

Fourth Meeting of the  
**United Nations Economists Network (UNEN)**

Wednesday 18 December 2019  
9:00 – 11:00 a.m.

Mr. Elliott Harris, Assistant Secretary-General of the Department of Economic and Social Affairs and Chief Economist of the United Nations, opened the fourth meeting of the UNEN, highlighting two main objectives: a. to receive briefs by each Working Group of the UNEN report for the 75<sup>th</sup> anniversary of the UN; and b. to update the UNEN on the vision and ongoing progress for the Roster of Experts.

**A. Updates of each working group of the UNEN report**

Mr. Harris noted that the goal of this discussion is to update the entire network on progress and to flag any duplication and overlap at the onset of the exercise. He invited each working group to make their presentations in turn.

1. First working group – introduction

The first working group is yet to prepare and share an outline, as the structure and key messages of the first chapter of the UNEN report will follow and summarize the key messages of other chapters. The first working group will wait until the outlines and key messages of all other chapters are finalized.

2. Second working group – climate change and environmental degradation

The second working group shared their agreed timeline with the Network. By 25 January 2020, they expect to have draft text on the trends in climate and the environment, which will be shared with UNEN to inform the draft. They also expect to have draft text on inclusive wealth beyond GDP to inform the chapter.

UNEN members requested that any advanced draft or outline be shared as soon as possible to allow for others to provide meaningful inputs. Mr. Harris agreed and requested that outlines or other relevant text of the chapter should be shared well before 25 January.

3. Third working group - emerging and frontier technologies

The third working group met on 5 December 2019 to define the focus, parameters as well as its overall structure of the chapter. The chapter will focus on the fusion of digital and physical systems and connectivity as the technology megatrend. The impact of this megatrend will be discussed in terms of its asymmetric effects on producers and consumers. The chapter will also discuss how technology is shaping other megatrends, followed by how technologies matter for

SDGs. Finally, there will be a policy discussion. The outline is being revised and will be shared with the entire group in the coming days following this meeting. The group asks that any comments and inputs be submitted by end of the year.

Mr. Harris highlighted that the Secretary-General has called for an understanding of the role of the UN in managing the deployment of technologies, especially regarding its effects on the future of work and inequality. He asked if this group should start thinking about a value-based set of norms, principles or standards to develop regulatory frameworks for managing rapid technological changes. Mr. Harris also called for alignment with the ongoing system wide effort around the 75<sup>th</sup> anniversary, about the future of the UN in context of rapid technological change and attacks on multilateralism. He noted the work by UNDP and UNCDF on fintech and inclusion where they analyzed trends, the contributions to financial services for those undeserved by the financial system, and the challenges posed for regulating and monitoring. He suggested the chapter should take note of this work from the perspective of inclusion.

The group noted UNCTAD's work on big data, which is very relevant to the issue of technology, and suggested the TDR 2018 report as a useful resource. It also noted that the chapter could use many resources available in the CEB website that represent agreed UN position on many technology-related issues. The group drew attention to the ongoing internal discussions on cryptocurrencies and suggested that a box on this issue may be of interest. They also agreed on the need for defining a system-wide framework for technology to support a strong normative structure. Colleagues were asked to share ideas for normative principles that we can support.

#### 4. Fourth working group – demographic trends - ageing

The co-leads of the fourth working group held bilateral discussions and shared an outline on 3 December. The group now includes UNWOMEN and has extended an invitation to UNFPA. It met on 10 December to discuss the contents and the timeline of the chapter.

Mr. Harris noted that there is some degree of (rare) global consensus around the topic of ageing and growing concerns regarding its effects on societal structures. He noted the lack of a link to migration in the ongoing discussions. He asked if this group should examine the link between demographic and migration trends and consider how far the chapter should go in making this connection. Mr. Harris noted that in the Middle East, the demographic trends are quite different due to temporary migration as well as high birth rates. There are the signs of a youth bulge without a corresponding growth and jobs in the region.

The group noted the challenge ageing presents to financial and fiscal management in many economies, as well as to productivity growth. This justifies a more provocative discussion regarding the impact on pension systems. It was noted that in countries with significant pension systems (like Japan), there may be a sizeable macroeconomic impact of drawing down on these

funds. UNCTAD is doing research on this very issue and will share any findings to help inform the chapter. There was also mention of the demographic trends in China. The group should also coordinate the framing of demographic issues to match the framing of the 75<sup>th</sup> Anniversary work, spearheaded by USG Fabrizio Hochschild, that includes overall population increase, the youth bulge, ageing and urbanization. There was also a suggestion to include a discussion on the interactions between demographic and technology trends, particularly regarding automation effects on job creation and declining future contributions to pension funds.

#### 5. Fifth working group – Inequalities

The fifth working group circulated the first outline for comments. The group decided to address the issue in two parts. The first part discusses the trends on inequality and why they matter. The second discusses the key drivers of these trends.

