



Sistema Económico
Latinoamericano y del Caribe
Latin American and Caribbean
Economic System
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Latino-Americano e do Caribe
Système Economique
Latinoaméricain et Caribéen

Speech by Ambassador Roberto Guarnieri, Permanent Secretary of SELA

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Your Excellency, Ambassador Erick Molina Sandoval, Chairman of the Latin American Council;

Your Excellency, Mr. Wilfred Elrington, Minister of Foreign Affairs of Belize and outgoing Chairman of the Latin American Council;

Distinguished Members of the Latin American Council Bureau;

Honourable Mrs. Verónica Guerrero, Vice-Minister for Latin America and the Caribbean of the People's Ministry For Foreign Affairs of the Bolivarian Republic of Venezuela, the host country of SELA

Distinguished Ambassadors y Delegates of the Member States of SELA;

Your Excellencies, *Messrs.* Ambassadors and Representatives of the Diplomatic Corps;

Honourable Representatives of International Organizations;

Distinguished Officials and y Fellow Members of SELA Staff;

Ladies and Gentlemen:

In opening the XXXIX Regular Meeting of the Latin American Council of SELA – at the Ministerial Level – with this presentation, I am so pleased and proud to welcome all of you to this Home, the foundations of which are made of ideas, thoughts and dreams about Latin American and Caribbean integration.

Transforming those dreams, thoughts and ideas has been a central task that SELA has been able to accomplish thanks to the work of its committees for action, programmes and projects throughout its existence.

The work done by the Permanent Secretariat during the year 2013, detailed on the report I have submitted to this XXXIX Meeting of the Latin American Council, is in keeping with the Council's mandates which introduce new project-specific elements to be developed, while also ensuring the continued implementation of the guidelines adopted at the previous meetings of the Council, so that the documentary heritage and the results achieved in each annual period allow for the preparation of a summary which in turn serves as a starting point for the following year, with emphasis on and adjustments of those issues and priorities that the Member States may put forward or approve on the initiative of the Permanent Secretariat.

From the Report of Activities for 2013, I would like to highlight a fact that reflects the orientation and determination of the Permanent Secretariat, which is the geographical distribution of the various activities conducted in its Member Countries, with different events being held in Mexico City, San Salvador, Cartagena, Montego Bay, Santo Domingo, Lima, Guatemala City, Barranquilla, Bridgetown, Kingston, Paramaribo, Port au Prince, Belize City, Buenos Aires and Brasilia.

For the year starting in January 2014, we also plan to develop various additional activities away from SELA Headquarters, upon consultation of and in response to direct requests from Member States on issues of particular interest at a regional level in some cases and more frequently on issues affecting the entire framework of SELA Member States.

2

The Programme of Activities for 2014 that the Permanent Secretariat submitted for consideration by the Latin American Council has a thread of consistency that in one way or another involves all programmes. There is a threshold that we are still striving to reach, knowing that it is vital for us to get there: the full integration of Latin America and the Caribbean.

In accordance with the Panama Convention of 1975, SELA's focus has always been on integration.

Integration mechanisms in Latin America and the Caribbean have evolved to form a broader integration architecture which is currently composed of the Latin American Association of Integration (ALADI), the Andean Community (CAN), the Caribbean Community (CARICOM), the Common Market of the South (MERCOSUR), the Central American Integration System (SICA), the Bolivarian Alliance for the Peoples of Our America - Trade Treaty of the Peoples (ALBA-TCP), the Pacific Alliance, and the Union of South American Nations (UNASUR).

And now this framework has been complemented with the emergence of the Community of Latin American and Caribbean States (CELAC) as a top-level organization.

CELAC has convened a meeting with the subregional integration mechanisms in Latin America and the Caribbean to be held early in December in San José, Costa Rica, the country that will be holding the Presidency pro tempore of the body for the next year.

In its rightful capacity, SELA will be attending that meeting.

It is time for reflection and analysis.

We must recognize that the economic integration process is now in a situation of relative stagnation, which is affecting our entire region.

This is clearly reflected by a report developed following a request made by the Permanent Secretariat early this year for the purpose of conducting a comprehensive study on the evolution of trade within regional integration agreements in Latin America and the Caribbean for the period 1980-2011.

Intra- and extra-bloc trade flows for CAN, CARICOM, CACM and MERCOSUR were thoroughly reviewed and in all cases – in varying degrees but in the same direction and with equal tendency – it can be seen that all these schemes achieved their faster actual intra-bloc trade growth rate during the period 1990-1999, showing a general slowdown for the period 2000-2011, which was more evident in the cases of CAN and MERCOSUR.

We find ourselves in a situation that is difficult to understand due to its contradictory nature. Although strong declarations and statements are made very frequently at the highest official level throughout our region on the need for integration, the process shows no signs of progress, not even in its basic dimension of trade as of late.

The question arises as to why it is so.

Do we not really know what should be done?

I think we do:

First of all, integration needs to be strengthened within the existing traditional schemes.

Through coordinated policies, gradually tending to a common, basic set of rules in key areas such as banking and financial systems, and labour and capital markets.

Through common administrative provisions aimed at facilitating the movement of production factors, once barriers to trade are virtually removed.

