



## **Aide-Mémoire**

### Expert Group Meeting on “Addressing Inequalities and Challenges to Social Inclusion through Fiscal, Wage and Social Protection Policies”

United Nations Headquarters, New York  
Conference Room S-1522  
25 - 27 June 2018

#### **I. Purpose of the meeting**

In its resolution E/CN.5/2018/L.5, the Economic and Social Council of the United Nations decided that the priority theme for the 2019 session of the Commission for Social Development, which shall allow the Commission to contribute to the work of the Council, would be “Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection policies”. The expert group meeting is convened in the context of this resolution and in preparation for the fifty-seventh session of the Commission to be held in February 2019, which will produce a negotiated policy outcome (a resolution) on the priority theme.

The Commission continues to prioritize and give prominence to the follow-up to and review of the World Summit for Social Development. Furthermore, the Commission will make a vital contribution to the follow-up to the 2030 Agenda for Sustainable Development by supporting the thematic reviews of the high-level political forum on sustainable development (HLPF) on progress on the implementation of the Sustainable Development Goals, including cross-cutting issues.

The outcomes of the meeting will contribute to the work of the Commission by providing concrete, evidence-based policy recommendations on strategies for addressing inequalities and challenges to social inclusion. In particular, the meeting is expected to provide guidance and key input for the preparation of the Report of the Secretary-General on the priority theme.

#### **II. Background**

High and rising inequality not only hinders progress in poverty eradication, but poses a major challenge to social and economic development. Rising inequality is also associated with higher risks of social exclusion and with less than the highest possible standards in education and health care. Increasing concentrations of wealth can also weaken democracy, increase social tensions and undermine social cohesion. By adopting the 2030 Agenda for Sustainable Development, Member States are committed to reduce inequality between and within countries in its multiple dimensions. With a pledge to leave no one behind, the Agenda embodies a vision of a shared future and of societies that are inclusive, just and equitable, and that offer equal opportunities for all to fulfil their full potential in life.

In the past decades, while income inequality between countries has declined due mainly to the increase in income in populous developing countries, income inequality within countries has increased in most countries/regions, except for Latin America and Sub-Saharan Africa, where income inequality has declined in recent years, although the level of inequality remains significantly higher than that of other regions. To reduce income inequality, benefits from economic growth need to be more equitably shared by all segments of the population, especially those living in poverty, rural and remote areas, the working poor, and traditionally disadvantaged social groups, including children, women, youth, older persons, persons with disabilities, and indigenous peoples.

Income inequality is yet one of many dimensions of inequality. Vertical and horizontal inequality in opportunities and access to decent jobs, access to quality education and health care, food and nutrition, safe drinking water and sanitation, housing, productive assets such as land and credit, labour markets and technology, including information and communications technologies, have been identified as major impediments to sustainable development. High levels of inequalities deprive lower-income households of the ability to stay healthy and accumulate physical and human capital, thereby lowering labour productivity and social mobility. When a large segment of the population remains excluded from the development process, trapped in low-skill, low-wage and low-productivity jobs, or their income stagnates or declines, consumption and aggregate demand are reduced and economic growth slows. This further exacerbates existing inequalities.

Despite the recognition of the need for reducing inequality in its all dimensions, there is broad consensus that, without appropriate policy interventions, the gains from the growth had not trickle down to reduce inequality. Further, in more developed countries, including those with relatively low inequality, the recent technological advances and globalization have been replacing many middle-class jobs and contributing to wage stagnation among low- and middle-income workers. Faced with persistent and widening inequalities, policy-makers recognize the need for more concrete, integrated and coherent policy instruments to address inequalities and challenges to social inclusion, with particular focus on fiscal, wage and social protection policies.

### **III. Objectives, Key Questions and Methodology**

The expert group meeting aims to make specific policy recommendations on effective fiscal, wage and social protection policies to address inequalities and challenges to social inclusion in the context of the 2030 Agenda for Sustainable Development. The meeting will build on the outcomes of the 72<sup>nd</sup> session of the General Assembly as well as the 55<sup>th</sup> and 56<sup>th</sup> sessions of the Commission for Social Development that have discussed strategies to reduce inequalities as a means to eradicate poverty. The meeting will focus on policies and strategies that have proven to be successful in reducing inequality, both income and non-income, and the barriers to social inclusion, at the global, regional and national levels. The meeting also aims to deepen the understanding of complex interlinkages among inequalities, poverty, social exclusion, economic growth, fiscal, economic and social policies, to achieve sustainable development for all. The meeting will also review systemic barriers that perpetuate existing inequalities and exclusion, especially for vulnerable groups and individuals, within the context of the 2030 Agenda.

