

Resolution 40/1

Integration of social and economic policy

The Commission for Social Development,

Recalling General Assembly resolution 55/46 of 29 November 2000, in which the Assembly invited, inter alia, the Commission for Social Development to take, on a priority basis, all steps necessary to ensure the effective implementation of all commitments and undertakings in the Copenhagen Declaration on Social Development¹ and Programme of Action² and in the outcome document of the twenty-fourth special session,

Recalling also Economic and Social Council resolution 2001/27, in which the Council invited the functional commissions to provide concise, action-oriented input to its annual high-level and/or coordination segments,

Having considered the priority theme for its fortieth session, “Integration of Social and Economic Policy”,

1. *Takes note* of the report of the Secretary-General on the integration of social and economic policy;³

2. *Invites* the Economic and Social Council, at its high-level segment, to examine the importance of integrating social and economic policy in promoting human resources development and enhancing the process of development;

3. *Decides* to adopt the following agreed conclusions and to transmit them to the Economic and Social Council for its consideration and as a contribution to the high-level segment of its substantive session of 2002;

4. *Also decides* to transmit these agreed conclusions to the third session of the Preparatory Committee for the World Summit for Sustainable Development, which is to be held from 25 March to 5 April 2002.

Annex

Agreed conclusions on the integration of social and economic policy

1. The Commission reiterated the objectives and actions adopted at the World Summit for Social Development, held in Copenhagen in 1995, and during its follow-up at the twenty-fourth special session of the General Assembly held in Geneva from 26 June to 1 July 2000. It also recalled the Millennium Declaration and the development goals contained therein, adopted by the General Assembly in September 2000. These goals are derived to a large extent from the commitments undertaken at the Copenhagen Summit and the further actions and initiatives adopted at the twenty-fourth special session of the General Assembly.

2. To achieve these objectives and actions, it is important to recognize the interdependence between social and economic policies and promote their integration while ensuring sustainable development, promoting the eradication of poverty, economic growth, full employment and social integration and ensuring access for all to social services. It is also important to broaden the scope of sound macroeconomic policy to integrate social and economic policy.

¹ *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I.

² *Ibid.*, annex II.

³ E/CN.5/2002/3.

3. The maintenance of peace and security within and among nations, democracy, the rule of law, the promotion and protection of all human rights and fundamental freedoms, including the right to development, good governance at the national and international levels, gender equality, full respect for fundamental principles and rights at work and the rights of migrant workers are some of the essential elements for the realization of social and people-centred sustainable development. Social development requires not only economic activity but also reduction in the inequality in the distribution of wealth and more equitable distribution of the benefits of economic growth within and among nations, including the realization of an open, equitable, secure, non-discriminatory, predictable, transparent and multilateral rule-based international trading system, maximizing opportunities and guaranteeing social justice and recognizing the interrelationship between social development and economic growth.

4. Investments in the social sector, including education, health, shelter, nutrition and social protection/social security, are productive. The establishment and enhancement by Governments of social security systems and access to basic social services for all should form an important component of policies for social development. Social safety nets should not preclude the creation of a comprehensive social protection/social security system.

5. Integration of social and economic policies requires better understanding of the causal linkages between macroeconomic policy and social impact as well as feeding of the results back into policy development at the national level. Social impact analysis and assessments are useful tools to promote a more participatory and people-centred process of policy-making as well as a way to provide a social perspective for policy conceptualization and analysis.

6. The Commission notes the recommendations made in the Secretary-General's report on the integration of social and economic policy, *inter alia*, on the formulation and implementation of public policy, including macroeconomic policy, from inception to *ex post* evaluation. To achieve this, it is important to promote sound institutions, open and transparent public policy and consensus-building among all partners. The aim should be to encourage broad participation in the formulation of economic policies as well as the building of partnerships between Governments and all other relevant actors, including social partners, in the development process. While the objectives of social development are universal, there is no single model for achieving these objectives. The primary responsibility for the well-being of citizens rests with national Governments. An enabling international environment is important for the success of efforts at the national level.

7. Globalization and continuing rapid technological advances offer unprecedented opportunities for social and economic development. At the same time, they continue to present serious challenges within and among societies. Considerable obstacles to further integration and full participation in the global economy remain for developing countries, in particular the least developed countries, as well as for some countries with economies in transition. Further efforts should be made to eliminate the obstacles facing the integration of developing countries in the global economy.

