



Statement by His Excellency Archbishop Silvano Tomasi, Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva  
at the 13<sup>th</sup> Ministerial Conference of UNCTAD  
*Doha, Qatar, 21-26 April 2012*

Mr. President,

At the outset, my Delegation wishes to warmly thank the Government of Qatar and the city of Doha for hosting this Ministerial Conference.

The last Conference in Accra took place at the beginning of the financial crisis whose profound consequences are still felt today. Since the 1990s, money and credit instruments worldwide have grown more rapidly than the accumulation of wealth, even adjusting for inflation. The higher growth of global financial markets relative to the real economy was not only due to the financial sector liberalization, but also to the existence of monetary and financial markets of a predominantly speculative sort. Such disproportionate growth of financial markets caused the formation of pockets of excessive liquidity and speculative bubbles, which in the late-2000s turned into a series of solvency and confidence crises, resulting in the 2008 financial crisis. As Pope Benedict XVI precisely pointed out in his social encyclical *Caritas in Veritate*, the roots of this crisis are not only economic and financial but above all moral in nature. Given the complexity of the economy, the importance of ethical and cultural factors cannot be overlooked or underestimated. Recognizing the primacy of *being* over *having* and of ethics over the economy, the world's peoples ought to adopt an *ethic of solidarity* to fuel their action.

The 2008 crisis marked a turning point for the world economy. In particular, the subsequent global economic recession has eliminated at least 30 million jobs around the world<sup>1</sup>: it negatively affected the social situation in many countries, in particular those with large segments of the population that are poor or not effectively protected by social safety nets. The enjoyment of fundamental economic and social rights by countless persons has been compromised, including the right to food, water, decent work, education and health.

Clearly the consequences of the crisis go far beyond the financial domain, extending to the economic, social and cultural spheres. For these reasons, the

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<sup>1</sup> J. Somavia, ILO Director-General, The Global Jobs Crisis: The G-20 must act now to avoid a lost decade, Statement, November 2, 2011.

[http://www.ilo.org/global/about-the-ilo/press-and-media-centre/statements-and-speeches/WCMS\\_166696/lang-en/index.htm](http://www.ilo.org/global/about-the-ilo/press-and-media-centre/statements-and-speeches/WCMS_166696/lang-en/index.htm)

international community cannot let the financial system continue being a source of global economic instability; it must urgently take measures to prevent the outbreak of other financial crises in the future.

One of the most significant lessons we learned during this period is that all countries, developed and developing alike, can pay serious social, political and economic costs if the financial markets are left to regulate themselves. Engaging in financial activity cannot be reduced to making profit; it must also include the promotion of the common good among those who lend, those who borrow, and those who work<sup>2</sup>. Economic and financial actors, both at the international and national levels should recognize that self-regulation of the market and agreements limited to reconciling the interests of the most powerful countries are not enough and they must take into account that they are at the service of man.

The Holy See, on several occasions and in different *fora*, has called attention to the urgency of a new and profound reflection on the meaning and objectives of the economy and of a far-sighted revision of the global financial and commercial architecture in order to correct problems of functioning and distortions. This revision of international economic rules should be integrated in a new global model of development.

A genuinely human-centered economic and social development is based not only on economic principles, such as free market, profit and human behavior, but also on the value of the human being and on ethical principles, real commitment, inclusive governance and social equity. The centrality of the human person in the development process implies, also, the promotion of intermediate bodies – the family in particular – and different social communities where the person lives<sup>3</sup>.

This approach includes the goal of the economy as functional to the full development of the person and to the creation of community where equity and solidarity prevail. As the world becomes increasingly interconnected, a major goal of economic integration is to serve as a tool for the creation of one world community. While this goal needs time, effort and patience to be reached, local and national economies can be stepping stones in this direction.

A major theme of the current conference is a “call for new ideas that spur stable growth and reduce inequality”. Mr. President, the Holy See shares the same concerns on economic development but stresses that the really “new idea” is the implementation of authentic development: the one that puts the human person at its centre.

