

**REMARKS BY ALICIA BARCENA IBARRA,  
EXECUTIVE SECRETARY-DESIGNATE, AT THE TOWN HALL MEETING OF  
THE ECONOMIC COMMISSION FOR LATIN AMERICA AND THE  
CARIBBEAN**

Santiago, Chile, 27 June 2008

Good morning.

Warm greetings to the Executive Secretary, José Luis Machinea, and the new members of the Staff Council.

Today is a very special and moving day for me.

This is my first address as Executive Secretary-designate of ECLAC. It was important that it should take place at such a meeting with the ECLAC staff because having been chosen by the Secretary-General, Ban Ki-moon, to steer the destiny of ECLAC in the next few years has a deep meaning for me: that of coming “home”.

I thank José Luis Machinea for his great generosity in organizing this meeting and making this a moment of fraternity, of continuity, of celebration of what has been achieved and breath of vision for what is to come. Never before in the history of ECLAC has there been a handover of this sort and it marks a singular occasion. My thanks, also, to Ernesto Ottone.

I feel particularly honoured to be continuing the work of such figures as Prebisch, Iglesias, Rosenthal, Ocampo and, of course, Machinea, to name but a few. Each of them contributed important lines of thought which have resonated and influenced visions of development not only in the region but throughout the world.

As both Ocampo and Machinea have recently argued, although globalization has broadened the opportunities for progress available to the countries of the region, it has left lights and shadows. It is interesting to see how the region achieved average annual growth rates of 3.5% for five years from 2002 onwards, with a strong upturn in social spending which has led to some progress in poverty reduction efforts.

The equity issue involves both old and new challenges, sometimes hidden behind the averages, since many of the region’s countries (even those with high growth rates) continue to suffer from age-old problems of poverty, social exclusion, degradation and even high levels of inequality; and in some these problems have been worsening.<sup>1</sup>

The region exhibits not only large differences from one country to another, but also a marked heterogeneity within each country. Each one has sectors that seize opportunities for growth and innovation, as discussed in the document recently presented at the ECLAC session. But other groups have not been able to lock into this dynamic and will be unable to do so without explicit policies to strengthen the complementarity between changing production patterns with social equity and the strengthening of fiscal policies and covenants (as established in the mandate of Gert Rosenthal), between globalization, equity and competitiveness (as Ocampo established) and active public policies on innovation and social protection (as underlined by José Luis).

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<sup>1</sup> J. A. Ocampo and J. Martin (eds.), *Globalization and Development: A Latin American and Caribbean Perspective*, World Bank/Stanford University Press, 2003.

These old and new challenges facing the region, so central to its development, will continue to be at the core of our thinking. But it is also true that the world is passing through a particularly difficult period, in which far-reaching political and security-related matters combine with uncertainty over the immediate future of the world economy. Elsewhere, the Doha Development Agenda of the World Trade Organization is virtually paralysed and little progress has been made in international financial reform, despite the commitments made at the International Conference on Financing for Development in Monterrey in 2002.

The events of the last five years have opened up new paths for economic, social and environmental debate, which was dominated until not very long ago by dogmas whose validity has not been borne out by the facts. This broadening of the debate should therefore be seen as one of the positive aspects of the last few years and it also responds to a demand for change that has become evident in the world of policymaking. Our ability to respond to these new demands will shape the region's capacity to embark on a new phase of economic growth with equity, social cohesion and environmental sustainability. Crises always bring opportunities to reflect and, if necessary, to change direction.<sup>2</sup>

As a first assessment, and without the benefit of having met with you to discuss your visions and proposals, I think that the region should first revisit the issue of financing for development, particularly public and private investment. I am aware that the regional consultation in the Dominican Republic provided inputs for proposals to take to the Follow-up International Conference on Financing for Development, reinforcing the role of ECLAC.

Second, the framework of macroeconomic stability that prevailed between 2002 and 2007 is changing rapidly. I believe that ECLAC should support the countries in seeking answers to the food crisis, rising oil prices and the slowdown in the world economy, particularly in the United States, bearing in mind that the external factors causing this situation are having diverse effects on each country depending on their particular strengths and weaknesses. The countries in the strongest position now are undoubtedly those that have developed national and international mechanisms to increase their room for manoeuvre in implementing countercyclical macroeconomic policies.