Through the establishment of a supranational institutional framework with a view to ensuring fair competition, preventing collusion and market failures, fostering and funding joint projects for basic infrastructure, among other things.

Harmonizing macro-economic policies and getting them to gradually converge towards a common domain or range of results in the monetary, foreign exchange and fiscal fields is an essential task.

And then – or rather simultaneously – attention should be given to the procedures needed to promote the convergence of subregional integration and cooperation schemes into a single Latin American and Caribbean economic space.

Obviously, this pause in the process of integration in our region is not primarily due to us not knowing the intermediate or instrumental objectives needed to move forward in this regard or the policies that need to be developed to achieve them.

Instead, the problem seems to lie in the current definition of priorities at the national and collective levels, probably due in part to the inherent complexity of these issues and the impact they have on national public policies.

Undoubtedly these are considerations of the highest relevance and merits.

Amid these circumstances, I would like to raise for consideration by the Council the possibility for the Permanent Secretariat of SELA – as an organization for consultation and coordination – to strengthen its role as facilitator and as a valid and well-recognized source of initiatives, ideas and projects in the aforementioned areas, which are at the very heart of economic integration, in order to promote their reconsideration at the appropriate political levels.

In keeping with this purpose, we think that any studies and activities conducted by the Permanent Secretariat should be of an increasingly instrumental nature rather than merely descriptive, particularly in consultation with the Member States – through meetings with the Informal Working Group – concerning the development of studies on public policies for integration. All this with the aim of establishing an effective documentation base that includes the appropriate and politically relevant elements to facilitate decision making as deemed timely and appropriate by the national authorities.

Always maintaining the focus on the Latin American and Caribbean integration as the ultimate goal, the Work Programme for the year 2014 was prepared with the above goal in mind, with a view to adding purposeful value to the various activities conducted by and under the responsibility of the Permanent Secretariat.

For its fulfilment of this goal, it is necessary to have a technical and professional team in place as well as an excellence-oriented working environment that emphasizes analysis, while encouraging creativity and innovation. This process is currently underway and is expected to consolidate during the first half of next year.

4

It is a challenge the difficulty of which we do not underestimate and which we are determined to meet, being convinced that it can and must be met successfully for the benefit of all our Members.

For this, the support from all Member Countries will be required, but such support should only be provided once our Authorities are fully convinced that it is worth providing it, and the Permanent Secretariat must prove them right with an excellent level of performance.

I intend to ensure that these standards of excellence concerning analytical emphasis and envisaged objectives will prevail in any work done by SELA in its different areas of activities.

Obviously the Permanent Secretariat cannot, by itself, provide and implement all analytical and research resources required, but it can become a source for reference and convergence of knowledge and skills already available in our own countries and beyond, at specialized research centres.

This will be largely the responsibility of the Directorate of Studies and Proposals, under the guidance of and with direct supervision by the Permanent Secretary: establishing ourselves as a valid interlocutor and a professional, merit-based focal point to attract increased external collaboration, as well as mainstreaming the state-of-the-art into all matters directly related to economic integration.

These tasks must be accomplished always bearing in mind the individual characteristics and needs of our countries, national preferences and the requirements for collective objectives of inclusion, reduction of asymmetries and convergence of positions.

Today there is a requirement for a greater degree of agreement and consensus for action.

To achieve this, we will need a kind of "roadmap" to guide us and keep us in the right direction.

It is necessary to have a working agenda in place that is jointly agreed, for the purpose of better aligning the tasks needed to streamline subregional integration and further promote convergence in a single Latin American and Caribbean economic space.

In this regard, it would be appropriate to conduct – based on the elements resulting from the meeting of the integration mechanisms to be held in San José, Costa Rica, as convened by CELAC – a strategic reflection allowing for the establishment of a shared vision of the future, a road for the Latin American and Caribbean integration process to follow.

We are faced with a difficult challenge. We even dare to say that it cannot be ignored any longer without the risk of losing the vital critical mass of public support that is politically required for the integration objectives to be assigned adequate priorities in the development of national policies.

As we have said before, and I would like to reassert it on this occasion: integration is an essential tool for economic development and social prosperity of our region, and therefore of our collective ability to grow in a sustained manner, increasingly less subject to and less dependent on the global economic cycle.

Our joint economic and political potential is huge, but it could be hindered or significantly limited by the integration process stagnation resulting from the insufficiency of public policies required for its full realization.

This requires us to always bear in mind that the Latin American and Caribbean integration must be built deliberately based on the contribution of exchange and cooperation mechanisms and modalities specifically designed in accordance and aligned with our reality, our objectives and our values, without forgetting that the emphasis of our integration efforts is also of a significantly qualitative nature, including social justice, improvements in our peoples' quality of life, inclusion and reduced inequality, regardless of the prevailing political system.

This is the context, distinguished representatives, in which we are working now, under the guidance of the Latin American Council, aware of the high responsibility we have been granted.

I will conclude by sincerely expressing gratitude – on behalf of all staff members of the Secretariat, whose dedication to service I really appreciate – for the trust that the Council has deemed fit to grant us, while assuring you of the fact that we will make each and every reasonable effort to be found worthy of it, putting it into practice in a responsible and effective manner for the benefit of all our Member Countries.

Many thanks.

Caracas, 28 November 2013