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INCLUSIVE GROWTH IN CITIES

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The Brookings Institution

Keynote:

ANGEL GURRIA
Secretary-General
Organisation for Economic Co-operation and Development

Panel:

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Senior Advisor to the Secretary-General
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Closing Remarks:

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P R O C E E D I N G S

MS. LIU: I want to welcome all of you to the Brookings Institution this morning and I also want to welcome all of those who have decided to tune in on the webcast. Real glad you can join us today. My name is Amy Liu and I'm a vice president here at the Brookings Institution and director of the Metropolitan Policy Program. Our program here at Brookings and the National League of Cities have the honor of bringing together a distinguished group of leaders who have traveled from very far to join us to discuss a critical issue, the importance of inclusive growth.

In the U.S. the U.S.'s economy is expanding but we know that the gains are not benefiting many members of our society. And you see this challenge not only at the national level in the United States but locally as well. Recently we produced a metro monitor and in that report Brookings looked at the health and performance of our nation's largest regions in the United States since the recession. We found that nearly all of the largest metro areas have experienced improvements in jobs, in output mirroring the broader growth in the economy. But of the 100 largest metro areas only 8 have made progress in inclusion in terms of improving making progress on employment, on income in our population including by race.

In short, what those findings tell me is that economic growth is easy but inclusion is much harder. And that is why we need to be much more intentional about how we extend the benefits of growth and engage more people in our prosperity and that is the topic we're going to talk about today.

Now despite these challenges, however, cities remain essential to achieving what we at Brookings call an advanced economy that works for all. Cities matter because they are the hubs of innovation, commerce and critical infrastructure and they are the places where people from across diverse backgrounds go to seek jobs and opportunity. In an era of political good luck at the national level we have found that city leaders have also become the source of optimism and pragmatic problem solving working across all sectors to position their communities for broad based prosperity.

Now we're not alone in this belief. We're tremendously excited that in March of this past year the OECD in partnership with the Ford Foundation which is also a generous supporter of this program at Brookings launched an inclusive growth in cities campaign. Anchored by a network of champion mayors from across the globe the campaign intends to raise awareness of rising inequality across our cities and developing concrete solutions where the majority of global citizens live today, our urban centers.

Now behind this effort is the energetic, passionate and dynamic secretary-general of the Organisation for Economic Co-operation and Development, Angel Gurria. The secretary-general will discuss in a moment a new economic report and the rationale for an inclusive growth in cities campaign. And no doubt with the tragic events this week in Orlando he will also stress why inclusive growth and social cohesion is even more important today.

Now before we start the program let me just talk a little bit about the logistics and the flow for today. After secretary-general speaks and he will take a few minutes of questions so be prepared for things you might want to ask. We will then move to a panel discussion with Q&A that will feature public, private and civic leaders from cities and metropolitan areas in the United States who are going to share their lessons on what they are doing to tackle this problem an opportunity around inclusive growth. Now those watching today's event on webcast also have an opportunity to join in our Q&A today. You can tweet your questions through the Twitter using the hashtag inclusive cities and my colleague Allison will be monitoring the Twitter feed throughout the event and look for questions that we can pose.

Now I am pleased to introduce OECD Secretary-General Angel Gurria. Now Secretary Gurria has had an impressive career. Now during his tenure at OECD the organization has expanded its membership and strengthened its role as a hub for global dialogue and debate around economic policy. Now previously Secretary-General Gurria served as Mexico's minister of foreign affairs during which time he played a key role in negotiations for NAFTA. And as some of you may know secretary-general tends to enjoy sharing his work with global leaders. And we are major consumers of the great research that comes out of the OECD.

So it is my turn to return the favor. Given your leadership at NAFTA I wanted to share with you our report Metro North America which shows how important our U.S., Canada and Mexico metro areas are part of the integrated fabric of production in the world economy and I wanted to share with you "Remaking Economic Development", which is a paper that I authored which I think of as a play book for cities on how they can create an economy that can create continuous growth and inclusion for our citizens. So I'm going to hand these to you.

I have to say I've gotten to know the secretary-general over the last couple of visits and I just am really impressed by his commitment to this issue. So on behalf of Brookings and the National League of Cities please join me in welcoming Secretary Gurria.

SECRETARY-GENERAL GURRIA: Thank you Amy and thank you Brookings for the invitation and to all of you for joining us this morning. This afternoon actually a little later we will be launching the 2016 economic survey of the United States. You shouldn't see it because it is under embargo officially but don't tell anybody. And with it we're going to be presenting this brochure called "Improving Opportunities for Women in the United States". It is sort of an amuse bouche that we are adding to the we're very French so, that we're adding to the economic survey of the United States. And basically I think I should start with this because it is good news mostly.

Seven years after the depths of the financial crisis the U.S. is making a comeback registering one of the strongest economic recoveries in the OECD. Our survey charts increased output, reduced unemployment, improved fiscal sustainability. Certain regions and sectors in particular have experienced stronger growth. California and the Northeast corner for example. However, the revival in economic fortunes has not prevailed evenly across the country or across different parts of the population. Just over a year ago when I was here last I spoke to you about the state of inequalities in the United States and across the OECD. Now sadly, despite the U.S.'s steady recovery the trends in income inequality have continued to worsen even after the crisis. Now we say even after the crisis. Unfortunately, we are still living the consequences of the crisis where the legacies are very heavy, slow growth and high unemployment and growing inequalities and a very precipitous drop in confidence and trust. Those are still not even scars, they are still open wounds from the crisis and the question of inequality has continued.

Now let me tell you to what extent. The average income of the top 10 percent in the case of the United States was 19 times higher than that of the bottom 10 percent. You say so what. Well it is compared to 10 times, 9.6 times actually in the OECD on average. So you're talking about the U.S. now being about double the average of the OECD. And this is always in terms of evolution. Well the average 10 times was seven times only a generation ago. And the U.S. has been going from 12 to 15 to now close to 18, 19. So clearly very, very fast and clearly in the wrong direction. Large segments of the population continue to face significant obstacles in the labor market and aren't sharing in the gains of a strengthening U.S. economy. The share of women in the labor force has continued to decline reaching levels below Germany and Japan. A considerable wage gap persists with women earning around 18 percent less than men something which is almost now a cliché. Minority groups also earn less and have lower rates of labor market participation. In particular, African Americans and Hispanic men earned slightly less than three quarters the income of white men. A gap that has hardly budged in over a decade. This is the other problem that you see the problem and you measured it 10 years ago and then you measure it today and it doesn't seem to be, you know, it is like Johnny Walker. It just keeps on. So we're not making any progress on such sensitive issues.

Now employment rates have also fallen among people with disabilities. The number of people receiving disability benefits now is larger than those receiving unemployment benefits. Now this has two reasons. One of them is you've created 16 million jobs in the last five years so you're kind of bringing down the unemployment rate but also that the disability list is growing so fast.

Clearly the U.S. can and must do better to ensure the gains from the stronger economy are shared by all. Now a more inclusive economy, a more inclusive labor market is also key to boosting growth and productivity. We now have mounting evidence that rising inequalities harm growth because up to the poorest 40 percent of the population find it to ominous to invest in their own skills and education. They are paying for the livelihoods but they can't afford the luxury of investing in their own futures because they are spending all their income paying for their present. So you have a deterioration of their outlook.

Fighting inequality is not only a global and national concern it is also very local. We have been reminded in recent months just how small and connected our troubled world has become. The refugee crisis, climate change, international terrorism. The heavy legacy of the economic crisis on growth and jobs and rising inequality. And then the what you call the systemic worldwide issues that connect with local issues. The best example, the tragedy in Orlando. But even as the effects of globalization spread its impacts are always bound to play out locally.

