This chapter lays out the objectives, background and conceptual framing of the report. It first introduces the discursive and policy changes or innovations that characterize the contemporary “social turn”, a shift in ideas and policies that has reasserted social dimensions in development agendas since the World Summit for Social Development in Copenhagen in 1995, but often failed to support more transformative social change that addresses root causes of poverty, inequality and unsustainable practices. Section 2 presents the conceptual framework used in the report and identifies types of innovations that are potential drivers of change processes, and potential pitfalls in these processes. Section 3 sets the scene for the analysis in the subsequent chapters by shedding light on the contextual factors that will shape policy space for the implementation of the Sustainable Development Goals (SDGs) in the coming years. The last section presents the policy areas discussed in the report: those with cross-cutting impacts and multiplier effects for the achievement of all SDGs.
1. Introduction

In September 2015, the international community agreed on the 2030 Agenda for Sustainable Development that will guide development policy and practice at national, regional and global levels for the coming 15 years. The Sustainable Development Goals (SDGs) follow the Millennium Development Goals (MDGs), which successfully mobilized efforts around poverty reduction and social development, but also had shortcomings and gaps. Overcoming these by forging a universal agenda that will “leave no one behind” is the ambition of the 2015 agreement and the SDGs. The more inclusive process of formulating and negotiating the goals not only resulted in a more comprehensive development vision, but also laid the foundation for more inclusive implementation and monitoring processes.

“Transforming our world”, as the 2030 Agenda is titled, is a far more challenging task than business as usual and goes well beyond the narrower focus of the MDGs. Transformation requires attacking the root causes that generate and reproduce economic, social, political and environmental problems and inequities, not merely their symptoms.

Transformation requires attacking the root causes that generate and reproduce economic, social, political and environmental problems and inequities, not merely their symptoms.

The transformative 2030 Agenda is to be welcomed. Instead of segregated policies in separate domains, it could lead to policy integration and usher in an “eco-social” turn—a normative and policy shift toward greater consideration of ecological and social objectives in development strategies—that delivers genuinely transformative results in terms of human well-being and rights-based, inclusive development. Indeed, it is the vision of doing things differently to achieve radically different outcomes, rather than doing more of the same, that inspires hope for breaking the vicious circle of poverty, inequality and environmental destruction confronting people and the planet.

So what needs to happen now to enable the 2030 Agenda to deliver on its transformative promise? Which policies would lead to social, economic and ecological justice? In this report, UNRISD contributes answers to these questions by:

- unpacking the concept of “transformation” to which governments have committed themselves, using the term transformative change to designate the qualitative changes in different policy domains that are necessary to achieve the SDGs; and
- presenting integrated policy and institutional reforms and innovations, as well as the conditions for their implementation, with the potential to foster transformative change leading to sustainable development.

Both issues are integral to the new agenda and part of its normative framework but they now need to be filled with substance: in the case of transformation, it is necessary to identify pathways to transformative change that are desirable, in the sense that they are (i) progressive (in a normative sense of social justice), (ii) systemic (addressing various factors simultaneously and in an interrelated way), and (iii) long term (cannot be easily reversed in the short term).

The integrated vision of the 2030 Agenda means it is necessary to move beyond previous approaches and to rebalance poverty reduction and social goals with economic and environmental objectives, avoiding the typical side-lining of “softer” goals in the social and ecological spheres which often escape the inherent logics of profit and power in current policy making. It also means that traditional boundaries for classifying countries as developing or developed have to be rethought: when a sustainability lens is applied, all countries are “developing”. The new focus of the SDGs on multiple objectives situated in the economic, social and environmental sphere relates well with UNRISD’s social development approach (box 1.1): a holistic approach that emphasizes the integration of economic and social policy while enhancing human rights, gender equality and environmental sustainability.
The SDGs reinstate the notion of sustainable development as the overarching framework for policy making and governance into the future. The concept of sustainable development is not new: it goes back to the 1972 Only One Earth Summit in Stockholm, the 1992 Earth Summit in Rio de Janeiro and was reaffirmed in the Rio+20 conference in 2012.

