

PANEL ON GLOBALIZATION¹

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Thank you very much, especially for being invited to this very important meeting, I am delighted to be here. I will talk about global economics on the road to Damascus. A world built on the globalisation of greed and fear, rather than the globalisation of solidarity was never sustainable or desirable and now the bubble has burst, not with a whimper but with a cacophony that will ring in our ears for a generation. We have experienced our own Jericho moment and the walls of the deregulated free market lay in rubble about us. The current economic crisis has caused the United States and Europe to sneeze but poor countries got a cold and even an epidemic now. Our fears are that the poorest people who have benefited least from decades of unequal economic growth will pay the greater price for this folly. New estimates for 2009 suggest that lower economic growth rates will trap 46 million more people on less than 1.25 USD a day than was expected prior to the crisis. An extra 53 million will stay trapped on less than 2 USD a day. This is on top of the 130-155 million people pushed into poverty in 2008 because of soaring food and fuel prices. Preliminary World Bank estimates for 2009 to 2015 forecast that an average of 200 thousand to 400 thousand more children a year, a total of 1.4 to 2.8 million, may die if the crisis persists. *Caritas Internationalis*, of which I am President, reports that poverty in the 200 countries it works is deepening with 100 million more people in need of food aid. *Caritas*, and the people it serves, is experiencing a crisis of exclusion, of injustice and inequality. 60% of the world's population still exists on only 6% of the world's income, while entire communities are exploited and neglected. If we learn one lesson from this misadventure it must be that the actions we take in 2009 cannot be aimed at resuscitating the old system but must aim at a blueprint for a better world based on justice and respect for all.

¹ As delivered.

2009 provides us with plenty of opportunities and inspirations to get it right. The Holy Father made his first pastoral trip to Africa; the Pauline Year runs till 29 June to mark the approximately 2000th anniversary of the saint's birth, and the Synod of African Bishops meets in Rome in October. All will be opportunities for the Church to encourage politicians to make the right steps. Pope Benedict XVI visited Cameroon and Angola. He attended the African Episcopal Conference in Cameroon, to prepare for the African Bishops' Synod in October and visited Angola to celebrate the 500th anniversary of its evangelisation. It was the first papal visit to sub-Saharan Africa since 1998, when Pope John Paul II visited Nigeria. The visits to Angola and Cameroon by the Holy Father and the Senate were a wonderful opportunity to celebrate the work of the Church in Africa with a moment to reflect on the challenges that face people in Africa where, for many, poverty remains an unacceptable scandal. The Synod of Bishops in October will be the second for Africa and the theme is *The Church in Africa at the Service of Reconciliation, Justice and Peace*. Four decades ago, Paul VI said prophetically: 'The new name of peace is development'. Forty years later, Africa is still waiting for that to come true. Until poor Africans feel they have a chance to live in the dignity promised by Christ, the African continent will be unable to experience lasting political stability or overcome the devastating effects of poverty.

People across the continent are experiencing deteriorating living conditions, reduced social services, human rights abuses and conflict. African countries will be hit hard by the global recession as the demand for raw materials falters or private capital flows dry up and high food prices push 100 million more people into destitution, but the situation will be made worse by rich countries if they cut aid abroad and adopt populist protectionism measures at home. We pray that Pope Benedict's inspiration will act as a reminder to world leaders that the poor must not be excluded from plans to rescue the global economy. World leaders must resist domestic pressure and show genuine leadership to convince voters that supporting the poor is not a fair weather choice but a moral responsibility.

Today the Church faces a new challenge in our global world. Benedict XVI said, in his message for the World Day of Peace of this year: 'Fighting poverty requires attentive consideration of the complex phenomenon of globalisation'. World leaders met both in London in April for the G-20 and will meet in Sardinia in July for the G-8 to decide a global response to the worst economic crisis in 80 years, and a new deal on climate change will emerge in December. For years we have been campaigning to get the rich

