable development, which we would like to begin holding on a regular basis within the framework of the biennial sessions.

This ample agenda also includes two activities of particular importance for ECLAC. The first is a seminar which we have organized in collaboration with UNESCO in order to examine the financing and management of education in Latin America and the Caribbean. The second is a high-level seminar on productive development in open economies, which we have organized for the purpose of undertaking an in-depth analysis of the main document prepared by the secretariat for the session. As you know, it is customary for the secretariat to present a substantive study at each session of the Commission. "The fiscal covenant", "Equity, development and citizenship" and "Globalization and development" are the documents analysed at the last three sessions, and they continue to serve as essential references on these subjects. On this occasion, the secretariat has prepared a study on productive development in open economies. As is customary for ECLAC, this analysis is set within the region's present historical context. Allow me to refer very briefly to this subject.

Over the past 15 years, the Latin American and Caribbean region has wagered heavily on its integration into the global economy. In fact, of all the developing regions of the world, it has been the most resolute in its pursuit of economic liberalization. A review of this period brings to light a number of important achievements, including greater stability, the reduction of the countries' fiscal deficits, export growth, export diversification and increased foreign investment. It also, however, reveals that this strategy has not succeeded in raising the region's growth rates or reducing its decades-old structural heterogeneity.

Although a smaller percentage of the population in Latin America and the Caribbean was poor at the end of 2003 than in 1990, the actual number of people living below the poverty line has reached the record level of 227 million. This means that 44% of the population is below the poverty line and 20% is living in extreme poverty. Nor should we forget that in the 1980s poverty grew exponentially and that, as a result, today our relative poverty levels are higher than they were in 1980.

While continuing our efforts to increase and upgrade social expenditure, which has risen significantly since 1990, the region urgently needs to regain an economic growth rate that will enable it to reduce unemployment and shrink the informal sector. Unless this is done, the marginality characteristic of a large part of the region cannot be overcome. Thus, in addition to consolidating and refining the reforms of the 1990s, we need to undertake other essential reforms in order for the region to grow while achieving greater equity. This is precisely the objective of the document that I will be discussing in a few moments.

If I could sum up this document's message in a single sentence, I would say that reforms aimed at expanding market mechanisms should be coupled with the active involvement of the State. The idea of having "more market and less State" should be supplanted by the idea that having "more market calls for a better State".

**Distinguished delegates**, we have just one short week once every two years to meet in this forum in order to review what we have done and decide what new tasks we should undertake. I therefore invite you to take an active part in all the meetings, so that on Friday, when resolutions are adopted that will set the course which the Commission is to follow and the commitments it is to fulfil in the coming years, we can all feel satisfied with the work we have done here in San Juan.

Thank you.