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**Follow-up to the World Summit for Social Development and  
the twenty-fourth special session of the General Assembly****Rethinking and strengthening social development in the  
contemporary world****Report of the Secretary-General***Summary*

The present report has been prepared pursuant to Economic and Social Council resolution 2014/3, in which the Council decided that the priority theme for the 2015-2016 review and policy cycle of the Commission for Social Development would be “Rethinking and strengthening social development in the contemporary world”. Drawing upon the vision of the 2030 Agenda for Sustainable Development and the deliberations of the Commission at its fifty-third session, the present report identifies new opportunities for sustainable development and provides concrete, forward-looking policy recommendations. It articulates key interlinkages between the social, economic and environmental dimensions of sustainable development and provides examples of policies that leverage the synergies among them. Forward-looking strategies to strengthen the social dimension of sustainable development and specific avenues for action by the Commission are proposed, taking into account the 2030 Agenda.



## **I. Introduction**

1. Social development underpins a sustainable future. This was reaffirmed in the adoption of an historic and ambitious new global development agenda by Member States in September 2015, the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). Echoing the World Summit for Social Development in Copenhagen in 1995, 20 years ago, a central message of the new 2030 Agenda is that, unless it is inclusive, development will not be sustainable. Social development is central to realizing the goals of the 2030 Agenda. Pursuing development that is people-centred and grounded in the principle of social justice will be fundamental to achieving socially, economically and environmentally sustainable development.

2. The uneven progress observed in social development since the 1995 World Summit, coupled with the failure to prevent negative social trends such as rising inequality, provides the impetus for strengthening social development in the current context. Drawing upon the vision of the 2030 Agenda and the deliberations of the Commission for Social Development at its fifty-third session, the present report identifies new opportunities for sustainable development and provides concrete, forward-looking policy recommendations. Recognizing that social policy is a critical element for transformational, people-centred development as envisioned in the 2030 Agenda, the report articulates key interlinkages between the social, economic and environmental dimensions of sustainable development and provides examples of policies that leverage the synergies among them.

## **II. Social policies for sustainable development**

### **A. Supporting a people-centred, inclusive and integrated 2030 Agenda for Sustainable Development**

3. Progress in social development since 1995 has been uneven and the gains made are fragile. While there have been strong achievements in reducing poverty, hundreds of millions of people remain in extreme poverty and underlying vulnerabilities remain unaddressed. Growth has been neither inclusive nor equitable and rising inequalities are hindering poverty eradication and other social development goals. Social exclusion continues to affect many, in particular members of certain social and population groups. Unemployment, particularly among youth, is pervasive and a majority of workers still lack access to social protection. Major global trends such as climate change and recurring global economic, food and energy crises also demonstrate that achievements in poverty reduction and human development can be quickly weakened or reversed by an economic shock, a natural disaster or political conflict. The least developed countries, of which most are in sub-Saharan Africa, continue to face disproportionate risks of these hazards and thus particular challenges in achieving social development objectives.

4. Moreover, a growing divide between workers in the formal sector, in particular more educated adults, and unskilled youth and women, who more often work in informal jobs, has resulted in decent-work deficits, particularly among youth, that raise fears of discontent and instability and put the social contract under threat.

5. The Millennium Development Goals encouraged Governments to take concrete actions around a set of measurable goals. Taking into account the lessons learned

during their implementation, the 2030 Agenda emphasizes that global development requires a more integrated vision, one that is grounded in sustainability, equity and inclusion. Rethinking and strengthening the social dimension of sustainable development, therefore, is not only a matter of making progress towards achieving narrow targets for reducing poverty or creating employment within a short time horizon; it also requires overcoming the underlying structural causes of development challenges, securing broad-based social progress and resilience and ensuring that social development will be sustainable in the long run.

6. The 2030 Agenda recognizes that eradicating poverty in all its forms, combating inequality within and among countries, preserving the planet, creating sustained, inclusive and sustainable economic growth and fostering social inclusion, are interlinked and interdependent (*ibid.*, para. 13). Achieving the vision set out in the Agenda of a just, equitable, tolerant and socially inclusive future in which the needs of the most vulnerable are met, will therefore require Member States to pursue a robustly inclusive and coherent policy approach.

## **B. Eradicating poverty, promoting equality and decent work and respecting human rights**

### **1. A universal policy framework centred on social justice, inclusion and participation**

7. Recent trends remind us that market forces alone do not bring about greater resilience, inclusion or environmental protection. Instead, broad-based resilience and protection from the risks of poverty, unemployment and exclusion rely on social policies that cover all people, including universal access to social protection, justice and public goods and services such as health care and education, as well as equitable access to assets and opportunities for all. Indeed, social policies that are universal in scope are a crucial component to achieve the vision set out in the 2030 Agenda, ensure adequate and secure livelihoods and enhance the productive capacity of individuals and groups. Social policies can also reduce the unequal burden of caregiving on women and girls, incentivize the protection and management of natural assets and protect people from income loss and the costs associated with unemployment and other shocks.

8. Countries that have made extensive investments in expanding provision of high-quality public goods and services have been the most successful in tackling chronic poverty, preventing impoverishment and addressing long-term vulnerability. This is a highly relevant lesson for the implementation of the 2030 Agenda. Significant investments in health care and a movement towards universal health coverage in Indonesia, Rwanda, Thailand and Viet Nam, for example, and subsequent improvements in health indicators, have been closely associated with reductions in poverty.<sup>1</sup> As ill health is an important factor in the persistence of extreme and chronic poverty, a major trigger for future impoverishment and a drag on economic productivity, investments in expanding health coverage will be a crucial part of country strategies to improve resilience.

