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# COMMISSION for SOCIAL DEVELOPMENT

United Nations Headquarters, New York

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United Nations Department of Economic and Social Affairs  
Division for Inclusive Social Development



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## Concept Note

### High-level panel discussion on the priority theme “Addressing Inequalities and Challenges to Social Inclusion Through Fiscal, Wage and Social Protection Policies”

Monday, 11 February 2019, 3:00pm – 6:00 pm  
Conference Room 4

#### 1. Background

The Commission for Social Development will hold its fifty-seventh session from 11 to 21 February 2019 under the priority theme of “**Addressing Inequalities and Challenges to Social Inclusion Through Fiscal, Wage and Social Protection Policies**”. The theme was decided by ECOSOC in its resolution E/RES/2018/3.

In its resolution, ECOSOC also affirmed that the Commission will contribute to the follow-up of the 2030 Agenda for Sustainable Development by supporting the thematic reviews of the High-Level Political Forum (HLPF) on sustainable development on the implementation of the Sustainable Development Goals. The meeting of the high-level political forum on sustainable development in 2019 convened under the auspices of the Economic and Social Council, will be held from 9 to 18 July 2019 and will include a three-day ministerial segment. The theme will be “*Empowering people and ensuring inclusiveness and equality*”. The Council further reaffirmed that the Commission shall continue to review issues related to the follow-up and implementation of the Copenhagen Declaration and Programme of Action adopted at the World Summit for Social Development and advise the Council thereon. During the 57<sup>th</sup> session of the Commission for Social Development, a high-level panel discussion on the priority theme: “**Addressing Inequalities and Challenges to Social Inclusion Through Fiscal, Wage and Social Protection Policies**” will be held on Monday, 11 February 2019 from 3:00 pm to 6:00 pm.

#### 2. Addressing inequalities and challenges to social inclusion and the 2030 Agenda

In September 2015, world leaders unanimously adopted the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. With a pledge to leave no one

behind, the 2030 Agenda embodies a vision of a shared future and of societies that are inclusive, just and equitable, and that offer equal opportunities for all to fulfil their full potential in life. Among the 17 Sustainable Development Goals that lie at the heart of this Agenda is Goal 10, which seeks to combat inequality within and among countries. The ambitious 2030 Agenda underscores that addressing inequality in all its dimensions is critical to making economic growth more inclusive and sustainable, and is essential for eradicating poverty, ensuring shared prosperity, advancing social progress and achieving sustainable development for all.

Achieving sustainable development for all also entails tackling challenges to social inclusion, such as discrimination, disadvantages and multiple barriers faced by people in vulnerable situations. Too often, the voices of those living in poverty, including members of social groups that are vulnerable or marginalized, are not heard, and their needs are not reflected in decision-making processes that affect their wellbeing. They frequently lack equal access to productive resources, opportunities and basic services. In many countries, significant disparities persist in access to quality education and health care, safe water and sanitation, energy, information and communications technology and financial services, based on income, sex, urban or rural residence, geographic location and other social determinants.

Women, for example, are more likely to be poor, unemployed, and doing unpaid work. In some regions, the unemployment rate of women is more than double that of men. Similarly, youth unemployment remains a global challenge and a top policy concern. Persons with disabilities, older persons, and indigenous groups also face similar challenges.

High and rising income and wealth inequality is of great concern to the health of nations. High inequality is harmful for the pace and sustainability of growth. It undermines the productivity and dynamism of economies because of suboptimal investments in education and health. Greater income inequality is associated with diminished intergenerational mobility and reduces the impact of growth on responsiveness of poverty reduction measures to growth in mean income. It also undermines social cohesion and trust in socio-political systems. Deep social disenchantment and political instability have also been fomented in countries where social exclusion, development and globalization have left some population groups behind. Issues of equity, lack of equal opportunity and voice, persistent unemployment, and inclusion have been brought to the forefront of public attention by uprisings and mass protest movements that have followed the failure of markets, particularly the 2008 Global Recession.

In many countries, rising inequality and social exclusion are the result of deep structural changes in national economies that have taken place over many years. Key among these structural factors are globalization, skill-biased technological change, the increasing role played by finance in the economy, demographic trends, and the impact of national policies and institutional reforms such as deregulation, privatization, declining unionization and changes in the labour market. Hence, the international community has recognized that combating rising inequalities of income, wealth and opportunities is critical to achieving the 2030 Agenda for Sustainable Development.

While global income inequality has been declining, income inequality within countries has persisted and even risen in many countries, although there is divergence between and

within regions. While the level of inequality remains high, many countries have successfully reduced both income and non-income inequalities. Since 2000, three regions (Latin America, South East Asia, Sub-Saharan Africa) have reduced inequality, while five regions have seen no change (Asian transition economies, Middle East and North Africa) or an increase in inequality (OECD, European Transition Economies, and South Asia).