Our work on inequality is shown that the gap between the rich and the poor is higher often rising faster in larger cities including in the wealthiest primarily due to skills distribution and to the capturing of the top earners. In those cities rich and poor people often live segregated in different neighborhoods.

A forthcoming OECD report called “Making Inclusive Growth Happen in Cities” suggests that the most income segregated cities in the Netherlands and France are more or less a comparable level to the least segregated cities in the United States. Now we know traditionally that in European societies the level of equality is higher, the level of inequality is lower. But when you look at the cities the highest are equivalent to the least segregated here. So it shows again that there is a lot of distance to go here in the U.S.

Inequality is not just about money by the way. It is also felt in labor market exclusion. Lower social mobility, greater polarization and education and health outcomes. And here to we have reason to be worried about the state of our cities. Today in Brussels I was going to say we are launching but actually because of time difference we have launched our “Regions at a Glance” publication. This report, this is a yearly publication. The report shows that when income jobs and health outcomes are considered together disparities across cities and regions are consistently starker than those in income only. So you’re talking income jobs and health together rather than only income. For instance, recent findings in Baltimore suggests that life expectancy can differ by double digit numbers across neighborhoods in a single city. Forget about we’re not talking about across countries we’re not talking about states in the United States we’re talking about neighborhoods in a single city.

Take the case of education where the OECD review of the Chicago region. We did Chicago land not just the legal perimeter of Chicago but the 21 counties, three states. We report that high school graduation rates range from 57 percent in the city itself the inner city to over 95 percent in some of the wealthier, better off suburban areas. So you’re talking almost double and just a few miles away. These inequalities not only take an economic toll they also come at great humanitarian costs. These are lives cut short. These are children stopped in their tracks from fulfilling their full potential.

Now the good news is, is that good policies can make a big difference. We can make a difference and no one knows this better than mayors. We have the chief executive here of King County today. We’re honored to have you here sir. By the way he just became a champion mayor for inclusive growth. Some national governments control many policy leaders for promoting prosperity, wellbeing and inclusive growth. They carry around forty percent of the total public spending in the OECD and 60 percent of public spending. So you're talking about the majority of the money that is spent at least by the public accounts is spent at the local level.

This is precisely why just a few months ago in New York as Amy informed with Mayor Bill de Blasio and 20 other mayors from around the world in collaboration with the Ford Foundation we launched the inclusive growth in cities campaign and Lamia is signaling she'll wring my neck if I don't do this, you know. But these are the proceedings from the launch of the Inclusive Growth in Cities campaign which actually produced the New York proposal for inclusive growth in cities. We now have about 50 champion mayors from New York to Paris, Minneapolis to Medellin, Atlanta to Cape Town and beyond. And by the way on the 21st of November better start packing we'll have a meeting of all the champion mayors in Paris hosted by Mayor Anne Hidalgo.

Now champion mayors have signed on to this New York proposal for inclusive growth in cities setting out a common commitment to a policy agenda that aims to ensure that cities work for all. And this means providing education and training systems, this is a question of enabling people of all ages to develop skills and improve their life chances. Skills are the new currency. When some of us studied business in our young age the teachers would kind of try to play games with us and say what is the success of business and we'd all try to say things and they say location, location, location. Now location of course doesn't matter. But now they say education, education. Well now it's skills, skills, skills which is a combination of education with innovation with lifelong learning with vocational training etcetera. That is the new currency of productivity and competitiveness and progress.

For instance, for new immigrant's cities can build bridges to employment, support recognitions of skills gained overseas, provide training to adapt existing skills to new context. Let me just mention one program in New York City which offers free courses to help small business owners launch and expand operations. And they do it in English, Spanish, Russian and Mandarin. So it's an interesting example. Promoting labor markets that make the most of women, youth, those with disabilities and foreign born populations is a very important other pillar. It includes family friendly policies that make it easier for women to remain in the work force.

A latest U.S. economic survey reports that states that have implemented such policies are recording higher levels of women in the work force including in management positions. Investing in high quality and universally accessible infrastructure and public services again another important pillar. This can open up new employment and training opportunities for the most disadvantage promoting both growth and equity objectives.

And it means changing the way in which we build in which we move around our cities. Mayors tell us that affordable housing is one of the biggest challenges that they face in the city. And the topic remains at the top of the global urban agenda. But too often housing policies are divorced from a broader strategy for urban development or transport and access of services. So we need housing policies that aim to build cities rather than building houses. We have very, very bad examples of cases one of them in my own country and the urban metropolitan area of Mexico City but also throughout the country where they started to build houses and houses and houses. Because they have this fixed income revenue that they felt they had to spend so they built a lot of house and the houses are disconnected from the cities. There is no transport, there's no communications, there's not even appropriate services because municipalities don't grow up as fast as the needs and therefore what you have is total disconnection. What you have is hundreds of thousands of empty houses in countries which have housing shortages which is obviously a tragedy. It's an economic tragedy and a human tragedy.

Now I'd like to praise a joint effort to the Department of Housing and Urban Development here in the U.S., The Department of Transportation and the Environmental Protection Agency in creating the Partnership for Sustainable Communities. It aims to promote integrated urban planning to help local authorities meet housing, transport environmental objectives together and that is the most important concept.

So what next. In the coming months we will work with our collision of champion mayors to elevate their voices, the visions, their ambitions on the global stage. Their efforts and insights must inform national priorities and advance level agendas. We will continue to refine measurement tools, identify policies at work and help governments in the implementation process. We like to say that it's about implementation, implementation, implementation but not necessarily in that order. And remember we have our work cut out. We now have the sustainable development goals and now we have the COV 21 and now we even have our targets on taxes at the OECD. We got all that cleared and approved in 2015 and now it's about implementation.

We'll also develop a platform to enable cities to exchange best practices in the policy domains that matter for inclusive growth. I mentioned that Mayor Anne Hidalgo will host the second meeting of Champion Mayors in Paris building on the New York proposal and of course we're working already on the Paris action plan so that it focuses again on implementation.

Now we know we can't go at it alone. The campaign aims to bring key stake holders around the table. Brookings, very, very importantly and serve as a global platform for the debate on inequalities. We're working hand and hand with supporting institutions, the National League of Cities, the Cities Alliance, the C Forty which is a we've been working with the C40 for many, many years now, the largest 40 cities of Italy, United Cities in Local Governments, United Way Worldwide to try to make the aspirations of inclusive cities worldwide a reality. We're delighted that the mayors of Atlanta, Birmingham, Los Angeles, Portland, New York, Santa Fe, Santa Monica and King County are among the first U.S. cities to have joined the campaign and we hope many others will follow.

So dear friends the OECD's mission is to promote better policies for better lives. This is how we define our aspiration and our mission and our vision. If we want economies in societies in which everyone has a shot at success, we must ensure that cities are at the heart of that fight. Thank you. A couple of questions I'm told? Questions or comments or violent objections.

MALE SPEAKER: Thank you. You mentioned the gap between the top 10 percent and bottom 10 percent but the inequalities between the top one percent and the 10 percent are between the one tenth of one percent and the top one percent. Those inequalities are much greater and these are people that basically have the same set of skills. So there's something in addition to skills that accounts for the surging inequality of the last 30 years and I was wondering if you could address that at all.