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<sup>1</sup> Overseas Development Institute, *The Chronic Poverty Report 2014-2015: The road to zero extreme poverty* (London, 2014).

9. The transformative impact of such investments has been greatest when they have created opportunities for individuals and families to protect and improve their livelihood prospects, thereby addressing the underlying causes of multidimensional poverty and vulnerability. Universal access to quality education can improve employability, raise future earning potential and build capacity and confidence for excluded groups to participate more fully and more often in public and civic life. Universal health coverage helps to reduce the risk of health-related income shocks, improve productivity and make people able to work, and save, for longer. Meanwhile, universal social transfers, such as child benefit or family allowance, can provide families with the means to make important investments in their children's futures. Regular and predictable transfers can build income stability, which is often absent from the lives of those in or just above poverty, thereby allowing people to plan and direct money away from immediate consumption towards more profitable activities. A large body of empirical evidence of the potential of conditional and unconditional cash transfer programmes to improve social development outcomes, including in health and educational attainment, of the poorest households, especially in Latin America, is illustrative.<sup>2</sup>

10. Conversely, evidence shows that a lack of broad-based social services and social protection, or inadequate coverage or quality of such services, is linked to entrenched poverty and insecurity, rising inequality and underinvestment in human capital. In high-income countries, recent fiscal austerity measures, including constraints with respect to pensions, health care and social assistance, following the 2008 global financial crisis have contributed to worsened poverty and social exclusion, including among older persons and persons with disabilities, as well as social tensions and discontent.<sup>3</sup>

11. Universal social policies are also necessary to address social exclusion and increase participation. The capacity of individuals and groups to participate and transform their choices into desired outcomes is strongly influenced by their abilities, namely their education, good health and productive skills. Education, as a purveyor of values, skills and attitudes, plays a particularly important role in promoting inclusion. Globally, while there has been success in increasing primary school enrolment, strong disparities in access to quality education remain within and across countries. Strategies used to improve access to education by people living in poverty and other excluded groups include the reduction or elimination of school fees and related costs, the implementation of culturally sensitive bilingual educational programmes, the improvement of physical accessibility of school facilities, publicity campaigns to promote enrolment and the expansion of vocational education and technical training, among others. In order to improve learning outcomes, countries in both developed and developing regions have invested in the quality of teachers, increased teachers' salaries and made efforts to deploy teachers equitably across regions. Many countries have also developed innovative approaches that maintain the quality of formal and informal education at an affordable cost, including distance learning. Equally important for inclusion and participation are curriculum reforms aimed at giving young people better skills to participate in economic and political life and be active agents of sustainable development. Such reforms should also aim at transforming

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<sup>2</sup> See, for example, International Bank for Reconstruction and Development/World Bank, *Conditional cash transfers: reducing present and future poverty* (Washington, D.C., 2009).

<sup>3</sup> International Labour Organization (ILO), *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice* (Geneva, 2014).

social norms and behaviours that create unequal relations and challenge the social sustainability of development.

12. Ignoring the importance of strengthening social cohesion and inclusion brings risks. Evidence shows that poverty, unemployment and inequalities between social groups, whether based on race, ethnicity, religion, caste or age, are strong predictors of the onset of civil unrest and can be a prelude to more violent forms of conflict. Universal social policies and redistributive programmes addressing social injustice, systematic exclusion, poverty and inequality as major underlying causes of social tension, can help to build coalitions across social groups, strengthening the fabric of trust among citizens and between citizens and Governments.

13. Universal approaches to social policy are also necessary to promote the human rights commitments that underpin social development, as well as the principles of equity, social justice and solidarity that were the foundation of the World Summit for Social Development. Rights to education, health care, shelter and work, are all best served by Governments that pursue social policies through the broad-based provision of public goods and services. Jamaica, for example, has been able to create a normative framework that obligates the Government continually to seek solutions to housing challenges that face its citizens, by recognizing the human right to shelter through laws, policies and international treaties. Similarly, in India the national rural employment guarantee programme was launched in 2005 with the aim of realizing the right to work for all citizens.

## **2. Promoting inclusion through special, targeted measures**

14. Even under a policy framework grounded in universalism, certain segments of the population will face greater challenges than others in reaching good quality social services.

15. The quality of education, for instance, is often better in urban areas than in rural areas, even under a framework designed to ensure universal access. Even within urban areas, there are often significant variations in the quality of schools and other public services between poor and rich neighbourhoods.<sup>4</sup> Girls may be kept away from school; and distance or safety concerns may prevent children from attending school. Special efforts are therefore needed, even if temporarily, to overcome these challenges and make universal provision of education more effective in promoting social development.

16. Targeted measures have been used in various countries to promote better access to services for specific individuals or groups, from transport vouchers for persons with disabilities to interpretation services for speakers of indigenous languages. Bulgaria, for example, has provided scholarships, transportation to and from school, textbooks, school aids, tutoring, desegregated extracurricular activities and engagement with parents and other stakeholders to promote the inclusion of Roma children in mainstream education. New Zealand tailors services and benefits to respond to the particular needs of Maori, including expanding the availability of Maori-language medical consultations and health promotion materials, while Guatemala has a well-established system of bilingual intercultural education for indigenous children. Such

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<sup>4</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), *Education for All Global Monitoring Report 2011: The hidden crisis — armed conflict and education* (Paris, 2011).

measures have proven more effective when Governments have made conscious efforts to avoid stigmatization or perpetuating stereotypes.

