

**Remarks by Alicia Bárcena, Executive Secretary of the
Economic Commission for Latin America and the Caribbean, at
the opening ceremony of the thirty-sixth session of the
Commission**

Mexico City, 24 May 2016

Excellency, Enrique Peña Nieto, President of Mexico,
Claudia Ruiz Massieu, Secretary of Foreign Affairs of Mexico,
Federica Mogherini, High Representative of the European
Union for Foreign Affairs and Security Policy,
Paola Bustamante, Minister of Development and Social
Inclusion of Peru,
Secretaries of State of the Federal Cabinet of Mexico,
Representatives of the member States of the Economic
Commission for Latin America and the Caribbean (ECLAC),
National and municipal authorities,

Members of the diplomatic corps,

Representatives of international agencies and colleagues of the United Nations system,

Representatives of civil society organizations,

Colleagues of the Commission,

Friends:

Today we are facing a truly dizzying process of change —a change in era, in fact.

The prevailing global economic and social trends are deepening the contradictions of a development pattern that has become unsustainable.

We are experiencing tectonic shifts. The rise of China in world trade, megaregional trade agreements, demographic change and mass migration, environmental crisis and the technological revolution are driving a transformation of economies, societies and the world of work, repositioning countries and shifting the

balance of power between economic blocs and between developed and emerging economies.

We are also faced with a world economic situation that will be less auspicious over the next few years, with global GDP growth rates below the averages for previous decades.

In the 1960s, the world economy was growing at an average rate of 5.4%. Today this figure stands at barely 2.5%, with no significant improvement projected for the coming years.

The upturn in growth in the United States (estimated at 2.5% this year) and the eurozone (about 1.5%) is too weak to give impetus to global growth and trade. And while emerging economies such as China and India are enjoying more robust growth, they too have been unable to inject momentum into the world economy.

This trend reflects less buoyant trade, investment and productivity, combined with rising global inequality, which reduces aggregate demand. In other words, people have fewer resources at their disposal, yet at the same time there is more

money in the world, an abundance of liquidity that is transferred to financial assets concentrated in developed countries and converted to cash rather than invested in goods, services, innovation and capacities, thus intensifying global asymmetries.

In astonishment we are witnessing a historic increase in global inequality. Today, the wealth of 62 individuals is equivalent to that of 3.5 billion men and women, or half the world's population.

We are also seeing an unprecedented and worsening environmental crisis, with irreversible biodiversity loss and prolonged droughts worldwide.

Climate change has caused Arctic ice to retreat by at least 2 million square kilometres —roughly the area of Mexico— in the past 30 years.

And last month was the hottest April recorded in the Northern Hemisphere since 1880.

These events have coincided with an inexorable new technology revolution, which offers opportunities for sustainability, while at the same time creating tensions in labour markets as workers are increasingly displaced as new technologies are more widely adopted. It is therefore imperative to consider policies that provide alternatives based on productive employment, training and rights.

These deep economic, social and environmental imbalances have prompted the international community to seek answers and its ideas have been taking shape for more than two decades. I am referring to the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs), which were adopted by the 193 countries represented in the United Nations General Assembly in September 2015.

Mexico and the region have played a vital role in the negotiation of this Agenda, and we know that they will continue do so in its follow-up. I would also like to take this opportunity to acknowledge the leadership of Secretary-

General Ban Ki-moon and of you, the countries of the region, in this process.

It is a universal agenda, with civilizing proposals that recognize equality and environmental sustainability as the guiding principles on which a new set of collective strategies and policies should be based, at the global, regional and national levels.

We see many points of connection between the 2030 Agenda and the development proposals that ECLAC has made over the years, particularly the importance that the Commission has attached, in the past decade, to placing equality at the centre of development.

Bringing the 17 Goals and their targets and indicators to fruition will require a new and more inclusive vision of development for the next 15 years. Our challenge is to change the current way of doing things by moving to a new development pattern.

We must have the courage to ask different questions, to defeat short-termism and to build an alternative future.

At this session, we will launch the document *Horizons 2030: Equality at the Centre of Sustainable Development*, which addresses the 2030 Agenda through an analytical and operational approach that considers the realities of Latin American and Caribbean countries. The document warns that implementation of the Agenda must initially overcome a challenging scenario of economic constraints, urgent environmental concerns, political complexity and stalled social progress, with citizens that are increasingly engaged, critical, impatient, informed and aware of their rights.

Our proposal is structured around the concept of progressive structural change.

The region must promote a gradual yet tangible shift towards production activities and processes that are geared to learning- and innovation-intensive sectors, building home-grown technological capabilities; that boost aggregate demand through coordinated economic policies between surplus and deficit countries, safeguarding social advances and avoiding setbacks; and that favour environmental sustainability, for

example, by decoupling economic growth and well-being from carbon emissions.

That is what our proposal is about. To create strong economic impetus based on an environmental big push.

ECLAC believes that environmental goals and challenges lay the foundations for a technological and productive transformation that will contribute to good-quality job creation, faster growth and greater equality.

This is not a technical proposal; it is, above all, a political task.

It calls for clear leadership and changing the conversation, together with a new set of institutions and partnerships that promote them at the global, regional, national and local levels.

To fulfil this task we require the collective provision of global public goods. Coordinated action involving all stakeholders (large and small, from the North and the South) is a prerequisite to urgently boost global economic growth, protect jobs, address the humanitarian crisis that is afflicting more than

125 million people and 60 million migrants, and to preserve the environmental integrity of the planet.

At the global level, we continue to emphasize the urgent need for progress towards international coordination among economies that favours the steady expansion of aggregate demand through investment and fiscal policies that prioritize low-carbon, more energy-efficient projects, and which is conducive to good-quality employment with rights.

