

**Remarks by Ambassador Elizabeth Cousens, U.S.
Representative to ECOSOC, for the US/Canada/Israel Team,
5th Session of the SDG Open Working Group, on Sustained
and Inclusive Economic Growth, Macroeconomic Policy
questions, Infrastructure Development and Industrialization**
Elizabeth Cousens
U.S. Representative to ECOSOC
New York, NY
November 25, 2013

AS DELIVERED

Thank you Co-Chairs, UN Task Team, colleagues.

This has been an extremely rich discussion reflecting the centrality and complexity of macroeconomic, financial, and trade issues.

Listening to exchanges during this session, we would like to step back and emphasize a few big picture points, and will reserve thoughts about energy for discussion tomorrow.

Sustained and inclusive economic growth is clearly the sine qua non for poverty reduction, and for any of our shared priorities for sustainable development. This is widely recognized in this room, in all of our capitals, in all of our countries. Economic growth is thus both an essential driver of, and part of how we define success in, human development – not equal to development but essential to it.

We therefore share the view expressed by many others that inclusive economic growth is vital for accelerating development and combating poverty, and that we can also do more to exploit its transformative potential.

Enabling conditions for sustained and sustainable growth: Happily, we know a lot about what makes for long-term, broad-based, job-rich growth – the “key enabling environment” for issues we care about, in the words of the G77, and let me highlight just a few themes that many have already raised.

First, trade: We very much appreciated the UNCTAD presentation yesterday and Professor Bhagwati’s emphasis on trade as an instrument to reach a wide variety of goals. We need an open, dynamic, and rules-based trading system – long proven as a powerful engine for

economic growth and poverty reduction. We need to tackle structural issues, including agricultural barriers to trade and other market distortions. We need well-functioning markets in commodities that can moderate prices and offset volatility. We need low income countries in particular to enjoy access to the world's most dynamic markets, and we need to devise policies and programs that can help spur and build capacity for increased trade. Intraregional markets are also a powerful tool for economic growth, with the East African Community's regional trade integration initiative being a particularly interesting model.

Second, debt: we well recognize the burdens faced by countries, particularly low-income countries, with unsustainable levels of debt. Unsustainable debt burdens can be corrosive, discouraging private investment and distracting from critical social spending. We therefore welcome increasing international efforts to build debt management capacity in borrowing countries and emphasize the continued use of the IMF and World Bank's Debt Sustainability Framework to monitor global debt vulnerabilities.

Third, structural transformation of predominantly rural economies. Importantly, the policies and institutions that promote sustainable, broad-based economic growth are virtually identical to those that promote industrialization and structural transformation. This commonly includes tackling issues related to the investment climate, access to capital, and workforce skills as well as policies like agricultural liberalization that both increase productivity in that sector as well as free up resources for other productive sectors. It also includes key infrastructure, mobilizing investment for which similarly requires improving governance, regulatory, and institutional frameworks and finding an optimal blend of public and private financing. Our Indonesian and Ghanaian colleagues, among others, spoke especially forcefully on these points.

Obviously the health of the global financial system is also crucial. One of the challenges for us in this process is the question of how best to reflect the importance of this range of economic issues in our deliberations. These are self-evidently extremely complex policy questions in all of our national policy environments. In this regard, we found our Vietnamese colleague's intervention yesterday on behalf also of Bhutan and Thailand especially interesting in reflecting the choices they are making for their own national development path.

These issues are also very complex, obviously, in the international fora dedicated to their consideration, like the World Trade Organization. Professor Baghwati here made an important point yesterday about the distinction between critical policy priorities where action may be needed distinct from issues that better lend themselves to being translated into quantitative goals in the way we are likely to do here. We all need to think critically about the best way to mobilize and motivate the actions we believe necessary.

Let me address just a few further issues.

First, let me speak to the issue of inclusion. Economic growth needs to be sustained not only over time but its benefits also need to be extended to populations or parts of populations that have been excluded from its benefits.

It would indeed be an achievement of extraordinary proportions to lift out of extreme poverty by 2030 the billion-plus people currently enduring its hardships. We therefore very much embrace the ambition to be much more serious about inclusivity in our post-2015 discussions and we welcome exploring specific ways to do that, whether through specific targets or through the idea of hard-wiring across all issues on our agenda a commitment to lift up those at the bottom (e.g. bottom quintile). We also welcome emphasis on proven factors for lifting people out of poverty such as access to finance, markets, and key infrastructure and services.

A focus on rural communities is especially important, as Benin for LDCs, Indonesia, and other mentioned. Seventy percent of global poverty is rural, and most of the rural poor are excluded from the financial system.

Access to decent work and social protection is also clearly critical, as we discussed earlier in the year.

Second, a word about women. The evidence continues to mount that investing in women is one of the more efficient and effective ways to propel healthy economic growth and indeed healthy societies generally. The World Economic Forum finds that countries with small gender gaps are the same countries with the highest ratings for 'international competitiveness', and microeconomic studies show that the economic participation of women has a direct positive impact on household income growth.

Third, the environmental impact of growth is of course crucial to our agenda here for all of our economies, and here we see some tremendous innovation, from the potential of public procurement to drive sustainable development; to opening up new opportunities for growth through innovation and stimulating demand for new technologies, goods and services; to looking at ways was to increase the sustainability of critical infrastructure investments.

Finally, governance and an open, accountable institutional environment are of course fundamental underpinnings for robust, sustained, and inclusive economic growth. We would note that in the nearly a million and a half respondents to date in the UN's MyWorld

Survey, “honest and responsive governance” rated among the highest priorities in all regions and across all segments of the population. That should be a marker for all of us. We look forward to continuing the discussion.

###