

**Opening Ceremony of the thirty-eighth session of the Economic Commission for Latin America and the Caribbean (ECLAC)**

**26–28 October 2020**

**Virtual meeting**

**Opening remarks by the Executive Secretary of ECLAC, Alicia Bárcena**

Dear friend, António Guterres, Secretary-General of the United Nations,

Your Excellency, Carlos Alvarado, President of the Republic of Costa Rica,

Your Excellency, Miguel Díaz-Canel, President of the Councils of State and Ministers of the Republic of Cuba,

Angel Gurría, Secretary-General of the Organization for Economic Cooperation and Development,

Kristalina Georgieva, Managing Director of the International Monetary Fund,

Amina Mohammed, Deputy Secretary-General of the United Nations,

Rodolfo Solano, Minister for Foreign Affairs and Worship of Costa Rica,

Your Excellencies, Foreign Ministers,

Ministers and representatives of ECLAC member States,

Members of the diplomatic corps,

Representatives of international organizations and colleagues from the United Nations system and from ECLAC, and representatives of civil society organizations;

Friends,

Seventy-five years ago, on the morning of 24 October, the United Nations Charter came into force. This, the Organization's founding text, marked its mission "...to save succeeding generations from the scourge of war [...] to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and to establish conditions under which justice and respect [...] can be maintained, ..."

Today, when we are facing the most severe crisis in recent decades, with profound health, social, environmental, economic and political effects, it is vitally important to pause and re-read the text

that our founders bequeathed to us —as a guide for our actions and to review what we have done and what we need to do, collectively, to overcome this crisis. For this reason, I would like to **express my special gratitude** to the United Nations Secretary-General, António Guterres, for his presence at this thirty-eighth session of ECLAC.

It is in this context that today we are holding the Commission’s thirty-eighth session, to be held online for the first time in its history. The 46 member States of ECLAC, along with the 14 associate members, the agencies, funds and programmes of the United Nations system in the region, the 25 resident coordinators, representatives of the more diverse stakeholders of society, as well as academic institutions, trade union organizations and representatives of the private sector, are all in attendance.

President Alvarado, I would like to express my deep gratitude to you, and to Minister Solano and the people of Costa Rica, for your commitment in hosting this thirty-eighth session of ECLAC. Costa Rica will chair our work for the next two years; and has pledged to steer its chairship by the principles of international cooperation, solidarity, and the promotion of human rights, leaving no one behind. We are inspired by this commitment to uphold international law, multilateralism, regional cooperation, and turn a spotlight on the problems faced by middle-income countries, along with the determination to promote a recovery that has equality and environmental sustainability at its core.

In these crucial times, at the High-Level Event on Financing for Development in the Era of COVID-19 and Beyond, convened by the Secretary-General in conjunction with the Prime Ministers of Jamaica and Canada, Costa Rica put forward a proposal entitled “Fund to Alleviate COVID-19 Economics (FACE)”, a necessary and timely international financial solidarity mechanism for promoting a sustainable recovery from the economic recession caused by the pandemic.

Thank you, Mr. President, for this funding initiative that reminds us of the principle of reciprocal responsibilities between the developed world and developing countries, which Raúl Prebisch advocated years ago in the context of international trade.

I would also like to express our gratitude for the support, leadership and collaboration of the Government of Cuba during the more than two years of its chairship of ECLAC. President Miguel Díaz-Canel, during this period your country placed the urgent need for multilateralism, international cooperation, regional integration and sustainable development at the centre of our region’s proposals. I commend the work done by the whole team of the Ministry of Foreign Trade and Foreign Investment of Cuba, led by Minister Rodrigo Malmierca and Deputy Ministers Ileana Núñez and Deborah Rivas. Our thanks to Cuba for its exemplary leadership of the Commission.

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The Latin American and Caribbean region is facing its worst crisis in a hundred years —one that has enormous health, economic, environmental, social and political effects and consequences.

COVID-19 has thrown into relief and magnified the structural problems of the development model in Latin America and the Caribbean: intersecting inequalities, mediocre growth, low productivity, poorly diversified exports, scant fiscal space, and increasing environmental deterioration.

As the Secretary-General noted in his report *The Impact of COVID-19 in Latin America and the Caribbean*, “The costs of inequality in the region have become untenable. The response requires rebalancing the role of states, markets and civil society, emphasis on transparency, greater accountability and inclusiveness to support democracy, strengthening the rule of law and protecting and promoting human rights.” And he concluded that, “Recovery from the pandemic should be an occasion to transform the development model of Latin America and the Caribbean while strengthening democracy, safeguarding human rights and sustaining peace, in line with the 2030 Agenda for Sustainable Development.”

This opening ceremony will be followed by a dialogue of ministers of foreign affairs and high-level authorities of Latin America and the Caribbean on the economic and social effects of COVID-19 and the countries’ economic and social response to it.

