

Jobs, Equity and Voice: Why Both Economic and Political Inclusion Matter

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My thanks go to the School of Foreign Service at Georgetown University and to Dean Carol Lancaster for inviting me to speak to you today. I know of the School's very strong reputation as an educator of those who will contribute to the conduct of and understanding of international relations.

As a New Zealander, I am also well aware of the Centre for Australian and New Zealand Studies here, and that Georgetown is the only university in North America which offers an undergraduate certificate programme in this area. I was pleased to accept the invitation of Centre Director Alan Tidwell to deliver the annual lecture commemorating ANZAC Day last year.

At this moment in history, with events unfolding in the Arab States, the world finds itself at a defining moment, the implications of which are enormous for our common future.

A combination of economic and political exclusion and injustice has brought millions of people in the Arab States region on to the streets to demand change.

Prominent among those demanding change are young people. Fifty six per cent of the population in the region is estimated to be under the age of 25. Youth unemployment is over 25 per cent, about double the global average. Educated youth have higher unemployment rates than do youth without qualifications.

Combine these factors with modern information and communications technologies, and it is scarcely surprising that young people have played a significant role in recent events.

But across all age groups there has been a pent-up desire for dignity, for a say in the decisions which shape people's lives, and a willingness to stand up against corruption and repression.

In Tunisia and Egypt, these demands have already led to the downfall of regimes. In Libya, intense conflict goes on, and the matter continues to be on the agenda of the UN Security Council. The international community is calling for a cessation of violence in Yemen, Bahrain, and Syria, and for political dialogue to find a way forward.

For twenty years UNDP has been advancing the concept of human development, calling for expanding people's choices and freedoms, and increasing their ability to live long and healthy lives, to be educated, and to enjoy a decent standard of living.

Since 2002 we have commissioned a series of studies of human development in the Arab

States region, authored by Arab experts, to identify challenges to human development and human security, and ways in which the region might tackle them.

Those Arab Human Development Reports have consistently warned of the consequences of the lack of inclusion and opportunity in the region. They have identified major human development deficits facing Arab countries - across governance, women's empowerment, and human rights generally, in access to education and other services, and in human security overall. Their central message has been clear : reform is necessary, and should not be delayed. These reports have probably been more widely quoted in the past three months than in the past nine years !

These issues, and the factors overall which have driven the Arab States' uprisings, are not unique to that region. The conclusion I draw is that to attain and maintain the peace and stability needed for development, advancing both economic and political inclusion is vital.

Achieving Inclusive Growth

Last year UNDP produced an International Assessment of what it will take to achieve the Millennium Development Goals.

Among the many key factors we identified was the importance of growth which was inclusive and had its proceeds widely shared.

So often, impressive rates of economic growth have not led to significant poverty reduction or to an expansion of opportunities for decent work.

In countries rich in natural resources, the growth generated has often been in extractive industries which create too few jobs and too little tax revenue for the developing country, thus limiting its capacity to lift its human development status.

I believe that models of more inclusive growth will need to encompass smart strategies which enable nations to benefit more broadly from their national endowments. Doing that requires not only deriving spinoffs for jobs, local businesses, technology transfers, infrastructure, and tax revenues, but also strong and capable institutions and leadership committed to human development.

Achieving inclusive growth is also very much about targeting the sectors, activities, and regions where poor people work and live.

The rural communities in which 2.5 billion people in developing countries live have often seen little investment in their infrastructure and in their ability to produce from the land. In the poorer Arab countries, not only is there a high level of extreme poverty, but also that high level has been very slow to decline, especially in rural areas.

Boosting agricultural production, through measures such as increased access to fertilizer, credit, and irrigation services, and improvements in rural infrastructure, including storage

capacities, simultaneously reduces poverty and improves food security.

Inclusive growth in the middle income countries in the Arab States region must also include strategies to generate decent jobs in higher valued-added sectors, for which revamped tertiary education and skills training can educate people. The mismatch between the supply of university graduates and the type of jobs available is deeply dispiriting for those who cannot find suitable work.

Mohamed Bouazizi, the Tunisian street vendor who set himself on fire in December, dramatically and tragically expressed the desperation many young people in the region have felt, unable to get ahead in a system they felt was stacked against them.

Around the world, the youth unemployment rate rose in the wake of the economic crisis of recent years. As well, actual labour force participation among youth dropped, meaning that fewer young people are actively seeking work.

As these discouraged young people are not counted among the unemployed, the level of youth unemployment tends to be understated.

The problem also goes beyond unemployment per se, as youth are disproportionately represented among the working poor. Young women are particularly disadvantaged.

The cost of youth unemployment is not only borne by young people themselves, but also by economies and societies as a whole. UNDP's Human Development Reports in the Arab States have warned about the consequences of the lack of inclusion and opportunity for youth in the region for years.

For example, last year's national Human Development Report for Egypt focused on the deeply entrenched challenges facing youth in that country, and is particularly insightful given current events.

It maintained that Egypt's youth can be a formidable force for development, if conditions allow young Egyptians to feel valued and have their voices heard, to have opportunities for quality education, to engage productively in the workforce, and to establish their own homes.

