

Practical policy solutions

06



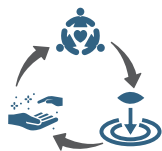
Key messages

01



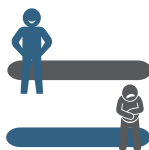
A combination of integrated policies is required to reduce inequality.

02



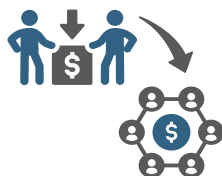
To reduce inequality in employment, it is necessary to follow a three-pronged approach: promoting solidarity, delivering visible impact, and securing credibility and trust.

03



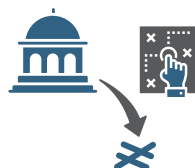
It is possible to achieve equality that benefits both “the haves” and “the have nots”.

04



A solidarity fund should be established to facilitate shared responsibility among the rich and the poor.

05



A new paradigm shift in government policies and governance is needed to address inequalities in the region, which includes a combination of integrated policies and a financing plan for reducing inequality that takes into account the intersectionality of inequalities.

Practical policy solutions

06



“Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.”



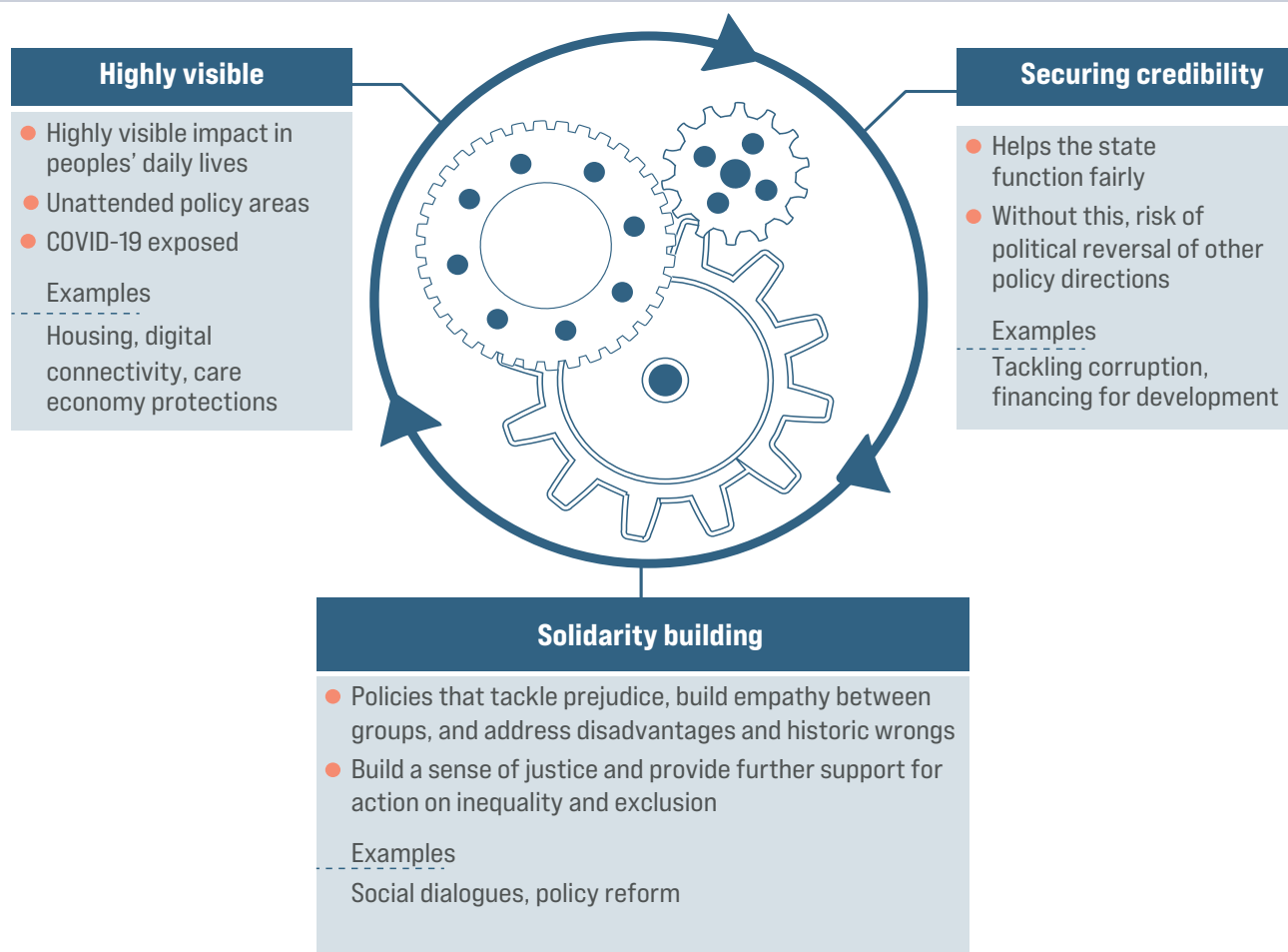
Nelson Mandela

A. Three-pronged approach to reducing youth unemployment

The present report highlights youth unemployment as a flagrant type of inequality in the Arab region, and underscores the limited capacity of national economies to create enough decent jobs. Such market problems, combined with the worst cost of living crisis in 25 years and ongoing conflict stress the importance of reducing unemployment, which Arab peoples consider be a top priority for reducing inequality. The seriousness of the youth unemployment situation in the region requires the urgent application of a multitude of alternative innovative approaches, based on the good practices of other communities, countries and regions. The present chapter utilizes the practical policy approach set out

in the Pathfinders global report.⁸⁷ The policy model has three levels of actions: promoting solidarity, delivering visible impact, and securing credibility and trust (figure 22). International experiences reflected in the Pathfinders report reveal which practical policies work and the “how to” of reducing inequality and exclusion. It also stresses the importance of combination of integrated policies. Countries that have made progress on credibility (such as anti-corruption reforms) but did not deliver visible results, often failed to sustain momentum. Likewise, countries that delivered visible results, but did not root them in solidarity-building change or secure credibility, often faced reversals.

Figure 22. Policy approach to tackling inequality and exclusion



Source: Pathfinders, From Rhetoric to Action: Delivering Equality and Inclusion, 2021. p. 10.

The present chapter applies the above model to youth unemployment, and proposes practical

solutions to help reduce inequality in youth unemployment (figure 23).

1. Delivering visible impact

