

Secretary General Opening Address

*Shaping the Principles, Addressing the Challenges:
Caritas in a Post-Crisis World*

A crisis in an interconnected world

If you head north-west from Nairobi to Kisumu and then continue on for around 60 kilometres, you'll get to a small farming village called Nyang'oma Kogelo. Just six weeks ago, the son of a Kenyan migrant from this village became President of the world's most powerful country.

Barack Obama's Kenyan roots serve as a powerful symbolic link between these two continents, one that reminds us that in a very real sense we are all related, all part of the same family, and that we all share the duties and responsibilities that being part of a family brings.

Obama acknowledged this truth in his inaugural address when he said:

"To the people of poor nations, we pledge to work alongside you to make your farms flourish and let clean waters flow; to nourish starved bodies and feed hungry minds. And to those nations like ours that enjoy relative plenty, we say we can no longer afford indifference to the suffering outside our borders."

Now that the euphoria surrounding Obama's inauguration has died down, we wait to see if he will be able to deliver on this pledge, or whether all his energies will be devoted to steering America through the economic crisis.

The family ties that link America and Africa also symbolise the interconnectedness of our world. The movement of people, of money, and of information around the world means that events in one country can have a profound effect on people thousands of miles away.

Over the past 18 months, we have seen how a crisis that began in a small segment of the United States housing market has evolved into a global credit crisis of systemic proportions. Eighteen months ago I had no idea what *subprime* meant. It might have been some kind of inferior beefsteak. Or maybe some kind of prayer. Now of course we know that it refers to a kind of housing mortgage, a loan of money made to a poor person with little chance of ever being able to pay it back. In his inaugural speech, Barack Obama acknowledged that the

economic crisis was “a consequence of greed and irresponsibility”. Greed and irresponsibility that now threaten not only the United States but the entire world. And those who are threatened most will, as ever, be the poorest and most vulnerable.

To be sure, soaring unemployment, failing banks, rising bankruptcies, slumping exports and ballooning deficits are critical issues. However, our global financial system is tightly bound up with pressing social and justice issues which will only be further exacerbated as our governments, public and private institutions focus on their economies.

It must be of concern for Caritas that in 2008, the United States and the European Union committed **40 times** more money to rescuing the financial sector than to reducing poverty and climate change.

For years we have been campaigning to get the rich nations of the world to honour the commitment they made around 40 years ago to devote 0.7 per cent 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 per cent.

It has therefore been astonishing to see the huge sums of money being committed to economic bail-outs. Obama’s financial rescue package of 800 billion US dollars is almost equivalent to the **total** amount of development aid provided over the past 10 years by 23 of the world’s richest countries.

So while governments, public institutions and the private sector focus on domestic concerns like rescuing companies, banks and financial institutions, global issues that we have struggled to bring to the forefront of public concern – **poverty reduction, climate change, food security, migration, water and pandemics like HIV/AIDS, malaria and tuberculosis** – are in danger of being neglected.

Poverty alleviation

The UN Millennium Development Goals, which aim to halve the number of people in extreme poverty by 2015, are looking increasingly unattainable; meanwhile the global economic crisis threatens to reverse much of the progress that has been made on poverty alleviation. The World Bank tells us that hundreds of millions of people have been lifted out of extreme poverty in the past 25 years. But the UN World Food Programme still forecasts that the number of hungry people in the world will rise by a further 130 million this year, to reach 980 million. And the UN International Labour Organisation expects global income inequality to be exacerbated by the financial crisis, as remittances from migrant workers are reduced.

In the developed world, notably in Europe and the USA, CI member organisations like Catholic Charities USA, Caritas Spain, Caritas Luxembourg and Caritas Germany are likely to see an increase in the number of poorer citizens visiting their soup kitchens and drop-in

centres. In December and January alone, over 1 million workers in the United States were laid off.

The present economic crisis has underlined how important it is for our governments to look beyond their own national interests. Richer countries cannot use the excuse of tighter finances to ignore their aid promises to the poorest on the planet. Governments tend to move quickly into protection mode with the danger that those least responsible for the present crisis will be hardest hit.

Africa's progress in particular could be under threat. 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.

We know that the world will need to double food production in the next 40 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. As Caritas organisations we must urgently find viable solutions to address the most basic human needs of those who lack access to affordable food, adequate nutrition and safe, clean water.

Feeding those who are hungry is fundamental to our Caritas mission and values. We must re-focus our resources for Africa, helping to develop a new architecture of food production and distribution, and integrating small-scale farmers into larger production and distribution systems. Above all, we must recognise the role of women, who make up the majority of small-scale farmers in many of our African societies, and who are central in implementing such solutions.