17. Specific barriers also exist that hinder the ability of some to participate fully in the social, economic, political and cultural life of their communities. To address these barriers, a number of countries, including in Southern Asia, Latin America and the Caribbean and North America, have adopted policies that give preferential treatment or set quotas for the inclusion of disadvantaged groups, for example women and ethnic minorities, in politics, education and other arenas. Evidence suggests that these efforts can help to moderate or eliminate conditions that perpetuate discrimination and enable the active participation of excluded persons and communities in decision-making processes. Measures targeted at the high levels of unemployment and disillusionment of young people can also help to reduce exclusion. Finland, Germany, Sweden and other European countries have implemented youth guarantee programmes that provide some combination of jobs, employment counselling, apprenticeships or traineeships, start-up funding, continuing education and related assistance.

18. The need for special measures should, in principle, be temporary. While some groups, such as persons with disabilities, may always require specific efforts to ensure their inclusion, the ultimate goal for Governments should be to bring everyone to the same starting line — to leave no one behind — not to perpetuate inequalities that create a permanent need for such special measures. Moreover, while targeted interventions help to address some dimensions of vulnerability and social exclusion for specific groups, without a broad-based, universal approach grounded in social justice and aimed at directly combating inequalities and generating solidarity around development objectives, progress may not be sustainable.

19. Overall, the precise contours of a social policy framework that combines universal and targeted measures must be achieved according to national economic and political conditions, under the universal principles of social justice and equality. The Social Protection Floor Initiative is an example where the universal vision of social protection for all is balanced with more targeted measures that are developed based on the existing framework of country-specific social protection systems, institutional and administrative structures, fiscal space and social policy needs, objectives and priorities. National social protection floor policies are thus country-defined and the implementation process is country-led. The European Union's Europe 2020 strategy for growth, combined with the eradication of poverty and social exclusion, is another example of an overarching regional policy framework that has inspired consistent national plans while still reflecting specific political, social and economic priorities. Romania, for instance, now has a national strategy for social inclusion and poverty reduction for the period 2014-2020 that aims to reduce the number of people at risk of poverty and social exclusion, in line with the targets of the Europe 2020 strategy.

20. In adopting the 2030 Agenda, Member States have already made commitments in a number of these key social policy areas. Such commitments can help to open national policy space for countries to determine their own concrete approaches to these measures. However, whether such commitments will promote participation and help to advance the comprehensive vision of social development agreed to at the World Summit in Copenhagen will depend on how they are transformed into action.

### C. Promoting inclusive institutions and participation

21. Strengthening social development in the contemporary context also requires addressing the institutions, social norms, attitudes and mindsets that perpetuate structural injustices underlining social development challenges. Left unaddressed, these injustices continue to limit the ability of development policies to reduce multiple disadvantages and inequalities in the long term. While institutional change is often a difficult process, countries, as well as the international community, must work to create supportive institutional structures and an inclusive enabling environment in which policies for social development are more likely to be adopted, take hold and flourish. When institutions are open and inclusive and when Governments actively promote transparency, accountability and participation, they are also most likely to support sustainable development.

22. Building open and inclusive institutions may require important changes in the way that public institutions work and in the interface between citizens and such institutions. Creating partnerships between State institutions and other stakeholders and spaces for consultation, such as participatory processes for policy formulation, implementation and follow-up, are ways to make policy solutions legitimate, relevant and sustainable. Seeking and incorporating the views of all concerned citizens, particularly those who are traditionally marginalized, can empower those involved and helps to ensure that policies address real needs and correctly identify constraints to social progress.

23. In recent years, growing access to information and communication technologies (ICTs) has been crucial in facilitating participation, giving individuals and groups the ability to voice their opinions and helping them to organize around common causes. The potential of ICTs is particularly broad for youth, who are already using social media to connect, share and inspire others in significant numbers, and for persons with disabilities to overcome certain physical barriers. As a tool, ICTs can help to improve governance by providing information and helping to coordinate the demands of those vying for more inclusive institutions. Clearly, though, such potential translates into meaningful change only if broad segments of society mobilize and organize in order to effect such change. Realizing the empowering potential of ICTs requires, among other things, bridging the significant digital divide that exists across countries, between urban and rural areas within countries and across communities and social groups.

24. Governments are increasingly using ICTs to engage the public to participate in decision-making. Electronic participation in governance has gained prominence, including in participatory budgeting exercises and gender-responsive budgeting and tracking. In some cases, electronic participation has not translated into improved service delivery or desired policy outcomes, resulting in decreased levels of confidence in government.<sup>5</sup> As a result, such inclusive approaches require decision makers that are responsive and accountable to increased citizen participation and an enabling environment for electronic participation.<sup>6</sup>

25. There is also increasing recognition of the fact that well-tailored policy interventions that address the root causes of social injustice and lack of participation

<sup>5</sup> United Nations, "An overview of e-participation models" (New York, 2006).

<sup>6</sup> *United Nations E-Government Survey 2014: E-Government for the Future We Want* (United Nations publication, Sales No. 14.II.H.1).

require sound data and more inclusive approaches to statistics. Official recognition and visibility of all citizens is critical, both as a basic human right and in order to give Governments the means to ensure that no one is left behind. A comprehensive system of universal legal identification, for example, is critical in accessing the formal economy and crucial health and education services, allowing Governments to allocate resources effectively and enabling citizens to hold their Governments accountable to these commitments. Without legal identification, for example, children of excluded groups are less likely to be able to enrol in school, limiting the potential of such services to act as a vehicle for inclusion. Improved technology can facilitate efforts to improve birth registration and other forms of legal identification. Furthermore, strengthening the capacity of national statistical agencies to deliver better data at the household and individual levels, increased data disaggregation and utilization of innovative social research methods and the potential of new data collection technologies, are the best way to ensure that progress for all groups can be properly tracked.

