Excellencies,
Distinguished Colleagues,
Friends,

It is my great pleasure to speak at the opening of this 35\textsuperscript{th} Session of ECLAC. As many of you know, we at UNCTAD are marking our 50\textsuperscript{th} anniversary this year and it seems especially appropriate to be here in Latin America with ECLAC addressing the theme of equality and sustainable development just weeks before we hold our celebrations. The histories of both our organizations are closely inter-twined, most notably through the inspiration and thinking of Raúl Prebisch, your second Executive-Secretary and our first Secretary-General.

Our shared desire to address economic and social inequalities was evident from the beginning. At UNCTAD I in 1964, member States recognized that development, "which implies a complex of structural changes in the economic and social environment in which men live, is for the benefit of the people as a whole." They warned: "If privilege, extremes of wealth and poverty, and social injustice persist, then the goal of development is lost."

Fifty years on, the context for development has changed in many ways; perhaps most profoundly with the addition of environmental constraints and challenges. However, the challenge of inequality not only remains but has, if anything, become even sharper. One only needs to look to the recent headlines provoked by Oxfam’s discovery that 85 billionaires are as wealthy as the bottom half of the world’s population, or to the intellectual excitement that has surrounded the publication of the French economist Thomas Piketty’s book on Capital in the 21\textsuperscript{st} Century. Indeed, today, even the International Monetary Fund has come
around to the view, long-held by UNCTAD and ECLAC, that reducing inequality is good for growth and development.

That view implies that we should see inequality less as the outcome of irresistible forces of globalization or technological change, and more as the product of social pressures and political choices. In recent years, Latin American policy makers have been pioneering innovative approaches to tackling inequality, and with real results. As you are all aware, Latin America stands out as the world’s only region where inequality is narrowing, albeit from very high levels. Economic growth, based in part on expanded trading opportunities, has combined with increased social spending to lift a significant share of the Latin America’s people out of poverty. A number of Latin American countries, as well as ECLAC, have carried on the Prebisch tradition of innovative development thinking in this regard. The region’s Conditional Cash Transfer (CCT) programmes that tie direct cash transfers to school attendance or medical check-ups have laid the ground for extending social protection to a broader segment of the population. Investment in education has increased skills, helping to narrow wage gaps and expand the middle class.

But Latin American countries have not only reduced inequality, they have also embarked upon building a spirit of social solidarity, that itself is good for sustainable development. Many countries in the region have strengthened provisions for collective bargaining by workers and have also raised their minimum wages. There has also been a willingness to use counter-cyclical macroeconomic policy to mitigate potential adverse consequences of external shocks. The broad lesson we take from recent Latin American experience -- and it is one that is very much in the Prebisch tradition -- is that building a sustainable future requires an integrated policy framework which combines economic, social and, of course, environmental, policies.
ECLAC itself is making a valuable contribution to efforts to promote equality and social inclusion through its research and policy work – the latest of which is the publication for this meeting: *Compacts for Equality: Towards a Sustainable Future*. In calling for Latin America to break with past decades and put equality at the centre of policymaking, ECLAC is outlining a compelling vision for a new relationship between the state, the market and society.

For as Executive Secretary Bárcena has pointed out, despite the region’s recent progress in reducing poverty and inequality, big gaps remain. In Latin America, 5 per cent of total income goes to the poorest 20 per cent, while 47 per cent still goes to the wealthiest 20 per cent. Moreover, many people live only just above the poverty line, putting them at risk should the economic climate shift due to external shocks.

Ladies and Gentlemen,

In an increasingly interdependent world, reducing inequality and promoting inclusive and sustainable development depends on cooperation across borders and regions. This was the view of our member States when UNCTAD was founded and it remains equally relevant today.

However, as I alluded to earlier, today’s development landscape is very different from that of 1964. The divisions between North and South have blurred as a number of emerging economies – some in this region – have experienced unprecedented growth. The expansion of South-South trade and cooperation has altered relations between countries and regions, even if it has not fully spared developing and emerging economies the ramifications of crises and decisions emanating from the developed world. In charting development
paths, it is clear that developing countries have much to learn from each other and that one-size-fits-all is not an option.

In looking at experiences and current situations in Latin American countries, there are challenges to inclusive and sustainable development shared by others elsewhere in the world. These include premature deindustrialization and the lack of decent jobs in the formal economy, boom and bust cycles linked to unregulated financial markets, underinvestment in infrastructure, a dangerous tendency to short-term thinking by policy elites, and the threat of the "middle-income trap". Moreover, in the face of a changing climate, it is necessary to improve environmental sustainability in a way that does not undermine economic growth.

A critical issue for policy makers across the developing world is how to strengthen the links between structural transformation, job creation and productivity growth. Sustainability without development is not an option for most developing countries, including in this region. Policies need to be designed with a view to fostering structural transformation patterns that accelerate the generation of not just more jobs, but more productive and better jobs.

Productive jobs lead to higher levels of income, reduced poverty, an improved standard of living and stronger domestic demand. This expands markets, which are, of course, an incentive for business to undertake investments. This in turn accelerates productivity growth and helps to close a virtuous development circle. Better jobs include those with strong social protection, but also high technology and skills content; these offer workers opportunities to acquire new knowledge and technological competences. In turn, this enhances the complexity and diversity of the knowledge base of the labour force, which is an essential ingredient for accelerating inclusive growth.
Ladies and Gentlemen,

This concern with structural transformation is on the forefront of our agenda at UNCTAD, where we advocate an integrated approach to trade and development. I am aware that researchers in both our institutions have been examining, or I should say re-examining, the role that industrial policy can play in helping to transform economies.

I am also happy to say that the technical cooperation with Latin American countries and ECLAC that marked the early days of UNCTAD is beginning to thrive again today, and spans a range of trade and development areas. Let me briefly mention a few specifics.

In trade, our ASYCUDA programme, which helps countries to computerize and simplify their customs clearance processes, has activities in 11 ECLAC member States and five Associate members. In addition to the successful automation of customs clearance in all these countries, last year the International Finance Corporation and the World Bank reported that Dominica, Grenada and Trinidad and Tobago reduced clearance times for imports and/or exports due to ASYCUDA.

Our DMFAS technical cooperation programme assists Latin American countries in managing external, domestic and private debt and assessing risk. The Ministries of Finance and/or Central Banks of 14 ECLAC countries actively use DMFAS software and we are involved in training and capacity building in the region.
In some cases, technical assistance begun by UNCTAD in Latin America has also served as a basis for work elsewhere. For example, our Competition and Consumer Protection for Latin America programme, or COMPAL, has been replicated in West Africa and is serving as a basis for a new global programme.

In economic policymaking, UNCTAD and ECLAC are working together with other development partners to explore the opportunities and challenges surrounding closer monetary and financial cooperation in this region. We envisage carrying forward this type of policy-oriented partnership with ECLAC to help countries in other regions learn from this experience.

In the coming months and years we must work even more closely together as one UN in support of a post 2015 Development Agenda. Allow me to assure the Member States of ECLAC, and our colleagues in the ECLAC Secretariat, that UNCTAD stands ready to work together to help countries in Latin America design more inclusive and sustainable development paths to match the specific challenges of this region. We also welcome the opportunity to help share this region’s successes, particularly in fighting inequality, with the Member States of UNCTAD from other regions. As Executive Secretary Bárcena has keenly observed: "We must boost equality to grow and grow to boost equality." Let us honour the memory of Raúl Prebisch and the legacy he has left both our organisations by working together more closely to achieve "prosperity for all." He would, I am sure, expect no less.

Thank you.