



Press Release

PR 160914

28.04.2016

PRESS RELEASE ISSUED BY THE OFFICE OF THE PRESIDENT

Speech by President of Malta, Marie-Louise Coleiro Preca, during The Economist Mediterranean Leadership Summit

28th April 2016

Honourable Prime Minister [Dr. Joseph Muscat]
Senator Mario Monti
Honourable Ministers
Distinguished guests

It is a pleasure to inaugurate this Mediterranean Leadership Summit organised by The Economist, in collaboration with the Government of Malta. It is reassuring to see so many stakeholders ready to engage in fruitful dialogue, and make a practical effort to secure a positive economic change in our region.

It is by coming together to explore and address political, financial, and business opportunities, that we can turn words into actions. This is truly an opportunity to promote stability and growth in the Mediterranean region and beyond during such challenging times.

I will leave the discussion regarding the workings of economic performance, and specific strategies to achieve these ambitious goals to the experts.

Hence, I decided to speak from a political perspective in terms of what constitutes the right environment for business to be conducted successfully.

I believe that resilient societies are key to security and economic growth. Therefore, I will also speak about the challenges posed by social exclusion and gender inequality, and the need to focus on the underlying causes.

I strongly believe that economic stability and peace are closely interconnected and interdependent. Peace must exist for successful trade, sustained economic growth, and prosperity in our region. In turn, economic stability and rising prosperity, which must be shared within and among the countries of the Mediterranean, will themselves nurture peace.

It is through fostering the value of resilience that we shall withstand economic adversity. By promoting the resiliency of our societies, we can successfully address the social, economic, and political wellbeing of our peoples.

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We need to empower all citizens to participate in building a culture of peace within our region, and beyond.

Such a cultural transformation, towards the values of inclusion, wellbeing, and respect, can only occur in an environment of economic cooperation, of openness, and through a multilateral approach to economic and political challenges.

Resilience and wellbeing are two elements essential for peace.

On the other hand, economic instability provokes political upheaval, social unrest, conflict, and inequality.

The United Nations' *Plan of Action to Prevent Violent Extremism* specifically indicates a lack of socio-economic opportunities as one of the prime conditions that encourages radicalisation. Radicalisation is a growing threat to the wellbeing of all of us.

Economic policies must continue to be developed simultaneously with the wellbeing of communities, and the resilience of our societies.

In our globalised world, responsibility for the economic policy agenda can no longer rest with a small group of nations.

As leaders and decision makers, we must recognise that we cannot improve our local economies unless we simultaneously invest in strategies to reduce regional and global precariousness. We cannot be complacent, and celebrate increasing national GDP while neglecting rising levels of poverty.

The effects of poverty and inequality are borne by everyone including business. Poverty precludes the full potential of economic growth.

In lower-income countries, economic instability is not simply a matter of higher unemployment or reduced purchasing power.

It is also the breakdown of communities and societies which leads to conflict, violence, and the displacement of populations. War increases poverty and destroys growth potential, destroys infrastructures, destroys institutions, and destroys the stability and wellbeing of entire regions. Poverty leads people to become excluded from the productive economy, trapped in a dangerous and self-perpetuating cycle of economic marginalisation.

It should be everybody's business to work with vulnerable communities. We must listen to and respect their concerns, and strive together to achieve greater economic prosperity.

I encourage you to be innovative and creative to unleash the potential of all nations, and contribute in the development of a robust global economy, built on a culture of peace.

We must commit ourselves to enact macroeconomic policies that create appropriate employment opportunities, ensuring that new entrants in the labour force are realistically afforded adequate opportunities.

We must move the market away from those vulnerable forms of employment, dominated by coercion and exploitation.

The need for our efforts to be rooted in the involvement of all groups and communities is crucial, affected on a national, regional, and global scale.

Let me share a personal experience with you, regarding the positive effect of participative, community-driven policies. During my time as Minister for the Family and Social Solidarity, child poverty in Malta was, and unfortunately still is, a great concern.

In response to community consultation, I introduced a Child Benefit that secured financial support for families, oriented towards the participation of the child in education, health, and culture. I am proud to say that this initiative contributed towards the decline of poverty rates in Malta, for the very first time in years.

Our work must also include the vital empowerment of women, to achieve sustainable economic and social prosperity.

Let us consider the implications of the gender gap. According to last year's Gender Gap Report by the World Economic Forum, it shall take 81 years to see parity in women's full participation in the economy unless we initiate a fundamental change.

Let me give a typical example of such change from my country. Over the past years, there has been a significant increase in female participation throughout the Maltese workforce. This was due to the right strategy, and subsequent effective policies, of introducing free childcare centres for all, and the introduction of an in-work benefit.

As a result, female workforce participation increased from 36% to 54%.

Moreover, disparities in salary for the same quality of work are reflections of ongoing discrimination and inequalities that manifest deeply embedded cultural prejudices. Women worldwide are affected, including those who are active in the most advanced economies.

We must remember that women play a vital role in economic growth. By undervaluing women's work and the contributions of women, especially those trapped in cycles of poverty, the whole economy is damaged.

The empowerment of women is, therefore, a priority that we cannot afford to ignore. It is our collective duty to eradicate poverty, to challenge prejudice, to end inequalities, and replace exclusion with a strategy for global social inclusion.

This will surely be of benefit to economic growth.

Let me wish you all fruitful discussions, and a pleasant time in Malta.

Let this Summit be also an opportunity to renew multilateral commitments to a culture of peace, in which global economic inclusion is paralleled by a commitment to achieve global social inclusion.

Our part of the world is filled with ancient and esteemed traditions. I trust that you shall allow me to paraphrase the words of the greatest philosopher of our Mediterranean region, perhaps the greatest philosopher of all, who said that those who do not serve well can never hope to lead well.

Plato's meaning here is simple. Unless our policies, our strategies, and our plans for the sustainable economic transformation of our communities, societies, and nations are rooted in respect for human dignity, and oriented towards the wellbeing and resilience of the most vulnerable, then they are doomed to failure.

Unless they embrace a system of values that prioritises trust, mutual care, inclusion, and transparency, they shall not provide lasting security and stability for economic growth.

Unless we can serve others with the greater good of all citizens in mind, then we have no business making decisions on their behalf.

Let us all rise to the challenge, and work to achieve opportunities for prosperity and wellbeing in our region, our nations, and our societies.

You represent the perspectives that shall inspire the economic future of our region.

Poverty is your business.

Social inclusion is your business.

Equality is your business.

Peace, my friends, must be your business.

Thank you.