We have prepared a brief document summarizing ECLAC estimates, which project a 9.1% reduction in economic activity, accompanied by contractions of 14% in regional trade and 11% in intraregional trade. Tourism has plummeted by more than 50%; and this mainly affects the highly vulnerable Caribbean economies owing to their island status, heavy indebtedness and fragility in relation to the impact of natural disasters; and is further compounded by the fact that they have limited access to concessional financing because they are classified as middle-income countries. This crisis will result in a lost decade in terms of per capita income levels.

Unemployment is set to reach 44 million people, with an informality rate of over 54%. Within these harsh statistics, women, young people, indigenous people, Afrodescendants, and migrants are overrepresented. We project a surge of 45.4 million in the numbers living in poverty, to a total of 231 million (37.3% of the population); and a jump of 28.5 million in the number of people in extreme poverty, to 96.2 million (15.5% of the population). The Gini index is set to rise by an average of 4.1 percentage points in 17 countries analysed. Nonetheless, we are confident that the measures adopted by governments will help alleviate this near-15-year setback.

Women will be more severely affected: they are more vulnerable to unemployment because they tend to work in the hardest-hit sectors of the economy or in high-risk sectors. Seventy-three per cent of all health-sector workers are women, but they earn 30% less than men in similar jobs. Moreover, containment measures, quarantines, school closures, and the increase in the number of individuals who fall sick intensify the pressures on women in both paid and unpaid care work. Domestic violence has been on the rise in the current crisis, affecting women and girls in particular.

ECLAC has made concrete proposals in relation to this scenario, with cost-benefit calculations, to link up the emergency with recovery. These include the following:

(1) Extend the **emergency basic income** for 12 months to all people in poverty (poverty threshold, US\$ 120 per month); (2) Extend **maturities and grace periods** for loans to micro-, small and medium-sized enterprises (MSMEs), and protect workers' employment contracts; (3) introduce a **basic digital basket to provide digital inclusion for 40 million households** that are not connected; (4) adopt **expansionary fiscal and monetary policies** to sustain a longer period of spending with non-conventional domestic and international instruments; (5) **international solidarity: provide debt relief in the Caribbean and alleviate interest payments in Central America with the creation of subregional resilience funds**; (6) **design recovery and investment plans around dynamic sectors with job creation, supported by climate action, environmental sustainability, nature-based solutions and basic infrastructure in rural and urban areas**; and (7) **close gaps to achieve universal health and social protection regimes**.

All these measures require the collective support of society, expressed through political and social compacts at this complex time in which inequality marks our region. Unequal societies concentrate economic and political power; and this becomes a breeding ground for discontent and social unrest.

We have published eight reports and studies that are available online in the COVID-19 Observatory in Latin America and the Caribbean of ECLAC, where we have systematized and costed the measures that the region's governments have adopted during these months.

We have put forward practical actions on food security in conjunction with the Food and Agriculture Organization of the United Nations (FAO); on employment issues with the International Labour Organization (ILO); on health and the economy with the Pan-American Health Organization (PAHO); on education with the United Nations Educational, Scientific and Cultural Organization (UNESCO); on child protection with the United Nations Children's Fund (UNICEF); on the care economy as a public good with the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women); and on digital inclusion with OECD.

Friends,

The COVID-19 crisis is a systemic crisis. Governments have been called upon to act, with the utmost urgency, to protect the health of the population, while at the same time preserving the economy from total collapse, which would have devastating social and political consequences. This is a situation in which public action is crucial in steering a transformative recovery, combining the intensity of the short-term response with long-term goals.

Mr. President, in this session we will submit, for the consideration of member States, policy proposals that are set out in the document *Building a New Future: Transformative Recovery with Equality and Sustainability*, which we have produced with guidance from your team.

This document sets forth economic evidence on the importance of implementing a virtuous combination of social and environmental policies, which, along with economic, technological and industrial policies, must form the basis for a new development model. With this document we set

forth in black and white the urgent need for growth to support equality, and for equality to support growth.

ECLAC adopted equality as one of its core values more than a decade ago; and, since then, we have documented how equality helps to sustain income and aggregate demand, and to promote growth with greater productivity, because it is associated with broad access to education, health and opportunities for all people —particularly women— and because it prevents the concentration of economic power that captures and distorts policy. We propose to replace the culture of privilege with a culture of equality that guarantees rights, builds citizenship, and spreads capabilities and opportunities.

In this new document, we describe a minimum growth rate that would be needed to reduce equality and eradicate poverty, by increasing formal employment and reducing disparities through broad-coverage social programmes.

The document also highlights the importance of disseminating technical progress, in order to create higher-productivity jobs and, simultaneously, decarbonize the production matrix through an industrial policy that supports progress towards correcting the region’s external trade disequilibria.

The combination and coordination of technological, industrial, fiscal, financial, environmental, social, and regulatory policies has been termed the “big push for sustainability” and aims to substantially raise the rate of investment and gear it towards productivity, environmental stewardship, employment, and social inclusion, by putting the technological revolution at the service of a new pattern of development.

