Empowering People and Ensuring Inclusiveness and Equality

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Proposed Talking Points for Honourable Dr. Teuea Toatu,
Minister of Finance and Economic Development,
Government of Kiribati

Mr Chairman

Madam Executive Secretary

Excellencies

Distinguished delegates

Ladies and gentlemen

• Let me begin by acknowledging and commending UNESCAP Secretariat and Members for selecting a very fitting Theme for this year, namely “Empowering people and ensuring inclusiveness and equality.”

• The theme resonates well with recent and current developments within the Asia-Pacific region, and more so in the context of my country Kiribati. It underscores the common challenge and need to nurture and invest more in
our human capital as the main driver of socioeconomic development in the context of ongoing demographic changes.

- The employment rate for the vulnerable remains high, and inequalities in the labour market, affecting women, disadvantaged youth and people with disabilities, are persisting.

- By now, members of the UNESCAP are all familiar with the small island states of the Pacific, including Kiribati. The “transformation capacity” of the subregion, and Kiribati for that matter, is severely limited by economic and structural constraints, which, without prudential management, can lead to disempowerment, exclusiveness and inequality.

- As an island nation, Kiribati’s development effort is and has been hampered by constraints associated with its small internal markets, narrow production base and susceptibility to diseconomies of scale. And if that is not enough, there is still the formidable Climate Change and the consequent sea level rise, with serious effects on the economy.

- Excellencies and distinguished delegates, if you recall my comments back in 2016, relating to the Economic and
Social Survey in Asia and the Pacific, I remarked that “People respond to incentives.”

- To get people to invest their resources and skills more efficiently, and hence be more productive, as a government or subregional organisation, we have to be able to identify the right incentives to offer.

- I think the points and overall argument I made then link perfectly now to the idea of empowerment, inclusivity and equality, as espoused in the theme.

- This begs the question: What have been the impacts of incentives on empowerment, inclusiveness and equality?

- People are empowered when they are able to earn a living. Recognising the importance of quality education and health in enhancing productivity through their positive effects on labour quality and skills enhancement, the government of Kiribati has been investing heavily in the education and health sectors over the last 3-4 years. Investments in these sectors have represented about 40% of the government’s total budget.

- In 2017, the government launched the Kiribati Vision for 20 years, KV20 for short, which is a long-term vision, and the
first of its kind for the Nation, to guide an accelerated but properly managed pace of socioeconomic development.

- KV20 is motivated by a collective aspiration for a better society by the year 2036. The vision is for Kiribati to become a wealthy, healthy and peaceful nation, seeking to achieve the development aspiration through maximised development benefits from fisheries and tourism as key productive sectors.

- Guided by that vision, and through fiscal policy implementation, Kiribati has attempted not only to improve education and health services, but also looked at ways to increase employment opportunities and improve working and living conditions for all public servants.

- The Government has maintained free education for Forms 4, 5 and 6 over its 3-4 years in office. Starting this year, Early Childhood Care Education (ECCE) will be introduced. For the first time, the salaries of kindergarten teachers will now be paid by the government under this programme.

- Government’s policy on human capital development is not limited to the domestic market. Overseas remittances are an important source of income, so Kiribati continues striving to secure more employment opportunities for its people to
meet the labour demands in New Zealand and Australia, and, to a lesser extent, in Japan and Germany.

• We share the belief that people tend to be productive when they find meaning in their work, realising that their personal and social well-being is taken seriously by the government.

• Basic infrastructure, especially transport, telecommunication and public utilities, is important for employment, productivity and sustained economic growth – ingredients which could lead to empowerment, inclusiveness and equality if handled diligently.

• Improved connectivity through the development of infrastructure would not only improve inter-island and regional integration and employment but would also provide access to social and financial services, especially for people in isolated rural communities.

• As part of infrastructure upgrading, Government bought, in 2017, a larger aircraft to better service the rapidly growing domestic market. Also, we are now embarking on the establishment of an international air service.

• The government has also started investing in the upgrading of public roads and airfields in the 21 outer-islands. AU$30
million has been set aside for this national project and another $30M will be appropriated at the end of this year for disbursement in 2020.

- Schemes like the elderly fund, copra fund subsidy, increased support to churches and local governments have been maintained and supplemented.

- One of the objectives of these support schemes is to entice people to stay in their home islands. Urbanisation is a real problem, with about half the national population now residing in overcrowded homes and land plots in Tarawa, compounding socioeconomic issues in the capital island.

- The Copra Fund Subsidy, in particular, has multiple purposes, including serving as an unemployment benefit for people who are capable of work but have not yet found employment.

- As such, government has maintained its $2 a kilogram copra price, which represents about $30M per annum in expenditure. This contributes to the pursuit of equality and inclusiveness for our people.

- Chairman, there is no denying that finance is key for achieving the desired goals of empowerment, inclusiveness
and equality. Kiribati, therefore, fully supports the regional roadmap that advocates financing for development, mainstreaming financing in local resource mobilisation, enhancing capacity, strengthening partnerships, and financial inclusion.

- For small Pacific island countries like Kiribati, climate change, and related disaster risks, constitute a real threat to communities, livelihoods and the whole natural ecosystem.

- We continue to witness and experience flooding, saltwater intrusion, and damage to infrastructure. Warmer average temperatures, rising sea levels, and more frequent and severe storms continue to impact on socioeconomic growth.

- To this end, we have an important obligation, as governments, and as a regional institution, to provide adaptive responses and ensure that investments translate into growth and development, with women and vulnerable groups never taken out of the equation.

- So, since coming into office in 2016, our government has mainstreamed the financing of a holistic climate change and natural disaster management strategy.
• We have also successfully tapped into the Green Climate Fund (GCF). In January this year, Kiribati secured approval for over US$60M of which GCF contributed half to finance a water supply project for South Tarawa.

• The journey continues as we try to tap into other climate financing sources and resources to support our adaptation efforts and the building of resilience against Climate variability.

• In closing, Chairman, allow me please to reiterate the importance of empowering people. As we have seen from the examples of Singapore and other few exceptional countries, a properly nurtured human capital is the greatest resource that a country can harness socioeconomic development.

• Our people will not be empowered if some are left out of the socioeconomic system and benefits. There will be no equality if the disparity in living standards keeps widening.

• As leaders responsible for and looking after the economies and finances of our countries, as well as our Asia-Pacific region through this ESCAP forum, we have a duty of care
to ensure inclusiveness and equality for every citizen and resident.

- This is what we mean by leaving no-one behind, and we must live up to our word!

Thank you.