

Canada's Vision for Inclusive Growth



dot.
DIGITAL
OPPORTUNITY
TRUST

DIGITAL OPPORTUNITY TRUST'S
RECOMMENDATIONS
FOR BUDGET 2018

Digital Opportunity Trust has drawn from extensive experience working with young people in developing countries and Canada, as well as collaboration with government and private sector, to offer three recommendations that reflect Canada's commitment to building a more inclusive, connected and sustainable world that, ultimately, benefits Canadians and Canadian businesses. These recommendations call for greater investment in Canadian foreign aid; in young people who need skills and opportunities to address global challenges in innovative and dynamic ways; and in multi-stakeholder collaboration. Budget 2018 is an opportunity to signal Canada's return to the global stage as an economic and social leader and visionary.

DOT is a youth-led, collaborative and inclusive Canadian organization that has mobilized more than 6,000 young people, both in developing countries and in Canada, to improve the lives of close to 1 million community members. DOT is a champion of the power and potential of young women and men to create opportunities and transform their communities, and works with young people, partners and global leaders to realize this vision. The following recommendations are drawn from the experiences and needs of those in our network, from ongoing collaboration with government and private sector, and from fifteen years of in-depth learning on livelihoods, economic growth, skills development, leadership, and digital technology.

INTRODUCTION

In June 2017, the Honourable Chrystia Freeland, Canada's Minister of Foreign Affairs, addressed the House of Commons with an impassioned speech reminding Canadians that, in a globalized world, our productivity is contingent on our relationship to the rest of the world. We rely on our allies through trade, aid, and other forms of collaboration to attract new talent to Canada and to help Canadian businesses reach new markets. Not only do we rely on these mutually beneficial relationships to grow our economy, but to maintain our country's security by fostering global stability.

We also rely on fellow nations to work with us to address enormous shared global challenges, such as climate change and rising inequality, which Canadian youth will inherit. To this end, we have promised to do our part to achieve the Sustainable Development Goals by 2030. Today's global youth population – the largest ever, at 1.8 billion – is bearing the brunt of extreme economic inequality, with youth unemployment soaring, even among OECD countries, where for the first time youth

are the demographic most vulnerable to poverty.¹ If these issues are allowed to compound, it will have serious consequences for the productivity and well-being of future Canadians.

Canada has committed to making a “return” to the global stage at a time when many countries - our closest neighbour, in particular - are turning inward, making our initiative to collaborate with like-minded countries more imperative than ever. Canada has the opportunity, in a time of global uncertainty, to reaffirm the benefits of a world that shares Canadian values. Budget 2018 should reflect our commitment to building a more inclusive, connected, and sustainable world, which will ultimately benefit Canadians for generations to come.

In support of this, DOT offers three recommendations:

- 1. Honouring our commitment to the UN aid target of 0.7 percent of GNI would be an investment in inclusive growth, stability and sustainability both in Canada and abroad.** As the one of the first countries to label its foreign aid policy “feminist,” Canada’s vision for building a more inclusive, sustainable world is bold and demands significant investment. Increasing Canada’s foreign aid in budget 2018 is a necessary step we must take to assert our global leadership.
- 2. As the generation that will inherit the global challenges of today, Canada should support youth to build the skills and opportunities they need to create innovative and dynamic solutions.** New ways of learning, working, and problem solving require greater investments in 21st century skills. Young people, particularly young women, must be critical contributors to the discussions, policies and processes that will continue to shape the world, as champions of inclusivity and sustainability.
- 3. Canada should dedicate significant resources to facilitating multi-stakeholder collaboration supported by innovative partnership models and emerging digital technologies.** Canada can position itself as a catalyst for engagement among governments, multilateral institutions, the private sector, and civil-society. Canada should invest in equitable access to technology and digital literacy for all, which both in Canada and abroad represents economic and social opportunity by increasing financial inclusion, reducing social isolation, and mobilizing communities.

¹“Youth and Inequality. (2016). OXFAM.

OVERVIEW OF DOT'S RECOMMENDATIONS

1. Honouring our commitment to the UN aid target of 0.7 percent of GNI would be an investment in inclusive growth, stability and sustainability both in Canada and abroad.

Minister Freeland's speech and the launch of the Feminist International Assistance Policy are two of the latest steps Canada has taken to return to the global stage as a leader in inclusive development, recognizing the benefit that this brings not only to developing countries, but also to Canadians and Canadian businesses. As one of the first countries to label its foreign aid policy "feminist," Canada's vision for building a more inclusive, sustainable world is bold. Indeed, targeting women and girls through foreign aid benefits all of us: according to the McKinsey Institute, bridging the gender gap in economic activity could add US\$28 trillion to annual global GDP by 2025.² Yet, the new policy included no additional funding; in fact, Canadian aid is at an all-time low in terms of the percentage of Gross National Income (GNI) committed, leaving Canada tied for last among its global peers in its spending on foreign aid.³

To date, Canada has failed to meet its commitment, with Official Development Assistance (ODA) accounting for only about 0.26 percent of Canada's GNI in 2016. Honouring our commitment to the UN aid target of 0.7 percent of GNI - which the UK, Norway, and several other OECD countries have already done - would be an investment in inclusive growth, stability and sustainability both in Canada and abroad. Increasing foreign aid to developing countries pays social and economic dividends as jobs are created, businesses are started and incomes are increased. These dividends not only support economic growth in the developing world, but also create mutually beneficial trade partnerships for Canada. Canadians can only benefit from the "innovation, creativity and enterprise" in these emerging economies, as the Honourable Minister Freeland noted.