With the human person at the centre, growth and development strategies become comprehensive and sustainable. They can be truly comprehensive because they share a

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<sup>2</sup> Relating to the 1929 crisis, His Holiness Pius XI observed that: “... it is obvious that not only is wealth concentrated in our times but an immense power and despotic economic dictatorship is consolidated in the hands of a few, who often are not owners but only the trustees and managing directors of invested funds which they administer according to their own arbitrary will and pleasure” (*Quadragesimo Anno*, n.105).

<sup>3</sup> “As a spiritual being, the human creature is defined through interpersonal relations”, Pope Benedict XVI, *Caritas in Veritate*, par. 53.

universal principle and they can be sustainable because they call for the effective participation of the person as the true protagonist of development.

10. Naturally this strategy introduces an ethical principle in the development process. *"The economy needs ethics in order to function correctly – not any ethics whatsoever, but an ethics which is people-centered"*. (Caritas in Veritate, 45) Ethics are not external to the economy; they are intrinsic to it since the economy is the result of the collective action of groups of human persons. *"Thus, every economic decision has a moral consequence."* (Caritas in Veritate, 37) An economy does not have a sustainable future if it does not take into account the ethical dimension because ultimately it would negate its own origins.

Several important consequences derive from this premise. I will refer to some of them. A human-centred development process needs to be employment-oriented. During the last decade the world economy has not been able to create sufficient employment opportunities for its population. In advanced economies we have witnessed what has been called a jobless growth and, even in the more dynamic emerging economies, employment elasticities have been extremely low despite a two digit growth rate in output.

The negotiating text rightly observes that people everywhere share similar needs, aspirations and desires. Development is the tension toward the fulfilment of these desires. As such, development is not just an economic concept, but rather a universal dimension that concerns every person. In this context, the Holy See Delegation would like to add that the underlying principle of any truly human needs-based economic policy is that goods, services, labour and financial markets cannot be analyzed separately from the full breadth of human aspirations that include together with important material aspirations also aspirations to cultural, social and political flourishing. Human labour, in particular, makes it possible for each person to share in the common endeavour of improving the human condition. Indeed, the aim of the economy is to serve an integral human development, and not vice versa.

The Holy See has repeatedly stated that work is not only toil effort, resulting in activities, production and wages, but also an opportunity for man to transform reality and to fulfil his personal vocation. John Paul II reminded us that work *"...is not only good in the sense that it is useful or something to enjoy; it is also good as being something worthy, that is to say, something that corresponds to man's dignity, that expresses this dignity and increases it."* A working man becomes...*"more a human being."*<sup>4</sup> This is why development should be aimed primarily at fostering employment opportunities.

A second consequence deals with development strategies; they need to be addressed to the entire society without excluding any segment. In this respect, the informal sector and its workers deserve a special mention. This sector occupies millions of people across the world and includes heterogeneous economic productive groups.

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<sup>4</sup> His Holiness Pope John Paul II *Laborem Exercens* par.9  
[http://www.vatican.va/holy\\_father/john\\_paul\\_ii/encyclicals/documents/hf\\_jp-ii\\_enc\\_14091981\\_laborem-exercens\\_en.html](http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens_en.html)

However, these persons labour at times under unregulated working conditions, without social protection and often with too low wages. Addressing the needs of the people working in this sector should become a priority of national governments and international organizations, and therefore there should be allocated financial resources adequate to the size of this sector.

A third consequence calls attention to the central role of education in development. If young minds, the future of our society, are not sufficiently prepared, millions will not be able to enter the labour market of tomorrow. Education enables the accumulation of human capital which is a decisive determinant of economic growth. Moreover, higher human capital facilitates the adoption of new technologies and fosters innovative activities that are in great need in developing countries. Most importantly, an educated person can be fully aware of one's pivotal role in the development process and can therefore provide a more responsible contribution to economic development. For these reasons, all possible efforts should be made to help developing countries invest more effectively in their educational systems and constantly evaluate their quality.