Unleashing the Arab States' undoubted entrepreneurial and creative talents, diversifying economies, and providing women and men with the tools and opportunities they need to build a better life would be key to building more inclusive economies and societies in the future.

More Inclusive Governance

Recent events in the Arab States, however, suggest that inclusive growth and the greater opportunities for equity it brings are only part of the story.

Inclusive governance is also important for development. Meaningful participation in decision-making is a cornerstone of the social stability and peace which sustained development requires.

Take the case of Tunisia. It ranked seventh among the top ten upward movers in the world in Human Development Index performance relative to their starting point over the period 1970-2010.

Recent events in Tunisia, however, remind us that human development depends on more than better health, education, and national income – it requires enlarging people’s freedoms and choices too.

As the old saying goes, man does not live by bread alone – although that needs a gender neutral translation today !

UNDP’s response to new openings in the Arab States

There are moments when historic, transformational change is possible. This is one of those moments in the Arab States. That change will be brought about by the peoples of Tunisia, Egypt, and elsewhere. But we can help.

Helping to design more inclusive governance and expand people’s freedoms, choices, and right to have a say is central to UNDP’s democratic governance mandate.

Operating within a set of values shaped by the UN Charter and the Universal Declaration of Human Rights, we support countries’ own efforts to establish environments in which people’s human rights and fundamental freedoms are respected, and in which political parties, vibrant civil society, and free and independent media can flourish.

In supporting democratic transitions in the Arab States, we can draw on the very wide experience we have accumulated in this area from our work around the world.

In both Tunisia and Egypt, we have longstanding programmes to advance human development. We are now working with the national authorities on support for their countries’ next steps.

In Tunisia, a roadmap for the political transition was recently announced. It includes elections for a Constituent Assembly on 24 July. UNDP is responding to Tunisia’s request for UN support to build a new electoral process and lay the groundwork for both a functioning democratic system and economic recovery.

Our work is likely to include support for the constitutional reform process and for designing a more responsive and human rights-oriented public service.

In Egypt, there is scope for UNDP to help tackle the root causes of the protests, including by supporting a democratic transition, promoting human rights and access to justice, and

assisting with job creation and tackling poverty and inequality.

We are organizing a forum for a broad cross-section of Egyptians to learn firsthand from those who have led transitions to democracy in other parts of the world. We are also supporting the national dialogue process, and are able to help local authorities to identify ways to engage young people in decision-making.

Country by country in the region, we are reviewing our programmes so that we can respond effectively to changing circumstances.

Partnerships for Development and the Implications of U.S. Decisions

As multilateral agencies like UNDP work to promote political and economic inclusion in the Arab States and beyond, continuing support for our work from the United States is critical.

As a long time political leader, I fully understand why some constituents question overseas development spending when budgets for local services are tight. Times are tough in the United States, and many people are hurting.

Yet, we all benefit if developing countries have vibrant economies and educated and healthy populations; enjoy good governance and the rule of law; live in peace, and can develop sustainably. Consider the counterfactual in extremis : a failed state can become a haven for terrorists whose deadly reach as we know is global. A corrupt state can be a haven for international crime and trafficking in all its forms.

As developed countries reduce the number of countries in which their bilateral aid programmes are active, contributions made through the UN development system and its infrastructure are a cost effective way of maintaining a broader engagement in development.

Through UNDP's impartial and long-term in-country presence around the globe, we build access to and trust with national partners. That allows us to respond to the development challenges in individual countries, including in the sensitive governance and post-crisis areas of work where bilateral partners and donors may make little headway.

UNDP is funded by the UN's Member States on an entirely voluntary basis, with the United States as a leading contributor. With the support of our partners, we maintain a universal presence in developing countries, but the vast bulk of our funding goes to least developed and low income countries. Countries which are fragile because of conflict and/or natural disaster, like Afghanistan, the Democratic Republic of the Congo, Haiti, and Pakistan, demand a great deal of our attention and resources.

A number of internal and external assessments show that UNDP is a leader within the UN in increasing overall efficiency, accountability, and transparency. UNDP and the UN development system overall also have a track record of innovative thinking and of producing proposals which translate into policies and into action, producing development results.

An example is the Millennium Development Goals, which since 2000 have inspired unprecedented efforts to raise the living standards of many hundreds of millions of people across the globe.

Conclusion

Even with impressive development progress in many areas over the last decade, many people have been left behind, experiencing that toxic mix of economic and political exclusion.

Yet those people too have dreams and aspirations, not just for material progress, but also for the opportunity to realise their full potential, build a better future for their children, and participate in shaping the decisions which impact on their lives.

The success of broad-based popular movements in forcing political change in key Arab States must now be followed by the difficult and detailed work of building more inclusive societies, economies, and governance systems.

UNDP is well placed to support these transitions, as we have in many countries in other regions at crossroads in their modern history.

UNDP looks forward to continued support from the United States, to enable us to work for transformational change which produces more decent work, opportunity, and an expansion of freedom and choices. These are the solid foundations upon which stability and sustainable human development can grow.

<http://content.undp.org/go/newsroom/2011/april/clark-jobs-equity-and-voice-why-economic-and-political-inclusion-matter.en>