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**Statement by the Special Representative of the Secretary General, Ad
Melkert**
National Conference of Economic, Social and Government Stakeholders

Your Excellency the Speaker of the Council of Representatives, Usama al-Najaifi; Ministers, Ambassadors, Distinguished Visitors.

It is my honour to have the opportunity to address such a diverse cross-section of Iraqi citizens: from government, parliament, business and labour, all willing to address the serious and fundamental challenges of true socio-economic reform and growth in Iraq.

Central to the strengthening of Iraq's hard won gains in the areas of security and democratic transition are some basic socio-economic considerations which can only be determined and answered by the Government and people of Iraq:

- How will Iraq generate the type of meaningful employment opportunities that allow current residents to stay and re-build the country, and moreover attract those Iraqi citizens living abroad back to the country?
- Outside of the oil and energy sector, in what sectors can Iraq be competitive and positively differentiate itself from other destinations for investment?
- How can workers become recognized as true stakeholders in the success of companies, institutions and the economy generally?
- How can Iraq's economic growth be used as a tool for improving quality of life and living standards for all citizens, reducing existing inequalities that are unsustainable?
- In what ways can women's participation be more be more integrated into Iraq's efforts towards economic growth?

In order to find solutions to these and other socio-economic challenges it is important that serious efforts are undertaken to arrive at a a consensus on the policy reforms needed. These types of issues require an open and honest debate about the necessary policy reforms and the institutions that will have to implement the new policies. This National Economic Conference has brought us all together here for exactly that purpose. Allow me to make a few observations in building on my own experience as minister of Social Affairs and Employment in my own country and having worked closely on many occasions with the International Labour Organisation.

Building an equitable market economy is a long-term process. There is no single socio-economic reform which will on its own facilitate a quick transformation into a fully functioning market economy. Different reforms are needed at the same time. Let me mention as key examples:

- Simplifying the ability to do business in Iraq
- Allowing labour to organize without interference
- Introducing corruption abatement policies
- Increasing access to finance
- Due process and the rule of law
- Corporatizing state-owned enterprises.

Each of these reforms are catalysts that work with each other in creating the best environment possible for economic development and the generation of employment.

Equally important to the reforms themselves is the method through which they are formulated. The format chosen for this Conference is in support of inclusive policy-making through broad participation. When a variety of stakeholders (government, parliament, business and labour) engage collectively in a vigorous and open debate about the direction of socio-economic policies in a country, the end result has a far better chance of succeeding once introduced and implemented. While each stakeholder will not always attain all, or even most, of what they seek, the openness of the process will help to ensure a greater diversity of opinion and acceptance of the final product, including on the basis of the inevitable and necessary compromise.

While it is incumbent upon government policy-makers to include non-government stakeholders in the policy-making process, it is equally important for these non-government stakeholders (business and labour) to participate in the policy-making process in a serious and transparent manner. Business and labour associations must represent the positions and opinions of their membership and not narrow personal interests. The policy-making process can only be effective when all stakeholders are presenting the true representations of their constituents needs.

From an international perspective this is not a neutral process. In the course of many decades standards have been developed that have been codified through international conventions and policy compacts. I would like therefore to summarize five key objectives and commitments that would be of benefit to many Iraqis and would place Iraq into the center of progress.

- 1) Reducing the incidences of youth unemployment, compounded by the rapid growth in the labour force.
- 2) Reinforcing democratic governance and social change through freedom of association and collective bargaining.
- 3) Enhancing social justice, including in the fair sharing of wealth that workers contribute in creating and establishing the floor of social protection that is financially sustainable.
- 4) Empowering trade unions and civil society actors to cooperate in a wider social movement.

- 5) Promoting robust social dialogue structures and institutions – including employers associations and trade unions – that can exercise effective checks and balances and thus enforce fair and participative governance.

In closing, I would like to emphasize that the social and economic future of Iraq will be determined by Iraqis. The UN, World Bank and the international community can play a supporting role in assisting the government and citizens of Iraq in bringing about the change they seek in their social and economic future. It is through conferences such as this in which all stakeholders have legitimate input that Iraqis will determine the course they seek to take in these matters. I wish you wholeheartedly a successful conference and pledge UN support for the next stages.