Climate change

Climate change alone could, in the near future, be responsible for the permanent migration and displacement of around 250 million people. Particularly at risk from climate change are those poor urban communities living in low-lying coastal cities and poor rural communities in areas subject to rising temperatures and creeping desertification. Even if carbon reduction schemes are implemented, many people may still be displaced. Only if governments begin to work with local communities and with NGOs and grassroots organisations to prepare contingency plans can the consequences be contained.

And it is Africa – and the poorest countries of the whole developing world – that will be hit hardest by climate change. 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.

Lesley-Anne Knight
Caritas Secretary General
Nairobi, 4 March 2009

And we will need to work hard to hold developed countries to their promises. The world's richest countries have together pledged around US\$18 billion in the last seven years. However, less 10 percent of this has been disbursed. And according to the UN, between US\$50 billion and US\$70 billion every year will need to be invested immediately to help the poorest countries adapt to floods, droughts and heatwaves.

We have a moral responsibility for climate change. Rich countries are legally obliged by the Kyoto protocol to provide finance to poor countries. So far, 12 rich countries have pledged US\$6.1 billion to two climate investment funds with the World Bank. But no money has been deposited in them yet and any money available will be in the form of loans, not grants, with stringent conditions on how the money is spent.

Developed industrial countries must also provide the leadership in reducing their own harmful gas emissions. They must fund the transfer of technologies and expertise needed to help the rest of the world, who have a legitimate right to develop their economies. Poor countries as they develop will also need to adapt to the inevitable climate changes already under way.

We have no other option. We must break our addiction to oil and fossil fuels and invest in green technologies. This will help us to deliver more secure energy, promote the creation of jobs and economic growth.

Migration

The financial crisis is expected to have a dramatic impact on the lives of migrant workers, who will be the first to lose their jobs. In the first two months of this year, 20 million Chinese migrant workers were laid off. A two-way increase is expected in the movement of people, as overseas migrants return home after losing their jobs while those laid off at home move overseas in search of work. Migrants are likely to face increasingly difficult conditions with unsafe, undocumented migration, fewer job opportunities and greater discrimination.

Although we know that much migration is voluntary, forced migration or displacement is arguably one of the most urgent threats facing our poorest communities across the countries in which Caritas works.

Of the estimated 160 million forcibly displaced people in the world, around three fifths, or 96 million have been forced to leave their homes as a result of construction projects for dams, roads, factories, mines or wildlife reserves. Broadly speaking, these forms of displacement are predictable, if not always preventable. The remaining displaced persons are victims of conflict and natural disasters, who – at least in the developing world – attract very little assistance beyond emergency relief.

It is also important for us in the global Caritas community to recognise that, for the first time in human history, over half of the world's population lives in cities. And by 2050 this

proportion is predicted to increase to two-thirds of the global population. At present, about one third of the population of our cities lives in extreme poverty.

Pandemics

Leading public health officials, notably in the UN, have called on governments not to cut healthcare budgets during this financial crisis. The World Health Organisation Director-General, Margaret Chan, has warned of dangerous historical precedents and that we need to learn from past lessons. Malaria epidemics, for example, increased in frequency and severity during the 1997-1998 Asian financial crisis when public health operational research and staff capacity were among the first budget lines to be reduced.

Zimbabwe's cholera outbreak is likely to be the first of many high-profile epidemics likely to follow in the wake of the present economic crisis. There is real fear that reduced funding by private and public donors could see a resurgence of HIV/AIDS in the most susceptible regions of Africa and South Asia. The fight against other major epidemics could also be affected as the Global Fund to Fight AIDS, Tuberculosis and Malaria will require increased funding in 2009.

Water

The world is living in a water "bubble" – that means unsustainable and fragile. Water is being used unsustainably. Groundwater levels drop; rivers dry up before they meet the sea. The bubble is already bursting in many places here in Africa, but also in China, the Middle East and parts of the United States. Millions die for lack of clean drinking water and adequate sanitation and food production is under threat. There is not enough water to do all the things we want.

All people, all communities, all economic initiatives use water. I was shocked to read recently how much water is needed to create some of the daily goods we take for granted in our lives. A cup of coffee, for example, needs a great deal more water than that poured into the coffee pot. In fact over 1,120 litres of water are required for the production of the coffee beans for a single litre of coffee – that amounts to 140 litres to make just one cup. Lakes of water are needed to make shoes and hamburgers.