The international community should also promote innovative economic policies, and if needed adequately fund them through development aid, aimed at fulfilling the needs of the poorest and marginalized segments of the world population. Given the productive, technological and scientific capacities of the world economy in the 21st century, the international community cannot wait until the end of the current global economic crisis, or until the transition of least developing countries into emerging economies, in order to fulfill the fundamental human rights that millions of people are still not enjoying, in particular, but not exclusively, in Africa.

A fourth consequence shows the necessity to reduce the excessive volatility of food commodity prices and to support commodity-dependent developing countries in formulating sustainable and genuine democratic national development strategies. This area of trading has consequences on the daily nutrition and life of the poorest people in the world, and carries therefore a strong ethical dimension. Whether this trading will be further regulated or not, it needs to be taken into account by States and economic actors involved in trading, including financial institutions, and multinational and national corporations. Commodities are unique in that they touch directly the fundamental rights to food and water of the human person.

Moreover, for the promotion of development, it is important to recognize the benefits of free trade and, therefore, the urgency to implement the commitments already taken regarding a duty-free quota-free market access for the LDCs. In addition, adequate measures should be taken to protect farmers against price volatility since it has a strong impact on food security: high prices make food unaffordable for the poor and temporarily low prices give farmers the incorrect information on needed seedlings after harvest for the following year.

A final consequence aims to reconnect finance, including from a regulatory point of view, with the real economy in support of truly human-centered and sustainable

development. The Holy See Delegation suggests that UNCTAD, through its technical expertise and research activities in the area of macroeconomic finance, could contribute, in collaboration with other relevant United Nations agencies and financial international organizations and regulators, to reflect on this point.

Such a reflection could provide a greater ability to adopt policies and binding rules that are aimed at achieving the common good at the local, regional and world levels. As Pope Paul VI stated *“such international collaboration among the nations of the world certainly calls for institutions that will promote, coordinate and direct it, until a new juridical order is firmly established and fully ratified. We give willing and wholehearted support to those public organizations that have already joined in promoting the development of nations.”* (*Populorum Progressio*).

The dynamic mix of new realities and the continuing importance of international cooperation underscore UNCTAD’s role as an institution that continues to place interdependence at the heart of its integrated approach to trade and development, and to serve as a valuable forum for a comprehensive dialogue between developed and developing countries. The role of this Organization as a place for frank and open discussion should be encouraged and further developed, especially in view of the magnitude of the challenges facing the global community and the opportunities for all countries to address persistent and emerging development concerns.

Furthermore, this Organization should play a crucial role in continuing its research and analysis on the international financial and monetary systems and price volatility of commodities as well as on other key development areas such as employment, education and the informal sector. In these areas as well, it should provide developing countries with innovative technical assistance. Finally, UNCTAD should consider, within its areas of competence, contributing to improve the coherence and governance of the international monetary, financial and trade systems, including a more effective participation of developing countries.

Mr. President,

The economic crisis has shown that previous economic models no longer correspond to reality. We can read this economic crisis also as an opportunity to rethink the economy, taking into account the needs of all levels of society and finding “new models”. Therefore, if this Conference signals the political will to make progress at least in some of the objectives listed in the final document, it will be a decisive step towards the creation of an international economic, trading and financial system based on the principle of social justice. In this respect, ethical values, such as transparency, honesty, solidarity and responsibility, cannot be ignored: they preserve a person-centered goal in any economic activity, prevent crises caused by greedy speculation and provide a comprehensive approach that does not separate the social consequences from economic and environmental decisions. Moreover, an additional step that ensures success in the long run is the inclusion of the dimension of gratuitousness and of the logic of gift as an expression of fraternity and involvement of the entire human family, both as a

protagonist of economic development and as the primary objective of trade and economic activity.

In conclusion,

The outcome of this UNCTAD XIII Ministerial Conference must place the proper focus on actions toward achieving human, economic and social development, those aspects which build-up the foundation of sustainable development. The Delegation of the Holy See hopes that the result of this Conference will not only be successful, but also innovative and forward-looking and that the commitments that emerge will move the world and humanity forward so as to truly contribute to the spiritual and material well-being of all people, their families and their communities.