- Provide further support to vocational skills training to match labour market demands, offer youth labour guarantees, and promote jobs for young people.

- Make use of existing and emerging technologies to boost job creation and develop policies in sectors that are negatively impacted by advances in technology.

Figure 23. Applying the three-pronged policy approach to youth unemployment

Delivering visible impact	Securing credibility	Promoting solidarity
<ul style="list-style-type: none"> ● Provide vocational training and youth labour guarantees ● Make use of technologies to boost job creation ● Urge education institutions to encourage entrepreneurship ● Develop national action plans targeting youth employment ● Offer placements and internships to lay the foundation for a career ● provide career guidance and advice to students ● Establish youth technology entrepreneurship ● Scale up volunteer initiatives ● Ensure equity in access to learning ● Provide quality basic education ● Increase the quantity and quality of digital access 	<ul style="list-style-type: none"> ● Coordinate between government ministries, agencies, and service providers ● Conduct measurement and evaluation of labour market programmes ● Promote open data and transparency ● Collect labour market data on youth participation 	<ul style="list-style-type: none"> ● Establish a solidarity fund to create opportunities for youth ● Improve employment prospects for young people ● Support young entrepreneurs ● Connect young people to support from older generations and the private sector ● Ensure youth initiatives reach marginalized groups ● Increase the number of women in employment and in management positions ● Forge partnerships between schools, Government and employers ● Include the voice of young people and marginalized groups in the design of youth programmes (community-driven development)

Source: Pathfinders, From Rhetoric to Action: Delivering Equality and Inclusion, 2021. p. 10.

----- Urge education institutions to encourage entrepreneurship by including it in curriculums, and by working with employers to offer students appropriate coaching and training.

----- Ensure that Governments develop national action plans targeting youth employment, including comprehensive strategies for young people who are not in employment, specifically aimed at creating jobs for this cohort through the establishment of enterprise incubation programmes, online training courses and infrastructure projects that hire and train young people. Governments should also incentivize education institutions and business operators to do the same.

----- Make sure placements and internships include high standards of training and supervision, and offer some form of fair minimal pay to engage young adults.

----- Promote career guidance at schools where specialist teachers advise students early on in their schooling to tap into their skills and help steer them on a successful career path.