Water-poor countries are beginning to look for land elsewhere to grow food – such as Saudi Arabia in South and Central Asia, China in Mozambique, and Egypt right here in Kenya. We need to raise awareness that to protect our water resources everywhere, and to protect the poorest populations who lack access to clean water, we will need robust policy decisions on energy, climate and food production. Doing nothing is not an option. The bubbles are bursting and we risk large scale political instability as a result.

Humanitarian Imperative

The risks of natural disasters causing immense human suffering are large and increasing. This growing risk is due mainly to increasing concentrations of poor people in areas with high natural risks – earthquakes, floodplains, areas exposed to cyclones, droughts – and climate change. Weather related natural catastrophes over the last 25 years accounted for 90 percent of natural disasters, 75 percent of all economic losses and 72 percent of the deaths.

Our humanitarian work will increase and become more complex. It is possible that it will include challenges of an unprecedented scale if large scale migration, both across borders and internally, result from climate change. At the moment, the International Federation of the Red Cross estimates that the number of climate change refugees ranges from 25 to 50 million. And the Intergovernmental Panel on Climate Change suggests there could be 150 million by 2020.

This is of compelling importance for Caritas.

Conflict and social cohesion

The global financial crisis also threatens social cohesion in many vulnerable poor countries. As the poorest are pushed to the margins of society, stability is undermined, creating fertile ground for conflict. From our Caritas experience and long-term work in peacebuilding, we know that there is still much work to be done. The international responses to conflicts in Africa, including Darfur, Congo, Somalia and Zimbabwe, as well as the Middle East, Sri Lanka and Colombia, have been inadequate – in fact scandalously so. The current structures of our international institutions seem incapable of meeting these challenges.

Pope's visit to Africa

Pope Benedict XVI will make his first trip to Africa as pontiff this year, visiting Cameroon and Angola. He will attend the African Episcopal conference in Cameroon to prepare for the African Bishops synod in Rome in October, and visit Angola to celebrate the 500th anniversary of its evangelisation. It will be the first papal visit to Sub-Saharan Africa since 1998 when Pope John Paul II visited Nigeria.

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."

At the Catholic Social Ministry Gathering in Washington last month, the Archbishop of Gulu, Uganda, John Baptist Odama said that the synod assembly comes at a time when Africa is in desperate need of reconciliation, struggling for justice and yearning for peace. Development is the road to peace, he said.

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, a rising incidence of HIV and AIDS, human rights abuses and skirmishes that are "perpetuated by arms dealers", the archbishop said.

Such difficulties remain despite broader attention from the world and a significant boost in foreign aid. Much of the aid flowing into Africa has had little tangible impact and has failed to reach the people most in need.

The African bishops will face a complex series of challenges when they meet in October at the Vatican. Top among them is the role of the church in securing peace in the midst of searing violence. As the bishops prepare for their synod, we should consider how Caritas can support them in this vital work of reconciliation and how we can help to ensure that aid is delivered effectively in Africa for the benefit of the poorest.

Leadership and Values

The current financial turmoil in our world is not just a failure of economic systems. It is the result of a leadership crisis. It is a failure of value systems – values such as transparency, integrity and the common good.

We are experiencing a crisis of exclusion, of injustice and inequality. Sixty percent of the world's population still exists on only 6 percent of the world's income, while entire communities are exploited and neglected. 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 ethic that unites us as a human community.

We increasingly need leaders who are able to incorporate values, respect for human dignity, human rights, and the environment, into their decision-making. And all of us need the ability to hold governments accountable for their performance. That will not only be good for government and good for business, but it will also be a powerful force in realising the common good for all.

As Caritas people we are people of faith, people of religion. And the root of the word religion means "to rebind" – to bridge the separation between peoples, to reintegrate the marginalised, to re-establish men and women at the service of our societies, healing our communities. We participate in creating the future by deepening our collective understanding of what wants to emerge in our world.

In a world that is growing smaller, where we as people are more interconnected, we all share the moral imperative to develop the potential we have as human beings. We share a

global moral urgency to develop the promise and potential of all people, with a preferential option for the poorest, promoting our core values of love, inclusion, justice and equality.

Above all, Caritas has a key role to play in responding to these new challenges with renewed energy and commitment to God's love for all humanity, as a sign and the sacrament of "the unity of the entire human race" (Lumen Gentium 1).

Given the sheer scale of some of the challenges I have outlined today, we could be forgiven for asking whether we as Caritas can really make a difference. So, as we prepare to tackle these issues during this Caritas Partnership Forum, here in the ancestral home of Mr Obama, it seems appropriate to borrow three of his words: "YES WE CAN."

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