However, it requires a new understanding beyond the current equation with market-led approaches such as carbon pricing or the promotion of clean technologies (chapter 5). Sustainable development is necessarily both people-centred and planet-sensitive, guided by values of equal rights and social justice, enabled by proactive states and well-functioning institutions, and shaped through the participation of empowered populations. To be socially sustainable, development must be based on material well-being, including good health, education, and access to the income, goods and services necessary for decent living; and social, cultural and political achievements, such as a sense of security, dignity, and the ability to be part of a community through recognition and representation. All of these are inseparable from humanity’s relationship with nature, and the environmental resources necessary to sustain life, health and well-being.

Box 1.1.

How UNRISD defines social development

Social development is a process of change that leads to improvements in human well-being and social relations that are equitable and compatible with principles of democratic governance and justice. It includes material achievements, such as good health and education; sustainable access to the resources, goods and services necessary for decent living in a viable environment; social and cultural attributes, such as a sense of dignity, security and the ability to be recognized as part of a community; and political achievements related to agency, participation and representation.

Transformative social development must involve changes in social structures, institutions and relations, including patterns of stratification related to class, gender, ethnicity, religion or location that may lock people (whether current or future generations) into positions of disadvantage or constrain their choices and agency. Transformative social development must also support the transition to sustainable production and consumption, and be accompanied by change in economic structures and relations—to enhance productivity in an environmentally sound manner, and ensure equitable distribution of its benefits.

The achievement of desirable development outcomes through just and participatory processes is ultimately a political project at the core of which lie power configurations at the household, local, national, regional and global levels. Social change inevitably involves contestation of ideas and interests between different groups, and requires the redistribution of resources and entitlements, and improvements in the institutions of governance that manage collective concerns at different levels.

Source: UNRISD 2015a.

Twenty years after the decade of UN summits—the Social Summit in Copenhagen, the Women Summit in Beijing, the Earth Summit in Rio, and the International Conference on Population and Development in Cairo—which set a vision for the future concerning social development, women’s empowerment and ecological sustainability, and in a context where a new global development agenda will be translated into national policy making, governments seek concrete evidence of which policies and actions contribute to greater equity, inclusion and sustainability—“the future we want”. This report assesses innovations and impacts of global and national policies and initiatives, both in the social field as well as those that link social, economic and environmental dimensions and may thus deliver co-benefits across multiple objectives. In particular, it draws lessons from policies and initiatives in the South, examines the evidence of what is working for transformative change and why in specific contexts, and identifies challenges and contradictions. The report scrutinizes policy synergies and policy coherence and identifies policy constellations that are likely to contribute positively to the multiple goals of the 2030 Agenda for Sustainable Development, including fostering democratic and participatory policy processes and institutions.
2. The Social Turn, Innovations and Transformative Change

Bringing the social back into development policy means moving beyond residual approaches

Concerns about increasing risks and vulnerability in contexts of globalization and liberalization have caused governments and international organizations to pay more attention to social development and, in particular, to social dimensions of development policies and the role of social policy in promoting inclusive and sustainable patterns of development.

Underpinning this “social turn”—a combination of shifts in ideas and policies that has reasserted social issues in development agendas in the post-Copenhagen era (since the World Summit for Social Development in Copenhagen in 1995)—is a critique of the trickle-down assumptions that link liberalization to a virtuous circle of growth, employment generation and poverty reduction, and of the notion that the key social function of governments should be restricted to the provision of safety nets. Since the turn of the millennium in particular, there is growing recognition of the need for a more proactive approach to eradicate poverty, reduce inequality and protect people against the vagaries of market economies, and social risks associated with the lifecycle from childhood to old age, including sickness and disability.

In practice, bringing the social more prominently into development in the last two decades has, however, frequently meant continuing with variations of residual approaches, while the integration of social perspectives into mainstream development strategies has often been an afterthought (figure 1.1). Palliative, patchwork and ad hoc interventions to mitigate social costs of economic policy have done little against the drivers of social exclusion and economic stagnation: far from being transformative, they have reproduced the problems they were meant to address. Early manifestations of this approach that would not openly question orthodox economic recipes and unequal power relations were the Poverty Reduction Strategy Papers (PRSP) promoted by the World Bank, and the implementation in numerous developing countries of conditional cash transfer programmes (CCTs) or public works programmes and public-private partnerships in the social sectors.

