



Commission for Social Development 53rd Session

Chair's Summary

Panel Discussion on Emerging Issues: Contributions of social development to the transition from the Millennium Development Goals to Sustainable Development Goals, 6 February 2015

Pursuant to Economic and Social Council (ECOSOC) decision in 2006, the Commission for Social Development has included the agenda item 'Emerging issues' in its work programme since its 2007 - 2008 cycle. Under this agenda item, the Commission addresses current issues affecting social development requiring urgent consideration or new cross-cutting issues in the context of evolving global development challenges. The Bureau of the Commission decided "Contributions of social development to the transition from Millennium Development Goals to Sustainable Development Goals" as the topic of emerging issues of the 53rd session.

During its 53rd session, the Commission held an interactive panel discussion on the above emerging issue. The panel was moderated by Ms. Sarah Cook, Director of United Nations Research Institute for Social Development (UNRISD), and had presentations by: Mr. Gabriel Rivera Conde y Castañeda, Head of Strategic Projects Unit, Office of the Presidency and President of the Specialized Technical Committee of the Information System of the Millennium Development Goals of Mexico; Mr. Georg Fischer, Director for Analysis, Evaluation, External Relations in the Directorate General for Employment, Social Affairs and Inclusion of the European Commission; Ms. Laura Maria Crăciunean, Associate Professor of Lucian Blaga University of Sibiu, Simion Barnutiu Faculty of Law, Romania; Mr. Raymond Torres, Director, Research Department, International Labour Organization (ILO); and Mr. Elliott C. Harris, Director, New York Office, United Nations Environment Programme (UNEP), and Secretary of the Environment Management Group.

The transition from MDGs to SDGs –greater emphasis on inter-linkages

Since the World Summit for Social Development held in Copenhagen in 1995, the world has become increasingly globalized and inter-connected. Economic, social and environmental challenges in one area are no longer contained within borders, but rapidly spread to other regions. Countries are facing increasingly complex and inter-related challenges that cannot be effectively addressed by traditional sector-specific policies and approaches. Broad-based multi-stakeholder consultations to elaborate the post-2015 development agenda had started to address inter-linkages among social, economic and environmental dimensions of sustainable development. However, some inter-linkages have not been fully explored or sufficiently addressed so far, for example, the linkage between poverty and environmental sustainability, decent work and economic and environmental sustainability, climate change and social sustainability.

The Millennium Development Goals (MDGs) have been successful in galvanizing political will and resources to address social issues. However, the MDGs, while a coherent social agenda, was limited in addressing broader structural causes of poverty and inequality, nor did it address the inter-linkages between social, economic and environmental issues. Sustainable development goals, which serve as a

basis for the new more ambitious global agenda, are expected to overcome these shortcomings. The new global agenda is meant to move beyond previous approaches and to re-balance social goals, in particular poverty reduction, with economic and environmental objectives. It is also more ambitious in terms of addressing structural problems such as inequalities and lack of decent work. The objective of sustainable development should be to enable people to lead a decent life while protecting planet. A key challenge in the transition from the MDGs to sustainable development goals is to examine and articulate the inter-linkages among the economic, social and environmental dimensions of sustainable development. In this context, there is a need to understand how social goals and policies to create a more just, inclusive and equal society and enhance the well-beings and quality of life for all, without leaving anyone behind can support achieving economic and environmental goals, and vice versa.

Social policies could directly and indirectly contribute to economic development and environmental protection in several areas. Economic growth, while fundamentally necessary, would not be sufficient to achieve sustainable development. Without adequate economic and social policies, economic gains tend to benefit a small portion of society, further exacerbating existing inequality. Comprehensive and well-designed social policies are proven to be effective in reducing poverty and inequality and maximizing opportunities for all to participate in productive economic activities. Holistic and integrated social policy strengthens human capacity and resilience, all necessary for economic and environmental sustainability, by improving access to basic services and productive resources, enhancing skills and well-beings, and mitigating risks from economic and environmental shocks. In particular, social protection was identified as a key tool in reducing poverty, inequality and exclusion, as well as enhancing resilience to shocks. Recognizing the centrality of social policies in achieving socially, economically and environmentally sustainable development, further efforts should be made to effectively integrate social policy into broader and more complex policy-making processes.

