

Strengthening working links between the Economic and Social Council and
the Committee for Development Policy

2011 Substantive Session - General Segment
26 July 2011

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Council

A. Background:

The Committee for Development Policy (CDP) is a subsidiary body of the Council. It provides inputs and independent advice to the Council on emerging cross-sectoral development issues and on international cooperation for development, focusing on medium- and long-term aspects. The Committee is also responsible for undertaking, once every three years, a review of the list of the Least Developed Countries (LDCs), on the basis of which it advises the Council regarding countries which should be added to the list and those that could be graduated from it.¹

The Committee is composed of 24 experts, nominated in their personal capacity by the Secretary-General and appointed by the Council, with a (renewable) mandate of three years. In making his nominations, the Secretary-General takes into account the need for the Committee to reflect a diversity of development experience and expertise, geographical and gender balance as well as a balance between continuity and renewal in the membership of the Committee.

The Committee holds its annual plenary meeting in the spring (usually in March). The report of the meeting is submitted to the Council at its substantive session (July).

B. Objectives of the meeting: Strengthening working links between the Council and the CDP

The meeting between CDP and ECOSOC to be held at the general segment of the substantive session of ECOSOC on 26 July 2011 aims at enhancing the usefulness of the CDP's inputs for the Council's work through more frequent dialogues and exchanges that: i) would facilitate a meaningful discussion of CDP's analysis and policy recommendations; and, ii) provide CDP with more clear guidance and precision about the Council's priorities on the various issues it addresses. An enhanced understanding of existing concerns and preoccupations of Member States will result in a better tailoring of the CDP inputs to the Council's needs.

In order to ensure that the Council makes full use of the expertise available at the Committee as well as gives timely consideration of the Committee's recommendations, the current "rules of engagement" need to be improved. Accordingly, the interactions between the Council and the Committee need to go beyond communicating through reports and resolutions.

¹ For more information on the CDP, see <http://www.un.org/en/development/desa/policy/cdp/index.shtml>

In this regard, modalities for more frequent exchange of ideas in a less formal environment could be explored, in particular on how to make the consideration of the CDP report more relevant for the Council's work.

- A proposal for improved interaction:

The Committee's work programme--besides its work on the LDC category--is set in line with the issues being addressed by the high level segment (HLS) of the Council's substantive session as well as with the specific requests made by the Council or the General Assembly. In addition, the Committee also proposes to analyze emerging issues which it believes should be brought to the attention of the Council.

With respect to CDP's contributions to the Council's consideration of the theme of the Annual Ministerial Review (AMR), a proposal -- containing 2 components -- could be explored as follows:

1. At the General Segment of the substantive meeting of the Council in July, a dedicated session would be organized to introduce the CDP proposal on its treatment of the theme of the following AMR (for example, current session (July 2011) session would discuss the CDP proposal on the treatment of the topic of the 2012AMR (*"Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the millennium development goals"*) as well as on any other theme the Committee considers relevant to bring to the attention of the Council. This approach would allow for the Council to be more knowledgeable about the planned work of the Committee, to take into account the direction of this future work when organizing its own work as well as to inform the Committee about its own priorities regarding the treatment of that theme. While the objective of this exercise is not to manage the work of the Committee or to influence its outcome, the exchange of ideas would allow the Committee to get better familiarized with the Council's specific concerns and priorities so as to better support the Council's deliberations.

Additionally, at this dedicated session and when appropriate, the CDP would present a proposal for the theme of future annual ministerial review by the Council. This approach would permit the Council to make better use of the CDP role as an advisory body. It would also allow the Committee to draw attention to an emerging issue that it considers important to be considered by the Council.

The following schedule is suggested for the dedicated session at the General Segment:

July 2011: brainstorming on the implementation of this proposal and introduction of the CDP's approach to the theme of the 2012 AMR

July 2012: introduction of the CDP's approach to the theme to be addressed by the AMR in 2013 (*Science, technology and innovation, and the potential of culture, for promoting sustainable development and achieving the Millennium Development Goals*)

July 2013: introduction of the CDP's approach to the theme to be addressed by the AMR in 2014 (*Addressing ongoing and emerging challenges for meeting the Millennium Development*

Goals in 2015 and for sustaining development gains in the future) and consideration of the CDP proposal of the theme for the 2015 and possibly for 2016.

July 2014: discussion of the CDP approach of the theme to be addressed by the AMR 2015 (not yet decided), consideration of the CDP proposal of the theme for the 2016 and possibly for 2017.

