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To Further Justice, We Must Commit to Inclusive Economies

Address to the OECD

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Bonjour everyone. It is so wonderful to be here in Paris, and surrounded by so many colleagues and friends.

I want to thank Secretary General Angel Gurría for his kind invitation to address this illustrious group. I am honored and humbled to speak with you all.

We gather here at a time of uncertainty and upheaval.

Political systems and institutions around the world are in flux, as movements claiming populism and predicated on fear gain traction in the United States and here in Europe.

From Brexit, to the election of Donald Trump, to the rise of the National Front here in France... the world is in the midst of massive political change.

The cause of this disruption, and, consequently, one of its effects, is a corrosive and compounding inequality.

Not just economic inequality, of course. I mean inequality in all its forms.

—Inequality based on gender, race, and religion.

—Inequality of opportunity, and education.

—Political, social, and cultural inequality.

—And even the rather unequal experience of globalism.

Some of the implications of inequality in our society are harder to measure, but easy to feel.

Whether it's the lack of trust in our institutions...

Or the anger and anxiety of so many who feel forgotten by the global economy, or "global elites."

I realize that many of these frustrations and fears can be tied back one's economic experience.

But all of these effects of inequality, all of these disadvantages, are compounding on each other, creating the conditions for inequality to persist.

That inequality can replicate itself makes it a particularly difficult problem.

And I think inequality is the greatest threat to our society, in part, because, not only can it lead to violence and extremism, at its worst...

But, by limiting opportunity and mobility, ultimately it generates hopelessness.

And that hopelessness makes it harder to believe that change is possible.

I choose to be hopeful.

I choose to believe that change for the better is possible.

But I also believe that change will require all of us to step up in a substantial way.

That's why I am here in Paris to join the Mayor of Paris, Anne Hidalgo, in signing a call for Global Action for inclusive, innovative, and resilient cities.

Because in cities around the world, we see how some people benefit more from urbanization than others...whether that's because of housing, or transit, or the existing infrastructure.

We also know how, in the course of their development, cities can be designed and planned in ways that promote inclusion, and in other, more insidious ways that further and deepen inequality.

And this is true of not just our cities, but of all our larger systems and structures.

Inequality happens because of how these are built—and that means we can thoughtfully, purposefully, deliberately build towards inclusion, too.

But that won't be easy, and we need to be mindful of addressing the interlinking root causes—and not just the manifestations—of inequality.

As we think about cities, and celebrate the work of mayors on the front lines, we can also widen our focus.

Because while it's true that two-thirds of the world's population will live in cities by 2050, we also know that the divide between urban and rural people has never been greater.

We need to think about the ways we can link urban and rural communities, and think through how we engage with those people who live outside metropolitan areas.

Too often, we come to dialogues like this one with preconceived notions, or inherent sense of how the world works.

Too often, we surround ourselves in self-reinforcing bubbles that support our side of the argument, and leave little room to consider those who disagree with us.

And too often these factors feed one another, further isolating us from the real problems—and the real pain—felt by people we do not see, or cannot hear.

This is how pervasive inequality is.

It affects even our most well intentioned approaches, and makes them less inclusive.

So as we continue to address the major challenges of this moment—

Be it inequality, climate change, or the refugee crisis—

We need to get out of our comfort zones, listen to communities, and develop unlikely, unconventional partnerships.

We need to tap into relationships and resources that we don't normally consider.

And in that spirit, I believe one of our most important opportunities to disrupt inequality is building an inclusive economy.

A market that works better for much more people.

To improve market outcomes, it will not be enough to rely solely on governments or philanthropy.

We will need to meaningfully engage with the private sector, and find opportunities for increased partnership.

Already, there are so many places from which we can draw inspiration.

In the United States, we've seen what happens when business, policy, and civil society come together to create innovative solutions.

Meanwhile, in Northern Europe, we've seen what's possible when we use a "social partners" approach, and bring together industry and labor and government to negotiate major changes.

And when we think about work being done across our global supply chains...

We can't ignore the impact of an economy that doesn't just react to inequality and redistribute resources...

...but instead is built to improve outcomes, and invest in people at every level.

Of course there is still more work to do.

As technology becomes more important, and our financial systems become more opaque, it will be up to us to push for competition policy, tax reform, and more transparency.

For our part, over the last few years, my colleagues and I at the Ford Foundation have been seeking out unusual allies, and forming unprecedented alliances.

And our work with the OECD to understand and address inequality is a testament to what is possible when get out of our comfort zones, and form these new relationships.

At the same time, we've seen and a growing movement for Inclusive Capitalism, and partnered with organizations that work at the intersection.

For example, we've been involved with groups like JUST Capital and the B-Team, which attempt to use the market as an engine of social change.

Additionally, we see the burgeoning field of impact investing as yet another way we can direct our resources towards justice.

Since financial capital is the lifeblood of the global economy, we can wield capital in a way that benefits more people.

When capital is put to positive, impactful use, companies, governments, investors, and others will be able to drive scalable, sustainable impact that will create a more inclusive society.

For instance, we can invest in the housing, and transportation, and infrastructure solutions that will give more people access to cities, and jobs, and markets.

And we can build the kinds of inclusive systems in other parts of our society, and create a virtuous cycle.

We cannot deny that big business has a role in helping us solve our biggest problems.

Whether we think about climate change or inequality—any of these massive problems—we must also remember that businesses have the ability to invest and innovate at scale.

And, given the political climate, it will increasingly be up to corporations to speak out and speak up—with their voices, their dollars, and their business—to defend civil society, and the values we all hold dear.

Now, I will admit, we do not yet have a full playbook.

We are still learning what kinds of policies and partnerships work, and how best to change outcomes.

But ultimately, I believe that inclusion—be it in our economies, our cities, or our communities—is not just something we can just idealize or demand.

It's something we must model.

We have to open ourselves up to more inclusive partnerships that bring together organizations from every sector, experts from every field, and voices from every community in which we work.

In wealthier nations, we have to create the conditions that allow developing countries to do their part.

We have to adapt to new and changing conditions, such as our current refugee crisis, and find ways to extend and expand our established ideas—like social protection—into previously uncharted territories.

And it will take all of us working together to make this vision a reality.

While uncertainty in many countries threatens our pursuit of equity...

...it is imperative that during such tenuous times we recognize our shared responsibility, and double down on partnerships that build faith and demonstrate progress.

It was in similarly turbulent times that Dr. Martin Luther King Jr. looked out on the United States and the world and saw, as he put it, “a burning house.”

And in response, he said, “we’re just going to have to become the firemen.”

We must all prepare to become firefighters for inclusion.

Firefighters for equity.

And firefighters for justice.

Indeed, despite these uncertain times, I am certain—confident, and optimistic—that we can build an economy and a society that is more inclusive, more innovative, and more equal.

Thank you.