This involves establishing a new structure of incentives for public and private investment, the creation of higher-productivity jobs, and the development of production chains with a smaller environmental footprint, a structure that prizes the natural heritage and its land and marine ecosystems.

In line with the 2030 Agenda, seven sectoral systems capable of driving development have been identified as having the potential to lead the economy in an environmentally sustainable direction. This proposal is intended as a guide that each country may use to identify activities that can drive a transformative recovery with equality and sustainability, depending on its specific characteristics and priorities. The sectors described are energy transition, digital inclusion, electromobility, health-care manufacturing, the circular economy, the bioeconomy and sustainable tourism.

To give just one example, a 70% increase in non-conventional renewable energies could generate 7 million jobs and reduce emissions by over 30%, for an annual investment of 1% of GDP over the next decade.

On a pragmatic level, we also include an analysis of the fiscal, monetary and financial policies needed to make headway in constructing a welfare state, as the basis for a transformative recovery

with equality and sustainability. This is because we are facing rising debt and growing fiscal deficits in coping with a crisis that will last longer than we imagined.

The implementation of a new policy agenda requires new domestic and international political coalitions, together with new forms of international cooperation that will underpin the change in the development pattern. Multilateralism will need to be rebuilt on new foundations, expanding policy spaces on the periphery and correcting the international economy's recessionary bias. At the same time, the strategy for integrating the nations of Latin America and the Caribbean must be brought back to the fore. We welcome Mexico's efforts to revitalize the Community of Latin American and Caribbean States (CELAC), and especially its initiative with Argentina and private sector actors on access to the Astra-Zeneca COVID-19 vaccine, among others. I would also like to draw attention to the work of the subregional mechanisms with which we have worked, such as the Central American Integration System (SICA), the Southern Common Market (MERCOSUR), the Caribbean Community (CARICOM), the Andean Community and the Pacific Alliance.

We need transformative leaderships capable not only of listening, but also of examining their own limitations, correcting errors, changing behaviour patterns and bringing the whole of society together. It is essential that broad social and political coalitions converge in these social accords. In particular, young people will have to play much more of a leading role in this contemporary society that is facing a genuine change of era.

New forms of global governance are needed to collectively provide global public goods, such as universal health care (a coronavirus vaccine for all), climate security and protection of the atmosphere, financial stability, and peace.

Mr. President, we are here to give an account of the work that has been done. For this endeavour, we have had the support of a regular budget approved by the General Assembly and extrabudgetary resources obtained with support from countries and cooperating partners, including France, Germany, the Republic of Korea, Norway, Spain and the European Commission. We will present our activities report together with the countries that serve as chairs of the subsidiary bodies on statistics, women, population, science and technology, social development, planning, the Committee on South-South Cooperation and the Caribbean Development and Cooperation Committee.

We will review the new scenarios for South-South cooperation in the context of a necessary redefinition of international cooperation, as well as the challenges of middle-income countries; and we will address the challenges facing Caribbean countries in order to build back better. Civil society will make its voice heard through the presentation of the document "Positioning of Latin American and Caribbean Civil Society on the 2030 Agenda and its implementation in the context of COVID-19".

First and foremost, however, we will have the opportunity to listen to our member countries—their reflections, guidelines and proposals steer the work of this Economic Commission.

I would like to conclude by reaffirming the Commission's deep commitment to the reform of the United Nations system spearheaded by the Secretary-General and led effectively by the Deputy Secretary-General, Amina Mohamed, whom we are honoured to have with us.

In a few weeks' time, along with the United Nations Development Programme (UNDP) and the United Nations Development Coordination Office (DCO), we will convene the first meeting of the Regional Collaborative Platform, engaging the directors of all of the agencies, funds and programmes. Together with the 25 resident coordinators and country teams, we will provide resolute support to our member States. ECLAC will continue to contribute its historic holistic vision embracing all dimensions of development: the economic, the social and the environmental, which today is more important than ever.

Costa Rica has a unique literary icon. A native Costa Rican (a "*tico*"), of humble origin, whose tragically short life was full of hardship. Yet these difficulties were dwarfed by the quality of a portentous body of work. His name was Jorge Debravo. And I draw from his words the inspiration with which to conclude my own today; and I quote:

I am man (and woman), I was born,

I have skin and hope.

I demand, therefore,

to be allowed to use them...

I am man (and woman), I mean

animal with words.

And I demand, therefore,

to be allowed to use them.

... I demand warmth at my roots,

lunch in my belly.

I ask not for eternities

replete with white stars.

I ask for tenderness, dinner,

silence, bread, home...

This, then, is our commitment: to conceptualize and build for Latin America and the Caribbean, our own, original, but effective ways of forging fair, egalitarian and decent societies. So that each

woman and each man of our common homeland can find tenderness, bread, home, and the conditions to live a fulfilling life.

Thank you very much.