



Sistema Económico
Latinoamericano y del Caribe
Latin American and Caribbean
Economic System

Sistema Económico
Latino-Americano e do Caribe
Système Economique
Latinoaméricain et Caribéen

Speech by Ambassador Roberto Guarnieri, Permanent Secretary of the Latin American and Caribbean Economic System (SELA)

*Official Presentation Ceremony of the Permanent Secretary
Caracas, Venezuela
22 January 2013
SP/APOSP/Di N° 1-13*

Copyright © SELA, January 2013. All rights reserved.
Printed in the Permanent Secretariat of SELA, Caracas, Venezuela.

The Press and Publications Department of the Permanent Secretariat of SELA must authorize reproduction of this document, whether totally or partially, through sela@sela.org. The Member States and their government institutions may reproduce this document without prior authorization, provided that the source is mentioned and the Secretariat is aware of said reproduction.

Your Excellency Mr. Jorge Giordani, People's Minister of Planning and Finance of the Bolivarian Republic of Venezuela;

Honourable Mrs. Verónica Guerrero, Vice-Minister for Latin America and the Caribbean of the Bolivarian Republic of Venezuela;

Your Excellency Ambassador, Mr. Erick Molina Sandoval, First Vice-Chairman of the Latin American Council;

Your Excellency Ambassador, Mr. José Antonio Marcondes de Carvalho, Second Vice-Chairman of the Latin American Council;

Your Excellencies Ambassadors and Chargés d'Affaires of the Member States of SELA;

Your Excellencies Ambassadors of the Diplomatic Corps and Representatives of International Organizations accredited to the Bolivarian Republic of Venezuela;

Dear officials and workmates of SELA;

Ladies and gentlemen:

I truly thank you all for your presence.

To the ambassadors and senior officials from embassies of our member countries I wish to convey my heartfelt appreciation for their support to my election.

And to the ambassadors and representatives of other countries and international organizations I express my special appreciation for their demonstration of solidarity with the Latin American and Caribbean Economic System.

Within the ongoing globalization process, there is a broad space to expand cooperation and support relations among us.

SELA and its Permanent Secretariat have an open and broad vision to consider possibilities of cooperation and exchange for the benefit of our members and our communities.

Considering the enormous potential of an efficiently integrated Latin America and Caribbean in the present circumstances of the global economy, which is undergoing profound changes in its multilateral governance system and its traditional centres of economic power, the task of directing the Permanent Secretariat of SELA is a remarkable challenge and a great privilege.

Even more so for me – if you allow me such personal reference – because it gives me the unique opportunity to retake, in times of special significance, a task that was interrupted earlier than expected a few years ago.

For this purpose, I intend to organize and manage the regular resources of the Permanent Secretariat and those special funds that could eventually be raised in order to execute, with high-level standards of performance and compliance, those programmes and scheduled activities and others that could prove to be of particular importance to our members, in light of the evolution of the regional economic integration process and the changes in multilateral institutions and the global economy.

4

All this, of course, will be under the guidance of the Latin American Council and in accordance with its guidelines and instructions.

I take over this position at a moment of particular significance both at the regional and at the global levels.

Over the last few years, the economies of Latin America and the Caribbean have posted significant growth and have also made substantial progress in terms of integration and economic and financial cooperation.

Integration as an essential tool for economic development and social progress of the region has been attached greater priority, and the overall perception of our collective ability to grow in a sustainable way, less dependent on international economic cycles, has been strengthened.

In my opinion, both processes – integration and self-sustained economic growth – are inseparable and reinforce each other.

I believe that the consolidation of Latin America and the Caribbean as a key stakeholder, with power and influence on the global economy and on the global system of economic and financial governance, hinges heavily on the integration of our countries.

The creation of the Community of Latin American and Caribbean States comes at a very timely and encouraging juncture.

With 33 member countries, CELAC represents the ultimate political expression and recognition of the strength of our region and its great potential to become a determinant factor and key partner in major decisions to restore the world's economic order.

The Latin American and Caribbean Economic System has been the organization with the broadest coverage and diversity in our region. At present, it has 28 members.

I want to express my intention, as Permanent Secretary of SELA, to invite the illustrious governments of the five remaining countries – Antigua and Barbuda, the Commonwealth of Dominica, the Federation of St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines – to consider their entry as full members of our institution.

Meanwhile, I intend to request the Latin American Council, the highest decision-making organ of SELA, its authorization to invite them, as special observers, to all of the events and meetings of our organization.

In the present circumstances, the fundamental objective of this Permanent Secretariat must be to provide a timely and effective support to speed up the processes of integration, consultation and financial and economic cooperation throughout our region.