26. The Commission for Social Development can also apply these principles at the intergovernmental level by ensuring that implementation, follow-up and review processes for the Sustainable Development Goals are accountable and participatory, paying particular attention to including, and acting upon, the voices of marginalized and otherwise vulnerable groups and individuals. This may involve, for example, encouraging Member States to utilize multi-stakeholder partnerships and other participatory mechanisms, as well as sharing experiences in these new methods with others. Adequately integrating the principles of equality and social justice also calls for the development and use of innovative indicators, including those based on values and perceptions, to measure participation, inclusion and empowerment. These can help to capture disparities between different groups of the population, with a focus on the poorest and most marginalized.

#### **D. Social policies as means for inclusive growth and environmental protection**

27. Strong social policies are also necessary to achieve sustainable, inclusive and equitable economic growth and environmental protection. There is growing recognition, for instance, that high inequality can derail economic progress and deepen economic and social exclusion. In addition to inhibiting economic growth over time, inequality can also generate market volatility and instability. Evidence finds an inverse relationship between the income share accruing to the richest 20 per cent of the population and economic growth, implying that as the concentration of income increases, growth in gross domestic product (GDP) falls.<sup>7</sup> Well-designed social policies can enhance economic growth and post-crisis recovery through redistributive measures that reduce inequality, increase productivity and aggregate demand, and build the political stability necessary for long-term economic growth.

28. A number of countries have recognized the importance of more inclusive and sustainable growth patterns, demonstrating that innovative social policy can improve the well-being of people without sacrificing productivity. Brazil, China and Thailand, for example, have all expanded and strengthened national social protection

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<sup>7</sup> International Monetary Fund, “Causes and consequences of income inequality: a global perspective”, IMF Staff Discussion Note SDN/15/13 (June 2015).



mechanisms while pursuing complementary economic and employment policies that emphasize broad-based and sustainable improvements in living standards, especially among low-income earners and the middle classes.<sup>8</sup>

29. Comprehensive and well-designed social and labour market policies have proven to be effective in maximizing opportunities for everyone to participate in productive economic activities, by improving access to productive resources, enhancing skills, generating decent employment opportunities and mitigating exposure to economic and environmental shocks. A growing body of evidence indicates that giving people the opportunity to move into jobs that provide living wages, providing unemployment insurance and access to health care and facilitating collective bargaining have had a positive impact on the earnings of less skilled workers without choking off economic dynamism. Where they have helped to increase real wages, labour market policies and institutions have had a positive impact on demand, economic growth and employment.

30. Conversely, the recent emphasis on balancing public budgets in some developed countries has increased volatility in the real economy and the labour market.<sup>9</sup> It has also resulted in declines in public investment in infrastructure, technologies and human capital, which are critical for more inclusive development.<sup>10</sup> The social discontent seen in Europe in the aftermath of the financial crisis of 2008 was closely related to public austerity policies and provides an example of the risks of failing to address the link between inclusion, stability and prosperity. Widespread unemployment and job insecurity among young people in Northern Africa and Western Asia highlights the risks of failing to embed a social perspective on development into policymaking. In this context, social policy has frequently been used as a residual approach to manage market failures, leaving the root causes and systemic obstacles to equitable and inclusive sustainable development unaddressed.

31. Social and environmental policies can also be mutually supportive. While the social dimensions of natural resource depletion, environmental degradation and climate change, as well as the relationship between inequality and environmental sustainability, remain underexplored, existing research suggests a correlation between environmental sustainability, the reduction of inequality and peaceful, stable societies.<sup>11</sup>

32. Recent examples show that social policies can be complemented with environmental measures so as to address these concerns. These include incentives to help to conserve the global environmental commons and promote sustainable land tenure and ecosystem management, for example through schemes such as payment for ecosystem services and reducing emissions from deforestation and forest degradation (REDD+). In Brazil, the *Bolsa Verde* programme attempts to realign incentive

<sup>8</sup> ILO, *World Social Protection Report 2014/15*.

<sup>9</sup> United Nations Conference on Trade and Development, *Trade and Development Report, 2012: Policies for Inclusive and Balanced Growth* (United Nations publication, Sales No. E.12.II.D.6).

<sup>10</sup> Isabel Ortiz and others, "The decade of adjustment: a review of austerity trends 2010-2020 in 187 countries", ESS Working Paper No. 53 (Geneva, International Labour Organization; New York, Columbia University; Geneva, The South Centre, 2015).

<sup>11</sup> Safa Motesharrei, Jorge Rivas and Eugenia Kalnay, "Human and nature dynamics (HANDY): modeling inequality and use of resources in the collapse or sustainability of societies", *Ecological Economics*, vol. 101 (May 2014), pp. 90-102; and United Nations, "Inequality and environmental sustainability" Department of Economic and Social Affairs Working Paper No. 145, [ST/ESA/2015/DWP/145](#) (August 2015).

structures at the community level, that is, for those that interact regularly with vulnerable ecosystems, towards more sustainable production and consumption patterns that support, rather than undermine, long-term prosperity. Green energy rebates and carbon taxes, energy-efficient housing design for State welfare housing, the integration of disaster-risk management components into social policies and cash transfers for those most affected by the negative impacts of climate change are some of the measures that leverage the connection between the social and environmental dimensions of sustainable development. Similarly, education services that build new skills in environmentally sound technologies offer workers the skills they need to deliver vital services more efficiently, to more people, at lower environmental costs. Beyond these specific measures, by affecting access to and distribution of goods and services, social policies also help those most affected by environmental degradation and shocks to cope with the consequences, as well as prevent certain forms of environmental degradation that are closely linked to living in poverty. In addition, through education and reductions in poverty and inequality, changes in behaviour will promote more sustainable consumption and production patterns.