Positive synergies among the three dimensions of sustainable development should be pursued and leveraged. Recognizing the existing normative hierarchy that often places priority on economic growth over social and environmental objectives, the difficulty of reconciling an existing tension between social, economic and environmental objectives was highlighted. However, this might well be a perceived trade-off, as recent experience demonstrated that it was possible to achieve social and economic objectives simultaneously. The renewed focus on more inclusive and equitable growth and sustainable development should therefore identify areas which could serve as an effective tool to reconcile economic and social dimensions. Further, a need for explicitly addressing, analysing, and effectively managing potential trade-offs, such as the scarcity of natural resources which could potentially lead to social tensions and conflicts, was emphasized as critical, under a new coherent, transformative and universal global agenda.

In particular, decent work could play a critical role in achieving sustainable development. Decent work ensures basic income levels in the sectors on which the poor and the most vulnerable depend their livelihoods, while at the same time enhancing labour market participation, and effectively addressing a major challenge of “low productivity traps”. Social protection could serve as an effective policy tool for reducing poverty, inequality, and enabling the transition to a sustainable economy. Well-designed social protection system would protect people from economic shocks, reduce risks and enhance resilience, especially among the most vulnerable. The importance of integrating a rights-based approach into the people-centred post-2015 development framework was highlighted, and human rights instruments (i.e. treaty mechanism) and accountability mechanisms could be effective tools for monitoring sustainable development goals. Furthermore, the need for strengthening the institutional architecture and capacity, at the national, regional and global levels, to implement and monitor sustainable development goals and ensure accountability was underscored. In this regard, political will was emphasized as key to establish a national mechanism for a comprehensive and coordinated approach to address social, economic and environmental concerns. Statistical data, especially disaggregated data (by gender, age, regions), was highlighted as critical for analysis, impact assessment and evaluation, which serve as a basis for policy-making. Such data helps reorient policies

and resources to the most vulnerable regions, areas, communities or groups. Such assessment should be conducted for all three dimensions.

Social development, with the core objectives of poverty eradication, full employment and decent work for all, and social integration, captures the values underlining sustainable development. Fulfilling social development goals is therefore fundamental to achieve socially, economically and environmentally sustainable development.

Integrating three dimensions of sustainable development to create synergies – country and regional experiences

When integrating the social, economic and environmental dimensions of sustainable development, there are perceived or real conflicts or trade-offs among them. Traditionally, it is often argued that economic and social objectives could not be met simultaneously, and a dominant focus on social progress would slow down economic growth. However, as shown in the recent experiences of some developing countries, there are innovative ways to design policies that could improve overall well-being of all people without sacrificing productivity, thus reconciling economic and social dimensions. For example, the national experience of Mexico demonstrated that sustained economic growth, while necessary, was insufficient to reduce extreme poverty and inequality among indigenous populations. Well-designed coherent and integrated social policies and programmes (both universal and targeted) are needed to reduce poverty and inequality, while enhancing their productive capacities and improving their well-being.

In Mexico, geographical locations with higher percentages of indigenous population correspond to the areas with high incidents of extreme poverty. In spite of steady economic growth in the past decades, the southern region suffered from low productivity, lack of access to basic services and economic and social rights, which have led to significant regional inequalities. A paradigm shift was brought by the formal recognition of the rights of indigenous population in the national constitution. A targeted national programme, the first social transfer programme in the world, was introduced to improve the income, education, skills, nutrition, and health of poorest families, now covering 6.1million families and 22 million individuals in 2014. This was complementary to other universal social security mechanisms, including the social security health-care system. The Congress has also proposed to fund non-contributory universal pensions over the age 65 years old as well as unemployment benefits (being considered).

Further, a “Multi-dimensional Poverty Index” was designed by the Mexican Council for Policy Evaluation for Development, which focuses on two main areas; social rights (access to food, health services, social securities, quality housing, education, and other basic services), and economic well-being (income). Its data can be disaggregated by age, gender, disability, and territorial and social groups, and is linked to an annual evaluation system to analyse the characteristics of vulnerability not only to income poverty but also social deprivations. The “National Crusade against Hunger” was implemented to address the need of people living with severe food shortages (27.4 million or 23.3% of the total population). In addition, the adoption of a progressive tax framework, strong anti-trust regulation to enable healthy competition, combating corruption, and promoting human rights played key roles. As a result of these innovative social policies and programmes, Mexico achieved 38 MDG targets, including halving extreme poverty, and providing universal access to primary education.