Box 1.2. Sustainable Development Goals

- **GOAL 1.** End poverty in all its forms everywhere
- **GOAL 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **GOAL 3.** Ensure healthy lives and promote well-being for all at all ages
- **GOAL 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **GOAL 5.** Achieve gender equality and empower all women and girls
- **GOAL 6.** Ensure availability and sustainable management of water and sanitation for all
- **GOAL 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- **GOAL 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **GOAL 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **GOAL 10.** Reduce inequality within and among countries
- **GOAL 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- **GOAL 12.** Ensure sustainable consumption and production patterns
- **GOAL 13.** Take urgent action to combat climate change and its impacts
- **GOAL 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **GOAL 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **GOAL 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **GOAL 17.** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
The PRSPs tended to lock social policy into a macroeconomic straitjacket, undermining growth and employment creation.\textsuperscript{7} CCTs, while having the potential to be transformative if designed and implemented at a larger scale and for the long term, often narrowly targeted specific populations or provided benefits for a limited time period without providing a long-term solution to chronic poverty and to the absence of comprehensive social protection systems.\textsuperscript{8} And public-private partnerships, which are still prominent as a means of implementation of the 2030 Agenda, have often tended to be more expensive than public procurement while failing to meet expectations in terms of service delivery and development outcomes.\textsuperscript{9}

The “social turn” is a combination of shifts in ideas and policies that has reasserted social issues in development agendas in the post-Copenhagen era

But several countries have also followed more ambitious visions of social development in recent years. Two cycles of international economic and financial crisis, the Asian crisis of 1997 (with ramifications in Latin America and the Russian Federation) and the global crisis of 2008, were important catalysts of alternative policy ideas, in particular in the Global South.\textsuperscript{10} While the economic and fiscal fallout from the last crisis caused some advanced industrialized countries to adjust downward, shrinking their welfare states, social policy in many developing countries expanded initially, although more recently fiscal consolidation has gained ground. Similarly, alternatives and innovations can be seen in global social policy, such as the International Labour Organization (ILO)-United Nations (UN) Social Protection Floor Initiative (ILO Recommendation No. 202), as well as initiatives on Health for All, and Education for All (chapter 2).\textsuperscript{11} Intersectoral approaches such as care systems have been institutionalized in some countries to begin to reduce, recognize and redistribute unpaid care work, mainly done by women, and its impoverishing effects on households in a context of declining income and job insecurity (chapter 3). Some countries have tried to address social, economic and environmental concerns in tandem through, for example, supporting grassroots and third sector approaches such as social and solidarity economy (SSE). And last but not least, demands were intensified to reform and democratize the international financial architecture and mechanisms to manage sovereign debt crises, combat illicit flows and make tax systems more transparent and fair (chapter 6).

To some extent, this reflects the ongoing reconfiguration of ideational forces that began when the United Nations reclaimed the terrain of social policy from the international financial institutions during the latter half of 1990s.\textsuperscript{12} At that time, an alternative vision of the role of social policy was emerging from a critique of residual and market-driven approaches, formulated in a powerful way at the Social Summit in Copenhagen in 1995.\textsuperscript{13} During the summit, a more integrated approach linking poverty reduction with social inclusion and employment creation was suggested as an alternative to neoliberal stabilization and adjustment programmes. Likewise, the Earth Summit in Rio de Janeiro in 1992 and the World Conference on Women in Beijing in 1995 can be considered milestones in putting forth a vision of development featuring equal rights for women and global cooperation for achieving sustainable development (Agenda 21).

From this perspective, the MDGs are generally considered to have been another milestone, in particular in terms of raising the visibility of poverty and social development as global political concerns,\textsuperscript{14} directing international and national funds toward the social sectors. However, the MDGs were marked by significant gaps related to measures to address inequality, in particular with regard to gender equality, economic development and productivity, and employment issues, and they lacked a clear approach to tackle the root causes of unsustainable development.\textsuperscript{15} Progress in and between countries was uneven and poverty and other development challenges persisted.