Regarding the trends, the group suggested to go beyond an income definition to include wealth and horizontal/group-based inequalities to reflect differences in access to services and opportunities. This will also help separate the experience of developed and developing countries since it matters if the state can provide services or not. A key point is that the world is far from the goal of equal opportunities. The drivers of inequality will not be treated exhaustively as the chapter will focus on interlinkages to other megatrends as the niche for this report.

The chapter will include a discussion on institutions as a driver of inequality, presenting arguments in favor of universal policies, not just targeted policies. It will also touch on labour markets and productivity issues. Mr. Harris noted that there is much existing work on inequalities, including the recent HDR and the upcoming WSR, and ILO's work on the future of work. This group should consider how to establish and explain the limits of what to cover. He noted that differences between those with and without university education are increasing and the outcomes of markets are deepening income inequality. Progressive taxation is less effective as the number of people of higher incomes is not growing enough to cover the depth of inequality. What can be done on wealth side? Mr. Harris also asked that the issue of data and measurement be addressed directly. He also noted the usefulness of this chapter in helping to prepare the SG speeches on inequality during 2020.

Participants noted the usefulness of taking a lifecycle perspective to understanding inequality. Productivity differentials are a key determinant of inequality and it is important to understand initial conditions and have policies in the pre-labor force stage. The issue of fairness and its role in recent upheavals was also raised, which is linked to global action and how to think of the future. Recent trends on market concentration should also be included as drivers of inequality, linking to the technology question. It was noted that the role of the middle class is missing in this discussion, where the sense of insecurity is growing. The group also called for discussing the role

of SMEs in addressing inequalities. Not much is known about the productivity gap between large/small firms in developing countries compared to in industrialized countries. The positive role of the social solidarity economy was also mentioned.

#### 6. Sixth working group – urbanization

The sixth working group is currently discussing the scope of the chapter. Effects of urbanization transcend cities and has also implications for rural areas. From the economic lens, this also has implications for the future of agriculture and manufacturing and the relationship between them. Related to this are issues of imbalances in regions within countries (e.g., Northern Brazil, Northern India, Western China). What policies are needed to address these imbalances? It also raises questions of how inequality is reproduced over time given the spatial dimension of development. This dynamic also exists within cities where spatial separation reinforces inequality. The working group is focusing on how megatrends impact each other, especially technology. The group is wondering if the chapters are meant to be descriptive or to be more deliberative.

Mr. Harris stated that yes, the chapters should be assertive and deliberative. The message is that more coordinated efforts will be needed to shape the trends going forward and to make their impact more positive.

#### **B. Discussion on the creation of a Roster of experts**

Mr. Harris began the discussion by explaining the vision for the roster of experts. It has two aspects: 1) to get a sense of what types of expertise we have in the network; 2) to support UN work in-country, particularly the work of the UN Resident Coordinators. He noted the need for managing expectations and making it clear that the UNEN is not intended to work for the RCs.

Using an example, Mr. Harris explained that UNEN advice will provide alternative perspectives for consideration of governments facing multiple policy options. UNEN will not give country-specific recommendations, but rather inform the RC's advisory role to the country from a unique "UN perspective". This perspective is framed in the SDGs. To achieve this, the UNEN needs to identify expertise, whether it can be provided in a reasonable timeframe, and it needs to create a mechanism to direct requests from the RCOs. The system should also allow for curation of questions and for clear roles and coordination with other agencies and UN Regional Commissions. A draft note will be circulated specifying these points.

It was mentioned that UNDP is mapping its human resources and the economists deployed in its country offices. The participants asked if the INFF (integrated national financing framework) is a useful landing place for the roster. Mr. Harris noted that this could create many problems and it should be avoided because it could become akin to a conditionality framework.

He also suggested that work be done in stages. First, agencies could be asked to signal their interest and capacities to contribute, followed by a polling of individuals to identify a critical mass of voluntaries. In the event of a surge in demand, the network could organize collective events and other solutions. There is also a training component being discussed. The use of a platform to channel requests is also being considered.

Participants noted that the importance of connecting with UN Regional Commissions and a wider network of economists. Participants from Regional Commissions informed that as part of the UNDS reform at the regional level, regional knowledge hubs are being established, including rosters of experts. There is a clear need for avoiding duplications of efforts, given that the Regional Commissions were frequently in contact with the UN Resident Coordinator Offices/UN country teams in their respective regions both through formal and informal channels.

UNEN members see the network as an opportunity to connect with, and provide a sounding board to, country economists. In Common Country Analysis (CCA), there is interest in having a theoretical and comparative perspective, which the network can support. There is also interest in creating a two-way street for the system to benefit from country knowledge. Mr. Harris also noted the importance of sharing knowledge across regions and countries through the UNEN.

It was decided that the next meeting of the UNEN will take place on January 22, 2020.