SECRETARY-GENERAL GURRIA: Finance. Finance. When you're talking about the one percent and then we're talking about 0.1 percent the financial sector grew a lot. People were attracted to the financial sector of the best and the brightest would come out of our universities and be recruited by very aggressively by the way. Normally it was consulting firms, lawyers and banks but the banks took a very important place and the remuneration patterns are somewhat different. What makes it different is say in the industrial world, the manufacturing world, the commercial world; the chief executives can make a lot of money because of their options and whatever you want stock options. But the number of people in the financial sector that can make a lot of money because of the huge amounts involved, the universal banks that work all over the world et cetera has been traditionally very large. And if anything it has accelerated given the specialization and given -- so I think that explains a lot of this polar session.

The second is look at what has happened to interest rates. If you have savings your interest rates will tend to have your savings, you know, produce less in the least risky types of investments. Whereas the people who are running these large corporations or who are running the financial world et cetera tend to have be better informed, make better personal investment decisions so that's another question. Divide information but also it's about let's say the shrewdness of the individuals.

And last but not least it has to do with the tax system. The tax system in our societies in many cases is not progressive enough. And it's capped in many cases. The top rates are capped. In fact, let me just tell you to finish that you used to have and this was we used to do this for America because let's say that everybody was 50 percent genie, you know, 50 points genie. Everybody was just as unequal in the beginning. But then you applied the taxes and you applied the social security contributions and you got, you know, what you got back for that. And basically the reduction of the in Europe let's say reduced by 40 percent and the United States it was at least a third. In Latin America it didn't move an inch because people don't pay taxes. Well that's a good reason but also because there's a kind of a very large informal labor market. So when you look at the contributions to the social security et cetera they don't make that much of a difference.

But what has happened in the United States we're losing this. Less and less the tax system is a great equalizer. That's important and we should review and there are many reasons why you should review the tax system in the United States but this is one of them. It is kind of losing its teeth in terms of as an equalizer. Sorry for the very long answer and the reason why we say 10 percent is because the one percent has these explanations. It is almost a cliché now but also it does not give us any large numbers in terms of the implications. Yes, it gives us very brutal differences but the problem is not with let's say it's not in the one percent's up or down it is basically in much larger numbers. As I said up to 40 percent of the work force may be threatened by technology or by the lack of skills.

So we're talking very massive numbers and that's why we say the 10 percent as a measure and also because it helps us to compare better. Because a phenomenon of the one percent is also quite peculiar to the U.S. It is also peculiar to countries where they have big financial centers like the U.K. and others but it's more peculiar to the U.S. whether the 10 percent 10 percent is more useful to compare more of the studies.

One more, yes ma'am.

FEMALE SPEAKER: Heard nothing.

SECRETARY-GENERAL GURRIA: Don't believe anything they say.

FEMALE SPEAKER: Heard nothing again.

SECRETARY-GENERAL GURRIA: I am going to address this when we present the economic status of the United States today. But let me give you a bit of an advanced here. It has been 8 years into the crisis and in these 8 years we've been striving to consolidate fiscal accounts to bring down the deficits which the United States has done very well by the way. And the United States did it right because they did the heavy lifting first. They kind of front loaded the fiscal effort. So they were slashing one and a half per year and said no they're working on about half a percent per year which is very sustainable without sacrificing growth and it is a bad international scenario. So it's appropriate that the U.S. doesn't have to be putting the brakes on for fiscal reasons. But you're absolutely right.

What were the things that were wrong and why did we have to go for fiscal consolidation and also for a refurbishing of the banking sector capital regulations, supervision et cetera, a number of laws and sometimes even over regulation? Because you had a very lax regulation and then it became kind of pendular and now we're a little worried that the banks are not lending enough sometimes at least partially because of the regulation. So we're in a much better position today. We're more stable, more solid, we are less vulnerable and what we're saying is let's imagine that everybody and when I mean everybody I mean the G20 for example. Let's take the G7. Whatever the baseline is add one half of one percent of GDP only for infrastructure projects that are of high multiplier effect meaning you spend one you get two in exchange and that paradoxically because it would break bottlenecks and make the economy more productive, more efficient. After two years or so bring the debt to GDP because the GDP would grow. One of the greatest tragedies where we're only talking about measuring debt to GDP is that the GDP's have been shrinking. So even if the debt stays the same the ratios continue to rise.

In Japan, for example, 230 percent debt to GDP and in Greece you're almost 170 to 180 percent because in Italy even the debt doesn't rise the denominator which is the GDP have shrunk. Now for the first time they stabilize but the question is how can you make the GDP grow. Well you can do it in a controlled environment. Well we're not talking about going ballistic. We didn't turn from being totally austerity, biased towards being Keynesian from one day to the next. It is that today we can do it in a controlled way and you can plot the path. You say okay you deviate somewhat but you apply it to these infrastructure projects or to creating the human resources to the skills et cetera and that will itself accelerate growth and that will then itself bring down the debt to GDP and you will have growth and jobs in the meantime.

Among other things why because what we have today is not working. It is mediocre, it's undesirable, it's flat and the problem is it looks like it is going to stay like that if we don't have a departure. So who can do it? Basically what we're saying is everybody can if you do this because if half a percent is going to give you X growth, half a percent by everybody is going to give you X growth plus maybe a quarter percentage growth more. So again there's a mutually reinforcing underlying strength here.

And last but not least because there's a bet of thy neighbor issue. Now the problem is you're very far away from having a consensus. You have people like Canada which are practicing exactly what I'm telling you now. In their last budget they said okay we'll take two years longer to get to the (inaudible) et cetera but they only have 30 percent debt to GDP. The average of the OECD is 100. But what did they German's do? Well when they said they're going to spend 10 billion on the refugees I said oh my gosh yes. Now they're going to be spending more and there is going to be some kind of balancing here during Europe. The Germans are going to be spending more; they're going to be buying things from the other guys. Low and behold they present their budget and it is a balanced budget including the 10 billion. You can never trust these guys. They're so virtuous. No they have a constitutional constraint and a fiscal authority et cetera, et cetera so they're bound by it but what I'm saying is there is this not everybody is convinced that this is the way out. But what we believe and now the IMF has joined us and as I said Canada is going to be a very interesting real time, real case laboratory about this theory precisely for the reasons that you have mentioned. We think it is high time after 8 years of tightening out belt to try a different kind of mix in a controlled environment. As I said we're not going ballistic we're just what we believe is a better mix. Thank you all.

MS. LIU: Great thank you so much secretary-general. And I think he just reinforced why we need both sensible macro policy but also very strong innovative strategies at the local level and that is what we're going to turn to next. So I'm going to ask Lamia and the panels to come up to the stage and while they are getting situated I just wanted to say a few words about the folks who are on this panel.

First of all, this conversation is going to be shared by Lamia Kamal who is a senior advisor to Secretary-General Gurria and the coordinator of the Inclusive Growth in Cities campaign. She's going to be joined by three cities. And what I just learned today thanks to the decision by Chief Executive Constantine is each one of these cities Seattle King County, Minneapolis- St. Paul and Atlanta are part of the early champion cities that have committed to this campaign. And in addition each one of these cities are cities that have been long time friends, collaborators and partners to the Brookings Institution Metropolitan Policy Program and we have been real admirers of their creative leadership.

And last but not least I just want to say a few words about Peter Scher. Peter Scher is the head of corporate responsibility and the head of D.C. Metro region for JPMorgan Chase. He is a trustee of the Brookings Institution and they are a longtime supporter of our program but Peter and his team at JPMorgan Chase are also have demonstrated their commitment to cities and we are really grateful for our collaboration with them on global cities. Without further ado I'm going to hand this over to Lamia, thank you.