33. While the transition to a green economy brings employment opportunities, for example in the renewable energy or clean waste sectors, a net positive effect on jobs and poverty can only be realized through policies that protect and invest in those who will be negatively affected by the transition. Policies that take into account the labour intensity of alternative green technologies are necessary, while social protection programmes can also facilitate transition to the green economy by preventing those adversely affected from falling into poverty.

### **III. Strengthening coherent approaches to policymaking for sustainable development**

34. While universal access to social protection and social services is necessary to keep countries on a sustainable development path, social policy alone will not bring about the structural transformations that are necessary to realize the vision of people-centred and inclusive sustainable development. Realizing such a vision requires a coherent, coordinated approach to policymaking. In particular, it calls for aligning macroeconomic policy frameworks with social and environmental goals. This entails paying greater attention to decent work and income distribution in the making of economic policies, instead of maintaining a narrow focus on controlling inflation and budget deficits. It also demands complementary policies aimed at promoting industrial development and economic diversification, as well as substantial investments in infrastructure, technologies and human capital. It requires a shift not only in the approach to policymaking, but also in the institutional arrangements and the mindsets of Governments and individuals.

35. With a focus on the means of implementation of the 2030 Agenda, the Commission for Social Development should reflect on coherent approaches to promote social progress. Policy coherence is not new to the Commission, the fortieth session of which considered as its priority theme, “Integration of social and economic policy”. The Commission should now take stock of approaches to achieve coherent policymaking to date and consider mechanisms to integrate both social goals and environmental sustainability into macroeconomic policy frameworks.

## Elements of coherent approaches to policymaking for sustainable development

36. There are successful examples of coherent policymaking in social policy. In several countries of Latin America and the Caribbean, for instance, cross-sectoral action and social participation have been identified by national experts as two elements of the success in addressing the social determinants of health, improving health outcomes and reducing health inequities. Cross-sectoral action has been central in the provision of health care for children younger than five years old and pregnant women through *Chile Crece Contigo*, a programme in Chile which involves a committee of ministers led by the Ministry of Social Development, with the ministries of health, labour and social protection, housing, culture, education, justice and finance and the National Women's Service also participating. Brazil institutionalized participation in the health sector through national health conferences of representatives from a wide range of stakeholders that discuss the general direction for national health policy, as well as health councils at the state and local levels that formulate strategies and provide oversight in the implementation of health policies.

37. A review of coherent approaches to policymaking indicates that their effectiveness is largely determined by political and institutional factors. There is no single formula for implementing a coherent and coordinated approach to policymaking, because the strategy pursued should take into account national conditions. Common threads in the process of coherent approaches to policymaking appear to include three key conditions, which are described below.

### 1. Developing a common policy direction and strengthening coordination across sectors

38. Institutional constraints to coherent policymaking typically include a narrow focus on sectoral interests, as the structure of government administration generally falls along sectoral lines. A shared vision of a common policy objective is necessary to identify and foster synergies across sectoral policies, and to address potential policy trade-offs. For instance, Colombia has tested an integrating approach, where 20 ministries and presidential councils came together in a series of sessions to jointly discuss wide-ranging issues including transport, the environment, gender and energy. The process built recognition and agreement over common challenges and objectives across sectors. The National Planning Department has taken over the lead from the Ministry of Foreign Affairs, which initially proposed the approach. Another method to articulate a common policy direction is through the design and implementation of national sustainable development plans and strategies that integrate social, economic and environmental dimensions. The South African national development plan 2030 entitled, "Our future — make it work", involved all stakeholders (Government, business and broader society) to address systemic challenges of development, prioritizing poverty, inequality and unemployment.

39. The reduction of barriers between institutions and the identification of incentives for cross-sectoral coordination and cooperation will enable coherent policymaking. Institutional adaptation must rely on a shift to a culture of shared responsibilities, working across structures and disciplines and redefining organizational functions, through leadership at the highest level. Working structures that encourage different sectors to consider the multifaceted dimensions of social, economic and environmental policy are needed. This may require designating or instituting new national bodies to

strategize, plan, coordinate and review implementation of policies for a joint response to shared interests across sectors.

40. Enhancing coherence for sustainable development planning, for instance, has often resulted in the establishment of high-level coordination bodies. Examples of such bodies include the National Council on Sustainable Development in Armenia, the Sustainable Development Monitoring Council in Bangladesh, the Planning Commission in India, China's National Development and Reform Commission, South Africa's National Planning Commission and the Social Partnership initiative in Barbados, which brings together ministers, employers and trade unions to address major social, economic and environmental challenges under the leadership of the Prime Minister.

41. Establishment of institutions such as commissions, committees and task forces is not sufficient, however, to ensure policy coherence. Mechanisms and behaviours that support cross-boundary thinking and problem-solving across governmental processes are needed. The implementation of coherent policies depends primarily on a well-functioning network of government institutions in support of local authorities and communities, implying both vertical and horizontal cooperation. At the same time, there is a need to build on existing local and national structures and norms, while minimizing the potential for competition for resources, to expand administrative and management capacity for coherent policymaking.