The recent experiences of some developing countries also indicated that new areas of opportunity seemed to open up for achieving social progress while maintaining economic growth. In the past few years, developing countries overall achieved relatively high economic growth, which led to the emergence of a new middle class (38 % of the workforce, doubled from 15 years ago), improved educational attainments, the spread of new technologies, etc. More importantly, developing countries had gained policy space and become a source of innovative policies to address social problems.

However, there are still major gaps: persistent inequality and persistent poverty (758 million people still earn less than \$2 a day worldwide (ILO, 2014)); a large number of people (1.4 billion) in vulnerable employment (informal employment, unpaid family work, etc.) which represents 45 % of total jobs; high rate of youth unemployment (three times higher than that for adults) despite improved educational attainments; lower labour participation rate among women (26 percent lower than men); significant gender wage gaps; wide and rising inequalities in a majority of countries.

This pointed to a common challenge: the current pattern of economic growth is not sufficiently inclusive. Achieving sustainable development would involve two key elements: economic growth and opportunities to share the benefits of growth with the maximum number of people. A key lesson learned was that economic and social objectives cannot be met simultaneously, without promoting productive work and the rights at work, that is, decent work.

In the European Union, the major concerns are unemployment (24 million people unemployed, an increase of 9 million from 2008), especially among youth (EU average 21.7% in July 2014 compared to 15% in 2008, with the proportion of young people neither in employment nor in training or in education 13% in 2011 compared to 11% in 2008), and poverty and exclusion (some 120 million people at the risk of poverty or exclusion). The “Europe 2020” strategy was developed to strive for economic growth that is “smart, sustainable and inclusive”, equivalent to the three pillars of the sustainable development goals. After the recent global financial and economic crisis, which turned into the sovereign debt crisis and job crisis, a new strategy was set with 10 priorities (i.e., jobs, growth, fairness and democratic change) linked to sustainable development that “enables people to live a decent life while respecting the planet”.

The promotion of decent jobs and social protection were identified as key elements that could reconcile social, economic, and environmental objectives, thus enabling sustainable development. Decent work supports the productive basis of economy, and policies and institutions that foster decent work enhance labour market participation. Investing in decent work has proven to be critical not only for sustained reduction of poverty and economic growth, but also for promoting social inclusion, dignity, self-definition, motivation and engagement of people. In addition, decent work would contribute to social and political stability that creates favourable environment for economic growth and environmental protection, through social dialogue and participatory mechanisms for policy design and implementation (e.g. new social contract in Tunisia). ILO core labour standards need to be implemented in all countries. In this regard, the importance of transforming informal and undeclared work, or vulnerable jobs, into a better structured, formal and declared employment was emphasized. This issue would require further attention in the post-2015 development agenda.

Social protection interventions have proven to be a key to building resilience and protecting the vulnerable during crises in many countries, both developed and developing. Countries with well-functioning social protection systems were generally more resilient to the adverse impact of the financial crisis. It was noted, however, that the approach to social protection should move beyond social assistance in the form of cash benefits, to pay greater attention to the supply side and institutional setting, including for example expanding education, health or care services, which support well-being and enable labour market participation (particularly for women). Well-designed social protection systems could also enhance domestic demand as an engine of inclusive and sustained economic growth. Among the mechanisms discussed, minimum wages were considered as potentially an important tool to boost domestic demand while reducing poverty.

Some of the potential obstacles to promoting decent work and social protection were: 1) the resistance of groups opposing economic redistribution; 2) a perceived trade-off between economic and social objectives; and 3) availability of funds or fiscal space to cover the costs (i.e. social protection).

Addressing the “missing” linkage between environment and social dimensions of sustainable development

Despite the fact that the linkage between the social and environmental dimensions of sustainable development remains less examined than that between the economic and social dimensions, some policy areas can be identified to address this “missing” link.

As the most vulnerable and marginalized live in rural and agricultural areas in many countries, their survival and earning opportunities were intricately linked to the natural environment. Their income generating opportunities therefore would have to be expanded in sectors associated with natural resources. Policies and strategies to reduce poverty would have to include those that foster activities in the sectors or parts of the economy which poor people and the excluded depend on for their livelihoods, as well as enhancing their capacity to retain the value-added of these activities in their hands. Some examples of such policies highlighted were: policy to shift towards more productive and safe sustainable agricultural practices; land tenure policy; and policy to enhance the capacity of people to derive and maintain the value-added from productive activities.