Finally, investing in economic and social inclusion in these emerging economies is an investment in long-term benefits for global stability in the face of mass migration, a rising threat of climate disaster, and increasing trends towards populism. Such global instability can cause economic volatility that discourages investment, impedes economic growth, and hurts living standards. The interests of all Canadians are served when we uphold Canadian values to foster a safer, more prosperous, and sustainable world.

Increasing Canada's foreign aid in budget 2018 is a necessary step we must take to assert our global leadership.

²The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth. (2015). McKinsey & Company.

³ Assessing Canada's Global Engagement Gap. (2017). Global Canada.

2. As the generation that will inherit the global challenges of today, Canada should support youth to build the skills and opportunities they need to create innovative and dynamic solutions.

There are currently 1.8 billion people globally between the ages of 10 and 24 - the largest ever youth population, representing an enormous opportunity. Studies show that young people today are generally purpose-oriented and socially responsible.⁴ They are also the most educated and, with the advent of technology, the most globally connected generation. A generation that will inherit the global challenges of today, they will also create new and dynamic ways to address them. Empowering young people in Canada and abroad is one way to invest in the productivity of Canadians, and in building a more just, sustainable, and inclusive world.

To meet the enormous challenges they are facing, including the issue of youth unemployment - which, in Canada, is consistently double that of workers over 30 - young people need critical 21st century skills, like communication, team-work, problem-solving, and digital skills. These skills can be built inside and outside universities and colleges, supporting young people to develop their capacities through face-to-face, online and experiential learning. Equipped with these skills, young people can find and create jobs, and develop creative and innovative solutions to community and global challenges.

Young people also need a seat at the table. The Prime Minister's Youth Council is a strong step in the right direction, empowering a diverse group of Canadian youth committed to their communities, but also ensuring that they have a voice in the discussions, policies and processes that will affect them. These initiatives should be encouraged at all levels of government in Canada, as well as the private sector to facilitate skills building, leadership development and transitions to livelihoods. Canada should also work with global partners to foster youth engagement in communities, and in international organizations and bodies.

Young women face particular barriers to learning and leadership, and therefore to economic productivity. Young women and girls should receive targeted investments to support their economic and social inclusion. Canada has already made significant strides towards this through the government's focus on gender parity in formal institutions and the introduction of its new Feminist International Assistance Policy. DOT applauds these efforts and recommends continued investment in the capacities and leadership opportunities for young women and girls in Canada and abroad, the benefits of which will be felt throughout entire families and communities.

⁴ The 2017 Deloitte Millennial Survey. (2017). Deloitte.

3. Canada should dedicate significant resources to facilitating multi-stakeholder collaboration supported by innovative partnership models and emerging digital technologies.

In 2015, Canada adopted the United Nations' Sustainable Development Goals. Unlike the goals that came before them, the SDGs apply to everyone, everywhere. The goals reflect the enormity of shared global challenges such as climate change, which if not addressed could have disastrous effects on economies around the world, including Canada's. The level of investment required to achieve these goals will need to be significant (1.5-2.5% of global GDP)⁵, and cross-sectoral collaboration among stakeholders will be critical. Canada has a global reputation for collaboration that needs to be renewed and demonstrated through funding and action. Canada's current campaign to secure a UN Security Council seat and leadership role in G8 and G20 meetings signals this renewal, but more could be done to facilitate collaboration among government, the private sector, and civil society organizations. Starting with the allocation of appropriate funds for this purpose in the 2018 budget, Canada can galvanize governments, multilateral institutions, the private sector, and civil-society at home and abroad to deliver on promises made and export Canadian values of equality, prosperity and hope.

Just as connection is key at the global level, connection among communities and citizens is important, too. In Canada and abroad, digital technology represents economic and social opportunity by increasing financial inclusion, reducing social isolation, and mobilizing communities. Digital technology is particularly critical to the vulnerable and marginalized, from remote Northern Canadian communities to refugees in Jordan. Currently, barriers such as insufficient access or low levels of digital literacy prevent many Canadians and others around the world from harnessing the benefits of technology and participating in the digital economy. Canada should invest in enhancing access to local technologies, skills development, as well as closing the gender digital divide, in communities in Canada and abroad.

Thank you for considering our recommendations. DOT would be pleased to appear before the Committee to discuss our recommendations in greater detail and respond to any questions Members may have.

⁵ Investment Needs to Achieve the Sustainable Development Goals. (2015). Sustainable Development Solutions Network.