----- Introduce digital and entrepreneurship skills to school children to enhance their future career opportunities and add value for the employer.

----- Channel more innovation and brainpower towards scaling up volunteer initiatives.

- Ensure equity in access to learning for students from under-privileged backgrounds by providing printed assignments to learners who do not have access to the Internet or computers, and forge partnerships with post office services to deliver worksheets to be completed at home.

- Strengthen the education system and curriculums to guarantee quality basic educational for all students.
- Increase the quantity and quality of digital access and further reduce costs across the region, while ensuring gender parity in online access and mobile use.

2. Securing credibility

- Develop public employment services to increase support for young people applying for jobs and making decisions on jobs, and to give young people a good start in the labour market.
- Promote collaborative coordination between government ministries, agencies and service providers in transiting to decent jobs, and thus reduce school-to-work transition time intervals.
- Ensure more efficient monitoring and evaluation tools of youth activities and labour market programmes to ensure

effectiveness and reachability to disadvantaged and marginalized groups.

- Develop policies and strategies for open government to promote open data and transparency, and to foster citizen participation and engagement.
- Invest in labour market data on young people to monitor and identify supply and demand gaps so as to tackle youth job market challenges. Establishing a youth recovery barometer for the Arab region could track life paths and labour market outcomes for young people between now and 2030.

3. Promoting solidarity

- Establish a solidarity fund from outside the fiscal space to generate more opportunities for young people.
- Improve employment prospects of poor and vulnerable groups, and of poorly integrated new labour market entrants, by creating targeted labour market programmes.
- Strengthen employment prospects for young people and vulnerable groups by promoting social protection schemes and creating targeted labour market programmes.

- Support young entrepreneurs by developing policies that build a culture of entrepreneurship in higher education and facilitate financing for entrepreneurship and incubators; and enhance the startup process of entrepreneurship by creating a one-stop-shop.
- Build a coalition to connect young people with older generations and the private sector to establish an intergenerational dialogue and facilitate the transfer of knowledge and best practices.
- Ensure that youth initiatives reach marginalized groups through legislation and policies to

increase the number of women and persons with disabilities across the workforce, and support their access to training opportunities.

- Revisit national youth strategies and adjust labour regulations to ensure greater inclusion and participation, and develop special plans for marginalized groups.
- Increase the number of women in employment and in management positions by developing national policies on women's economic participation, introducing flexible work arrangements, and establishing special quotas for women in managerial positions.
- Forge partnerships between schools, Governments and employers to allow schools to align their curriculums and student skills with employer needs. Schools need to develop the

skills students need to enter the workforce, particularly digital literacy skills, this facilitating the transition from school to the work.

- Include the voice of young people and marginalized groups in the design of youth programmes (community-driven development) and in decision-making processes on policies related to their lives, and hold a consultative process with them on issues related to their lives and future.

Implementing the above three-pronged model requires sound partnerships between Government, community groups, civil society organizations, the private sector, United Nations organizations, and labour unions. Creating opportunities for young people depends on such partnerships. Such opportunities include better education, internships, mentorships and jobs.

B. Practical regional initiatives

Before proposing practical solutions to translate the above policies into action, it is necessary to understand the skills available in the market and the demand for jobs. To facilitate this, ESCWA has developed the Skills Monitor, which comprises big data from online job openings in the Arab region. This is a data-and artificial intelligence-driven tool, built inhouse for the collection, processing and analysis of online job openings in the Arab region.⁸⁸

The data strengthens analysis of whether the type of skills and jobs demanded in the region address the needs of the Fourth Industrial Revolution and the new era of economic development. The Skills Monitor facilitates investigation of the types of skills and jobs needed, their

interconnectedness, and opportunities for re-skilling and upskilling, including skills that are trending.

Analysis by ESCWA shows that business administration skills are the most demanded hard skills in Arab labour markets, while communication is the most demanded soft skill. The analysis finds that women are less likely to telework than men, and are mainly demanded in entry-level positions. Unlike global trends, the Arab region is struggling to attract many jobs that require future work skills, such as cloud computing, blockchain, machine learning, and augmented virtual reality. If this trend persists, the Arab region may once again be missing the opportunity for a successful structural transformation by sticking to traditional sectors and subsectors where

labour substitution may be on the rise, thus resulting in structural unemployment.⁸⁹ Furthermore, 50 to 85 per cent of the jobs today's learners will be doing in 2030 have not yet been created, owing to rapid technological

change and its impact on economic and social life. In other words, today's young learners are not getting equipped with the needed skills to secure jobs in the future.