MS. KAMAL-CHAOUI: Thank you very much Amy. Before I introduce our distinguished panelists let me just add a few words about the campaign, the Inclusive Growth in Cities campaign that we launched with the Ford Foundation. As the secretary-general highlighted in his opening remark the objective of the campaign is of course to elevate the voice of the mayors and we're glad Mr. Constantine that you joined the coalition to the voice in the global policy debate on inequalities. Because so far they were of course very vocal but they were not involved in this debate at the global level. So it's really the very first initiative that is going to target this objective. And of course the objective is also to develop a common policy agenda.

At the campaign, at the launch of the campaign in New York last March all the mayors they signed something that we call the New York Proposal. Here you have these proceedings publication which is displayed there but it's available online and you have the New York Proposal. Actually, it identifies several policy areas that we will consider crucial to promote inclusive growth in cities. First education and skills, second labor markets, third housing and transport and fourth infrastructure and public services.

So today in our discussion we'll address some of these issues and I'm very pleased to see that we have different representatives from different sectors. Private, research, financial and public sectors. Because of course if we wanted to address inequalities in cities it is not just a question of political leadership of mayors which is essential but we need to engage all types of stakeholders.

So first I'm very pleased to introduce to Dow Constantine who is the executive of King County in Washington State. Now he's in his second term. Dow is focused on fighting inequalities and combatting climate change. These two issues are actually at the heart of the OECD work in general and within the context of the campaign we will have a close look at the nexus between climate and inclusiveness. Because of course we know that there are strengths in (inaudible) but they might be also some tradeoff when you develop an equal neighborhood we know that can lead to (inaudible). So it's not obvious.

Next we have Peter Scher who is the head of corporate responsibility and head of the Washington, D.C. region at JPMorgan Chase & Co. Peter has lead a number of initiatives to close the skills gaps and to make cities more competitive including the Global Cities Initiative with the Brookings Institute which aims to boost U.S. metro regions engagement in global market.

We are pleased to have Rodney Simpson who is the chairman of the Opportunity Hub and chief of Diversity and Inclusion Initiative at Tech Square Labs in Atlanta which is a network of technical startup founders, educational institution industry expert and enterprises working together to develop big companies. The mayor of Atlanta, Kasim Reed, was one of our founding champion mayors. Rodney has been leading work on inclusive innovation bringing disadvantaged groups into (inaudible) innovation and apprenticeship and investment and opportunities.

Of course last but not least we have Cecile Bedor the executive vice president of Greater MSP the original economic development partnership of Minneapolis-St. Paul. She has extensive experience in housing, development and urban planning which are among the key levels that we have identified to promote inclusive growth in cities. We are also very glad that she represents the City of Minneapolis because Mayor Bedor is another founding champion mayor and she has been actually very,

very active in this area.

So briefly let me explain the format of this panel. We will have three rounds of questions. We will begin with one which will be quite generic. After the three rounds of questions we will open the floor to Q&A and I think we will have also question from the Twitters. Our time is very tight. Each panelist will have two minutes each to respond to each question.

So I'm going to start our first round of question which we'll have to set the scene. Why inclusive growth matters in cities. So the first question is to Dow Constantine. King County has met significant progress toward inclusive growth in recent years from transit expansions to low income communities to early childhood education to paid leave. We'll get into the specific of the policy soon but can you start by explaining to the audience in general terms why you view inclusion of all your residents as a critical (inaudible) to sustain economic growth.

MR. CONSTANTINE: Sure thank you and thank you for inviting me to be here today and thank you for inviting me to sign on to the Inclusive Cities campaign. Mr. Secretary-General I did not realize that a Paris trip was part of the deal when I signed on but I'm not disappointed.

King County is a jurisdiction of 2.1 million people. The City of Seattle is our county seat but there are many cities that really make the metropolitan area. And of course Brookings has been great about helping frame up the discussion of the role of metropolitan regions in creating national and global change and that is precisely what we're talking about here today. We have a really dynamic and technology driven economy, a rapidly growing economy in our region. You may have heard of some of our companies, Amazon, Microsoft, Boeing was born and still lives in our region. And each of these companies is creating enormous opportunity. But we also have widening disparities in our region. Since 2000 96 percent of the new households created have household incomes of less than $35,000 or more than $125,000 so very little in the middle being created any longer.

Why is that a problem? It breaks the deal with have with one another that in America if you work hard you'll be able to succeed. It is bad for our economy. We have consumer based economy and that by definition requires consumers and when people do not have money to spend our economy suffers as well. We need people who are able to make things and the things we are making require a higher and higher level of educational attainment and training.

And finally, you know, we have the challenge of social cohesion as incomes pull farther apart. Fundamentally, we need inclusive growth because that ladder of success, the opportunity for everyone to succeed requires that the city itself be a place where they can live, where they can access all that opportunity that is being created and the predicates to participating in that opportunity like education and training. I'm looking forward to talking about a couple of the ways in which we're addressing that challenge in our region.

MS. KAMAL-CHAOUI: Thank you very much Dow. You mentioned something very important, inequalities is bad for the economy. I would like to acknowledge the presence of my colleague Monika Queisser who is heading the work on inequalities at the OECD and her direct rate has produced clear evidence that they have even calculated the cost for the economy of growing inequalities. So if you have any questions Monika is here to respond to this specific question.

I would like now to turn to Peter Scher. Similar question to you Peter. JPMorgan has taken a significant role in several initiatives recently promoting inclusive growth from work force development to community building to financial literacy. Why has one of the world's largest financial institution taken such an active role in this space?

MR. SCHER: I don't just a little cynicism in that, why would a bank be doing this. This is a big problem and this is not just a theoretical problem, this is not something just interesting to get together in Washington to talk about. But the secretary-general talked about what business teachers taught us years ago about location. For those of us who didn't sleep through all of our philosophy classes, you know, Aristotle said if don't have a stable middle class you can't have a stable political system, you can't have a stable democracy. And we have a very unstable middle class right now. You've got people who are feeling left out, feeling the system is not working for them and you only have to look at the dysfunction in Washington. And this is not just a U.S. thing. I mean look at what is going on in the U.K. right now. European unity has been the key to peace and stability in a continent that had two world wars and now you're looking at the trends that they could basically they U.K. could get out of it. It is not a theoretical thing; there are too many people who feel the system is not working for them.

And as a result our politics has become so polarized and we can't do the things we need to do. We're not investing in education. We've got half of our kids in inner city schools aren't graduating.

We're not investing in infrastructure. Anyone try to take the redline this morning down here, okay, we're not reforming the tax code as the secretary-general talked about. We're not dealing with international trade and how do we make sure that more people are brought into the global economy. And so you say why does a large financial institution get involved. How could we not. I mean the fact is from two perspectives one we have the view that if we have the resources and we have the expertise and we have the data and ability to make a difference we have a responsibility to do that.

But I would also say I think the business community has to recognize this is in our self-interest. It is not good for business to have people not working. It is not good for business to have communities and cities that can't compete in the global economy and the flip side of that is if we're getting more people into the work force and higher skilled jobs, if companies can expand, if cities can grow that's a good thing for all of us. The business community has to recognize that this is in our self-interest to be able to be part of the solution to these challenges so that's why we're doing this.

MS. KAMAL-CHAOUI: Thank you Peter. Rodney Simpson when you have discussed the concept of inclusive innovation as being the core to your work in Atlanta with Tech Square Labs. It is a topic that is very close to the OECD work. We have just produced a report called the productivity inclusiveness nexus where we look at how innovation can help combat inequalities both on the side of consumers of course by giving low income groups access to cheaper and improved goods and services. But also on the side of apprenticeship by helping people to unlock the product potential. For you in concrete terms what does inclusive innovation mean and what can be done to help expand the apprenticeship to a broader segment of society and particular in Atlanta.

