

Excerpts from the Statement by Hugo Chávez Frías, President of the Bolivarian Republic of Venezuela and Chairman of the Group of 77, at the United Nations Conference on Financing for Development

Monterrey, México, 21 March 2002

Mr. Chairman,

I speak in my capacity as Chairman of the Group of 77 and China, and more particularly on behalf of all the poor on our planet – not only 1.5 billion people existing in absolute poverty in the 3rd and 4th worlds, but also the more than 200 million poor who live in the 1st and 2nd worlds.

For many of them this Summit holds out great expectations. However, I am sure that the great majority of them do not even know that we are here. Nonetheless, their destiny and lives depend to an important degree on issues that we have started to debate here today.

The first idea I would like to present is that we all recognize — not only on paper, or in a spoken or written word, but above all in the most profound depths of our conscience — that the world is not only twisted and distorted but is in the words of Eduardo Galeano an “upside down world”, topsy-turvy. We, the leaders of the world assembled here, can and must do a lot to straighten it up, to make it right.

The second idea has to do with the above. We must act, and not only talk and make declarations. And what better occasion than this one with the Heads of State and Government assembled to take genuine decisions needed to save the world, indeed to transform the world, because the world as it is going, according to my judgment, is not a viable one in the long term. We are destroying it.

We have a bad example before us. There are many bad examples of things we have said, we have written and have not implemented and fulfilled. Ten years ago, in 1992, the Earth Summit took place in Rio de Janeiro. Today, according to a survey made of the last few years, it can be seen that since the Rio Summit to the present, the destruction of tropical forests has continued, as has the destruction of once fertile soils which are now desert, and more than 250,000 species of animals and plants have disappeared.

And the atmosphere continues to be poisoned and contaminated, while the climate is undergoing the most significant changes that it has experienced in the last 10,000 years, as the scientists tell us.

A year and a half ago we held the UN Millennium Summit: We endorsed and adopted a Declaration there. But we need to ask ourselves a year and a half later what have we done? To begin to fulfil these noble objectives we set ourselves for the year 2015: to reduce poverty by half, to ensure that all boys and girls receive free education, that everybody has the right to life and the right to health. Have we succeeded in taking some all-important, transcendental decisions in a year and a half? We have seen nothing of that nature anywhere. It is clear that real decisions that will change the world have not yet been taken.

The third idea: We talk about financing for development. But what kind of development are we talking about? We need to define this, and most appropriately for the Johannesburg Summit in the next few months. Because it is undeniable that the so-called development model of the North has at times been the cause of the underdevelopment of the South. It has been shown, for example, that if everyone in the world were to enjoy the levels of life of the most highly developed countries, ten planets similar to the earth would be required to sustain the life of all the human beings on our planet. We must therefore define where we are going and what kind of development we are talking about. What are we going to finance? What are we going to develop?

There is no doubt that the United Nations has been guiding the development process. The United Nations

Development Programme is a wonderful instrument which we recommend to Heads of Government and Heads of State to follow closely. Without doubt, this is the type of development we must finance and take care of with urgency: in other words, human development.

As we know, the UNDP has established, with great precision, three fundamental variables for human development. First, life expectancy and health. Secondly, education: school enrolment and the quality of education; and thirdly, levels of family real income. These are the three variables on which we must work very hard, and we must do so immediately, not tomorrow!

The fourth idea I would like to leave with you is a question: what exactly are we going to do? There are some very positive ideas in the "Monterrey Consensus", but I believe we must place them in the context of time and space as well. We have to start with what is of highest priority and the greatest urgency. From Venezuela we recommended, both at the Millennium Summit and at the Summit of the Americas, that a social emergency be declared. Although we were referring to Americas, I feel that this applies to and is valid worldwide. It is necessary that we recognize that the world finds itself in the midst of an extremely grave social emergency and that it is essential to proclaim this emergency and to act accordingly. It occurs to me to point out that the International Monetary Fund in its present form is not the instrument needed for this battle, a battle for the life of billions of people. No, the IMF was not created for this purpose.

I propose that we discuss urgently the creation of new instruments. Why not think of an International Humanitarian Fund. We would have to change just one or two letters – the 'm' in Monetary for the 'h' in Humanitarian. How would we finance this International Humanitarian Fund?

Well, it could be done with a percentage of the external debt. But, we should take such a decision right now and here. However, this is not simply a matter of debt relief. No, these are merely band-aids, in the presence of a very grave illness that is fatal to the poor peoples of the planet.

A percentage of the external debt of the developing countries, say 10 per cent, could be directed immediately to save millions of lives. Similarly, 10 per cent of military expenditure of the world's total military expenditures would suffice to save millions of people.

If we were to stop making tanks, and airplanes and smart missiles, etc., I believe we would save many lives immediately. A percentage of confiscated drug traffic, international corruption; and another matter of great importance that has often been discussed, but never decided upon: a world tax on speculative transactions and on the tax havens already existing on the earth.

But the time has come to take decisions, not merely to talk. Something must be done to deal with the emergency that we are faced with in the world!

I shall not enlarge any further on the subject; I simply wish to express appreciation to the Group of 77 and China for reaching after lengthy deliberations a consensus that we have brought here, a consensus that is founded on truth. Consensus cannot, of course, be absolute. That is impossible. There are some important ideas behind this consensus. For instance, each country has been asked to take the initiative at the national level to mobilize resources for development. This could certainly be done, relatively speaking. But, there is a group of countries in the world, in which more than five hundred million people are unable to raise one cent for development. That is the reality we face in this world.

In addition, it is demanded that international financial resources for development be mobilized, which is the second theme of this conference and of this "consensus". However, one must change the "how" in order to mobilize international resources, it is necessary to change the conditionalities.

The International Monetary Fund, for example, is undergoing reform, according to its President, and we applaud it. The IMF structural packages have often been a mortal venom for our peoples. The so-called structural adjustments have produced rebellions, wars, coups d'état, uncertainty and death for the peoples of the Third World and the peoples of the fourth world. This needs to be changed urgently by giving special and differential treatment to countries of the world as a function of their level of development or underdevelopment.

With regard to international trade, how much longer can the first world continue subsidizing its own agriculture; one billion dollars a day is the subsidy provided for agriculture in the first world, and yet the developed countries demand that we in the developing countries should not subsidize. This not only unjust, it is immoral, truly immoral. What is also needed in the world is a new ethical architecture. How can one demand what is not implemented? Are we going to keep proclaiming what does not get done? We demand from the world of the South that an end be put to the obscene subsidies that are given to production in the first world. Lastly, we must insist on the compliance with the allocation of 0.7 per cent of GNP, agreed upon more than 30 years ago, which would make available to us approximately 200 billion dollars. These are sufficient resources for human development, on par with the external debt. Of course, for many countries in the world the external debt cannot be repaid. Venezuela has paid in three years, 13 billion dollars for debt to the North in spite of our poverty and disasters we have suffered. We are continuing to pay our debt and will do so in future, but this is not possible for many other countries in the world.

In the last few years, the South has paid the North \$800 billion of the debt owed, in interest and amortization, and still the total debt remains the same. It has not decreased, rather it is increasing. It is a strange monster this debt, one keeps paying and paying, yet it continues to grow.

All these ideas I advance in the name of the countries of the South. I had the privilege, for which I am grateful, to pronounce these words of critique, in order to look for a consensus among the differences, so that we can march all in the spirit of Monterrey, in the spirit of Mexico, in the spirit of justice, in the spirit of Simon Bolivar. Let us make justice triumph and liberty will triumph too.

Thank you.