1. Solidarity fund

Given the limited fiscal space in Arab countries, governance shortfalls, rising poverty, and the unprecedented economic and financial disruptions caused by the COVID-19 pandemic, a solidarity fund should be established to facilitate shared responsibility and societal solidarity, especially since no country can eliminate underlying inequalities on its own. The proposed solidarity fund should be outside the public budget and managed by the wealthiest people, with funds expected to be sourced from lump sum

contributions, regular contributions, or proceeds of certain assets.

The solidarity fund would contribute to closing the poverty gap, as it aims to uplift and create opportunities for the most marginalized populations, such as the poor, the displaced and older persons. Rooted in principles of solidarity, the fund would mitigate human capital flight and promote domestic job mobility, thus contributing to improved shared wellbeing. By empowering the poor,



A triangular partnership approach is a key transformative policy, including public-affluent-poor (PAP) partnerships and public-business-citizen (PBC) partnerships. PAPs, embodied in mechanisms such as the creation of a societal solidarity fund that targets the poor and creates opportunities for upward mobility and economic benefits, entrepreneurial ventures and innovation, can help assuage growing social tensions between the rich and poor. PBCs, reflected in mechanisms such as shared ownerships in privatized and transformed public economic activities, create economic opportunities for all, and can help in mitigate the growing economic conflict between businesses and citizens.



Rola Dashti, Executive Secretary of ESCWA

solidarity transfers can help to achieve more political and economic stability in terms of trade, tourism and capital inflows, which boost local economic activity and ease access to new resources.

The solidarity fund should complement government efforts by effectively identifying beneficiaries to tackle exclusion, especially social exclusion, based on transparency and public disclosure to ensure that no one is left behind. Therefore, the contribution of the wealthiest individuals aligned with government efforts based on effective management play an important role in ensuring the sustainability of the fund.

The solidarity fund could benefit from the rechannelling of special drawing rights (SDRs) and other financing instruments tailored to provide funding, active policy measures, and key performance indicators and

monitoring programmes to Arab countries. The funds governance mechanism should include an advisory board and a technical steering committee to organize and govern the fund's operations, supported by a programme management team.

The fund can be used in to promote growth by encouraging informal businesses to apply to informal sector social insurance funds, while also contributing to the formal economy by strengthening the skills of Arab young people to prepare them for the labour market, investing in social entrepreneurship SMEs to accelerate employability and encourage innovation, allocating funds towards agriculture to assist poor farmers, investing in digital transformations, and promoting the development of SMEs towards green inclusive recovery.

2. Regional coalition

Aimed at strengthening solidarity and providing a better future for all, the regional coalition will focus on addressing youth unemployment as a major type of inequality in the Arab region. It will connect young people with the private sector to establish an intergenerational dialogue and facilitate the transfer of knowledge and best practices. It will also help create opportunities for young people from all walks of life to join the labour market, and address prejudicial attitudes in the labour market, especially towards underrepresented groups such as women and persons with disabilities. The coalition should create a platform that provides exposure for new business partnerships, matches candidates to jobs more efficiently, forges partnerships with academic institutions, facilitates social dialogue, and remedies labour market imbalances, thus closing the future skills gaps through technical and vocational education and training (TVET).

The regional coalition should be a catalyst to bring together private sector leaders and organizations to make commitments to reduce inequalities among young people in the job market through creating learning opportunities, training, internships, and mentorship programmes.

Through ESCWA governmental platforms, the coalition will facilitate dialogue between the private sector and Governments, especially ministries of labour and social affairs in the Arab region. It will also facilitate dialogue between young people seeking jobs and the private sector, so as to allow for an intergenerational dialogue on the needs of the job markets, especially the skills needed in the new future of work.

C. Financing options

Key gaps in financing continue to undermine the ability of Governments to create opportunities for young people and reduce unemployment.

The dominating narrative has been that government spending cuts are inevitable during recovery and adjustment periods, especially given the current state of fiscal imbalances with soaring public debt levels, limited liquidity, greater trade protectionism, and capital (both domestic and international private investments) unaligned with long-term sustainability horizons.

