



**UN-OHRLS**

**Remarks**

**by**

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**for the Least Developed Countries, Landlocked Developing Countries**

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**at the**

**“Inclusive and Sustainable Economies as Tools to Transform Inequalities  
and Inequities – A view between Latin America and Africa”**

**Tuesday 17, October 2017, 17:00 – 18:30**

**Plenary/Santiago room, Estádio Nacional de Cabo Verde**

Excellences,  
Colleagues,  
Ladies and Gentlemen,

I am very pleased to participate in this panel discussion on *“Inclusive and Sustainable Economies as Tools to Transform Inequalities and Inequities – A view between Latin America”*.

Let me preface my remarks by saying that the theme and the regional coverage are both relevant for my office. Indeed, Of the 91 countries that my office looks after, 39 are in Africa and 2 are in Latin America. Inclusive and sustainable development is at the core of the programmes of action for the least developed countries, landlocked developing countries and small island developing states.

That said let me also add that Africa and Latin America have made significant economic and social progress in recent years but face some challenges.

The recent experience of many countries across these two regions has been one of jobless growth or if employment has been strong, jobs have not always been decent. As a result, inequalities and inequities have been growing or have been persistently high in a number of countries.

Behind this experience stand three factors. First is the pace at which many countries have expanded. Growth has been below the levels required to generate sufficient number of jobs. Indeed, given their relatively low employment elasticity of growth, most countries need to grow at a much stronger pace to reduce significantly unemployment. This is the reason why SDGs set a specific target of 7 per cent of economic growth for the least developed countries. Further, the continued volatility of growth has not helped either. In sum, the relatively weak and volatile economic growth deters private investment and job creation.

Second, economic expansion has been driven by capital-intensive sectors, the extractive sector in particular, or sectors with limited spillover effects on the rest of the economy.

Third, many people in these countries could not take full advantage of new opportunities arising from strong economic growth, as they lack the required skills and complementary production factors, such as finance, technology and land. Not surprisingly labour productivity has not improved in many countries—in particular those of least developed countries, landlocked countries and small island developing states, which I represent. The percentage of the working poor, meaning employed people living below \$PPP 1.25 per day, dropped only slightly in those countries.

Building productive capacity is therefore an essential condition for structurally transforming economies for effectively achieving sustained, broad-based and employment-creating economic growth, for successfully integrating in the global economy and for reducing disparities.

This require a transformation of agriculture, which accounts for the largest share of the labour force, but also a greater dynamism of upstream sectors, such as manufacturing, services, so that these sectors absorb the labour surplus released by agriculture. Such a transformative agenda could not be realized without supportive macroeconomic and sectoral policies—

targeting employment—and institutional changes, further involvement of all levels of government. These policy and institutional changes will facilitate access to credit, infrastructure building and maintenance, investments in skills and knowledge development, resilient building at the macro and household levels, among others.

It also requires increased support of the international community, especially for the most vulnerable countries, in terms of access to development and climate finance, markets, relevant technologies and technical assistance, and mechanisms to absorb short-term exogenous shocks.

I thank you for your kind attention.