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**Address by Mr Koïchiro Matsuura, Director-General of UNESCO,
on the occasion of the Forum entitled:
“The Global Financial and Economic Crisis:
What Impact on Multilateralism and UNESCO?”.**

UNESCO, 2 March 2009

Mr Chairman of the Executive Board,
Excellencies,
Ladies and Gentlemen,

I am very pleased to welcome you all to the UNESCO Future Forum. This is the first in a new series of debates that UNESCO has launched to examine critical issues of our time. The theme today is the impact of the financial and economic crisis on multilateralism. We could not begin with a more important question.

The world faces a global crisis of unprecedented scale; it can only be resolved through international cooperation and solidarity.

When I attended the World Economic Forum in Davos in late January, the main theme of discussions was indeed how to overcome this global crisis.

Next month in London, G20 leaders will meet to try to reach international agreement on coordinated actions to revive the global economy and reform financial sectors and institutions, building on the outcomes of last November's Summit in Washington.

The international community will be following these discussions very closely; they are likely to have profound implications for the future shape of global economic development and international financial systems.

Like other organizations represented here today, UNESCO has been looking hard at how it can best contribute to international efforts to overcome the crisis.

While UNESCO does not have a direct role in managing the global economy, our work, like that of other multilateral agencies, is directly affected by the current meltdown.

It is important that we understand this impact and respond swiftly and appropriately according to our respective mandates and expertise. We also need to make sure that our responses are coordinated and targeted towards helping those most in need.

This is why UNESCO has convened today's Forum. Our aim is to examine the present and potential future implications of the crisis for multilateralism. It is also to look at how the multilateral system can play its part within a coordinated global response. The focus will be on those areas where we carry unique responsibilities. This includes: international development, and our duty to protect the world's poorest; ensuring access to fundamental social services and global public goods; promoting gender equality; and mobilizing action to address environmental threats, in particular climate change.

We have with us to explore these issues a distinguished set of speakers. Let me welcome and thank you all for making time in your busy agendas to be here today.

Ladies and Gentlemen,

I would like to use these opening remarks to make a couple of general points, before turning to the specific subjects on our agenda.

My first comment may seem obvious, but it must be made. We are in the eye of a storm that is still gathering pace. The financial crisis, still raging, is now wrecking devastation on the real economy. In terms of growth, unemployment, trade, investment – predictions are bad and are likely to get worse. No one can safely anticipate the extent of the damage. But one thing is sure. **The crisis affects everyone.** And those who will be hardest hit are those least responsible. As always, it is the poor who will suffer the most. For them, the financial crisis compounds the food crisis, the energy crisis, the development crisis.

We have to admit that, taken together, these crises provide compelling warnings that our patterns of development are simply not sustainable.

Yet we must also recognize – and this is my second point – that **with this period of crisis comes a unique opportunity for change**. Times of uncertainty open up possibilities for profound transformation. We must seize this chance, and use it to bring about more inclusive societies, more stable and equitable growth, and more responsible habits of consumption – financially and environmentally.

This is where the contribution of the multilateral system is so important. The economic crisis has brought into sharp focus our interdependence. We have seen how what happens in one part of the world can affect us all. Multilateralism provides a platform where countries can come together, on an equal basis, to find solutions to such common challenges.

That is why one of the most serious worries is the possible return to political and economic protectionism. Were this to happen, it would not only weaken our capacity to resolve the current crisis. It would also undermine the work that institutions, like UNESCO, have been doing over the past 60 years to forge a culture of international dialogue and solidarity.

There is therefore an urgent need to reaffirm the principles and practices of multilateralism. However, to do this, and for countries to see the benefits of international cooperation over unilateral action, the multilateral system must be seen to be credible and strong. And for this to happen we need to show that the system can change and respond to new needs and realities. This is my third point. **We must use this crisis to make the multilateral system more inclusive, effective and coherent.**

In many areas this is already happening. The UN's commitment to "deliver as one" at the country level is one important example of how the multilateral system is strengthening the impact of its action. UNESCO is fully engaged in these UN system-wide efforts. Within the Organization, too, we are constantly seeking to improve the way we work. These efforts need to be deepened and accelerated.