nations to honour the commitment they made around 40 years ago to devote 0.7% of their incomes to overseas development aid. Only five countries have so far met that target and the best the United States has managed is just over 0.2%. Italy has cut its foreign assistance by 56% for 2009. This is a 20-year low of 0.009 of GDP despite promises to spend 0.7% on overseas aid. The Italian cuts are an ominous sign of the 2009 G-8 summit this year in Italy. Global aid levels, even before the financial crisis, have been in decline, falling by 8.4% in real terms before 2006 and 2007. In 2007 global aid flows stood at 103.9 billion USD, representing just 0.28% of the combined national income of developing countries. Governments collectively need to provide an additional 18 billion USD per year between 2008 and 2010. These disappointing figures fail to take into account of governments inflating their aid figures by counting spending on debt relief, educating foreign students and housing refugees in Europe. It has, therefore, been astonishing to see the huge sums of money being committed to economic bailouts. President Obama's financial rescue package of about 18 billion USD is almost equivalent to the total amount of development aid provided over the past 10 years by 23 of the world's richest countries. World leaders must not use the financial meltdown as an excuse to cut aid. When 70% of your financing for health services comes from foreign donors, as is the case in many African countries, cuts in aid cost lives. And we talk about humanitarian assistance. Aid works when spent wisely: Kenya, Tanzania, Uganda and many other countries have abolished fees for primary schools, resulting in dramatic increases in enrolment during the space of a few years thanks to debt relief. As Caritas Internationalis' President I know our members realise the importance of spending aid well. A new survey that took a snapshot of 19 of the biggest Caritas members and put their combined humanitarian assistance for voluntary services at 294 million a year, almost equivalent to that of Sweden, the sixth largest bilateral donor last year, our development aid must be targeted at encouraging long term economic growth, good governance and human development as well as effective and rapid response to disasters and conflict.

Above all, we need a green revolution in Africa, transforming every aspect of farming to ensure food security, as we heard in this meeting. We know that the world will need to double food production in the next four years to meet projected population growth. Our ability to meet these food needs is challenged by increasing water scarcity, climate change and the costs of fuel and transport. In Africa, growth in our agriculture is central to both food security and economic growth. The strong potential to create

such agriculture sector growth is now constrained by the financial crisis and economic recession, which will bring reduced income and employment. Soaring unemployment, failing banks, rising bankruptcies, slumping exports and ballooning deficits are critical issues. However, our global financial system is tightly bound up with present social and justice issues, which will only be further exacerbated as our governments, public and private institutions focus on their economies. In a world so deeply divided between rich and poor, north and south, religious and secular, us and them, we need more than ever common values and a global ethics that unites us as a global community. We increasingly need leaders who are able to incorporate values, respect for human dignity, human rights and the environment into their decision-making. All of us need the ability to hold governments accountable for their performance. That will not only be good for governments and good for business, but it will also be a powerful force in realising the common good for all. We can either greet 2009 with paralysis or as an opportunity for change. The financial crisis is a symptom of deeper flaws within the economic system. This is not a banking failure but a systemic failure. Systemically, the problems are secrecy and lack of transparency in real and virtual economies. The rich offloading risk, both financial, environmental and social, onto poor people in rich and poor countries through economic boom-built and rampant consumerism and unsustainable debt levels to finance it, promote new levels of greed and individualism. The rapid consumption and disposal of goods and services at unprecedented levels has had an enormous impact environmentally on greenhouse gas emissions and on our natural resource base. The enormous power in the global economy and lack of accountability of a relatively small number of players, multinational banks, non banks and the private sector but our fear is that economic ministers are not intent just on rearranging the deckchairs of the Titanic, but patching up the holes and manning the pumps just to stop the ship sinking. As we struggle to understand what is going on, the crisis will have passed and we will be on to the next one. And talking about climate change, in 2009 economics must take the place of egonomics. Climate change is a reality today, affecting the lives and livelihoods of millions in developing countries by exacerbating storms, droughts and natural disasters. It is our moral obligation to take urgent action to tackle climate change and to do so in support of those most affected. We can waste no time. There must be a radical effective agreement at the UN Convention in Copenhagen in December this year based on climate justice and the principle that the polluter pays. We call on you to achieve a strong,

binding and just climate agreement to ensure the survival and wellbeing of all God's children. As a matter of equity and responsibility, those who have created the problem must pay for the solution. Economically developed nations have a moral obligation to tackle climate change because of their disproportionate consumption of natural resources. It is imperative that these countries receive the economic and technical assistance they need to adapt to climate change and ensure better lives and livelihoods for their people. And I will conclude because my time is over.

St Paul knew a thing or two about globalisation. Not only was he a great traveller but also a force behind the globalisation of Christianity. In this year of St Paul we remembered how the Apostle to the Gentiles summoned the Church to open herself to all peoples, their histories and their cultures, and so become a better image of our Lord, in whom there is neither Jew nor Greek, slave nor free, male nor female, for you all are all one in Jesus Christ. We must discover the aspirations and the rights of all peoples and be aware of their true needs, recalling the advice received by Paul from the pillars of the Church of Jerusalem, remember the poor. We must hope St Paul's inspires the leaders of the world's most powerful and richest countries to experience their own road to Damascus moment. There must be a conversion, away from the old system of blind greed to one where our eyes are opened to justice and dignity for all. Thank you.