Such integration should have noticeable results in terms of economic growth. However, it should also serve for equitable income distribution and re-insertion of groups of people and sectors affected by the opening up of markets, thus encouraging efficiency and productivity and generating value and income.

Along with the achievements in the strictly quantitative dimensions of trade and capital movements, integration should take due account of qualitative values, social justice and the quality of life of our peoples.

An economic integration with these characteristics cannot be based mainly on an external model with flaws in these connections, which have turned out to be overwhelming in recent years. It cannot rely only on trade liberalization programmes, while expecting market forces to produce the desired results.

Such a situation can hardly occur, not at least in a politically acceptable period of time, as it could increase general frustration and resistance to making further progress on the basis of a strictly commercial integration.

Rather, integration must be built in a deliberate way on substantial contributions in terms of mechanisms and modalities for exchange and cooperation especially designed to conform to our reality, objectives and values. They should take account of the specific features of our economic and social structure and should attach priority to key social objectives, beyond strictly economic aspects.

In this regard, I am pleased to announce that the Permanent Secretariat has outlined and is about to start a comprehensive, rigorous and systematic evaluation study on the various integration schemes and mechanisms in our region, in order to make concrete proposals to incorporate such objectives and priorities in a more effective way.

This study will not be a merely descriptive and general exercise. It will be a comprehensive project with a broad scope, aimed at making a substantial contribution to the development of a Latin American and Caribbean integration scheme which, based on an enhancement of subregional mechanisms, establishes certain common denominators that would ultimately facilitate their convergence.

It is an ambitious project that will take time, but I am reasonably confident that its concrete results, which we will report as they unfold, will clearly reveal their importance and justification.

Ultimately, of course, the countries' authorities will make the corresponding evaluation. The Secretariat assumes due responsibility considering that the present circumstances so require it, confident that the progress results will be considered to be relevant and useful both conceptually and operationally.

It should be borne in mind that, in a broad sense, two modalities of cooperation and integration coexist in Latin America and the Caribbean, with both of them being significantly effective and fully operational.

On the one hand, there are already traditional systems, which are mainly aimed at the liberalization and expansion of internal trade and at the progressive creation of a common market. They include MERCOSUR, CARICOM and the Andean Community.

On the other hand, there are organizations such as ALBA and Petrocaribe, which were created in the wake of the Presidential Agreement of Puerto Ordaz that was signed in 1974 by Venezuela and the Central American nations and later on was expanded to include Mexico. These organizations focus on national and collective planning and administration of economic cooperation flows of goods and services, as well as financial and capital flows.

6

Both systems have played a highly significant role for all participating countries, incorporating criteria about prices and markets that are undoubtedly relevant for efficiency and overall economic productivity, as well as considerations as regards international social justice and a strategic long-term vision of economic integration.

I believe that each organization has a relevant role to play in the Latin American and Caribbean reality, considering, in particular, the remarkable asymmetries as regards development degree, productive potential and the economic scale of many of our countries.

In recognizing their full validity and complementarity, it seems important to consider the systematic integration of both systems into a single Latin American and Caribbean economic integration model.

Obviously, this is a topic of collective interest, which will surely be considered by CELAC in its future debates.

Therefore, within the context of the fundamental objectives of SELA and the functions of the Permanent Secretariat, we intend to assess this matter with conceptual rigor in order to submit to the Latin American Council the corresponding conclusions and recommendations.

I believe that the Permanent Secretariat can and should conduct its activities with a high level of excellence. And I do not mean only the quality and thoroughness of the analyses, but the timeliness and relevance of the eventual recommendations.

The analytical contributions of the Permanent Secretariat must ultimately prove to be useful for member countries, regardless of their geographical or economic dimension, their development degree and their economic and social structure.

They must be significant in order to complement the foundations of collective and national public policies within the framework of the integration agreements in force, and they must support negotiations with third parties in the areas of our responsibility and competence.

The analyses should be instrumental to strengthen the regional and subregional mechanisms for financing and supporting the adjustment processes vis-à-vis structural weaknesses and temporary imbalances, particularly within the context of ongoing integration processes and globalization itself, and as a result of external economic shocks.

Finally, they must provide significant contributions towards the establishment of mechanisms that serve to compensate for shortcomings or biases in international organizations, while strengthening our autonomy and regional economic sovereignty, for instance in the monetary and financial areas.

That is, dear friends, my vision of what the Permanent Secretariat of SELA should do in the immediate future. For that purpose, and fully aware of the responsibility entrusted to me, I have the honour to take on the commitment to direct it for the period 2013-2017.