Statement by

Rt. Hon. Helen Clark
Administrator of the United Nations Development Programme and
Chair of the United Nations Development Group

United Nations
Statement by

Ms. Rt. Hon. Helen Clark
Administrator of the United Nations Development Programme and
Chair of the United Nations Development Group

89th Meeting of the Development Committee

April 12, 2014
Washington, D.C.

Over the past few decades the world has witnessed important and in some cases remarkable development advances, and progress on the Millennium Development Goals (MDGs) has been significant. Global poverty has declined and over seven hundred million fewer people lived in conditions of extreme poverty in 2010 compared to 1990. This happened alongside strong growth in the global economy overall, particularly in a number of developing countries.

Following the economic crisis of recent years, however, global growth rates have slowed, and there are no signs of returning to pre-crisis levels. At the same time many of the world’s poorest and most disadvantaged people have yet to benefit from development progress. Indeed, 1.2 billion people – the majority of whom live in Sub-Saharan Africa and South Asia – continue to live on less than US$1.25 dollars a day; 870 million people go to bed every night hungry; 1.3 billion people do not have access to electricity; and almost 2.5 billion do not have access to the improved sanitation called for in the MDGs.

Global inequalities have also been on the rise: 75 per cent of the world's population live in societies where income distribution is less equal now than it was in the 1990s. On average – and taking into account population size – income inequality increased by eleven per cent in developing countries between 1990 and 2010, indicating that the benefits of growth have accrued disproportionately to better off segments of society.

Inequalities have a negative impact on the well-being of people and the prospects of society as a whole. Income inequality, for example, impedes long-term growth, and dampens the poverty-reducing impact of growth. It is also associated with a host of negative social outcomes, ranging from low health status and educational achievement to higher crime rates.

Children in the lowest asset quintile of East Asia and Latin America, for instance, are around three times more likely to die before their fifth birthday than are children from the same region who were born in the highest asset quintile. Women in rural areas in South Asia are 26 per cent more likely to be malnourished than are women in urban areas.

Inequalities can also generate political instability; erode social cohesion and government legitimacy; and undermine capacity for the decision-making necessary for reform.
Those who experience multiple and simultaneous deprivations, across the economic, social, political, legal, cultural, and environmental spheres, are cut off from opportunities to contribute to and benefit from their economy, society, and communities. In this scenario, everyone loses. The economy has less potential to boost productivity and generate revenue; societies are less cohesive; community members less likely to trust each other; and those who suffer exclusion and endure isolation, indignity, and discrimination, have little chance to improve their lives.

Rising income inequality has been driven in part by structural factors at the global, regional, and national levels. Growing levels of financial and economic integration have been accompanied by weak employment growth. Rapid technological change has favoured the highly educated and skilled, keeping real wages low for the less skilled and weakening the bargaining position of workers. Growing global financial integration has also increased countries’ vulnerabilities to external shocks, thereby contributing to macroeconomic instabilities, which are often manifested in sharp swings in capital flows and exchange rates. In a number of cases, however, national policies are also at fault. Regressive tax policies, low public investment in rural areas, and reductions in provision for social protection and education are just some of the factors at work.

Current growth models have thrived on unsustainable patterns of consumption and production. A desire for shorter-term economic and political gains has often prevailed at the expense of environmental sustainability.

Greenhouse gas emissions, biodiversity loss, and ocean acidification are reaching alarming levels. As confirmed in the IPCC’s Fifth Assessment Report released in March, the threat posed by climate change is no longer hypothetical. Its impact is being felt in countries around the world, with disproportionate impacts on poor people and countries. Climate change threatens to halt and even reverse development progress. The impact of rapid environmental degradation is increasingly being felt worldwide, but hurts developing countries and poor communities the most. It was estimated in the 2005 Millennium Ecosystem Assessment that over sixty per cent of the earth’s ecosystems and their associated services upon which societies rely were already degraded, overexploited, or lost.

As UNDP’s 2011 Human Development Report, “Sustainability and Equity: A Better Future for All”, emphasises, the pursuit of equity and sustainability are inextricably linked - one will not be achieved without the other.

Moving towards more inclusive and sustainable patterns of growth

The promotion of inclusive and sustainable growth – growth which reduces poverty and inequality while also protecting our planet - is arguably the defining development challenge of our era.

The widening gaps in income and other dimensions of well-being are not unavoidable consequences of development progress. A number of countries have managed to reduce inequalities significantly while also generating significant levels of economic growth. As confirmed in the IMF’s Discussion Note on Redistribution, Inequality, and Growth released last month, the evidence suggests that, on balance, inequality reducing policies are good for growth.

Growth which is inclusive and sustainable generates jobs and new opportunities benefiting the poor disproportionately. Much can be done by national and local policy makers to shape growth which is inclusive and sustainable. They can, for example, direct public and private investment to communities where the poor and excluded live and work; redistribute the benefits of growth through progressive taxes and universally accessible quality services; empower and enable women and marginalized communities to
participate in decision-making; and establish ways of protecting the poor from economic shocks and natural disasters.

Employment is in many ways the lynch pin – linking economic growth to poverty reduction. Generating inclusive growth is very much about incentivizing and enabling the economy to grow in job-rich ways. It is important that the post-2015 development agenda prioritizes employment as a global goal.

Global trends also reflect the continued relevance and importance of implementing the UN’s decent work agenda. Workers in the informal sector often suffer low and unreliable wages, and poor and dangerous working conditions. They have little legal recourse through which to confront corrupt, abusive, or exploitive practices. Legal empowerment initiatives which enable the poor to register their small businesses, receive training, and access social and financial services can play an important role. So can efforts to boost the productivity of small holder farmers through education, training, expanded access to financial services, and improved infrastructure.

