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Keynote speech at

High Level Round Table on Achieving Structural Transformation of LLDC Economies,

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I am pleased to be part of this discussion on achieving structural transformation of the LLDC economies.

Structural transformation is about diversifying national economies and moving them up the value chain. Done well, it will expand local and productive capacities, attract more investment and financing for development overall, and reduce poverty and inequality. In this way it can
build a virtuous cycle between human development and economic growth.

In the 21st century, sustainability must also be the goal, with a focus on greening industry sectors, lifting the amount of energy coming from renewable sources, and ensuring as light a footprint as possible on ecosystems.

Farsighted leadership, strategies, policies, and action are needed to reach these multiple objectives of diversification of economies and inclusive growth; getting a fair distribution of the benefits; and caring for ecosystems. Structural transformation must be a part of a paradigm shift to achieve sustainable development, as was envisaged at Rio+20 two years ago for the post-2015 development agenda.
Let me elaborate on these points:

- Conscious efforts must be made to design structural transformation which is inclusive and fair – if it isn’t, then greater inequality could be the result. Structural transformation creates winners and losers across industry sectors, but the aim of human development is to ensure that everyone benefits. This can be achieved with the right policy mix.

This means that economic reforms must be supported by investments in education and other social sectors, and by direct measures to support the relocation and up-skilling of displaced workers and their families. The long held advocacy of the ILO for decent work, supported by freedom of association for workers and collective bargaining, is relevant here.
• Structural transformation can help drive the transition in the LLDCs to greener, and low carbon, climate-resilient economies. One of the stand out strategies to achieve that is Ethiopia: it aims to be a middle-income country by 2025 without increasing its greenhouse gas emissions. UNDP is pleased to have worked with the Ethiopian Government to establish seven sector teams and engage more than twenty national institutions on the elaboration of the strategy.

• In an age of globalization and global value chains, countries cannot transform their economies in isolation. Almost all developing countries which have made the most progress as assessed by the Human Development Index have integrated more with the world economy over the past decade. Further progress on the WTO’s
Doha Development Round would support that progress.

For many LLDCs, structural transformation will occur only with further economic integration – especially within their region. Enhanced regional co-operation through better border procedures and infrastructure investments helps countries to break out of the constraints of being landlocked and to realize the opportunities offered by their location.

Without doubt the eleven years since the Almaty Programme of Action was launched have seen significant advances by many LLDCs. But, in this globalized world, we are all on a race to the future, and nobody wants to lose that race. At the national level, we can’t make one set of reforms, and then sit
on our laurels. Change is a constant, if economies and societies are to continue to develop and thrive.

The UN development system will continue to be a strong advocate for people-centered development within a sustainable development paradigm. The aim of structural transformation in the LLDCs is not just high GDP growth rates – it is for that progress to be translated into higher living standards and opportunities for the more than 440 million people living in LLDCs. Empowering people as agents of their own development through access to education and decent work and livelihoods will accelerate the progress which nations make.

I hope that this session will see participants drawing inspiration from learning more about what has worked in driving structural transformation in a range of countries,
and that delegates will return home determined to drive the changes needed for accelerated growth and development.