Third, and linked to those apparently episodic matters, is the urgent need to review global covenants. In this context, the Secretary-General, Ban Ki-moon, has repositioned the United Nations in its unquestionable role as a universal forum in the provision of global public goods linked to development, such as financial stability, global human health, food security and climate stability. It is highly likely that the Secretary-General will convene a summit to examine the issue of food and review progress towards achieving the Millennium Development Goals before the end of the year, as he mentioned yesterday before leaving for his tour of Asia and meeting with the G-8. This coincides with Santo Domingo resolution 633(XXXII) adopted at the recent session, which requests ECLAC to consider the challenges faced as a result of the current global energy and food crisis and related issues, such as climate change. It behooves us to determine the best time to organize a regional meeting of government experts and convene specialist studies in order to provide technical assistance to the countries and formulate public policy options in line with the global accords.

Fourth, in the framework of structural matters and to contribute to reducing inequality, we must drive the formation of citizenship by advancing towards a knowledge society with innovation, comprehensive access, high quality and relevance.

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<sup>2</sup> G. Rosenthal, "ECLAC: forty years of continuity with change", *CEPAL Review*, No. 35, Santiago, Chile, 1988.

José Luis has left an impressive legacy in terms of knowledge and innovation and how these tie in with active productive development policies that go beyond manufacturing to consolidate systemic competitiveness.

A new balance must be struck between the State, the market and citizens. This involves the four main elements of the legacy of Iglesias, Rosenthal, Ocampo and Machinea. First, it is vital to create and renew public and private institutions based on solidarity and community. Second, better systems must be developed for the organization and evaluation of public management, so as to achieve accountability and transparency. Third, these institution-building tasks are relevant not only at the national level, but also at the local and international levels. Last but not least, underlying all of the above is the formulation of what ECLAC has termed the "fiscal covenant", in other words, explicit or implicit political agreements on the level, breakdown and trend of public spending and the funding thereof.

The question now is how to strengthen the links between economic development, social development and environmental sustainability that have traditionally proved so elusive in our region. Surely the only way forward is to recognize that all three dimensions are equally important, and that their progress should be simultaneous and mutually reinforcing.

Our guiding principle comes from the United Nations. According to the organization to which we belong, development goals are diverse and are not interchangeable. In other words, the goals of economic, social, political and environmental development must be pursued simultaneously. At our current stage of development, this implies actively seeking complementarities between growth and equity, competitiveness and social cohesion, between those two pairs and democratic development, and between economic development and environmental sustainability. We are fully aware that these goals often clash, giving rise to many a policy dilemma. However, we must be creative in finding ways of achieving these goals simultaneously in the long term, as we are constantly reminded by day-to-day realities.

There is a pressing need to improve the interrelationship between economic, social and environmental policies. Indeed, this is one of the major institutional shortcomings of our region.

The backdrop to this is a difficult debate on the social benefits of democracy, global economic integration and uneven progress in regional and subregional integration. Nevertheless, we must be clear on one point: problems of inequity and unsustainability are not the result of the current development model, as they also characterized the previous model and all those that preceded it. It cannot be denied that such problems reflect fundamental problems in the economic, social and environmental structure. It is not clear whether there can be one single model of development, as was thought to be case at the time of the Washington Consensus.

Once more, history has vindicated ECLAC.<sup>3</sup>

The Commission's most distinctive feature over the past 60 years has been its creativity and its great capacity for building development strategies based on a consistent set of ideas. Since many of these ideas proved to be important, they were a matter of controversy and often misunderstood. The debate continues to be lively, proving that the Commission's analyses remain valid.

Hence the need to take a new look at development from a wide-ranging perspective, as the world economic order is rebuilt, and to do so on the basis of a deep-seated Latin American and Caribbean identity. We must approach the development agenda from the viewpoint of the countries which make up our region.

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<sup>3</sup> E. Iglesias, oral statement, 2008.

We are in the midst of a new period of adjustment and transition. There should be no mistake, however; this is “not an era of change but a change of era.”<sup>4</sup>

I believe that, on the one hand, ECLAC should continue to analyse the successful aspects of various types of development, as it has done objectively over the years; and on the other, it should adopt a modular approach to policies and proposals which have been successful in the region. As Prebisch put it, ECLAC must resolutely seek to make concepts serve actions as part of a dialectical competition between ideas and realities. One thing is not negotiable: the market must take into account the values and objectives of society as a whole, such as the goal of achieving equal opportunities with full integration and social cohesion. The most urgent task is to remedy the perception of acute injustice which prevails in the region. This is the true ethical dilemma, affecting growth and political stability.

We must therefore take advantage of the opportunities which have opened up for ECLAC in recent years to assist the countries of the region in assimilating concrete experiences both within and outside the region.