Comprehensive social protection also underpins inclusive and sustainable growth. The work of the UN development system has helped to establish Social Protection Floors in a number of countries. These floors are comprised of at least basic social security guarantees for health care, and for income security for children, older people, and those unable to work because of sickness, unemployment, advanced pregnancy, or disability.

Yet, more than 76 per cent of the world’s population continues to live without adequate social protection coverage. Expanding people’s access to it is both a way to advance human rights and sound economic policy. Well-designed social protection systems support household incomes, build human capital, and increase productivity. In the face of an uncertain global economic recovery and lower global demand, the adoption of a social protection floor is an opportunity for a country to help stabilize its economy, generate inclusive growth, and build social cohesion and political stability.

The UN system is working to promote a resilience-based approach to development which builds on the strength of individuals, their communities, and institutions to prevent and mitigate the impacts of shocks of any type - internal or external; natural or human-induced; economic, political, or social.

This integrated approach to resilience requires us to co-ordinate our policy responses in three broad categories:

- Anticipating their consequences, and how to mitigate them.
- Addressing primary drivers of vulnerability, redesigning and strengthening institutions, diversifying livelihoods and economic systems, and building the capacity of civil society networks to respond to risks and mitigate their impact.
- Building resilience at individual, community, and national levels, with adequate regional and international support measures, to protect development gains.

Over the last two decades, at least US $2 trillion in economic losses have been attributed to disasters. As recognized by the Progress Report included as background for this Development Committee meeting, building resilience to disasters requires comprehensive approaches which integrate risk management into policies, plans, programmes, and budgets at all levels – from the local to the regional and national. Vulnerabilities must be managed and capacities enhanced at each level.
The World Bank and the UN are collaborating on a number of global risk reduction and recovery initiatives. For example, in line with the 2008 Tripartite Agreement on Post-Crisis Assessment and Recovery Planning, the European Union, the UN Development Group, and the World Bank are working to develop joint guidance in support of Post-Disaster Needs Assessments. The aim is to help countries establish comprehensive and collaborative approaches to post disaster recovery which are firmly anchored in an understanding of the human and social needs of disaster affected people.

**Inclusive and sustainable growth in the post-2015 development agenda**

The need for more inclusive and sustainable growth has been echoed by the more than 1.8 million people who have participated in the UN-facilitated global consultations on the post-2015 development agenda. These consultations revealed that many people see the world as being deeply unequal, and perceive that the dynamics of power and exclusion have left individuals, communities, and even whole countries behind.

People say that they want governments to focus on enabling inclusive growth, in particular through the promotion of decent employment and provision of quality social protection, including for women and girls. They have highlighted the need to address environmental sustainability, good governance, and security as fundamental building blocks for overall development progress. These consultations also tell us that people recognize that no issue can be dealt with in isolation from others, and that sustainable and inclusive growth needs to be promoted in integrated and comprehensive ways.

The consultations showed that people around the world want to be involved in the design and implementation of the new global development agenda. They don’t want to be consulted, but then ignored. This was taken on board in the outcome document of last September’s leader level meeting on the MDGs and post-2015 at the UN General Assembly. Now Member States are considering how to arrive at a set of goals and targets which are comprehensive, integrated, focused, and easily communicated. They seek to build on the legacy of the MDGs, while also reflecting new opportunities and challenges for human progress. That is not an easy task.

While the UN development system is actively supporting Member States in their deliberations on the post-2015 agenda, we also remain firmly focused on accelerating MDG progress ahead of the 2015 target date.

The UNDG’s MDG Acceleration Framework (MAF) has helped to provide focus and direction within existing national frameworks and to translate national political commitment into pragmatic actions for addressing slow-moving MDGs. Currently 52 countries are either developing or implementing, or have already completed, MDG Acceleration Action Plans - in areas ranging from food security and nutrition to health, education, water and sanitation, employment, gender equality, and the environment.

We have learned from their experiences how important it is to work across sectors and themes to produce integrated policy solutions; and to identify what the bottlenecks to progress actually are, and to address them.

**UN and World Bank collaboration**

The UN and the World Bank have joined forces to accelerate MDG progress and to advise and support Member States on an ambitious, coherent post-2015 agenda. The World Bank has provided invaluable analytical inputs and expertise through its participation in the UN System Task Team on the Post-2015 UN Development Agenda.
Moving forward, the two institutions will have complementary roles in facilitating the transition to and implementation of the new development framework. With a third international conference on financing for development on the horizon, the World Bank’s input will be vital in helping to find consensus on a new financing framework and in leveraging resources and knowledge in support of the new agenda. The annual special high-level meeting of the UN Economic and Social Council with the World Bank and the IMF is a key opportunity to discuss our common vision on financing sustainable development and a true global partnership for development beyond 2015.

Collaboration between the World Bank and the UN System will also be critical in ushering in the “data revolution” for development called for by the report of the UN Secretary General’s High Level Panel on post-2015, and by many Member States. We need better data, which can be disaggregated, enabling inequalities across gender, ethnicity, and other factors to be targeted in the new global goals and targets, and progress to be monitored. The new Memorandum of Understanding between the UN and the Multilateral Development Banks on Enhanced Collaboration for Improving Statistics is an important step towards achieving that.

Finally, nowhere are the needs for our joint efforts greater than in countries affected by conflict and fragility. The UN plays a special role there in restoring security and political stability, and in addressing huge development challenges. The World Bank is a very important source of financing for rehabilitation and reconstruction.