One of the key questions this report asks is which direction the contemporary social turn can and should take over the coming 15 years, and how it can be transformed into an eco-social turn. This refers to how social and environmental issues can be fully integrated in all development policies, and to the directions social and economic policy will take. Indeed, development policy is at a crossroads, in between palliative interventions targeted at the
most vulnerable, and bolder transformative policies with the potential to change socioeconomic and political structures. The latter more ambitious approach speaks to the transformative vision of the SDGs. It will require deepening of reforms for some goals, and nothing less than a change in direction for others, in order to embark on a pathway toward structural transformation.

Social policy is at crossroads, in between palliative interventions targeted at the most vulnerable, and bolder transformative policies.
Implementing transformative change requires innovative approaches: in conceptualizing and defining problems and potential solutions, designing policy and institutional reforms, changing social structures and norms, and using new technologies that are affordable, socially acceptable and effective.

Innovations have the potential to improve policies and institutions

Advancing sustainable development does not require reinventing the wheel in every instance. Innovations in this report refer to both new inventions or constellations such as new technologies, policies or processes, as well as new applications and adaptations of existing ones in new settings and contexts. The international community can rely on a well-established and widely accepted set of norms, principles and policy approaches that have demonstrably advanced human development. Families, communities and countries often show remarkable resilience and capacity for adaptation. But conditions are not equal across time and space, and the world is rapidly changing. In addition, differences in power, status and interests among countries, groups, sectors and individuals are reflected in diverging priorities in terms of problem identification, analysis and solutions, which even new approaches such as the much-lauded partnership model struggle to overcome (chapter 7).

Policy innovation is particularly apparent in several regions in the Global South. Over the last two decades, many developing countries have adopted social policies that extend the coverage of social services, such as health and education; social assistance programmes for vulnerable groups; and social security for unemployed, older and infirm people; as well as policies generating employment for the disadvantaged and promoting the empowerment of women and smallholders. Other policy innovations have occurred with regard to revenue mobilization policies, such as tax reforms; or regarding public policies supporting SSE or eco-social objectives. At the global level, the Rio+20 process re-energized the quest for sustainable development policies, focusing attention on the need to better balance its economic, social and environmental dimensions. The Rio+20 process also signalled the need to bring human rights more centrally into the framing of the poverty reduction and sustainability policy agendas, and the formulation of a more comprehensive set of development goals to succeed the MDGs. Global social policy has been revitalized in response to the 2008 crisis, with regard to humanitarian crises and human mobility, but also employment creation and social protection floors.

Policy innovation at national, regional and international levels has been coupled with institutional innovation. This includes new normative, regulatory and judicial instruments; changes in governance arrangements associated with participatory democracy, public-private partnership and multistakeholder standard-setting where new stakeholders or combinations of actors engage in service delivery, financing and decision-making processes; “multiscalar” governance, where such processes and institutions are articulated at local, subnational, national, regional and international levels; and institutional complementarities that reconfigure institutional arrangements (for example, state and market) and policies (such as economic and social) at the macro level. Transformative institutional innovations help to overcome inequalities and structural disadvantages, and to empower weaker actors.

Non-state actors, in particular NGOs but also the private sector, are increasingly associated with social innovation. This is said to occur when organizations and networks adopt new ideas, strategies and practices that aim to better meet social needs and build relationships conducive to social and environmental improvements. Social innovation frequently occurs at the local level, where community organizations and social enterprises, often enabled by civil society
networks and decentralization, organize to greater
effect in order to mobilize resources and to defend
their rights. It is also apparent in social movement
activism, or “glocal” networking, that connects local
actors with change agents across scales, as well as
across the Global North and Global South, such as
women’s movements aiming to change gender-based
stereotypes and discrimination entrenched in social
norms and practices.

From the perspective of development and
empowerment, important synergies can arise when
social and technological innovation combine. This
is seen, for example, in the case of networking
(including transnational migrant activism) that
is facilitated by information and communication
technologies, when farmer cooperatives move
up the value chain by adding processing and
quality control to their business activities; or when
decentralized renewable energy supply reduces the
 drudgery of unpaid work by women.