A form of global governance is required that gives greater weight and representation to developing countries so as to build an international financial architecture that promotes stability and smoothes business cycle fluctuations. A structure that is effective, among other things, in tackling tax evasion, which costs our region 6.3% of its GDP or approximately US\$ 320 billion each year.

With respect to technology, emerging countries will be able to effect progressive structural change only through new, multilaterally based trade and intellectual property rules that

help local firms to access technology, and which go beyond trade agreements that instead tend to safeguard transnational interests. This is especially important and urgent in the case of clean technologies.

Citizens, businesses and governments should build a shared Internet governance structure, which, among other things, will allow their full participation in the open data revolution.

At the regional level, the Commission proposes that the regional development banking and payments clearing system should create or expand financial safety nets. Steps should be taken towards production and trade integration, the provision of universal access to good-quality broadband as part of a digital single market, and the creation of a debt relief and resilience fund for Caribbean countries.

With regard to national strategies and policies, macroeconomic policy should address not only the evolution and dynamics of

the business cycle, but also investment levels, which act as a bridge between the short- and the medium-term.

It is important to build States' institutional capacities in order to expand the countercyclical function of fiscal policy. This requires broad agreements and alliances between the State, the private sector and society.

The new development agenda presents an opportunity to eradicate poverty, reduce inequality and build universal social protection systems by 2030. However, these goals will be achieved only if the working environment is improved, by, among other things, formalizing employment, eliminating wage discrimination and promoting women's economic empowerment.

Employment with rights is the key to well-being. In order to move in this direction, ECLAC suggests introducing a living wage, thus removing conditionalities and ensuring citizens' dignity.

In an ageing society such as ours, there is an urgent need for stronger intergenerational commitments on social protection and the care economy in order to free up women's time.

Moving towards low-carbon economies will require the adoption of industrial policies focused on the environment and production diversification. The energy sector is fundamental to this transition.

We know that it will not be easy for the region or for the world.

Our region is currently going through a difficult time. Moving forward and aligning our development path with aspirations such as those contained in the 2030 Agenda calls for the implementation of integrated economic, industrial, social and environmental policies in line with the progressive structural change proposed by ECLAC.

As was stated at the twenty-first session of the Conference of the Parties (COP 21) and in the Paris Agreement, humanity has reached a point of no return: the environmental impact of the

prevailing development pattern is endangering humanity's own survival.

It has been said, quite rightly, that we are the first generation to have the scientific knowledge and the technology to tackle the joint challenges of climate change, biodiversity loss and environmental degradation. We are also probably the last that will be able to change this self-destructive course. We must assume this responsibility: time is running out fast and global disputes are escalating. We need international leaders who are aware of today's difficulties and can rise to the challenge of changing what are currently unsustainable paths, who are austere in their approach but at the same time optimistic about their chances of success.

Putting equality at the centre means breaking with the prevailing development paradigm; it means giving citizens a leading role, putting them in charge of their own destiny with access to information and justice and the ability to participate fully. Such a break is urgently needed because inequality and environmentally unsustainable practices are undermining

development and public safety, and because the region and its peoples, with their considerable natural, cultural and human wealth, can grow more and better.

Let us be clear: equality is the goal, progressive structural change is the path and the art of politics and policymaking is the instrument.

President Enrique Peña Nieto, Minister Claudia Ruiz Massieu, I cannot conclude without thanking you and the ministers who will join us during this week of activities for welcoming us so warmly to this ancient city, Mexico City, my city, and for your invaluable support in organizing this, the thirty-sixth session of the Economic Commission for Latin America and the Caribbean.

Since I took on the challenge of leading ECLAC eight years ago, I have felt the support of Latin America and the Caribbean for our work.

I am especially grateful to Peru for its two years of remarkable leadership in its role as Chair.

I would also like to thank Mexico for opening the doors of the Presidential palace for this opening ceremony.

We would like to thank the Government of Mexico and its Ministry of Foreign Affairs for offering to host this meeting and for fostering the political will to agree, in this city, to establish the Forum of the Countries of Latin America and the Caribbean on Sustainable Development.

This noble land is a melting pot of many of our common hopes and difficulties. Its importance, its rich diversity and the traces of its violent history mirror the situations and obstacles that our peoples are facing on the road to consolidating fair, prosperous and egalitarian societies.

The people of Mexico, **my people**, have been described as happy and solidary, but also as tragic.

Mexico, whose walls are covered with the murals of Diego Rivera, Tamayo, Orozco, González Camarena and Siqueiros: artists who swapped their easels for walls, who rejected intimate salons in order to speak with their own voices, to

create their own rules and to inhabit the public sphere; who allowed anyone to take the ideas they put forward with their lines and colours and make them their own, to interpret them and understand them. Their art can inspire everyone, not only from an aesthetic point of view, but also to take transformative action. Those artists communicated emotions that helped to cement awareness of a common identity, translating our shared history into images, laying bare the face of inequality, exhorting all of us to play a part in overcoming it.

When this meeting ends, when these microphones fall silent, when you leave and head back out into the street, look for their artwork, generously displayed all over the city.

Let your curiosity be piqued, let yourself be moved, feel the power of the images. Use that to channel the energy needed for the task at hand. Find in their brush strokes, in their flourishes, the strength to fight the culture of privilege, to guarantee equal rights, to reaffirm full citizenship, to reduce equality gaps in material and symbolic resources.

Thank you, President; thank you, Federica; thank you, Claudia; thank you, Paola, for being here with us. Thank you to all the representatives of ECLAC member countries and thank you to my ECLAC colleagues for your continuous support for our efforts to define original development paths in Latin America and the Caribbean.

Thank you.