## **2. Participation, multi-stakeholder coalitions and partnerships**

42. Ensuring broad participation in policymaking and implementation is necessary to build consensus and increase ownership through the policy cycle. Top level government leadership is needed for successful multi-stakeholder coalitions and partnerships, as is bottom-up support, from both local government and individual citizens. Engaging stakeholders requires inclusive consultations and increased political participation from all individuals and groups in the design, implementation and monitoring of public policy. All citizens, including women, young people, older adults, indigenous peoples and persons with disabilities, should be empowered to own the development agenda and be part of the change that is urgently required.

43. Investment in institutional and human resource capacities in government will be needed to ensure that government agencies effectively engage and manage multilayered partnerships with stakeholders, including the private sector and civil society, in ways that build trust and accountability for results. In addition, participation must be formalized in order to be effective. In this sense, strengthening national policy dialogues will be important to facilitate the active participation of the multiple actors at all stages of the policy cycle. The Minister of the Economy of Poland, for instance, established a corporate social responsibility advisory board in July 2014, creating a space for exchange of information, knowledge and good practices between public administration, business and civil society, aiming to promote sustainable development and corporate social responsibility.<sup>12</sup>

## **3. Data, monitoring and accountability**

44. A key tool for enhanced coherence is informed decision-making. Information and analysis on the complex interaction among social, economic and environmental

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<sup>12</sup> Organization for Economic Cooperation and Development (OECD), *Better Policies for Development 2015: Policy Coherence and Green Growth* (Paris, OECD Publishing, 2015).

systems, including better understanding of the causal linkages between macroeconomic policy and its social and environmental impacts, must guide priority-setting. It can also assist in informing policymakers from different sectors on the inconsistencies that might result from their decisions, on how the cost of those inconsistencies can be mitigated and on how to communicate the need for trade-offs.

45. There are a number of tools available to aid in assessing the impact of macroeconomic frameworks on development goals.<sup>13</sup> Increasingly sophisticated social impact assessments and simulations, in particular, can help policymakers to identify the opportunities, constraints and social risks of proposed policy actions. They can also act as a critical input to dialogue on development priorities among stakeholders, including affected communities.

46. Monitoring the impact of policies and ensuring accountability will require integrated statistical systems that bring together disaggregated data from multiple sources. This includes data and indicators on participation and the representation of individuals and groups in decision-making processes as a performance measure, as well as community-level monitoring. Civil society has an important role to play in collecting data on the implementation and impact of coherent policies at the local level, particularly for vulnerable groups or remote areas for which data is hard to obtain.

#### **IV. Financing a social perspective on development**

47. One of the challenges in strengthening social development has been the lack of sufficient and sustainable financing, despite the broad agreement that investments in education, health care and a comprehensive and fair social protection system directly expand human capabilities, reduce risk and vulnerability to external shocks and establish the foundation for future economic growth. Evidence also indicates that a basic, context-appropriate set of essential social transfers and services, that is, a social protection floor, is affordable, even in the poorest countries, if implemented progressively.<sup>14</sup> Yet fiscal and monetary policy often constrain social spending and public investment in infrastructure and technologies, all of which are critical for inclusive and sustainable development.

48. While the Millennium Development Goals were implemented under conditions of rapid economic growth in many countries, the 2030 Agenda sets forth under an unsteady recovery from the 2008 global financial crisis. The necessary policy shifts to respond to the current financial climate are in large part identified in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which recognizes that among the primary systemic problems facing global economic governance is the need for enhanced policy coherence across all three dimensions of sustainable development. It identifies several cross-cutting areas of development financing that build on synergies between the three dimensions, including two which fall within the purview of the Commission for Social Development: delivering social protection and essential public services for all, and generating full and productive employment and decent work for all (General Assembly resolution 69/313). The

<sup>13</sup> See, for instance, United Nations, *Financing Human Development in Africa, Asia and the Middle East* (New York, Bloomsbury Publishing, 2013).

<sup>14</sup> For a summary of recent ILO cost estimates for a basic social protection package, see <http://www.social-protection.org/gimi/gess/ShowTheme.action?id=2526>.

Addis Ababa Action Agenda also contains agreements on mechanisms to pursue developing financing, the majority of which are highly relevant to funding social policy, as detailed below.

49. Countries at similar income levels exercise a substantial degree of discretion regarding the size of public expenditure, as well as the share of public resources allocated to social expenditure. This indicates that financing a social perspective on development is mostly a matter of political will and political priorities, yet measures can be taken to deliver benefits more efficiently, minimize waste and misuse of resources and mobilize additional funding in the poorest countries.

## A. Increasing domestic resource mobilization

50. Central to the financing of a social perspective on development for all countries is domestic resource mobilization and effective use of funds, particularly in the provision of public services and the establishment of social protection systems. Improving the efficiency of spending on social development through improving the quality of public services delivered is one way in which to address constrained fiscal space for social policy. Several countries in Asia, including Myanmar, Thailand and Viet Nam, for instance, have developed evidence-based HIV investment cases to optimize funding allocations for HIV-related activities through strategic investments and the reduction of inefficiencies based on the specific nature of the epidemic (see [E/ESCAP/HIV/IGM.2/3](#)).

51. The mobilization of domestic resources through tax reform was considered a pillar of the 2002 Monterrey Consensus of the International Conference on Financing for Development and was also stressed in the Addis Ababa Action Agenda, which includes a commitment to enhance revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection, as well as scaling up international tax cooperation (General Assembly resolution 69/313, paras. 22 and 27).