New technologies have provided new tools and
solutions to improve livelihoods, in particular
through increasing agricultural productivity or
providing basic services such as electricity
to formerly excluded populations; governance,
through improvements in service delivery (for
delivering CCTs), and innovations in
the health or educational sector (new and cheaper
vaccines, distance and e-learning systems), with
significant positive impacts on people’s livelihoods
and opportunities. They are also strong drivers
of structural change. Combinations of social and
technological innovations are necessary to address
some of the limitations of development strategies
that centre on technological fixes that often disregard
the social contexts where diffusion occurs.

Changes in institutions, policy and the way
organizations behave are often informed by
conceptual and discursive innovation. Particularly
important in recent years have been those associated
with governance and organizational theory, which
recognize that heightened complexity and risk,
and effective regulation, require “poly-centricity” or
multiscalar and multistakeholder interventions
and collaborations. This may include new forms
of public-private partnership that go beyond a
conventional “state versus market” dichotomy,
and recognize power differences outside and
within partnerships. New analytical perspectives
have also refocused attention on inequality as a
major impediment not only to social inclusion
and cohesion, but also growth. Diverse analytical
and philosophical currents associated, for
example, with (Polanyian) “plural economy”, the
Andean indigenous notion of Buen Vivir and Via
Campesina’s popularization of “food sovereignty”
and “poly-centricity” or multiscalar and
multistakeholder interventions and collaborations.

Transformative change addresses
social and economic structures and
relations that drive unsustainable
practices

From the perspective of development and social
justice, the key question is how to catalyse processes
of change that result in transformation. While
the terms transformative, transformational or
transformation are now being used widely in
development discourse, their meaning is often
vague, referring to desirable outcomes such as
inclusion and sustainability. In contrast, this report
is specific about the processes of change needed in
society and the economy to achieve greater equality,
sustainability and empowerment.

The notion of transformative change is concerned
with both processes and outcomes. As a normative
classification, it goes beyond an understanding of
change as something becoming different without an
assessment of what this difference entails. Change
that is considered transformative restructures “the
underlying generative framework” of social injustice, as
opposed to “affirmative remedies...aimed at correcting
inequitable outcomes of social arrangements without
disturbing the underlying framework that generates
them”. Such an understanding is in line with the
vision of the 2030 Agenda.
Transformative change involves changes in social structures and relations, including overcoming patterns of stratification related to class, gender, ethnicity, religion or location that can lock people (including future generations) into disadvantage and constrain their choices and agency. It also means changing norms and institutions, both formal and informal, that shape the behaviour of people and organizations in the social, economic, environmental and political spheres (box 1.1).

The achievement of desirable development outcomes through just, participatory and democratic processes is ultimately a political project at the core of which lie power configurations at household, local, national, regional and global levels, which inevitably involve a contestation of ideas and interests between different groups and actors. Policy discourse that highlights the goal of transformation often ignores the deep-seated changes that are required in regulation, and in economic, social and power relations.

Policy discourse that highlights the goal of transformation often ignores the deep-seated changes that are required in regulation, and in economic, social and power relations.

A third important feature of transformation is related to the productive sphere. Social and economic policies are needed that have the potential to foster change in economic structures and to promote employment-intensive growth patterns. Many countries strive for structural change that would help boost economic sectors that promise higher value addition, profitability and incomes. Growth, while not a panacea for all problems, makes poverty reduction and redistribution policies more acceptable to economic and political elites (chapter 6). However, the current dominant growth paradigm is associated with instability, inequality and exclusion, and is grounded in unsustainable resource-intensive and fossil fuel–based modes of production (chapter 5). In order to make economic change also sustainable in environmental terms, profound changes toward more sustainable production and consumption patterns (SDG 12) are required, through legislation, regulation and public policies that empower actors engaging with sustainable production, consumption and trading systems (for example, by supporting social and solidarity economy, chapter 4). More than a decade ago UNRISD research began demonstrating the role of transformative social policy in catalysing change in both social and economic structures (figure 2.1, chapter 2). In contrast to policy approaches that either conceive of social policy as an add-on to economic policy or reduce its role to safety nets, transformative social policy is premised on its integrated nature and multiple functions. These include social protection (universal coverage of protection systems against a variety of risks, and adequacy of benefits), redistribution (tackling vertical and horizontal inequalities), production (promoting growth, structural change and employment) and social reproduction (enhancing gender equality and redistributing the burden of care), all of which are key in fostering inclusive and equitable development. In this broad definition, a variety of instruments and programmes, including social insurance (for example, pensions or health insurance), social assistance (such as cash transfers and income guarantees), social services (health, education, water and sanitation and so on), labour market policies (for example, minimum wage policies) as well as policies promoting livelihoods (for example, land reform) and social integration are considered social policy. A social policy that is deemed transformative needs, furthermore, to be grounded in democratic principles and human rights and to support social and economic patterns and behaviour in line with environmental sustainability. Social policies that do not lead to positive changes in these four domains are less progressive, or less transformative, while those that produce positive outcomes in all four domains are not only progressive but also have a systemic impact, with potentially reinforcing and cumulatively positive effects. Finally, social policies that are transformative need to have long-term impacts. This is a necessary condition to tackle the root causes of social and economic problems and to change social relations and social institutions for the better.