The variations among countries in inequality trends confirms that rising inequality is not inevitable and that policy matters. With a right mix of policies, inequalities can be reduced. Fiscal policy can contribute to reducing inequality and foster social inclusion by being more consciously targeted towards restructuring economies to generate sufficient decent work, making systematic investment in high-quality human development, and using equity and sustainability as guiding principles in choices to raise and spend public resources. It is important to take a coordinated view of both taxation and public spending rather than pursuing a piecemeal analysis. Labour market and wage policies also matter as the distribution of wages and employment opportunities in the labour market are key determinants of overall income inequality trends in many countries. Social protection has emerged as one of the key policy instruments to reduce inequality and poverty simultaneously, while also promoting inclusive growth. To address inequalities and challenges to social inclusion, the Commission will examine fiscal, wage and social protection policies that have proved to be effective at the national level, in a coherent and integrated way.

### **3. Objectives**

The high-level panel discussion will emphasize the imperative for combating inequality. Drawing on national experiences, it will seek to make specific policy recommendations on effective fiscal, wage and social protection policies to address inequalities and challenges to social inclusion in the context of the 2030 Agenda for Sustainable Development. Discussions will focus on policies and strategies that have proven to be successful in reducing inequality, both income and non-income, and the barriers to social inclusion, at the global, regional and national levels. Further, the discussion will also aim to deepen the understanding of complex interlinkages among inequalities, poverty, social exclusion, economic growth, and fiscal, economic and social policies, to achieve sustainable development for all.

With this in view, the key objectives of the high-level panel discussion include:

- a. Share knowledge and experiences on how countries can design and implement fiscal policies that help reduce both inequality and poverty without slowing economic growth or compromising economic efficiency. In particular, share evidence on the impacts of tax and expenditure policies on income distribution and social inclusion and how public spending policies can be leveraged to reverse rising inequality, close income and non-income disparities, and enhance social mobility for all.
- b. Share lessons learned when governments pursue counter-cyclical fiscal policy by expanding fiscal space and strengthening automatic stabilizers in an attempt to address both inequality and poverty.

- c. Discuss the role of labour market policy, including wage and minimum wage policies, in addressing inequality and challenges to social inclusion, particularly challenges faced by youth, persons with disabilities, older persons and indigenous groups.
- d. Examine the consequences of the under representation of women in the labour market, including in top jobs, for the overall gender pay gap. Which public policies and private sector initiatives are likely to be most effective in improving the under-representation of women and other disadvantaged social groups among top income earners
- e. Share knowledge, experiences and innovative approaches and strategies that have proven to be effective at building/strengthen nationally appropriate social protection systems, including floors.

#### **4. Structure and format of the panel discussion**

The high-level panel discussion will be chaired by the Chair of the Commission for Social Development. The Chair will open the session with brief remarks and introduction of moderator and panellists. The Chair will then invite the keynote speaker to deliver an address on the topic of the session (about 20 minutes). After the keynote address, further policy insights will be given by high-level policymakers (5 -10 minutes presentations, addressing the guiding questions). Following their presentations, the moderator will facilitate an interactive dialogue among panellists, then open the discussion and invite questions and comments from the floor, facilitated by the moderator. Invited panellists will include high-level government officials, subject experts from academia and think tanks, as well as from civil society, taking into consideration gender and geographical balance.

Panellists are expected to structure their presentations around concrete strategies that have proven to be successful in eradicating poverty, and to highlight innovative approaches and lessons learned at the national level.

The outcomes of the discussions will be reflected in the Chair's summary, which will be one of the key inputs of the Commission for Social Development to the ECOSOC, in particular, its high-level segment, and the 2019 High-Level Political Forum to be convened under the theme: "*Empowering people and ensuring inclusiveness and equality*".

#### **4. Guiding questions**

The Commission for Social Development may wish to consider the following questions in its deliberations on the priority theme at its fifty-fifth session:

- i. How can we ensure that the processes of economic development and globalization leave no one behind?
- ii. What are the impacts of tax and expenditure policies on income distribution and social inclusion? How can public spending policies be leveraged to reverse rising inequality, close income and non-income disparities, and enhance social mobility for all?

- iii. In designing fiscal policy, how can countries ensure that it can help reduce both inequality and poverty without undermining economic growth and economic efficiency?
- iv. How can countries avoid regressive and disproportionate tax burdens on poor households?
- v. What is the role of labour market and wage policy in addressing inequality and challenges to social inclusion? What are the advantages and disadvantages for setting minimum wage in middle-income and low-income countries?
- vi. How can countries design social protection systems, including floors, that guarantee the minimum living standards, while providing sufficient incentives for engaging in the labour market?
- vii. How can countries improve resource mobilization from all sources in order to finance social protection systems, including floors?

The time allocation for the panel discussion is as follows:

<b>Speaker</b>	<b>Suggested speaking time</b>
Chair: Opening remarks and the introduction of panellists	5 minutes
Moderator: introduction/context-setting	5 minutes
Keynote speaker	20 minutes
Panellists (4-6): Presentations	5 - 10 minutes per panellist
Moderated interactive discussion	Lead discussants (3 – 5 minutes per lead discussant)
	Open dialogue with participants of the Commission (Interventions limited to 3 minutes per speaker)
Concluding remarks by moderator and Closing by the Chair	10 minutes
	Total duration: 3 hours