However, it is not enough to address the structures of global governance. We also have to look at the moral foundations of our international community. Our

institutions are only as strong as the values that underpin them. This leads to my fourth point. **The financial crisis is also an ethical crisis. It compels us to re-examine the aspirations that govern our global society.**

Here, I believe, we would do well to remind ourselves of the origins of the multilateral system, and to the founding vision of the UN which stands at its heart.

After a devastating war, our founders knew that the only solid basis for human progress lay in respect for the dignity and equality of the human person and the social and economic advancement of all peoples. This is why the UN was created, and why UNESCO was founded to promote these ideals through education, science, culture and the free exchange of knowledge and ideas

The importance and relevance of this task remains. But we must be flexible and forward thinking in our efforts to achieve it. The current crisis calls for new partnerships, bold actions, and innovative ideas. I am sure today's discussions will be most valuable in this regard.

Ladies and Gentlemen,

Let me now turn to the specific questions on our agenda, and why they are so important.

You will look first at the **impact of the crisis on developing countries** and prospects for achieving international development goals, including the MDGs and Education for All (EFA).

I said at the beginning that the primary duty of the multilateral system, in particular the UN, is to protect the poorest and most vulnerable.

This is a moral imperative. It is also a social, political and economic imperative. No one can afford the consequences of injustice and poverty. We have seen in the rising social tensions of past weeks the fragility of societies when livelihoods are threatened or lost. Unless we act, not just to protect the poorest from the effects of the downturn, but also to address head-on the deep inequalities in our world, the dangers in terms of global instability and conflict cannot be overstated.

Developing nations are particularly vulnerable. The current meltdown risks undoing the hard-won gains of recent years. The World Bank warns that the economic crisis has already pushed an estimated 100 million people back into poverty. As growth slows, and trade and foreign investments dry up, the human implications for the poorest countries and households are potentially devastating – in terms of children taken out of school, of worsening public health, of lives lost to malnutrition and disease.

It is the role of the UN, and of UNESCO, to see that this does not happen.

We cannot allow rich countries to use this crisis as an excuse to turn their back on the world's poor. Measures to revive growth and fix the financial system must be coupled with greater efforts to tackle the structural problems of extreme poverty and inequality.

We urgently need a new push by donors to meet their aid commitments. The economic slowdown in developing countries makes increased external support more important now than ever. Yet, aid has been stagnating since 2005, and there is a real risk of it now dropping. We need bold new measures to reverse this trend.

The World Bank has proposed that developed countries use 0.7 percent of their stimulus packages to finance a vulnerability fund to support developing countries.

What is clear is that unless dramatic steps are taken to scale up aid, the poorest countries will fall even further behind. Demographic trends threaten to worsen the situation. With the population of Africa expected to double in the next 35 years, to cut investment now in poverty-reduction efforts would be a recipe for social disaster.

However, it is not enough, at this time of economic crisis, to call for more aid for development. We also need to explain where this aid is most needed and how it can be spent in ways that would both kick-start growth and support more inclusive and sustainable development in the longer term.

In your sessions this afternoon you will focus on three key areas: the social sectors; gender equality; and the environment. Let me say a few words about these issues from UNESCO's perspective.

UNESCO has special responsibility at this time of crisis to protect and promote **those fundamental elements of society** – education, the sciences, culture and communication – that make human development possible but which are often the first to be hit in a recession.

We do this because to have an education, to share in the advancement of science, to take part in cultural life and to express oneself freely – these are human rights that should be enjoyed by everyone at all times.

We also do this because we believe that these rights are the foundations upon which true freedom and prosperity lie. If we want to “build back better”, and foster stronger, fairer and more cohesive societies, it is here that we must begin.

Let me take the **example of education**. Spending on education is one of the smartest investments a country can make. It brings positive benefits across the board, from reducing poverty and improving health, to strengthening democracy and driving economic competitiveness. Research shows that each extra year of schooling boosts GDP per capita by 4 to 6 percent. A counter-cyclical injection of resources in education now would not only help spur a recovery but also support more vigorous growth in the future.