MR. SAMPSON: Sure. This is probably the only time I read something but I wanted to be really intentional about this response. For me this is experiential. Inclusive innovation is a multi-faceted construct that exists at the intersection of unrealized opportunity for all. And it fully and openly embraced every construct of society. It ultimately benefits the greater good of the planet realized or unrealized.

So what does this require actually and this is sort of part of our work. It requires a consciousness of awareness. Minorities, women and immigrants suffer from intentional or non-intentional invisibility that is often met with tokenism. We've got to hack and disrupt this mindset and it is going to require authentic inclusion. And just to be transparent those who know our work this inclusion must be adopted mostly by white males as allies in this work. We have a hashtag we use at Tech Square Labs that says all ideas matter.

And then the third thing is realizing there is untapped opportunity whether it be increased return on investment or access to new customer biases. So how do we bring that thesis to life? In Atlanta we have been over the last four years very intentional about being outspoken about diversity and inclusion but also ensuring that at every phase of the innovation entrepreneurship and investment eco system there is a representation. There is qualified, technical representation. So when you break down how these eco systems are built from the idea to the exit there's normally not representation. When you look at those who are writing the checks and making the investments their communities or their investment communities are not representative of the targets that they say that they want to actually invest in or help. So we've been intentional about curating those types of investments and spaces.

Today we have 25,000 square feet of space near Georgia Tech and it's probably in our estimation the diverse and inclusive technology incubator on the planet. On one side of the space you've got black, white, male, female, straight, gay, software engineers, programming in Java Script, Ruby, Python building and disruptive. And the other side you've 15 to 20 disconnected youth who've been written off who are learning Java. You know, this is not just cute little stuff that is up in corporate responsibility reports this is stuff where we're actually creating jobs and we're solving real problems.

So when you get early wins and successes, you know, money invested, jobs created and then you start scaling that at a certain point you start to develop a model. And from there when you look at truly diversified, innovation, entrepreneurship and investment economy you start to send the message that, you know, this is an investment thesis. Diversifying your innovation work, your entrepreneurship work and your investment work is not ultraism but it is actually an investment thesis if return on investment or jobs created is your goal.

MS. KAMAL-CHAOUI: When we come back to you in the second round of questions but I would be very interested to learn from you whether you have been able to measure and monitor this inclusion competence of your program. I would like now to turn to Cecile. Cecile your present original organization the Greater MSP, Minneapolis-St. Paul which is again original economic partnership and you have taken a cross-sector approach to advance inclusive growth by reaching out to public, private and NGO sectors. The secretary-general this morning he mentioned the case of the metropolitan region of Chicago that the OECD has studied some time ago. We have produced 20 or 25 metropolitan region studies but every time we are working with an organization like yours because it is very important to have this function of our regional approach to the issue. And then there are so many aspects to tackle this problem and so many organizations operating in the territory. So how did your organization begin?

MS. BEDOR: Well that's really hard in two minutes. But I used to work for Mayor Coleman prior to coming to Greater MSP and during that time we actually started working with the Brookings Institution on the Regional Approach to Economic Development. And we really realized that the only people who view the world through political boundaries are elected officials. But everybody else views the world regionally. So for example, Minneapolis's greatest asset was St. Paul and vice versa. So there are a lot of assets in the region. And as you said we had a lot of different organizations doing a lot of different things. Talking to each other sometimes and other times just parallel tracks around different economic development approaches.

So our region came together and realized that we had a lot of assets to sell and we really needed to take an asset based approach to economic development and in order to do that we needed to do that together. Since we did our research we found out that we were one of the few regions of our size that did not have a regional economic development organization that really was that one stop shop for our businesses that were currently located in our region and for companies that were considering a move that hopefully we would get on the map.

So in 2011 we launched and it has been kind of an interesting road. It has been a real iterative process I would say. We're a 16 county region so we're rural, we're exurban, we're suburban and we're very, very urban. We also are kind of unique in that we have two of everything. We have two cities, two counties, two chambers, St. Paul Port Authority and us. We have about 3.4 million people in our region and we're about the 48th largest economy in the world. So we have a lot to sell.

So we got together, started our organization in 2011 with two people to do three major things. One is to tell our story, sell the region to site selectors and real estate decision makers across the country and across the globe to take a look at our sectors of strength and we have significant sectors of strength for med advice, health and life sciences to headquarters et cetera. And to move those from great to greater really and then to really take a look at our strategy work. So what are the strategic issues that are really holding back growth in our region?

So when we launched we did the kind of easy stuff which is marketing and branding. You know there's traditional ways of doing that and that continues to evolve but we all kind of know how to do that. We did the traditional BI work, Business Investment of going out to recruit companies to move here and then really we're quite intentional about visiting the businesses that we currently have to make sure that we kept them and if they were contemplating growth that we retained that growth.

I think the tricky part of it was our third bucket of work which was the regional strategy. How do we identify what those strategic issues are and how do we make sure that we're including the right people at the table. So in 2013, two years in, we were having a lot of conversations on our board which is primarily made up of our local CEO's, a lot of Fortune 500's, president of the University of Minnesota, the president of the McKnight Foundation and others. Particular task for us to determine to do more research on what our strategies should be. And we interviewed dozens and dozens of people to come up with what ended up being one piece of paper. So it wasn't a big plant it is literally a piece of paper that's got three buckets of work on it.

One is to tell our story, the other one is to focus on talent, focusing on talent in that we had heard anecdotally that we were having an issue with our talent pipeline and we needed to address that and the other thing is to really do a very intentional on our sector approach. So that sounds really easy but that process was really messy. Because you ask a lot of questions as you dive into implementation of any kind of strategy of what people are doing and what's working and what's not working and what you can bring to scale and what you can't. And when you're asking people what's working and it may not be working people are threatened and if you're thinking about the resources that you have that aren't necessarily growing but you need to figure out how to deploy them differently all that is really scary.

So I say that to say this is not easy work, it is not simple work. And I think the things you've just described here are the same thing. There is a lot of players involved and I think it requires us to be really intentional about who is out there over and above the usual suspects that we normally engage.

I think the other thing too that we've done probably by default more than anything else is we have thought about this. We haven't actually claimed it as inclusive growth but it has really been our approach. Equity has been a word that has been tossed around a lot lately. We lose people in our region when we use the word equity because it kind of denotes a fixed pie that gets redistributed. Where our vision is around growth and inclusive growth and everybody can get behind that because everybody wants growth so growth and jobs, growth and capital investment and growth and opportunities for everybody. So I think my two minutes are up but I think that generally gives you an idea of where we've come from and where we're going but I would say the process is going to continue to evolve as more players come into the partnership and we advance our work.

MS. KAMAL-CHAOUI: Thank you very much Cecile. We're going to now start the second round of questions which will address specifically the question of education and training which are the most critical policy levers to promote inclusive growth. The first question to Dow Constantine. The Kind County has been growing very fast and strongly in your country but the gain from economic expansion has flowed this proportionally to the top. With this in mind you pushed through one of the most comprehensive early childhood development program in the country. Let me just give you a figure. Across the OECD the U.S. has the lowest share of three to five years old in early education programs. Tell us what your program entails, how you're funding it and how you convinced the voters of King County to support your idea?

MR. CONSTANTINE: So I vied my job first and foremost as leading us toward that place where every person will have the opportunity to fulfill his or her potential. And there are a number of barriers that keep that from happening particularly in a place with an enormously expanding opportunity in certain sectors to have large parts of our population who are so far from being able to access that opportunity is an inexcusable failure by our political class as well as the community more broadly.