July 2015: discussion of the CDP proposal of the theme to be addressed by the AMR 2016, consideration of the CDP proposal for the theme of 2017 and possibly for 2018.

The second component of this proposal comprises the following:

2. In order to have a substantive discussion on the CDP analysis and recommendations and make better use of the expertise available, a panel discussion would be organized sometime following the release of the CDP report (late April-early May). That would allow ECOSOC members to give full consideration to the findings of the report, exchange views on the recommendations put forward, provide feedback to the Committee as well as incorporate the advice received –where appropriate and relevant—into the Council’s subsequent work in preparation for the HLS, including the drafting of the Ministerial declaration.

In conclusion, the 26 July 2011 meeting will serve as a pilot test of this proposal, in particular, its first component. However, differently from the session in 2012, which will likely address substantive issues only, the session in 2011 will also discuss possible fine tuning of this proposal and/or other considerations on how to further strengthen the working links between the Council and the Committee.

C. Format of the upcoming July meeting: informal panel discussion

The brainstorming session being organized during the General Segment of the Council’s substantive session on 26 July 2011 provides an opportunity for discussing how interactions between the Council and the Committee could be strengthened for their mutual benefit. It will function as a pilot test for future meetings with the Committee. However, it is important to keep in mind the limited time available for an in depth substantive discussion in view of the need to address the nature of future interactions as well.

In order to facilitate a productive dialogue, the meeting would consist of an informal panel discussion as follows:

- The chair/moderator will open the panel discussion and introduce the rationale and objectives of the meeting (5-7 minutes).
- To kick start the discussion, the CDP chair, will go over the CDP recent work programme and will delineate possible directions for its work in the future (8-10 minutes). Focus will be on theme of the upcoming 2012 AMR as delineated in Annex I.
- A second CDP member will complement these remarks and provide some perspective on CDP’s views of existing interactions with the Council (8-10 minutes).
- These interventions will be followed by comments by one member of the ECOSOC Bureau who will provide some feedback on the CDP work programme as well as ideas for strengthening the engagement between the CDP and the Council (12-15 minutes).
- The floor would then be open for discussion (40-45 minutes).

During the exchange of ideas on the theme of the 2012 AMR (see Annex I), it would be important to discourage the use of written statements so as to engage all in more spontaneous and fruitful discussion.

Tentative panel composition:

Chair and moderator: Ambassador Miloš Koterec
Ambassador Lazarus Kapambwe (tbc)
CDP chair: Prof. Frances Stewart
CDP member: tba
CDP Secretary: Ms. Ana Cortez (as resource person)

Expected outcome of the meeting: Follow-up action to be included in the Council's resolution on the Report of the Committee for Development Policy on its thirteenth session

D. The CDP work programme in recent years:

The Committee's work programme, besides its work on the LDC category, is set in line with the issues being addressed by the high level segment of the Council's substantive session as well as with the specific requests made by the Council or the General Assembly. Accordingly, the Committee submitted its views on the various themes of the Annual Ministerial Reviews conducted by the Council as follows:

- 2011: Quality education for all: meeting the human resource needs in developing countries
- 2010: Global crises and their impact on gender
- 2009: Global public health: the importance of tackling inequalities
- 2008: Achieving sustainable development within an environment of climate change
- 2007: Efficacy of poverty reduction strategy papers and their impact on poverty reduction

Additionally, the Committee has included in its work programme new and emerging issues that it considers of relevance for the Council and should be brought to its attention recently. A sample of such issues includes:

- Migration and development in the light of the crisis (2011)
- Policy coherence and the climate change agenda (2010)
- International support measures for the LDCs (2010)
- The worsening of the global outlook and its implications for developing countries (2009)

Annex I

The Committee's planned work on the 2012 AMR theme **(Note by the CDP Secretariat)**

The 2012 AMR will focus on “*Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the millennium development goals*” (E/2011/L.4). These are complex issues and determined by the interaction of several domestic and external factors. Accordingly, at its 13th plenary meeting in March 2011, the Committee identified the main relevant aspects it wishes to highlight in its report to the Council in 2012.

The Committee notes that poverty reduction and the generation of decent work have been disappointing in many developing economies. Moreover, horizontal inequalities in working conditions and access to employment have not decreased in the last decade.² Furthermore, employment gains observed in the early years of the new millennium were quickly swept away by the global economic crisis of 2007-2008.