8. The Commission thus invites Governments to adopt holistic, integrated, comprehensive and consistent public policies to further development, eradicate poverty, fulfil the commitments undertaken at the Copenhagen Summit and the further actions and initiatives adopted at the twenty-fourth special session of the General Assembly and attain the Millennium Declaration development goals by:

(a) Integrating social and economic policies in order to eradicate poverty, promote full employment, enhance social integration, achieve equality between women and men, ensure access to basic social services for all, reduce inequality and mitigate adverse impacts of economic shocks;

(b) Promoting a gender-sensitive and participatory approach, through the involvement of communities, non-governmental organizations and social partners, as well as vulnerable or disadvantaged groups, in the formulation and implementation of development strategies;

(c) Creating and/or strengthening institutions for social and economic research, evaluation and policy-making;

(d) Promoting strategies that favour sustainable and stable economic growth benefiting all, poverty eradication, full employment and social integration as an integral part of social development;

(e) Improving and restructuring, as appropriate, national tax regimes and their administration in order to establish an equitable and efficient system that supports social development policies and programmes and, inter alia, takes measures to reduce tax evasion;

(f) Incorporating social impact analysis into the budget formulation process and improving efficiency and effectiveness in Government expenditures;

(g) Continuing to promote and enhance, as appropriate, effective measures, including fiscal and financial sector reforms, for better domestic resource mobilization and reallocating public resources for investment in social development;

(h) Developing or strengthening mechanisms to promote broad-based dialogue and coordination among all Government bodies responsible for socio-economic policy formulation;

(i) Pursuing pro-poor and gender sensitive policies, including microcredit and other financial instruments, asset-building, access to resources, information and knowledge, and the strengthening of the links between different sectors of the economy;

(j) Linking social sector expenditure to the achievement of the social development goals included in the outcome documents of the World Summit for Social Development, the twenty-fourth special session of the General Assembly as well as the Millennium Declaration;

(k) Developing policy tools necessary for applying an integrated and holistic approach to social and economic policy and incorporating social assessment into policy analysis to improve the efficiency and effectiveness of policies, the coordination of activities and programme implementation;

(l) Forging constructive partnerships with the private sector and non-governmental organizations to contribute to the financing and provision of social services in order to complement their efforts;

(m) Bearing in mind that corporations must abide by national legislation, encouraging corporate social responsibility so that it contributes to social development goals.

9. The Commission also invites the relevant funds and programmes, organizations and the specialized agencies of the United Nations system, including the international financial institutions, as well as multilateral and bilateral donors to continue assisting and strengthening their cooperation with the developing countries, in particular the least developed countries, as well as countries with economies in transition in their social and economic development efforts by:

(a) Strengthening the capacity of developing countries and countries with economies in transition to address the obstacles that hinder their participation in an increasingly globalized economy;

(b) Providing technical and financial assistance, upon request, to strengthen national capacities in the integration of social and economic policy and to achieve social development objectives;

(c) Recognizing that a substantial increase in official development assistance and other resources will be required if developing countries are to achieve the internationally agreed development goals and objectives, including those contained in the Millennium Declaration; to build support for official development assistance, cooperating to further improve policies and development strategies, both nationally and internationally, to enhance aid effectiveness;

(d) Urging developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national product as official development assistance to developing countries and 0.15 to 0.20 per cent of gross national product of developed countries to least

developed countries, as reconfirmed at the Third United Nations Conference on Least Developed Countries, and encouraging developing countries to build on progress achieved in ensuring that official development assistance is used effectively to help achieve development goals and targets;

(e) Implementing development oriented and durable solutions to external debt and debt servicing problems of developing countries;

(f) Stressing that the United Nations development system, in order to ensure national ownership of its operational activities for development, should integrate its country level operations with national policies and programmes for development and poverty eradication, including, as appropriate, national poverty reduction strategies, under the leadership of the government;

(g) Supporting and conducting research, particularly empirical research and social impact assessment, to evaluate the interaction between social and economic policies, to reconcile policy agendas and to examine more closely the mechanisms by which social expenditures act as a productive factor in social and economic development;

(h) Ensuring coordination and the full and active participation of the funds, programmes and the specialized agencies of the United Nations system in the efforts to promote social development;

(i) Promoting and facilitating greater regional cooperation and sharing of experiences within the United Nations system, including the Regional Commissions, and within other regional organizations.

10. The Commission encourages the ongoing work of the organizations of the United Nations system on the social dimension of globalization and notes the efforts of the International Labour Organization Working Party in this regard.

11. The Commission welcomes the convening of the International Conference on Financing for Development and recognizes the importance of its objectives, in relation to social development.