



Statement by H.E. Archbishop Ivan Jurkovič, Permanent Observer of the Holy See
to the United Nations and Other International Organizations in Geneva
at the 67th Executive Session of the
UNCTAD Trade and Development Board
Geneva, 2 July 2020

Mr. President,

At the outset, the Delegation of the Holy See would like to express its sincere congratulations for your election and its gratitude to the outgoing Chair of the TDB, H.E. Gaffey, for the integrity and the transparency manifested throughout the preparation process of this session, especially in these troubled times.

The Covid-19 virus is posing unprecedented challenges to governments of developed countries. The economic crisis caused by the pandemic is unique in that it combines a deep supply shock, arising from wide-ranging and prolonged lockdowns of entire economies, with consequent demand shocks, arising from a collapse in corporate investment plans, rapidly increasing unemployment, as well as deep uncertainties and heightened fragility on the financial markets.

There is no doubt that the current Covid-19 crisis will more severely affect the lives and livelihoods of those in the developing world. One avenue through which this potentially devastating impact might be softened, and lives saved rather than lost, is by tackling the crippling external debt burdens accumulated, at both public and private levels, in developing countries over recent years. Of utmost importance is coordinated action by the international community to deliver speedy and substantive debt relief to crisis-stricken developing countries who need it now more than ever, either because they already struggle under unsustainable debt burdens or because they are too poor to tackle the impact of the Covid-19 crisis. As the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI) of the recent past remind us, the international community can act decisively, when required. At this moment, such efforts need to be multiplied and commensurate with the much larger scope and magnitude of the current crisis. In light of the present circumstances, the Holy See urges that: *“all nations be put in a position to meet the greatest needs of the moment through the reduction, if not the forgiveness, of the debt burdening the balance sheets of the poorest nations”*¹. My Delegation welcomes the lead

¹ Pope Francis, Urbi et Orbi Message, 12 April 2020.

that UNCTAD has taken to find ways to reduce or forgive debt as indicated in the reports published over the last months.

Mr. President,

Moving towards a more inclusive and sustainable world is not merely a matter of making markets work better, whether by investing in human capital, applying smarter incentives, extending credits to poor people or providing stronger protection to consumers. It requires a more exacting and focussed agenda that addresses the systemic constraints on resource mobilization and technological diffusion, that mitigates growing asymmetries in market power arising from the lop-sided rules of a hyper-globalized world, and that corrects existing deficits in global economic governance and guarantees the policy space needed to match local challenges with international goals.

Given the complexity of the economy, ethical and cultural factors cannot be overlooked or underestimated. The roots of this crisis are not only economic and financial but, above all, moral in nature. 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 actions.

Over the last decade, we have learned that excessive liberalization and deregulation, allowing for markets and firms to regulate themselves, privileges short-term gains over long-term commitments. Of great concern is the ever-decreasing economic allocation to the health sector and the abuse and predation of the natural environment on which not just economic life, but all human life, ultimately depends. In most cases, the consequences of such behaviour are delayed and ~~with~~, in some cases, their adverse impacts are only truly felt by future generations. Confronting this potential "tragedy on the horizon" requires both participatory deliberation and decisive planning for the future as well as a strong ethical approach, based on our responsibility for future outcomes.

The immediate challenge is to ensure that policy makers have the room and resources to respond to the health shock and to mitigate the accompanying economic damage. Whether and how this happens will have direct consequences for creating a fairer, more inclusive and resilient recovery.

With honesty, responsibility and courage, the international community has to put the knowledge and talents "at the service of another type of progress, one which is healthier, more human, more social, more integral" (*Laudato si'*, 112), capable of placing economy at the service of the human person, of building peace and protecting the environment. Clearly, the consequences of the crisis go far beyond the financial domain, extending to the economic, social and cultural spheres. For these reasons, the international community cannot let the financial system continue to be a source of global economic instability; it must urgently take measures to prevent the outbreak of other financial crises in the future.

Mr. President,

Let me conclude by informing you and the Secretariat that the Delegation of the Holy See, in preparation of the zero draft for the XV UNCTAD Ministerial Conference, will submit a position paper. As recalled by Pope Francis: “ This is not a time for indifference, because the whole world is suffering and needs to be united in facing the pandemic.(...) May these, the most vulnerable of our brothers and sisters living in the cities and peripheries of every part of the world, not be abandoned”².

Thank you, Mr. President.

² Pope Francis, Urbi et Orbi Message, 12 April 2020.