



EU-LATIN AMERICA/CARIBBEAN SUMMIT SPEECH BY M. JACQUES CHIRAC, PRESIDENT OF THE REPUBLIC, TO THE ROUND TABLE ON SOCIAL COHESION

(Guadalajara, 28 May 2004)

(...)

Latin America has made tremendous progress. The world watched with feelings of emotion as democracy took root and developed. Economic growth speeded up, lifting millions of families out of poverty.

But it has suffered the appalling shocks of structural adjustment and financial crises, leaving lifetimes of work and decades of effort in ruins. Europe has helped it as best it could, out of a natural sympathy for this continent which history, culture, and common values have brought so close to us.

This decade of success and tribulations gives us cause to reflect on the importance of social cohesion for the stability of the contemporary world.

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Our societies are open to the cold wind of the world market, rendered more dynamic thanks to the opportunities created by trade, but also more fragile because of global competition.

This is why, even as our economies are enjoying unprecedented growth, our peoples feel more vulnerable, more worried, at times incensed by the new rules of the game.

The developed countries know the painful consequences of adjustment only too well: unemployment, the impact of relocations, and, in the countries that suffered from Communism, the social upheavals engendered by the elimination of obsolete structures.

The reality is even more brutal in the emerging and poor countries, forced to accept drastic measures that may bar their people from access to fundamental rights such as food, health, education, access to water and decent housing.

Despite its rich promise, globalization has failed to remedy the exclusion of whole countries and peoples. Half of humanity lives on less than two dollars a day, and nearly a billion men, women and children daily face the anguish of hunger and poverty at a time when the world has never been so wealthy.

I am bound, therefore, to share the diagnosis of the Report on the Social Dimension of Globalization unveiled by Mr Juan Somavia, Director-General of the International Labour Organization: social cohesion is well and truly a matter



of global concern.

Three principles should, I believe, guide our action.

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First principle: economic growth and social cohesion must go hand in hand.

Governments which set greatest store by social progress must remember that they can only distribute what they have, that all social policies need to be based on solid economic foundations. But let's not forget either that growth policies are effective in the long run only if they embrace ambitious redistributive policies, giving full weight to the needs of the most vulnerable and poorest sections of society.

The institutions responsible for regulating the world economy and trade now have a better understanding of the social consequences of their rules. But much still remains to be done before their leaders place people at the centre of their action. This is why France backs proposals to establish an organized and systematic dialogue between economic and financial institutions on the one hand, and social institutions on the other, the WTO and ILO notably.

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Second principle: in a world where everyone knows instantaneously what is going on everywhere in the world, by abolishing distances and unifying the world, the globalization of the economy demands a globalization of solidarity. I shall never tire of repeating that. The deficit in funding for the Millennium Development Goals, estimated at between fifty and a hundred billion dollars a year, is very worrying.

This may look like a hefty sum, yet in fact it represents just one thousandth of the world's wealth, or 10% of the annual increase in that wealth. The rich nations must make this minimum effort in favour of solidarity which would ensure social cohesion in the world. This is why I have resolutely involved myself in President Lula's campaign against hunger and poverty. I am arguing for three measures:

- a general increase in Official Development Assistance (ODA), as we pledged in Monterrey in 2002. France is increasing her own ODA by 50% over five years, to bring it up to 0.5% of her GDP in 2007.

- the creation of a financial instrument to answer the most urgent needs. The Franco-British proposal for an international finance facility, whose usefulness President Fox emphasized at the enlarged dialogue session of the Evian Summit, last June, opens up new avenues and should be able to be implemented rapidly. Our Summit should approve this.



PRESIDENCE DE LA REPUBLIQUE

- international taxation mechanisms to finance global solidarity needs over the long term; I know that several of you are interested in this approach. I have assembled an independent commission of experts from very many different backgrounds, and their initial conclusions are encouraging. I will keep you informed of progress and will shortly bring the matter up at the UN.

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Third principle: we must mobilize on a global scale to assist all those men and women whom modern life has left by the wayside. Economic competition is healthy and legitimate because it drives us forward and brings great progress. But, despite its toughness, it must also respect the rights of those to whom fate has not been kind.

I am thinking, here, of the disabled, who are too often denied a place in modern society; of the sick, the victims of scourges such as HIV/AIDS, still too often ostracized; of native peoples so often pushed aside, persecuted, their future threatened; and of these modern-day slaves – women and children forced to work for a pittance and in disgraceful conditions.

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On all these issues, we must mobilize to ensure that justice and solidarity guide our every action. This is the way to achieve social cohesion in our countries and in the wider world.

I know you share these ideals. To implement them, Europe and Latin America, two continents with ancient civilizations, have a work programme ahead of them.

Thank you. |