Transformative change understood in this way is therefore a long-term process, requiring both individual agency and collective action by societies. Its means and results would include:

- visible and measurable economic and political empowerment of disadvantaged and vulnerable groups;
- greater gender equality in all spheres;
- more equal redistribution of income and wealth;
- active citizenship with greater agency of civil society organizations and social movements;
• changes in North-South power relations and global governance institutions;
• empowerment of small enterprises, rural producers and informal workers; and
• a reversal of the hierarchies of norms and values that subordinate social and environmental goals to economic objectives.

Finally, transformative change involves multiple actors, and transparent and democratic political processes involving all those actors are also part of the “transformation we want”.

Transformative change encounters obstacles

The transformative potential of reforms and innovations is, however, often not realized. The sooner obstacles are identified and addressed, the more likely are transformative processes and outcomes. Transformative change can be undermined or hindered when:

• innovations in one sphere, for example, introduction or expansion of social protection programmes, is realized without the corresponding changes in power relations and without expanding economic opportunities in harmony with environmental sustainability;
• changes in policy rhetoric or intentions are not applied in practice, or are translated into cosmetic reform;
• policy “incoherence” prevails—that is, policy initiatives in one field are contradicted by those in another (for example, the social or environmental effects of macroeconomic or other policies, or lack of progressive funding structures underpinning a new social contract);
• progressive ideas and institutional reforms are captured by special interests or bolted on to business as usual;
• calls for new partnerships forgo opportunities to be truly synergistic and transformative and instead reproduce and reinforce asymmetric power;
• conservative gender norms are pervasive, preventing the positive effects of innovations associated with women’s well-being and gender equity; and
• social or governance innovations are not sustained.

The contemporary social turn is furthermore seriously constrained not only by the legacy of weakened state capacity (including fiscal capacity) from the era of structural adjustment and new public management, but also by the recent proliferation of fragile states, violent conflict and terrorism, and health epidemics, as well as rising inequality and macroeconomic policies associated with austerity, as outlined in section 3 of this chapter.

Changes in policy rhetoric or intentions may not be applied in practice or may translate into cosmetic reform

Overcoming obstacles to transformative change and embarking on more sustainable development pathways will require identifying innovations and reforms in different domains as well as political strategies to see them through. Based on the diverse experiences of different countries, the report presents selected examples of real world innovations and reforms, and aims to identify the conditions necessary for their implementation and for harnessing their potential.

3. Crises and Opportunities: The Context for Implementation

The multiple objectives to be fulfilled through the 2030 Agenda speak directly to the global challenges of our time: poverty and hunger; climate change; unsustainable growth and economic crises; migration, flight and displacement; health epidemics; inequality; social exclusion; lack of decent work and social protection; as well as political instability, insecurity and violent conflicts (figure 1.2).

There are also opportunities emerging in the current context that could impact positively on transformative change. One is to seize the momentum of the 2030 Agenda to raise awareness and forge the alliances that will be needed to drive implementation at the national, regional and global levels. Others arise from the wider range of global initiatives and partnerships that aim to support
progressive change at the national level, from the recommendation on National Social Protection Floors to the Paris Agreement on climate change. And finally, there are the manifold opportunities arising at the local and grassroots levels, which have the potential to support a change in the direction of the global development model toward promoting more cohesive and sustainable societies.