However, there are alternative financing opportunities for young people, even in least developed countries. At the global level, the proposed global fund for social protection,⁹⁰ the G20 proposed mechanisms to pool resources for pandemic prevention and response, and the ambitions set out in the Global Accelerator⁹¹ to create 400 million decent jobs in green and care economies, can provide the funding needed for new youth opportunities. At the regional and national levels, the following alternatives can provide pathways to end the pandemic of inequality.

1. Regional financing pathways

- ■ ■ ■ ■ The Arab Financing for Development Framework, endorsed by ESCWA member States, provides several pathways to finance national sustainable development goals and sectoral development plans. The framework identifies financing channels and an array of financing solutions that can be mobilized from public, private, domestic, international, traditional and innovative sources to bridge the region's SDG-financing gap, estimated at \$6 trillion.
- ■ ■ ■ ■ The ESCWA-proposed solidarity fund provides could create opportunities for vulnerable groups and ensure upward mobility.⁹² In addition, the proposed solidarity wealth tax of up to 3.2 per cent on the wealth of the region's top decile could contribute to closing the poverty gap.⁹³
- ■ ■ ■ ■ Redirecting 10 per cent of the newly acquired Arab allocations of SDRs to finance a regional trust could mobilize \$3.7 billion for the creation of youth opportunities, especially new jobs. The trust can be further capitalized if G20 countries rechannelled unused allocations to meet the global ambition of directing \$100 billion worth of SDRs in voluntary contributions.
- ■ ■ ■ ■ Putting in motion a regional financing equalization vehicle would mobilize additional resources by establishing the much needed Arab social and cohesion fund as one of the instruments (missing elements) of the Arab customs union. Moreover, the foreseen collection and redistribution of common external tariff revenues and fiscal charges having equivalent effect among members of the Arab Custom Union provides another pathway to finance new opportunities for young people, estimated at 6-8 per cent additional trade tax/tariff revenues on average from baseline levels over the period 2016-2025.⁹⁴
- ■ ■ ■ ■ Reconsidering the results of the 2015 review conducted by the Arab Monetary Fund on the operation of Arab financial institutions, which at the time concluded that existing Arab financial institutions and development agencies had adequately covered the financial needs of Arab countries. Yet, the cumulative aggregate assistance provided by Arab development funds to Arab countries only reached 55 per cent of the total financing provided to other regions.⁹⁵

2. Country experiences and evidence-based financing alternatives

- The following alternatives could be explored as financing options to provide a variety of revenue-creating choices to address vital social investment gaps.
- Reallocating public spending: reprioritize budget allocations through medium-term expenditure strategies and enhancing public financial management to redirect/generate jobs for young people by eliminating spending inefficiencies. Egypt for example, created the Economic Justice Unit to review its expenditure priorities, and is seeking to optimize its spending by transitioning to SDG-centric budgeting and planning.
- Rationalizing subsidies: Arab countries continue to spend more on energy subsidies than other regions worldwide, and account for a quarter of global energy subsidies.⁹⁶ According to IMF, each dollar of government resources removed from energy subsidies and placed towards productive investment translates into two dollars of added growth.⁹⁷ The removal of fuel subsidies could raise GDP by 2 percentage points and allow for a 40 per cent increase in social protection spending.⁹⁸
- Recalibrating expenditure priorities: other developing countries, such as Costa Rica and Thailand, opted to shift savings from military spending cuts to finance universal health coverage. In 2020, the Arab region suffered an opportunity cost of \$80 billion owing to excessive military spending, which could have otherwise been directed to finance the creation of new opportunities and jobs for young people (6 per cent of the region's aggregate output is allocated to military spending, exceeding the region's financial and budgetary allocations to health and education).
- Rationalizing fiscal incentives: Arab countries tend to provide excessive fiscal incentives and allowances, including deductibles, exemptions, exclusions, accelerated capital depreciation, favourable audit settlements and other credits, to multinational corporations to attract their FDI. A cursory quantification by ESCWA indicates that the costs/revenues foregone to tax incentives amount on average to nearly 60 per cent of potential tax revenues for the region, which poses a hefty opportunity cost to finance growth and youth employment.
- Raising domestic public resource mobilization capacities: prudent public financial management and effective domestic resource mobilization capacity can be bolstered by enhancing tax progressivity and fairness: shifting broad-based regressive indirect consumption taxes to other forms of direct taxation, including corporate and property taxes, thereby reducing inequality. For example, raising the tax collection efficiency/revenue-to-GDP ratio in Arab middle-income countries to the average level of OECD would increase public revenues by as much as 45 per cent in some Arab countries, which could be directed to finance youth employment opportunities, noting that the Arab region's financing gap associated with establishing social protection floors represents 45 per cent of tax revenues.⁹⁹
- Broadening the tax base through innovative means: Ghana and Maldives, for example, opted to enforce new taxes on tourism to expand social protection. Along the same lines, a 10 per cent levy on international tourist arrivals to the region (116 million tourists generating \$135 billion in 2019) could have spurred 13.5 billion in financing. Fiscal charges on entry visas and on trade consignments have also been contemplated by the World Trade Organization to generate resources for developing countries. Airline solidarity contribution/tax is