At the global level, the number of unemployment stood at 205 million in 2010, or 27.6 million above 2007. While 55 per cent of the increase in unemployment took place in the developed economies, the crisis has also negatively impacted on employment conditions in developing countries, which adds to the challenge many of these economies face in generating employment for a fast growing working force.

In fact, recent estimates by the ILO indicate that the working poverty rate (estimated at \$1.25 level) was at 20.7 per cent in 2009. This figure is 1.6 percentage points higher—or an additional 40 million working poor—than what was projected on the basis of the pre-crisis trend. The number of workers in vulnerable employment (own account and unpaid family workers, often with no access to social security provisions) was estimated at 1.53 billion in 2009—the majority of which in developing countries—corresponding to a global vulnerable employment rate of 50.1 per cent. Some developing regions, however, exhibit much higher shares: South Asia (78.5 per cent), Sub-Saharan Africa (75.8 per cent) and South-east Asia and the Pacific (61.8 per cent). Women are often over represented in vulnerable employment.³

In all, the recent crisis has intensified an already unsatisfactory situation.

The Committee argues that the persistence and aggravation of under-employment, unemployment and vulnerable employment constitute not only a major waste of productive resources but also a significant threat to the political stability of several countries. Productive employment and decent work are central in the fight against poverty and exclusion.

However, when considering employment creation, there is need to take into account the type of employment being created. In other words, while quantity is important, quality also matters. Thus, the goal should be the creation of “decent work”, that is to say, work that provides safe

² ILO, 2011, *Growth, Employment, and Decent Work in the Least Developed Countries*, available at http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_153868.pdf

³ ILO, 2011, *Global Employment Trends 2011*, available at http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_150443.pdf

working conditions and adequate remuneration, respects workers' rights, facilitates access to social security, promotes inclusion and productivity growth and is sustainable.

The persistence of unemployment and underemployment rests largely on three main factors: (i) slow growth of output, (ii) the nature of that growth; and, (iii) the quality of the labour force. Thus, a first priority for sustained growth of employment is to accelerate and sustain output growth. This in turn requires, at the country level: (a) rapid accumulation, (b) human capability development (education and training); and, (c) appropriate industrial policies.

Job creation, particularly in industries with high value-added and high growth-impact, is often slowed down by the limited pool of quality labor force in developing countries. Central to productive employment is the use of capital, both physical and human. In view of the complementarities between physical capital and human capital, improvements in education and training are thus necessary to enhance the quality of labor force.

Structural change and economic diversification are important drivers of faster economic growth and increasing productivity. Yet, a major challenge confronting the creation of productive capacity in low-income countries is devising and implementing policies that would facilitate the emergence of sectors (in agriculture, manufacturing and services) that might succeed in producing profitably, create dynamic links with the rest of the domestic economy and generate productive employment. In fact, already in 2006 the Committee had stressed the importance of the pattern of economic growth and the technological choice underlining such pattern for employment creation and highlighted how macro and micro policies interact and complement each other.⁴

While the selection and effectiveness of national policies are influenced, to a certain extent, by initial conditions, as well as by available policy instruments, the Committee finds it useful to explore and document best practices, problems and solutions related to the expansion of productive capacity, enhancement of human capabilities and industrial policies for the generation of decent work. In analyzing these approaches, particular consideration will be given to gender and environmental dimensions. Additionally, the Committee will pay special attention to the generation of decent work in agriculture and to the role public sector employment programmes can play.

The Committee stresses that while focusing on policies and constraints existing at the country level, it is fully aware of the important role the international environment has in enabling faster growth and employment creation in developing countries. As stated elsewhere, "interdependence across nations is an essential feature of economic development."⁵ Maintaining the stability and integrity of international financial and trade flows, and their respective regimes, as well as addressing inherent systemic risks should not be neglected as the recent experience has so painfully demonstrated.

The above-mentioned considerations will be further developed and incorporated into specific proposals of actionable policy recommendations. Additionally, those key areas where actions at domestic level could be better supported by international cooperation will be identified and discussed. The Committee welcomes the opportunities to exchange ideas on these issues, and

⁴ *Overcoming Economic Vulnerability and Creating Employment*. Report of the Committee for Development Policy on the eight session (20-24 March 2006). United Nations publication, Sales No. E.06.II.A.5)

⁵ *World Economic and Social Survey 2010. Retooling Global Development*. United Nations publication, Sales No. E.10.II.C1, p.1.

it looks forward to receiving comments and suggestions from the Council on its research agenda on the AMR theme for 2012.