



NGO Written Statement by GFDD during 52nd Session of the Commission for Social Development - 11-21 February 2014 focused on: 'Promoting empowerment of people in achieving poverty eradication, social integration, full employment and decent work for all'.

Global Foundation for Democracy and Development (GFDD) and Fundación Global Democracia y Desarrollo (FUNGLODE) are private, non-partisan, not-for-profit institutions, created by His Excellency Dr. Leonel Fernández, former President of the Dominican Republic.

FUNGLODE and GFDD are dedicated to formulating innovative and strategic proposals on global issues of national interest with the purpose of contributing to the creation of effective public policies related to the governance and social and economic development of the Dominican Republic.

Boosting local productivity, social cohesion and education opportunities on a local level as keys to poverty eradication and decent work for all

In today's globalized world, local economic stability is still essential for domestic consumer and investor confidence, which ultimately keeps the door open to larger corporations. In order to maintain a healthy environment where corporations and small businesses can be mutually beneficial, a careful balance must be struck. Recognizing that small businesses are a continuing source of dynamism for a nation's economy, the Global Foundation for Democracy and Development (GFDD) has led the call for a new approach to sustainable development: a local development paradigm. This model would strengthen local productivity and, by extension, the social fabric of the communities it affects. As always, GFDD continues to offer reliable education and professional development while promoting programs within the public and private sector that work toward social inclusion.

An integral part of the mission of GFDD is promoting and supporting the economic and social development of the Dominican Republic. GFDD's publications and research programs therefore look to influence the development of public policy on these topics.

Current levels of unemployment (14.7% as of 2012), foreign investment (\$24.89 billion as of 31 December 2012) and trade balance trends have an appreciable effect on GDP growth and the Dominican Republic's involvement in the global economy. Despite the fragility of the world economy, the country's GDP continues to rise by a growth rate of 5% each year. Building on this steady growth, GFDD advocates the considerable benefit in empowering small/medium sized local businesses to increase production and exports, create jobs and work together with the public sector in developing and implementing educational and social programs.

GFDD therefore believes in the necessity of a paradigm change. It has become clear that the focus on GDP growth alone doesn't guarantee social integration and full employment. Speaking last July 2013, President Obama stressed that reducing the growing gap between rich and poor would constitute his "highest priority" during the remainder of his presidency, given that although "businesses are creating new jobs and have broken record profits, nearly all the income gains of the past 10 years have continued to flow to the top 1%". Research by the International Monetary Fund has shown that longer growth spells are robustly associated with more equality in income distribution. According to the organization, closing half the inequality gap between Latin America and emerging Asia would more than double the expected duration of a growth spell.

Within the Dominican Republic, the government's recent "National Strategy for Development" highlights one of its main objectives as the creation of a unified society with equal opportunities and lower levels of poverty and social inequality. GFDD makes this contribution to the debate by stating that it is vital to promote local businesses, through the support and empowerment of both existing and new local entrepreneurs. It is important to create policies that foster innovation, creativity and the incubation of new businesses. There are many positive examples within Latin America of initiatives dedicated to the support and creation of innovative enterprises that seeks to reduce income

inequality and social disparity. It is these types of ventures that on a global level require a stronger support from the public sector and the international community.

A recent report by the World Economic Forum has shed light on a new institution by the Colombian government called The Department for Social Prosperity (DPS), one of the structural government reforms that have helped in making the country “a regional leader in narrowing the economic gap with the world’s most efficient regulatory practices”. Part of this initiative includes improving conditions for entrepreneurial development among its beneficiaries. In light of this, it will soon be launching its private-public alliance strategy, including initiatives to increase impact investing and social enterprise.

Lumni is a practical example of social enterprises influencing economic development across Latin America. The organization, which operates in four Latin American countries, is pioneering a novel financing instrument for low-income students called “human capital contracts” that both reduces risk for the student and offers the promise of expansive access because no collateral or co-signer is required. As part of this program Lumni finances the student’s education and only asks them to pay back a fixed fraction of their income for a fixed number of months once they have a job, providing them with the best opportunity for gaining employment in the relevant national economy.

Taking stock of these successful initiatives, GFDD believes that a similar local development paradigm is required that would seek to strengthen local productivity and communities social fabric, offer reliable education and professional development on a local level, and promote programs within both the public and the private sector that work towards social inclusion.

Some examples of local productivity and social inclusion and their positive impact on the Dominican Republic

The ReCreate program, developed by the foundation in 2012, is a unique recycling scheme, which offers women, youth and children across the Dominican Republic workshops in art recycling. It demonstrates how recycling waste into art can empower individuals and communities alike. This program seeks to raise awareness around environmental issues among Dominicans by promoting the three golden rules of proper waste management: Reduce, Reuse and Recycle. Upon graduating from the workshops, the program then equips individuals and their communities with the opportunity to launch their own ventures, turning this educational project into a source of income and entrepreneurship. As evidence of its success, ReCreate has launched more than 20 art workshops in four cities around the country, with many women having become certified to serve as multipliers of the program, whilst helping to sustainably support their families.

Offer reliable education and professional development programs

Education is another key part of the development paradigm. Through the continuation of its Eco Huertos program, GFDD is supporting the creation of organic and sustainable vegetable gardens in schools and communities throughout the country. Travelling to small cities such as San Cristobal, the foundation has imparted induction workshops to other NGOs, introducing staff members to the

program and helping to define goals, regular duties and functional details for the creation of their community gardens. The series of workshops and sessions included in the program educate members on how to create a vegetable garden, provide instruction on planting and general garden maintenance. Sessions also include seed conservation, pest control and organic fertilizers. To date, the program has successfully created a total of 16 vegetable gardens in 12 schools (7 private and 5 public) and 4 community centers around the country. With the aim of developing this program on a national scale, GFDD is helping local families learn sustainable agriculture practices that can then be applied at home. This will enable them to not only supplement their diets, but to generate income for the community as well.

Promote programs within both the public and the private sector that work towards social inclusion

The third and final part of this new development paradigm is the engagement with the private sector and its corporate social responsibility programs to work towards social inclusion. The foundation's work to raise awareness of Dominican Banco Reservas Volunteer Program is a good example of this. Established in 1941, the bank became renowned for its Volunteering Program. It was recognized as the first Dominican financial institution to promote music, literature, education, sports and art in the Dominican Republic, and is considered to be among the most committed projects of solidarity and social commitment in the country. The Volunteering Program provides assistance to the needy in the areas of health care and, having expanded, is now raising awareness of environmental protection and corporate performance.

Conclusion

The education and engagement of local communities, together with the development of local economies, clearly constitutes a vital development paradigm for ensuring the promotion of sustainable development in both developed and developing countries across the world. However, as can be seen from the actions of the foundation, this transition will only be effective if it is supported at both the national and the local levels by each relevant stakeholder in both the public and the private sectors.

GFDD hopes that this statement will help provide further guidance to the attendees of the 52nd session of the Commission for Social Development.