considered an innovative attempt to spur financing (84 million passengers from the region in 2020). Carbon taxing also provides pathways for additional financing, totalling 1-2 per cent of GDP for a \$35 per ton tax. Bolivia, for example, imposed a Direct Hydrocarbons Tax that increased the State's stake in the commercial value of production to 50 per cent, enabling the country to embark on an unique redistributive role of the State by financing the country's cash transfer programmes and non-contributory pension system.¹⁰⁰

- Reallocation of corporate responsibility and combating corporate profit shifting: the global corporate reforms to be enacted in 2023 along with the reallocation of new taxing rights to Arab countries, including the enforcement of the proposed global minimum effective corporate tax rate of 15 per cent on in-scope multinational corporations, could provide opportunities to combat profit shifting and finance youth employment opportunities through an estimated \$9 billion in annual revenues. The new "subject to tax rule" under pillar two of the Inclusive Framework could generate additional public revenues for the Arab region by taxing repatriated foreign passive income (up to 9 per cent), but requires a thorough review of tens of Arab bilateral tax treaties.
- Ending public revenue leakages: enhancing tax compliance and collection efficiency and reducing tax arbitrage, including the elimination of asymmetric treatment of capital gains, can create more fiscal space for social protection. The Arab region is losing an estimated \$8.6 billion in tax revenue leakages owing to corporate tax abuse. Eliminating tax leakages would provide new sources of funding.
- Raising solidarity contributions and other public revenues: according to IMF, a solidarity tax could help finance recovery through surtaxes on personal

incomes and on excess corporate profits.¹⁰¹ A one-off non-distortionary levy on wealth is unlikely to be achievable in practice, given the difficulties of estimating and collecting such a levy. More important would be to define the scope and the deadweight costs of collecting a solidarity levy/tax, and whether it would apply to high-income brackets or as a new tax base, which could be socially/politically unsustainable. Reviewing economic rents and profit sharing agreements can provide alternative public revenues for finance. For example, Bolivia and Zambia are financing universal pensions from mining and gas taxes.

- Eliminating illicit financial flows and redirecting the gains to universal social protection: the Global Partnership for Sustainable Development seeks to clamp down on all forms of illicit financial flows (IFFs) and redirect the proceeds of crime, corruption, money laundering, trade misinvoicing, tax evasion/avoidance and other financial crimes to create fiscal space to support the implementation of the SDGs. IFFs associated with trade misinvoicing in the Arab region account for \$77.5 billion in lost annual public revenues, or several multiples of what the region receives annually in ODA, which represents a hefty opportunity cost that could have otherwise generated enough financing for new jobs.¹⁰²
- Improving State reserves: this involves drawing on State revenues stored in special purpose vehicles (SPV), including sovereign wealth funds, such as in the case of Chile and Norway. The Arab region maintains surplus reserves that cover more than 20 months of import, which is eight times higher than the international benchmark, and nearly double the average reserves maintained by high-income and middle-income economies. Kuwait, Saudi Arabia and the United Arab Emirates maintain three of the world's top 10 sovereign wealth funds, with an aggregate capitalization of almost \$2 trillion in 2020.¹⁰³

----- Considering social impact bonds and debt restructuring: social impact bonds (SIBs) are a kind of debt-based, public-private-partnership, in which investors put funds upfront into a programme and get paid when results are achieved within a pre-determined period of time. The majority of SIBs worldwide are focused on employment (26 SIBs), child welfare (eight SIBs) and education and health (six SIBs). The global value of sustainability-themed investment products amounted to \$3.2 trillion in 2020, including social bonds worth \$212 billion, and mixed-sustainability bonds worth \$218 billion, which are mostly channelled to developed countries.

