

# Towards a more integrated region

By H.E. DANILO MEDINA SÁNCHEZ

PRESIDENT OF THE DOMINICAN REPUBLIC



**DANILO MEDINA** was elected President of the Dominican Republic in May 2012, and took office in August that year. A graduate of the Universidad Autónoma de Santo Domingo (UASD), he was elected a Deputy in the National Congress in 1987, and rose to become President of the Chamber of Deputies in 1994. He subsequently served twice as Secretary of State to the Presidency.

The Dominican Republic takes the helm of the Pro-Tempore Presidency of the Economic Community for Latin America and the Caribbean (CELAC) in a year in which the world in general – and our region in particular – are facing immense challenges, in a complex web of interlinked problems that can only be addressed and resolved politically. Through CELAC we should speak with one voice, conveying the consensus political solutions required.

After Asia, the Latin American and Caribbean (LAC) region will see the largest share of its population moving up to the middle class – 130 million according to the OECD. However, together with Sub-Saharan Africa, the LAC region is the most unequal in the world. Ten per cent of the population earns 32 per cent of regional income, while the poorest 40 per cent retains just 15 per cent. Inequality is the enemy we have to beat together.

### Addressing inequality through regional integration

Inequality, as measured by the GINI coefficient, has decreased 5 per cent. But with growth slowing down to barely 0.2 per cent for the region as a whole, clearly a collective response is needed so that we can rely more on the growth potential of our own regional market, rather than suffering disproportionately the effects of extra-regional developments.

In this regard, regional integration, promoted through CELAC, has to be an important element in the battle against inequality. Our integration mechanisms, however, are advancing at different paces. MERCOSUR, SICA, CARICOM, the Pacific Alliance, the Andean Community, UNASUR, and ALBA, among others, have not been able to bring us together around the same table to address our common challenges.

In seeking to deepen LAC's regional integration, the needs of three types of actors have to be considered: First, 67 per cent of our regional output is produced by fully globalised firms that generate just 20 per cent of our jobs. Then, SMEs provide 23 per cent of the region's GDP and 30 per cent of our jobs. And last, microenterprises and the informal economy generate the remaining 10 per cent of the regional output while providing jobs for about half of our citizens.

Therein lies the challenge of overcoming inequality in the LAC region: to develop stronger links in our value chains, between our globalised firms, our SMEs and our informal sectors, so that they can increase their productivity and generate much more than the barely 10 per cent of GDP our SMEs and informal sectors are providing presently.

This, in the context of a renewed commitment to deepening our regional integration, should provide us with the internal dynamics our growth trajectories currently lack, thus making us less vulnerable to changes in our main export markets.

### The urban-rural nexus in sustainable development

With the renewed focus on sustainable development provided by Agenda 2030, standards of living in rural areas have to increase so that our cities can themselves become more sustainable, thus helping us master the urbanisation process and slowing down its pace.

Our most prosperous rural areas are filled with agricultural cooperatives of smallholder farmers, which have decreased rural-urban migration. This is one of the many reasons why the Dominican Republic has increased funding for agriculture, providing land titles to our farmers and ensuring their access to seeds, technology and irrigation infrastructure. Through a policy of surprise visits, I supervise this process personally, achieving sustained rates of growth in a sector that has been left behind from our policy priorities for much too long.



In the meantime, the Dominican Republic has declared 2016 as the Year of Housing. Allied with the private sector, we seek to build thousands of new homes so that our peoples can live with dignity in healthy communities, thus helping us overcome health challenges, increase security and ensure peaceful coexistence, while generating jobs and educating our peoples. It is my hope that Habitat III, taking place in Quito this year, will take us in the direction of making housing a right for all of our peoples.

#### **Drugs: time to explore new avenues**

International drug trafficking is a social problem that generates grave institutional and security challenges. For many decades, the region has dedicated an important share of its human and financial resources to fight a problem that is far from diminishing in importance. This in a region with urgent educational, energy, health and urban security needs.

From South America to Mexico, through Central America, the Dominican Republic and the rest of the Caribbean, the transit of drugs through our territories towards those countries where they are consumed – mostly developed country markets – threatens the stability of our democracies and the very lives of our citizens.

We cannot allow this issue to continue taking centre stage at our encounters, year after year, while facing the constant scepticism and frustration of our peoples without exploring new avenues nor opening new perspectives for our debates.

This year's Summit of the General Assembly on the world drug problem should propose policies and measures on drugs that are centered on the human being, taking into account the inalienable rights of all peoples, that should result in the reduction not only of the supply but most importantly the demand for

drugs. CELAC wants the problem to be addressed as one requiring prevention, a public health approach and of rehabilitation, introducing a systematic evaluation process of its outcomes.

It is all our countries, the ones suffering the most from this trade, who must make our voices heard.

#### **Addressing youth unemployment**

World Bank figures paint an appalling picture: one in five young people in the LAC region between 15 and 24 years of age neither goes to school nor works. There are millions of young men and women brimming with energy, enthusiasm and ability, needing our message of hope and our efforts to create opportunities for their education and their honest work, which are the only ways for us to prevent their criminalisation.

Let us always be mindful of our young people when we envisage the future of CELAC. Our efforts should be guided by their aspirations, hopes and needs.

#### **Towards a more integrated, operational and proactive CELAC**

The commitment of the Dominican Republic to CELAC is real and immediate. It is in the faces of our people and it is propelled by the urgency of their demands.

Our turn at the pro-tempore Presidency fills us with joy and with pride. It renews our commitment to the strengthening of our bonds with extra-regional partners such as the European Union. It is the occasion for us to demonstrate our political will to be proactive in facing our challenges and advancing our common interests.

In this fashion, we will do our best to hand over the Presidency in 2017 after contributing to a more integrated, more operational and even more recognised common space on the global stage. E

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Opposite: President Medina addresses the IV Summit of CELAC heads of state in Ecuador

Left: President Medina makes a surprise visit to a deprived neighbourhood in Los Guaricanos