Prospects for achieving the SDGs might be jeopardized if countries continue to adjust downward

An economic system that produces huge profits for the few and precarious livelihoods for the many is not sustainable. Growth in recent decades has not been sufficiently inclusive to lift all people out of poverty and allow a life in dignity based on stable material conditions. Expansionary periods are getting shorter, and crises and recession periods more frequent and protracted, now also affecting the richer and more developed countries. The current economic context is still marked by the effects of the global financial crisis which in 2008 brought to a sudden stop a period of high growth and economic expansion that had allowed many countries in the Global South to reduce poverty, expand investments and exports, and improve their macroeconomic housekeeping. This relatively stable position allowed many developing countries to respond, initially, with anti-cyclical policies to the spill-over effects of the crisis, avoiding immediate recessionary effects on domestic economies and keeping global demand apace. However, this policy stance did not last long, and the majority of countries switched to austerity measures after 2010. Economic pressures have since become even more severe, triggered by sinking commodity prices (figure 1.3) and a dramatic slowdown in the previous growth engines Brazil, China, India and the Russian Federation.

As a consequence, many countries are today confronting less favourable growth prospects, and higher macroeconomic vulnerability. Among the numerous negative impacts there is the restricted capacity to mobilize funding sources to implement the SDGs (chapter 6).

Equality and social inclusion are the big challenges of the future

Inequality is at unacceptably high levels in many countries, and the upward trend is worrying. More than 75 percent of the population in developing countries lives in a society where income is more unequally distributed than in the 1990s, while the richest 1 percent held 48 percent of global wealth in 2014, with a clear upward trend in the
Inequality is not only a moral or ethical problem, it is increasingly seen as a key obstacle to sustainable development.

Period 2010–2014 (figure 1.4). Awareness of inequality as a social, political and development issue has risen dramatically in the past decade. Concepts of inclusive growth, shared prosperity and multidimensional inequalities have gained prominence, and the SDGs explicitly aim to “leave no one behind”, dedicating a stand-alone goal to the reduction of inequality in and between countries (goal 10). A truly transformative approach will shift the focus from those at the bottom of the income pyramid and social hierarchy to the drivers of inequality and tackling the structures that reproduce it. These include the concentration of wealth and power, and the complex role of economic and political elites—now popularly referred to as “the 1%”—at one end of the spectrum, and intersecting forms of disadvantage and exclusion along lines such as class, gender, ethnicity, location or migrant status at the other.

Inequality is not only a moral or ethical problem; it is increasingly seen as a key obstacle to sustainable development and poverty eradication. It not only affects people’s enjoyment of human rights, and undermines social cohesion, social stability and well-being, but also has a clear negative impact on economic development, for example on macroeconomic stability and growth.

Vertical (income) and horizontal (group-based) inequalities tend to reinforce each other, for example, in the case of poor women belonging to a marginalized ethnic group. In the 2030 Agenda, gender equality and empowerment of all women and girls (SDG 5) feature prominently, recognizing some of the previously neglected issues such as unpaid care and domestic work and violence against women (chapter 3). Indeed, despite progress, there are persistent and protracted gaps in making women’s rights a reality and realizing tangible progress on the ground. These concern, in particular, employment opportunities and decent work for women (figure 1.5), gender-responsive social policies, rights-based macroeconomic policies, and spaces to mobilize and make claims for women’s rights. As figure 1.5 shows, labour force participation rates by gender and region vary significantly, with rates for women as low as 20 percent in Northern Africa and Arab States, and for the global average at around 50 percent, compared to 80 percent for men.

Closely related to inequality is poverty, one of the key challenges and “unfinished business” the SDGs will address over the coming 15 years (goal 1). Poverty reduction in relative terms (especially if measured with the international poverty line of USD 1.25 purchasing power parity/PPP, now raised to USD 1.90) has been impressive, as has been the reduction in undernourished persons in many countries since the 1990s. But there is also consensus that progress has been uneven and that global poverty numbers have been strongly influenced by China’s performance (figure 1.6). On the contrary, absolute
numbers of people living in poverty have increased in the poorest regions, and many of those lifted out of extreme poverty remain highly vulnerable and basically continue to be poor with regard to their multiple deprivations and marginalized status in society. And while the majority of poor people live in middle-income countries, poverty is by no means a problem of developing countries alone. Increasing stratification and social exclusion in richer countries are topics of public debate, as future generations are specifically concerned (poverty levels are highest among children and youth), and many social ills such as criminality and health status are associated with feelings of shame and the lack of perspectives related to poverty.