52. Taxation revenue offers benefits over other sources of revenue because of its stability and its potential for enhancing trust between the Government and citizens by financing programmes with universal coverage.<sup>15</sup> Progressive tax systems, together with social protection systems and the provision of basic services, serve as an important element of redistributive efforts to eradicate poverty and reduce inequality. Figures from Latin America and the Caribbean are illustrative of the untapped potential of a modernized, progressive tax system. Personal income tax collection is equivalent to 1.4 per cent of GDP of Latin American and Caribbean countries, compared with 8.5 per cent of GDP in OECD member countries.<sup>16</sup>

53. There is scope for further mobilizing domestic resources and therefore expanding fiscal space in developing countries. Countries can broaden their tax base by improving the efficiency of tax administration, reducing tax exemptions,

<sup>15</sup> Katja Hujo, "Financing social and labour market policies in times of crisis and beyond", in *The Twin Challenges of Reducing Poverty and Creating Employment*, ST/ESA/342 (New York, United Nations, 2013); and Odd Helge Fjeldstad and Lise Rakner, "Taxation and tax reforms in developing countries: illustrations from sub-Saharan Africa", *CMI Report 6* (Bergen, Chr. Michelsen Institute, 2003).

<sup>16</sup> United Nations, "Strengthening social development in the contemporary context: lessons from Latin America and the Caribbean" (New York, May 2015).

improving compliance and preventing tax evasion. Overall, it is estimated that illicit financial flows resulting from tax evasion and corruption far exceed inflows from foreign direct investment (FDI) and official development assistance (ODA).<sup>17</sup> Improving the transparency and efficiency of tax systems, creating business environments that prevent the flow of illicit funds and repatriating stolen assets are not quick or easy processes but they constitute the most effective way of raising public revenues sustainably in the long-term.

## **B. Strengthening the role of the private sector in financing development**

54. The private sector plays an important role in financing development, particularly through FDI and a stable international financial system. In order to maximize the potential benefit from the private sector for national social policy goals, it is necessary to ensure coherence between private sector objectives, national policy objectives and national and regional sustainable development strategies. This can be achieved through strengthened domestic financial policies, institutions and regulatory agencies that supervise and promote increased transparency of private financial markets. Moreover, the creation of incentives in the financial system to promote not only economic stability but also socially desired goals such as greater financial inclusion and reduced inequality strengthens the role of the private sector in financing a social perspective on development.

55. Financial mechanisms to improve inclusion in private financial markets include supporting microcredit, microinsurance and microfinance. For example, XacBank in Mongolia was initially established as a non-bank microfinance institution which provided small loans to about 4,000 clients, many of whom were small businesses and herders. Over time, XacBank transformed into one of the country's largest commercial banks with around 250,000 clients, 24 per cent of whom receive loans in amounts under \$300 and 70 per cent of whom receive loans in amounts under \$2,500.<sup>18</sup> Over 21 per cent of the bank's active borrowers are micro- and small entrepreneurs.<sup>19</sup> Similarly, in Kenya the Government has introduced several credit access initiatives, including the Youth Enterprise Development Fund and the Micro- and Small Enterprises Fund, which target young people, women and persons with disabilities. These schemes ensure access to affordable credit for entrepreneurship at zero interest so as to spur enterprise, encourage job creation and boost growth.

56. Migrant remittances represent a significant source of resources both in absolute and relative terms, representing a total of \$436 billion sent to developing regions in 2014 and high shares of GDP in small, migrant-sending countries.<sup>20</sup> The

<sup>17</sup> OECD, *Better Policies for Development 2014. Policy Coherence and Illicit Financial Flows* (Paris, 2014).

<sup>18</sup> United Nations Development Programme (UNDP), *Case Studies of Sustainable Development in Practice: Triple Wins for Sustainable Development* (New York, 2012).

<sup>19</sup> XacBank, *Annual Report 2014*. Available at [http://www.xacbank.mn/uploads/users/32-admin/report/Annual\\_report\\_2014\\_en.pdf](http://www.xacbank.mn/uploads/users/32-admin/report/Annual_report_2014_en.pdf) (last accessed on 14 October 2015).

<sup>20</sup> World Bank, "Migration and remittances: recent developments and outlook; Special topic: financing for development", *Migration and Development Brief* No. 24. Available at <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf> (last accessed on 15 October 2015).

importance of strengthening the development impact of remittances is acknowledged in the Sustainable Development Goals with a target on reducing the transaction costs of migrant remittances to less than 3 per cent and eliminating remittance corridors with costs higher than 5 per cent by 2030 (General Assembly resolution 70/1). Efforts to improve the financial literacy of migrants and create investment opportunities for migrants can increase the social development impact of migration.

### C. Revitalizing international financial and technological cooperation

57. International financial and technological cooperation, including technology transfer and local capacity development, South-South and triangular cooperation and ODA, will continue to play a key role in the implementation of the 2030 Agenda, particularly for the least developed countries, landlocked developing countries, small island developing States and countries in conflict or post-conflict situations. In debt-burdened countries with limited space to expand domestic revenue, securing external grants is an essential approach to increase fiscal space in order to pursue a social perspective on development.<sup>21</sup>

58. However, the effectiveness of international cooperation is undermined when it is uncoordinated and unpredictable. For example, increases in disbursement of ODA for global health during the past decade have been accompanied by an increase in global health actors, which has increased the complexity of partnerships and challenged coordination among actors, including Governments. Furthermore, the vertical and disease-based focus of many global health initiatives has not channelled investments to match the wider health system and human resource needs of countries receiving aid. Finally, as is true for ODA overall, commitments to ODA for global health have far exceeded actual disbursements.<sup>22</sup>