So I visited the University of Washington's Institute for Learning and Brain Sciences. They are studying the development of the brains of very young children and what I was able to see there in three dimensions is the effect of environmental factors in the brain development of children. And I realized that one of the things that we're failing to do is to make modest investments early to help ensure that every child gets the enrichment, gets the support that they need early on for that healthy brain development to happen so what when they arrive at school they are in fact better equipped to succeed and to be able to continue to succeed through life. So we set out to establish best starts for kids. It is a 65 million dollar per year annual investment by the voters of the county. 50 percent of that will go to enrichment for children under the age of five, really from prenatal through age five. And a lot of that you think of home visitations for example but also screening for emergent challenges with kids. Then follow them through the school years and into early adulthood to continue to monitor for challenges and to help them overcome those challenges.

We also invest in communities because investing in the kid is not very successful if the community is not able to support that family and child. And ultimately I did this because we have been reactive. We run the justice system and all of our money is going to paying for bad outcomes in kids' lives. And what we needed to do is carve out a little space to begin to invest in that infrastructure, that human infrastructure that ultimately will allow these kids and their families to be able to get across that gulf and to access the kind of opportunity that's being created in our community. We got broad support across the county including from the cities outside the city of Seattle and the voters strongly embraced paying and additional property tax in order that they might be able to make this investment in our collective future. They understood intuitively that we were falling down on that and that we needed to do better.

MS. KAMAL-CHAOUI: Thank you very much. Next question to Peter. JPMorgan Chase has made a large bet on work force development through the New Skills at Work Initiative. You have mapped occupation that provides good wages and opportunity for advancement and then found a new training partnership that would connect the dots between what training institution provides and what employers and workers need to succeed. This work is happening across dozens of cities. What are some early success that you can share from new skills and (inaudible) and what are some of the challenges that remain.

MR. SCHER: Yes so let me just say the reason we're focusing because I think the secretary-general said this that I think when we're talking about the disparity that exists and this is clearly not just the U.S. this is all over the world there is obviously not one single answer. But I think you have to look at what are education and training systems doing and the difference that that will make in creating opportunity versus no opportunity is just enormous. And so we made a decision, we kind of stepped back about four years ago and we have one of the largest corporate foundations in the United States and frankly we weren't spending the money very well to decide where could we have genuine impact? What are issues that are relevant in cities across the world? And what we heard from mayors and governors literally across the world from Asia, Latin America, all over the U.S. is the skills gap is a big problem.

We identified three things. One cities by enlarge have not had the right data about what are the jobs that are actually being created in a given city. What are the industries that are going to be growing, you know, because it is going to be different. I mean there will be some commonality like healthcare. Healthcare is growing in almost every city, technology but in some places it is aeronautics, other places it could be the food industry. So really getting the data to understand and we've actually been working in about 130 cities across the globe right now including now the OECD in three or four European cities and South Africa to really map what are the jobs that are being created and what are the skills that are needed to attain those jobs.

And that I think has been very successful and the reason it has been successful is because one of the challenges and opportunities we realize is people who should be talking to each other are not talking to each other and this is a problem everywhere. The people doing the training and the people doing the hiring are not talking to each other. And there's this like train and pray attitude and we've got to get people together and rather than sort of getting people together around a theoretical conversation we're getting people together around the data. To really look at okay what do we need to do in this city. And we're actually now requiring in terms of our funding that all the right people be at the table. We want the educators, we want the politicians, we want the business community. And that unless you get all of those people at the table we're not going to provide the funding and you know what it has been a really great incentive.

In fact, we now have a program that's an off shoot called New Skills for Youth which is about getting career and technical education back into schools and we have a competition. Forty states applied for grants, we've now given planning grants to 20 states and we will provide several million dollars to about 10 states to implement the kind of skills education that we need in the schools. So really driving people together.

And then the third thing is funding the right programs. I mean the problem is there is so much money spread out all over the place and I think frankly I apologize to anyone from the federal government but I don't think the federal government is doing a very good job in terms of directing the funding to the right programs in the right places and our hope is that if we can sort of get the data and get the focus and get the right people around the table we can all drive funding to a place and I think that's where we're starting to see some success including places like Detroit where we're very active, where you're seeing growth, looking at where small businesses can create jobs.

I mean there is just a huge opportunity here and this is not a silver bullet so the question that went to the director general but at a time where there are four million unfilled jobs in the United States, two million in Europe and these are not minimum wage jobs. We should be doing a whole lot more to get people trained and into these jobs and create the systems that will have pipelines for years to come.

MS. KAMAL-CHAOUI: Thank you Peter. I'm trying to accelerate because we don't have much time. Rodney you have been involved in skills development from a very specific perspective. That is helping young people learn the technical skills and entrepreneurial capability to participate in Atlanta's start up eco system. From your experience what is working in Atlanta and what more needs to be done to help young people from disadvantaged backgrounds and locations. How can you help them to engage into the high tech economy?

MR. SAMPSON: We approach the pain point. You know, the pain point that we're hearing about in the media and beyond is the lack of diversity and innovation and lack of diversity in tech whether that's the technical work force, software engineers, early programmers, those who understand big data machine learning et cetera or technical cofounders to invest in. So just like we look at any startup we invest in or we start a startup we first identify the problem and then we start working on a minimal viable product and that minimal viable product is called Code Start, #codestart. And Code Start is actually a collaborative to Peter's point with the Atlanta Workforce Development Agency, the Iron Yard and Employer Partners. So our thesis of Code Start is that we can invest $50,000 in a disconnected youth, 18 to 24 years old. They don't have a college degree but we can teach them job or some other in demand language so that they will have the employability of an early stage engineer. So we're teaching them the coding language and not just the coding language but also the computational thinking skills, the lifeline component to it. We're wrapping that with career readiness, financial literacy, we're providing these students with housing so we're taking them out of their environments and putting them in safe spaces and we're giving them a living stipend as well. So the bet is with the $50,000 investment partially funded by Work Force, foundations and employers who say they're looking for the talent I can create an early stage engineer that is generating an income at least $62,500 a year on average which is a high growth job. And for every high job growth job that's created there are four to five indirect jobs that are created from that as well.

So we're in our second cohort of the program. We've now because of the work had Atlanta designated as a tech higher city. And what that means is we basically have a roundtable of all the stakeholders. We've got the employers, the large corporates but also the high growth startups at the table. We've got the training providers, we've got the students as well and we've got the government. That's about to expand into a national partnership with the (inaudible) nation's largest coding school, we're about to embark on a 100-million-dollar expansion across 25 cities across the United States. And we've seen the outcomes of building that topple funnel. In the venture world we look at the topple funnel and in the work force we look at topple funnel and if we're going to diversify we've got to create the technical talent as early as possible. And we probably need to start before they get out of high school. As a matter of fact, when they graduate high school whether they go to college or not they should be able to have a skill that they can get upwardly mobile employment. And we're starting to see some success with that on the ground in Atlanta.

MS. KAMAL-CHAOUI: Maybe to do a partnership with the In County Council.

MR. SAMPSON: Oh I'm already linking up here.

MR. SCHER: Well can I just say you've got to get to these kids before 8th or 9th grade because the drop off after that is pretty steep. And this is why the work I think we're doing in the schools is going to be really important.

MR. SAMPSON: I mean to that point real quick, you know, I'm a product of Atlanta public schools and Peter mentioned that now you've got 50 percent dropout rates and then there is a Brookings report that says even when they graduate, the system, the work force is failing them I think 80 percent of disconnected youth still can't find work. So we're now ideating with Atlanta public schools to take a cluster of a high school, middle school and elementary schools and how to we brand this as a tech in entrepreneurship eco system so that from K-12 they're embracing the content but also understanding how to acclimate and assimilate into the culture.