----- Implementing debt service suspension, debt relief and restructuring: an increasingly common strategy to alleviate countries' fiscal pressures, especially those suffering from exorbitant sovereign debt levels, including debt swaps/conversions for social purposes as in Ecuador. However, the G20 debt service suspension initiative needs to be rolled beyond 2021, and should be broadened to capture debt vulnerabilities of middle-income countries. In addition, the G20 Common Framework for Debt Treatment should be reviewed, as only three countries (Chad, Ethiopia and Zambia) have applied for debt relief under it, although 60 per cent of low-income countries are at high risk of – or are already in – debt distress.¹⁰⁴ Public debt in the Arab region reached a historic high of \$1.4 trillion following the COVID-19 outbreak, and Arab middle-income economies hold close to half of the region's public debt stocks, where debt servicing consumes more

than \$20 billion, which could have been directed to other usages, including closing the financing gap in employment.

----- Reducing remittance transfer costs: remittances from migrants constitute a vital source of finance for more than 26 million households in the Arab region. Remittance flows exceed the aggregate financing that the Arab region receives from both FDI and ODA flows combined. However, transfer costs in the region remain higher than the global average. Reducing remittance costs in line with SDG 10.c could have generated on average \$2.6 billion per annum in additional remittances for migrant families to help them cover their food, health and education expenditures. Moreover, had these costs been reduced, as called for in the Addis Ababa Action Agenda and SDG 10, the Arab region could have mobilized \$26 billion between 2011 and 2020 and channelled them through national funds/trusts to support new youth opportunities.

----- Fulfilling unmet ODA commitments: had the Development Assistance Committee delivered on the promise of committing 0.7 per cent of GNI as ODA, the Global South and developing world would have witnessed a 2.5 increase in their ODA. Based on historic averages, the Arab region could have witnessed a rise in its ODA allocations to \$428 billion, subject to increasing absorption capacity, applying aid effectiveness principles, and ensuring that ODA allocations are made and disbursed as committed.

D. Government as a catalyst for equality

To implement the above policies, the State needs to efficiently manage its institutions, and produce good quality data that are essential to achieving economic and social progress and delivering equality. Countries everywhere must respond to constant and accelerating

change if they are to govern effectively, overcome the challenges of inequality, and meet the reasonable expectations of citizens. Effective Government and accurate data are essential to reducing inequalities and enabling progress.

The Arab region continues to struggle with outdated bureaucratic structures and widespread corruption, which hinder institutional effectiveness and erode accountability.¹⁰⁵ Public institutions play a central role in economic and social development, because they shape the incentives of key economic actors in society, influence investments in physical and human capital and technology, and impact the organization of production. Weak institutions are often the main reason why countries fail.

Governments and State institutions must implement measures to achieve full economic and social potential. In addition to dealing with economic and societal problems such as youth unemployment, the climate crisis, welfare

gaps and social instability, Governments now face challenges caused by the rising cost of everyday essentials.

The pandemic highlighted the role of digital government, aimed at accelerating digital transformation to help countries recover, based on an overarching digital and green transformation strategy. Governments globally are embracing the use of data to deliver agile and better services, run internal operations and create informed policies, while leveraging technology to keep citizens connected and engaged, and addressing their needs directly.

These government-based reform must go hand-in-hand with improving transparent and accountable collection,



To reduce inequalities, it is essential to reassert the role of government as the overall guarantor of equal economic and social rights, and implement economic and social policies to equitably redistribute resources.

analysis and timely availability of public statistics and data. Data need to be disaggregated by gender, age, location, ethnicity, religion, disability and migratory status, through enhanced systems of vital registration, including for non-nationals. Such data systems need to be supported by statistical literacy programmes to spur data usage and evidence-based decision-making, by engaging stakeholders in monitoring and evaluating policies and advancing intersectoral analysis. This will equip planners and policymakers with the necessary means to plan and forge policies in a holistic, systemic and evidence-based manner.

A new social contract is needed to address inequalities in the region: one that includes a combination of integrated policies, and a financing plan for reducing inequality that considers the intersectionality of inequalities. A renewed social contract built on trust and a perception of fairness between the Government and citizens is vital to encourage citizens to commit to it. The new social contract must have practical short-medium and long-term actions that take into account the impact of new technologies, climate change and other risks. It should be developed based on participation and consultation with all national stakeholders, including the business sector, civil society and citizens themselves.