All of the above will facilitate the deliberations of the Commission for Social Development at its fifty-seventh session, the 73<sup>rd</sup> session of the General Assembly, as well as the 2019 High-level

Political Forum under the theme of “Empowering people and ensuring inclusiveness and equality”. Experts will have the opportunity to engage in open and inclusive discussions through various sessions.

To accomplish these objectives, the meeting will bring together experts from academia, national governments, civil society, and the UN system. Presentations by the invited experts will focus on several key questions that include the following:

- What are the impacts of tax and expenditure policies on income distribution and social inclusion? How can public spending policies be leveraged to reverse rising inequality, close income and non-income disparities, and enhance social mobility for all?
- In designing fiscal policy, how can countries ensure that it can help reduce both inequality and poverty without slowing economic growth or compromising economic efficiency? Can a regressive tax and disproportionate tax burden/incidence on poor households be offset by providing free healthcare and other essential public goods and services, including social protection with the revenue collected?
- What is the role of labour policy, including wages policy and minimum wages, in addressing inequality and challenges to social inclusion? What are the advantages and disadvantages for setting minimum wage in middle-income and low-income countries?
- What are the consequences of the under representation of women in the labour market, including in top jobs, for the overall gender pay gap? Which public policies and private sector initiatives are likely to be most effective in improving the under-representation of women and other disadvantaged social groups among top income earners?
- How to design social protection programmes that guarantee the minimum living standards, while providing sufficient incentives for engaging in minimum-wage jobs?
- How can countries extend social transfer programmes as a means to establish universal social protection systems, while also introducing social protection floors?
- With limited domestic resources, which area should fiscal policy prioritize: to extend social protection coverage (increase spending) to enhance the impacts on the reduction of poverty and inequalities; or to increase the tax base, which may adversely affect those living in poverty or the working poor.

The meeting will be a two and a half-day event that will allow a robust exchange of ideas and lessons learned that contribute to identifying concrete strategies, good practices, key policies and actions and next steps to accelerate progress towards combating inequality and addressing challenges to social inclusion.

#### **IV. Expected outputs**

The meeting is expected to provide substantive input for the preparation of the report of the Secretary-General on “Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection policies” to be submitted to the 57<sup>th</sup> session of the Commission for Social Development.

In addition, the meeting will also produce the following outputs:

- i. Substantive papers on the theme of the meeting, with concrete policy recommendations, prepared by experts;
- ii. A meeting report, summarizing the deliberations of the experts and key recommendations to be included in Secretary-General's Report.

## **V. Organizational and administrative matters**

The Expert Group Meeting will be held at United Nations Headquarters in New York and is scheduled to take place from 25 – 27 June 2018.

About 12 - 15 experts will be identified and invited by the Division for Inclusive Social Development of UNDESA, taking into consideration gender and geographical balances. The Division will meet the costs related to the participation (travel and per diem) of all the invited experts from outside the United Nations system.

The Secretariat will provide a preliminary list of substantive issues that will be described in an annotated agenda of the expert group meeting. Prior to the meeting, the invited experts will be required to submit short written papers (5-10 pages in length, in English) to the United Nations Secretariat by 18 June 2018. All papers and presentations should be sent to **Ms. Makiko Tagashira** ([tagashira@un.org](mailto:tagashira@un.org)) and **Ms. Hantamalala Rafalimanana** ([rafalimanana@un.org](mailto:rafalimanana@un.org)), with a copy to **Mr. Amson Sibanda** ([sibanda@un.org](mailto:sibanda@un.org)). All invited experts are expected to arrive in New York on 24 June 2018 and to stay throughout the duration of the meeting.

In addition to the invited experts, the following will participate:

- i. Staff members of the Division for Inclusive Social Development as organizers of the meeting and to provide administrative/logistical support;
- ii. Member States;
- iii. Representatives from the NGO Committee for Social Development; and
- iv. Representatives from the UN system;

All sessions of the meeting will be in plenary. The invited experts will present their papers which will be followed by interactive discussions. At the conclusion of the meeting, participants will adopt the major conclusions and recommendations of the meeting. A final report will be produced after the meeting.

## **VI. Documentation and the Language of the meeting**

The documentation of the meeting will be comprised of relevant publications, documents and materials related to the theme of the meeting, and will be made available on the web site to be created for the meeting. The expert papers will be posted on the web site.

The working language of the meeting will be English. Documentation for the meeting will be provided in English.