MR. CONSTANTINE: We saw from this Institute for Learning and Brain Sciences that particularly for girls the decision that stem pursuits are not for them happens very, very early. That culturation happens in really before they start kindergarten. So we're trying to figure out how to get way ahead of that because the opportunity that we have is in those areas and if they are turned off by it they're not going to have a chance to succeed.

MR. SCHER: Listen it's all our parents fault right. They all said listen every kid has to go to four-year college and the fact is a quarter of the jobs that are being created in cities right now do not require a four-year college degree. And so I think we have to change the culture early and get the influences particularly in inner city for kids to be exposed to opportunities that don't necessarily, it doesn't preclude but don't necessary require a four-year college degree. And I think the younger we can begin to get these influences into these kids' lives the more success we're going to have.

MS. BEDOR: Okay I just have to say one thing. I think that is true but I think what we're talking about is the systems that we built over the last several decades don't work today because of the changing globalization technology automation. So while I agree that we need to train kids earlier and people don't all necessarily need a four-year degree we also have to be really nimble and know that what we're training today may not be what they need tomorrow. So it's not a spec in time, this is an iterative process and I don't think our systems are set up for that kind of continuous training and I think that needs to be built in as well.

MS. KAMAL-CHAOUI: Yes maybe Cecile you can continue and tell us more about your initiative. Make it MSP.

MS. BEDOR: Right. So our region for quite a while had too many people and not enough jobs and now we have too many jobs and not enough people which is a really good problem to have but is a real problem none the less. And so if we can't fill the jobs our companies that we have are going to move to where the talent is and we're not going to be able to grow additional jobs if the talent isn't there. We've had companies say love the twin cities want to be there they have 40 engineering jobs. A total of 200 jobs but if I can't fill those 40 engineering jobs we're not coming. So a wakeup call for us. When our business investment folks are meeting with companies for the first time they're bringing in my colleague Peter Frash who actually is responsible for making MSP. But the genesis of it was acknowledging this talent issue that we had and we can be into talent task force which was shared by two of our fortune 500 CEO's but also included the president of the St. Thomas University, the head of social media for the Current which is one of our radio stations, Minnesota Public Radio and a broad group of folks. But then we also convened a makers group of 40 much younger people that were kind of in this new generation of workers that look a lot different than our board does for example in terms of race, where they came from and the work that they do.

And the research that we did showed similar things. That if we looked at professional workers we were going to be about a 100,000 workers short by 2020. Well that's kind of tomorrow. And we also realized the data showed that for every professional job we created the domino effect was three and a half other jobs. So for a low age job that we would create there really was no multiplier fact and that's just the economics.

So we knew that we needed to focus on professional talent but we also had to make sure that it was aligned with the rest of the human capital pipeline if you will. So making sure that we understood what was going on in K 12, higher ed, worker retraining and as we did that we realized that there was nobody working up here in terms of a talent retention and attraction program. So that's where we decided to focus. It isn't that the rest of that isn't important but as an organization we don't do work force, we don't sell, we don't underwrite. We have a very specific mission and we want to make sure that we're not overlapping what other folks are doing but we're complimenting what they're doing.

So how do we do that? We convened again asset-based approach. We have a lot of fortune 500's in our region, we have a lot of great companies with really skilled HR folks who had never gotten together to talk about this. And so we brought all these HR folks together and called it the HR collaborative and they discussed what their issues were in terms of recruiting and retaining talent. Some of the things they said is we're really good at selling our company. We don't really know how to sell our region to a new grad coming from Atlanta who doesn't know anything about this region. We also noticed there's Monster.com, there's all sorts of places that people can look for a job but there is no one place that people can go on our region if they were interested whether it be for the private sector or the public sector.

So one of the things that came out of that was make it MSP.org, which is an online platform that provides a recruiter's tool kit. So if you're trying to recruit a young grad there is a 16-hour tour that's going to take you to all the brewery's that we have, show you where the bike paths are et cetera. If you're trying to recruit kind of a mid-manager level this is where the schools are, this is the great park system et cetera. But we also have an online job portal that scrubs about 90 percent of the jobs that are open in our region. So you can go on there and plug in and say I'm looking for a project management or an IT engineer or whatever it might be and every job that is open in our region pops up. So again it is kind of a one stop shop. There is also a welcome letter from our region to folks and it is signed by our board of directors which again is a broad scope from across the 16 counties that say you matter and you're really important.

Now having said all that that's all really great but again the process just continues to evolve. So one of our biggest challenges for example is attracting and retaining talent of color. So if General Mills, for example, is trying to recruit an African American professional from another part of the country and they walk in and they say hmm none of your (inaudible) look like me, your board doesn't look like me, there's not a lot future here me I'm going to go where I can find that. So we are really working to be intentional. We haven't figured this out yet about how we make sure our region is inclusive and welcoming of everybody in a very genuine way.

So the St. Paul Chamber which is one of our key partners got a grant from the Bush Foundation to really take a look at the affinity groups that we had in our region. Several affinity groups, none of them knew each other. Last example. So one thing that we did was we decided well let's just have a party for all of our professionals of color and see what happens. Well we had over 450 people show up and anecdotally we had three or four people say I was going to move because I couldn't find a community here that wasn't white from Finland. And now it's here. So it's kind of funny because we want a lot of diversity but folks want to connect with one another as well. So it is an interesting process and interesting conversation that I think will continue to evolve as the initiative moves forward.

MS. KAMAL-CHAOUI: Thank you very much Cecile. I think we are running out of time and I would like absolutely to leave the chance for the audience to give some questions. We can take two questions. There is a lady in the blue over there.

MS. SANTIAGO-FINK: Thank you. Helen Santiago-Fink I'm a climate urbanist. In terms of looking at post-Paris and inclusive and sustainable cities it is important that economic growth is decoupled from environmental impact and resource utilization. What are your areas or your companies doing to move in that trajectory?

MS. KAMAL-CHAOUI: Yes I think it is a general question addressed to all.

MR. CONSTANTINE: So we're moving forward with a dramatic ramping up of our transit system and proposing a 54-billion-dollar increase to our light rail system which will put it on par with D.C. metro except with long term maintenance built in from the start and then redeploying a lot of that bus service to serve more people. We also just implemented low income bus fare, the largest program of its kind in the country. Fundamentally, we have to provide people mobility within this three county area if they're going to be able to access opportunity and relying on the automobile in the way in which the region is developed since World War II is simply not feasible. So seeking to remake the region, knitting together all the residential and economic centers and educational with transit that is highly efficient and gives people better opportunity throughout the region.

MS. KAMAL-CHAOUI: Thank you. Peter do you want to?

MR. SCHER: Yeah I mean I'll be quick; I'll say two things. We have a big focus on sustainable growth in cities and I think in fact some of the skills work we're doing in New York, Detroit, Los Angeles and other cities is around green jobs. Jobs to rebuild some of the parks, dealing with the storm water issues in a lot of these cities, these are actually creating jobs and opportunities and I think that as Minneapolis has done a terrific job with this is, you know, people want green spaces and I think there is a very consistent and collaborative opportunity to parallel economic growth with sustainable growth and I think it's going to continue to be a big area of focus.

MS. KAMAL-CHAOUI: I'm going to pick up another question. There is a gentleman over there.