59. The Addis Ababa Action Agenda also outlines the importance of ODA as a catalyst for domestic resource mobilization and private funds, as it can support improved tax collection and help to strengthen domestic enabling environments and build essential public services (General Assembly resolution 69/313, para. 54). It can also be used to unlock additional finance through blended or pooled financing and risk mitigation, notably for infrastructure and other investments that support private sector development (ibid.). For example, through the provision of reliable, low-cost electricity to large numbers of isolated, rural communities, with particular attention to women, *Dalits* and indigenous communities, the Rural Energy Development Programme in Nepal has also created new rural income and employment opportunities, improved health and environmental conditions and strengthened local governance. While the Nepal Electric Authority covered nearly all costs at the start of the programme, over time commitments from international development partners followed. By 2006, the communities and households who benefitted from the programme were themselves contributing almost 40 per cent of the total funding, allowing for a significant upscaling of the rural electrification programme.<sup>23</sup>

<sup>21</sup> UNESCO, *The hidden crisis*.

<sup>22</sup> David McCoy, Sudeep Chand and Devi Sridhar, "Global health funding: how much, where it comes from and where it goes", *Health Policy and Planning*, vol. 24, No. 6, pp. 407-417.

<sup>23</sup> UNDP, *Triple Wins*.



## V. Conclusions and recommendations

60. In adopting the 2030 Agenda, Governments set out a transformative vision of people-centred development with a commitment to leave no one behind. Echoing the commitments made in Copenhagen 20 years ago, this socially transformative agenda requires a policy framework centred on social justice, equality, inclusion and active participation of all individuals in economic, social and political life. Pursuing a normative and policy approach that puts people at the centre of development with the ultimate goal of improving well-being and the quality of life of current and future generations is key to ensuring a strong social perspective in development efforts.

61. Social policies that cover everyone are essential to fulfil this vision. In an era of growing global insecurity marked by climate change, recurring economic, food and energy crises and increasingly precarious job prospects, strong, universal social policies are crucial to increase the resilience of individuals and families, promote participation and leave no one behind. Palliative measures alone, designed to temporarily address the symptoms of poverty or social exclusion, will not do. Universal social policies must rather be part of broader and coherent development strategies that address access to resources and their distribution. Aligning macroeconomic policy frameworks with social and environmental goals and, overall, moving towards coherent and coordinated policymaking are critical to strengthen social development in the contemporary world. Of course, the effective integration of a social perspective requires sufficient and sustainable financing. Combining improved domestic resource mobilization with international financial and technological cooperation, while leveraging private sector resources, can provide the means for countries to address constrained fiscal space for social policy.

62. Governments have committed to a new social compact aimed at delivering social protection and essential social services for all (General Assembly resolutions 69/313, para. 12, and 70/1, Goal 1, target 1.3). The Commission can use its leadership to help further the implementation of universal social protection and public services, and to ensure that such measures will put a particular focus on the needs of the most vulnerable and excluded groups and individuals to eradicate poverty and to reduce inequality. The Commission can be a platform to contribute to the review and follow-up of the 2030 Agenda and to promote policy coherence, particularly between social and economic policies, as well as to share successful national practices, identify emerging challenges and cooperate in fostering integrated policymaking to strengthen social development. Finally, the Commission can promote a social perspective on development by ensuring that policymaking and policy implementation and monitoring processes, including for the 2030 Agenda, will be participatory, paying particular attention to including and acting upon the voices of vulnerable and excluded groups and individuals, which also calls for the development and use of innovative indicators to measure participation, inclusion and empowerment. Working closely with the Statistical Commission will be important in that regard.

63. Changing institutions, norms and mindsets is often a difficult, long-term process. However, it is through open and inclusive institutions and processes that policies to strengthen social development are most likely to be adopted and enjoy popular support. Thus, in order to contribute to rethinking and strengthening social development in the contemporary world, the Commission for Social Development may wish to consider the following recommendations:

(a) Governments must deliver on their commitment to provide nationally appropriate social protection systems, including social protection floors, and essential public services for all. Special efforts should be made, under such a universal policy framework, to reach those furthest below the poverty line and the vulnerable, persons with disabilities, indigenous persons, children, youth, older persons, migrants and women;

(b) Considering that sustainable development requires the meaningful involvement and active participation of all, Governments should also foster broad-based participation in policymaking and governance processes and enhance the capacity of public institutions to be transparent, accountable and responsive to the needs and aspirations of all people;

(c) Governments should also consider building inclusive monitoring frameworks and social impact assessments into all relevant policies and use existing monitoring frameworks to measure progress in advancing equality, social justice and participation. Effective monitoring may call for strengthening national capacities for data collection and reporting, and ensuring progress in data disaggregation. In support of national efforts, it will be important for the Commission to include, in its work, thematic reviews of progress on the Sustainable Development Goals to be considered by the High-Level Political Forum on Sustainable Development, and to make recommendations on how social development perspectives can be used to improve implementation;

(d) Taking into account that strengthening social development requires a coherent approach to policymaking and implementation, Governments are encouraged to reorient macroeconomic policies towards the reduction of inequalities and the creation of more and better jobs;

(e) Recognizing that additional domestic resources will be critical to strengthening social development and achieving the Sustainable Development Goals, Governments should deliver on their commitment to increase mobilization of such resources, including by enhancing revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection, as well as partnership with the private sector;

(f) Strengthening social development will also require scaled-up and more effective international support, including through enhanced ODA, effective international cooperation and coherent and mutually supporting global trade, monetary and financial systems.