The expansion of the membership of ECLAC to more developed countries, together with its increased participation in other intergovernmental forums such as the European Union, the Ibero-American Secretariat (SEGIB) and the Organisation for Economic Co-operation and Development (OECD), provides us with a variety of opportunities to complement the regional agenda. It is, however, more necessary than ever to call into question the supposed universal validity of the economic theories constructed in the industrialized world, and to take into account the particular characteristics of Latin America and the Caribbean.

Similarly, affirming the virtues of the market in assigning resources does not mean denying the fundamental role of the State in the development process.

This is not the time or the place for us to discuss these issues at length; ECLAC has referred to them in a number of recent documents.

At the worldwide level, it is increasingly clear that we are facing “not an era of change but a change of era.” In this context, thanks to the comparative advantages it has built up and the leadership of its Executive Secretaries, ECLAC stands out from the other regional commissions. This is shown by the fact that it has been entrusted with coordinating the United Nations working groups on reform of the international financial architecture and on progress towards the achievement of the Millennium Development Goals. You will recall that when Secretary-General Ban Ki-Moon visited ECLAC, he drew attention to the Commission’s important role, expressed appreciation for its intellectual integrity and its beauty, and mentioned some of the priority areas of its work during his term of office, such as the Millennium Development Goals and climate change. Progress in these areas requires cross-cutting approaches and collaboration among Divisions. The Secretary-General has also assigned to ECLAC a coordinating role involving the other regional bodies and working closely with the United Nations Development Group (UNDG). The Commission will continue to develop the normative and analytical framework used by programmes and specialized agencies in conducting their operational activities at the country level. ECLAC already achieved that in 2005, and new opportunities for cooperation were opened up with other United Nations agencies and programmes working in the region.

At the internal level, we will continue to respond to requests from countries and broaden the concept of development to make it truly sustainable in all areas, through intensified coordination between applied research, technical cooperation and training, stronger links with United Nations headquarters, and improved leverage at the regional level.

With the support of all those present here, we must consolidate this institution’s strengths in areas where it has played a major role in the region. These include proposals for macroeconomic

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<sup>4</sup> O. Sunkel, oral statement, 2008.

management with countercyclical policies, the promotion and administration of trade agreements based on open regionalism, the modernizing of productive structures with emphasis on innovatory systems, a comprehensive review of the role of the State, public-private alliances, demographic transition, migration, the distinctive role of women in development, sustainable development, natural resources and infrastructure and, of particular importance, the role of statistics and data series.

We will also emphasize the critical areas of work that ECLAC has been developing, such as spreading the benefits of development in terms of social cohesion, inclusion and social protection.

Within the Commission, we must take care in dealing with a critical financial situation caused, among other factors, by exchange-rate fluctuations. We must attach an even higher priority to efficiency and effectiveness among programmes, products, results and costs. This has been requested specifically by countries represented at Headquarters in New York.

The problem of administrative costs should help us to develop sustainable consumption patterns involving actions designed to reduce consumption of energy and other inputs. I know that efforts are already under way in that regard.

Administrative transparency is a priority area for the Secretary-General. I was privileged to work with him on the new accountability architecture for the entire multilateral system, which includes personal integrity, institutional performance and compliance with institutional norms pursuant to the Charter of the United Nations. I have been involved in a participatory process which led to great progress in relation to the internal system of administration of justice and the strengthening of the international civil service system, including the identification, selection and retention of the region's best executive-level staff, with due regard for gender equity and geographical balance. To work for the United Nations is a privilege which must be exercised with impartiality, not neutrality, and without responding to political pressures from individual Governments. The professional competitiveness of the United Nations is based on ethics and competence. Choosing to be part of the international and intergovernmental system is a matter of conviction and motivation to contribute to the common good.

In New York, I learned to see ECLAC as a regional arm of global governance, not an isolated institution.

I know I will not be alone in this task. I will enjoy the valuable support of all of you. I know most of you, and many of us have worked together in a variety of areas.

In particular, I would like to mention the newly-elected Staff Council and our subregional and national offices, with whom we will certainly be working hand-in-hand in order to complete the tasks allotted to us, thereby strengthening the capacities of this institution.

Lastly, I congratulate José Luis Machinea for the distinction awarded to him by the Government of Chile yesterday, when the country also marked the hundredth anniversary of the birth of Salvador Allende. I also wish to pay tribute to Ruth Cardoso, a distinguished Brazilian sociologist whom we lost this week.

I express my gratitude once again to José Luis Machinea, Ernesto Ottone, Laura López and all of you.

I am particularly happy to have come home to ECLAC.

Thank you.