MR. MASON: Hi my name is Jacob Mason and I'm with the Institute for Transportation and Development Policy. I just wanted to piggy back on that question. We were talking about inclusive cities and growing cities. How do we make investments in transportation and accommodate growing populations without pushing the more vulnerable populations into peripheral areas where there is worse transportation and it is more difficult to access jobs which the jobs that serve lower income populations tend to be more dispersed throughout the region and harder to serve with public transportation.

MR. CONSTANTINE: I will try to be very quick. Our region is experiencing the suburbanization of poverty, thank you Brookings and it is because we have this high income group that is doing very well real estate prices go up, workers get pushed farther out. Three ways in which our transit investments are going to help with that. One we connect the more affordable areas with the job centers. Two we create the opportunity for housing to be built around that transit which lowers the transportation cost for those folks. And three it provides us the place where we can invest in housing that is permanently affordable where the transportation will also be permanently affordable.

MS. BEDOR: Can I just say one thing? It is really not a Greater MSP but when I was at the City of St. Paul I was the Planning and Economic Development director for Mayor Coleman who I'm sure will sign on as well. But when we did the green line which is our new light and rail line that connects the two cities downtown Minneapolis and downtown St. Paul that one of the challenges were the number of stops and where those stops were located. In the poor part of St. Paul in Frogtown there were very few stops. And I wanted to say I think that's where kind of this long term view comes in. So many years ago or decades ago when interstate 94 was built it kind of ripped through Rondo neighborhood which was the middle class African American neighborhood, just wiped it out. So we learned from that. So philanthropy really started to fund advocacy organizations. So by the time we started talking about light rail which was 30 years ago and go to this point we didn't have those three steps. No money, no political will to make that happen. Well our advocacy organizations understood what their power was and they actually accosted Peter Rogoth apparently in Washington, D.C. in a cafeteria line and demanded those three stops and why they were important to the economic growth of the region. And those stops came into being.

I think ultimately this DOT development along light rail and ensuring there is housing for all and choices for all really only happens with intentional policy by elected officials. Because the market is going to do what the market does. People want to make money, that's what our country is all about. But if we want to make sure there is a place for all we really need to make sure the pressure is on our elected officials to make sure that it is inclusive growth. That the zoning does provide force location of affordable housing and that if there is a huge gap between the cost to do affordable housing along transit and not that that gap gets filled to make sure that those folks don't get pushed out. Because if you keep pushing poverty out your costs are just going to go up because you're going to have to create more transit, more housing options, more services and then the provision of those services which I think you talked about Dow, gets more difficult when you have to provide those on a much wider geography.

So I really do think we're all in this together but we really need support and leadership by our elected officials at the local level.

MR. SCHER: I'm going to be really quick because we could spend three hours on this. I don't completely agree because I actually think the reality as population wants to be in urban areas we're going to have to move the geographic boundaries and we're really going to have to focus on how do you create neighborhoods that people want to live in in terms of transportation, and jobs and schools and green spaces. So I think we have to think more broadly about how you actually -- this is a lot of the work we're doing in Detroit, how do you actually grow these neighborhoods. The core of cities are doing well. People want to live there but people are going to be pushed out. That's just the reality of it and we have to figure out I absolutely think long term. I don't think public officials can do it on their own. I think this is where you have to have a very collaborative approach among the business sector, the philanthropic sector, the non-profit sector and really focus on neighborhood development and we could have a whole program just on that.

MS. KAMAL-CHAOUI: Thank you very much Peter. We're going to close the panel. Just one information about the Inclusive Growth in Cities campaign. The next set we have this meeting in Paris in November. In New York we did evert the New York proposal and I mentioned to you the four axis of factions. In Paris we're going to produce the Paris action plan.

So in the Paris action plan actually we're going to be more specific about the type of policies that we would like to promote working with the offices of these 50 mayors. And the discussion today actually is going to inform us and give us ideas on how to develop this very specific policy action.

So I would like to thank you very much.

Now I would like to call Antoinette Samuel who is the deputy executive director of the National League of Cities of the United States which is one of our partner institution for this inclusive growth in cites campaign.

MS. SAMUEL: Thank you. It is my pleasure to be with you today and sort of close out this wonderful event. I want to first say it was an honor to hear from Secretary-General Gurria. And also I want to thank Amy Liu of the Brookings Institute for being a wonderful host and a wonderful partner. And as mentioned my name is Antoinette Samuel and I and the deputy executive director of the National League of Cities. I'm here because the National League of Cities has partnered with the OECD for the inclusive growth in cities campaign and because inclusive growth is fundamental to a healthy and thriving community.

First a bit about the National League of Cities if I may we are an association of city leaders and are committed to what has been stated here today and that we represent both large cities and small towns and everything in between. And that through our direct membership we partner also with our state municipal leagues and we actually represent the 19,000 cities and towns in the United States.

Also for us inclusion means many things. Economic inclusion is critical but historically local government, economic development policies and programs have not benefited all populations equally. And have in many cases particular short changed people of color, immigrants and low income communities. We look at inclusive communities from a holistic perspective because everyone in the community needs to feel invested in their city's success. Income inequality and poverty are critical issues we need to work on. But there are many related issues that are also a part of this important discussion.

Inclusiveness means affordability and non-discrimination in housing so that neighborhoods are diverse and representatives of a city's population. It means acceptance of new immigrants and respecting and celebrating their culture and religious traditions. And inclusiveness means fighting discrimination like protecting the rights of the LGBT community and promoting religious tolerance.

All these topics are connected to growth in communities. Not only growth in the economy and in creating wealth but also in the improvement of a community's relationship between people and one another.

I would like to briefly call attention to a couple of initiatives within the National League of Cities that we are working on that support at least the spirit of inclusive growth in cities campaign. First I want to talk to you about REAL. After the events of Ferguson and other cities across the country it became clear to the National League of Cities that strong city leadership was needed to address racial and inequity disparities facing numerous communities. So in 2015 we created and launched REAL which stands for Race, Equity and Leadership. This initiative helps city leaders address the growing and persistent tension around race inequality in America. I wanted to emphasize that we purposely used the word leadership because it is our belief that it is city leaders and their leadership that should be on the forefront addressing these issues. Since REAL launched in the March 2015 we worked to equip local leaders with the tools to apply a racial equity lens in their policies, programs and procedures.

In the coming year NLC will continue to provide these trainings for local elected officials while launching an initiative that challenges cities to actually take action in addressing racial disparities.

I also want to talk about a program that we just started called the Equitable Economic Development fellowship. We've partnered with CERNA Foundation, the Open Society Foundations, Policy Link and the Urban Land Institute to build an equitable, economic development fellowship within NLC. The goal of this initiative is to influence economic development policy and practice so that equity, transparency, sustainability and community engagement become driving forces as cities engage in new projects. Later this month the fellowship will convene economic development leaders from six U.S. cities for a yearlong program of leadership development, technical assistance, peer learning and team reflection.

So in concluding I want to again thank you for having the National League of Cities. We are appreciative of this partnership and taking part in this important discussion. And it is our belief that together we can make inclusiveness a real pillar of growth in our cities. So we're very pleased to be a partner in this effort. I want to give my thanks to the esteemed panel. And to just leave you with a thought that came across as you were discussing your perspectives. WE look at city growth but we don't look at growth in cities often times as just a physical transaction that we believe that the growth of cities also takes in something more and that is the human factor. When we often times think of a city in our communities we just don't think of the physical buildings that help us identify with that community. It is what that city represents, that feeling we get about that city. It is the heart of that city. So I think what we're all talking about is as we focus on the growth of our communities, the changes in our community it is not just a physical transaction but we must also pay attention to how we develop the heart of that community and that city as well. So thank you very much.

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