The new US administration has shown how this can be done. It has included in its recovery package over 105 billion dollars for education. This money will provide an immediate stimulus to the economy – through school building, for example, and by saving teachers’ jobs. But by targeting inequalities, pushing through improvements in standards and skills, and keeping higher education affordable, it is also laying the basis for a stronger society and more resilient and vibrant economy.

However, not all countries have the possibility to issue huge stimulus packages. Last week I was in Libya for a meeting with the African Union Commission and regional economic organizations. African countries have made tremendous progress since 2000 in expanding primary schooling. They have expressed their firm determination to continue these efforts, despite the current downturn. But they cannot do it alone. They need external support. Yet even before the financial crisis, annual aid to basic education was falling far short of what is needed – both in terms of quantity and in terms of the type of long-term predictable support that education requires.

In this context, UNESCO and its partners must act – and quickly.

We must call donors to account for their promise that no country seriously committed to achieving Education for All will fail for want of resources. UNESCO is already in discussions with Italy to make sure education is on the agenda of the next G8.

We need to identify countries and populations most dependent on aid so as to better target limited resources to those most at risk. The next edition of UNESCO's *EFA Global Monitoring Report* will give special focus to this.

We must also be ready with the data and advice to help national governments put in place the right policies – policies that protect the most vulnerable while also tackling the causes of poverty and exclusion.

You will be looking this afternoon at the **impact of the crisis on gender equality**. Girls often bear the brunt of economic shocks. They are the first to be taken out of school and put to work. Yet we also know that educating girls has a huge multiplier effect on development – with positive impacts on health, fertility rates, household income and more. Policies that keep girls in school during a downturn – such as cash-transfer systems – are both a matter of social justice and good economics.

Ladies and Gentlemen,

The **impact of the financial crisis on climate change** is the final item on your agenda. There would be nothing more dangerous than to let the crisis deflect us in our resolve to address this threat and reach a robust climate deal in Copenhagen in December.

Measures to stimulate the economy must go hand in hand with policies that support greener low-carbon growth. They must also help countries – in particular the poorest – mitigate and adapt to climate change that is already taking place.

There have been many discussions on the form such a “new green deal” should take. One key issue – which has not yet received the attention it deserves – is the importance of sustaining investment in science and innovation. Yes, we need to increase spending on green technologies. But, we also need to strengthen the

capacity of countries – especially developing countries – to drive the research for even better solutions and better understanding of climate change.

UNESCO is already working with many countries – including 19 in Africa – to develop strong science policies and bolster human and institutional capacity to lead innovation. While investment in these areas may not bring immediate returns, cuts would incur huge losses in terms of long-term competitiveness and environmental security.

However, we need to go one step further in our response. And here I come back to what I said at the beginning. To tackle climate change – or any of the global crises we face – it is not enough to develop smarter technologies to mitigate their effects or stronger regulations to control the damage. We have to change the attitudes and behaviours behind them. This takes time. It isn't something that can be calibrated in terms of a stimulus effect. But without a deeper shift in priorities – towards greater solidarity and respect for each other and our planet – our growth and development will remain vulnerable to crises like those we face today.

It is towards such a shift in priorities that this Organization, UNESCO, has been working since its creation. In light of the current crisis, UNESCO must redouble its efforts – to advance education for all; to mobilize science for development; to address emerging social and ethical challenges; to promote cultural diversity and intercultural dialogue; and to ensure the free exchange of knowledge and ideas.

It is why we convened today's Forum. Today is an opportunity to discuss the types of bold policies we need to find a way out of this crisis. It is also an occasion to reflect on how we can lay the foundations for more inclusive and sustainable development.

These are the thoughts I wanted to share with you this morning. I would now like to give the floor to our keynote speakers. Unfortunately, other commitments prevent me from staying for the whole the debate. However, I will be looking with great interest to the outcomes of your discussions.

Thank you very much.