Policies to prevent environmental degradation and preserve natural assets or natural capital (e.g. curtail deforestation) on which poor and vulnerable people depend their livelihoods would inevitably contribute to poverty reduction in its multiple dimensions, reinforce pro-poor growth and promote sustainable development. Effectively addressing this inter-linkage would require integrating an environmental component into poverty eradication strategy, and vice versa, integrating social perspectives in environmental policies.

This would ultimately imply a fundamental shift in our approach to measure progress of sustainable development. It means redefining prosperity and human progress. One way to do so could be giving social and economic values to natural assets¹. By doing so, the economic and social costs resulting from the lack of investment in natural capital could become more visible and accounted for. For example, the degradation of water and air quality would lead to poor human health and higher costs for health care systems. Putting values on natural assets could promote social returns and reduce environmental costs.

Currently, economic externalities (the cost or benefit affecting a party who did not choose to incur that cost or benefit) of environmental goods and assets are not equitably distributed, as there were no costs associated with degradation of natural assets. For example, soil erosion, deforestation or reduction in fish stocks had disproportionately negative impacts on poor people who depend on them, in the form of deteriorating livelihood, while those who owned and controlled high-value natural assets, such as land, would accumulate wealth, further exacerbating poverty and inequality. The issue of inequality in “environmental distribution” has significant implications for social development. Public policy, in particular social policy, would have a significant role in rectifying these imbalances, while also bear positive impact on the natural environment.

Access to knowledge, technology and innovation to achieve sustainable development

The potentially vital role of technology and innovation to achieve sustainable development has been well recognized. Innovations would increase productivity and thus enable an accelerated economic growth. Enhanced access to new technologies would improve quality of life and could help prevent environmental degradation. The challenge would be how to make them available and accessible to all members of society, including the most vulnerable and marginalized, since most relevant technologies were owned or funded by the private sector. It was pointed out that while rules and regulation might

¹ Further discussion is needed, although beyond the scope of this panel, to reconcile different views on assigning a monetary value to such assets/resources.

be helpful, it would remain a challenge to enforce private actors' compliance without undermining the incentives to foster further innovation.

In this context, the roles of Governments would be to create an enabling environment for innovation, as well as to provide guidance or create incentives for the private sector to make new technologies available and accessible for all. For example, mobile telecommunication technology has been increasingly reaching the poorest in many countries, thanks to appropriate policies formulated by governments and public/private partnerships. At the same time, it is important to note that a mere pursuit of better technologies may not bring a sustainable future. We need to give critical look to which options (e.g. more and better cars or a shift to public transportation) are more likely to lead us to a sustainable path to development and we must continue to make conscious choices.

Integrating a rights-based approach

The need to view all human rights both as a means and an end to sustainable development was underscored. Their standards and principles, in both process and substance, need to be valued for the attainment of the goals. To the greatest extent possible, sustainable development goals should be linked to human rights indicators, and human rights principles such as non-discrimination, equality, respect for human dignity and cultural diversity should be integrated in the monitoring mechanism. Applying human rights principles and mechanisms would help enable people-centred sustainable development and address the structural causes of poverty, inequality, social injustice and environmental degradation as well as ensure accountability.

Human rights instruments (i.e. treaty mechanism) and accountability mechanisms could be effective tools for monitoring sustainable development goals. It was acknowledged that many challenges, such as poverty, hunger, discrimination, and inequalities in all its dimensions were not “accidents of nature” but results of actions and omissions by institutions and actors charged with protecting human rights and dignity for all. A rights-based approach could be an effective means to address these social problems through upholding the principles of economic and social rights to protect marginalized and vulnerable groups and individuals. In this context, national human rights institutions could play an important role. It was proposed that the human rights based approach to sustainable development include a multi-layered framework of accountability, which should be extended to the private sector, for example through the use of human rights impact assessments or due diligence. In addition, cultural rights should be more visibly integrated into the post-2015 agenda, as they could be effective in addressing, inter alia, poverty and inequality among marginalized groups.

The distinction between civil and political rights and economic, social and cultural rights, in terms of their implementation and enforceability (civil and political rights seen as of immediate application and judicially enforceable, and economic, social and cultural rights as ones subject to progressive realization and lack judicial enforceability), and their violation (civil and political rights subject to individual violations, whereas economic, social and cultural rights are, generally, more often subject to systemic violations) was highlighted. As the two categories of human rights were mutually reinforcing, strengthening the “weaker” category - economic and social rights - and their effective realization could help bridge various sustainable development goals and targets.