Poverty is often driven by a lack of decent work and productive employment. Many of the root causes of this problem can be found in the way the global economy operates, for example, when deflationary macroeconomic policies and financialization depress productive investment and constrain structural change. Or when the insertion of developing countries into world markets based on capital-intensive commodity sectors and largely informal agricultural and service sectors constrains employment creation. The persistent existence of informal employment as well as precarious or vulnerable forms of employment (table 1.1) result in increasing numbers of working poor and people excluded from living wages, social protection and basic labour rights. Worldwide, almost half of all employment is considered vulnerable (46.1 percent in 2015), with higher rates in Asia and the Pacific and sub-Saharan Africa. Some countries have made progress in reducing informality and unemployment (for example, Brazil and Uruguay), while in others we observe stagnation at a high level (for example, in India where the share of workers in the informal economy exceeds 80 percent) or increases, for example in the post-socialist countries of the Commonwealth of Independent States (CIS) and European Union (EU) countries affected most by the 2008 crisis (for example, Greece and Portugal).
A specific challenge is widespread youth unemployment in various regions of the world (for example, southern Europe and the Middle East and North Africa/MENA region), which is considered to be particularly problematic in terms of social stability and future economic growth prospects. And finally, the quantity of green jobs and sustainable work, while increasing, is still insufficient, and this is clearly a challenge for richer countries as well (chapter 5).

Having few opportunities for decent work is a driver of exclusion and explains why the majority of the world’s people are unable to move out of poverty or vulnerability and participate in growth. It also leads to challenges for expanding and funding social protection and social services, as informal workers rarely have the means or the option to contribute to insurance schemes, relying instead on tax- or aid-funded social assistance or informal arrangements (chapters 2 and 6). Most developing countries have segmented labour markets and dual social protection systems, those for formal sector workers and informal or social assistance types, the latter displaying a lack of risk-pooling and lower benefit amounts.

Indeed, while spending on social protection and social services has increased in some countries in parallel with higher aid allocations to social sectors, coverage is still far from universal: only 27 percent of the global population enjoys access to comprehensive social security systems, while 73 percent is covered partially or not at all. The share of the global population above the pensionable age that does not receive a pension reaches 48.5 percent, and the share of older persons who are not entitled to receive a contributory pension, which tend to provide more adequate benefits, is even higher, as can be seen in figure 1.7. The figure also shows the progress achieved in expanding coverage through non-contributory or social pensions (chapter 2), for example, in countries such as Bolivia, Brazil, Ecuador, South Africa and Thailand. However, in order to be transformative in the long term, these investments need to be sustained and scaled up. The transformative vision of the SDGs related to social protection will therefore require reversals of expenditure cuts that were introduced in response to the global crisis, if it is to be realized.

### Table 1.1. Vulnerable employment and working poor, 2012, 2015 and 2018

<table>
<thead>
<tr>
<th>Vulnerable employment</th>
<th>Working poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(% total employment)</td>
<td>(% of total employment)</td>
</tr>
<tr>
<td>2012</td>
<td>2015</td>
</tr>
<tr>
<td>World</td>
<td>47.1</td>
</tr>
<tr>
<td>Developing world</td>
<td>-</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>15.1</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>56.9</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>31.7</td>
</tr>
<tr>
<td>Northern America</td>
<td>6.6</td>
</tr>
<tr>
<td>Arab states</td>
<td>17.4</td>
</tr>
<tr>
<td>Northern Africa</td>
<td>32.5</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>70.9</td>
</tr>
</tbody>
</table>

Notes: Based on ILO estimates and projections. Working poor are defined as the extremely poor (less than USD1.90/day). Data source: ILO 2015b.

**Figure 1.7. Old-age effective coverage:** Proportions of population above statutory pensionable age receiving an old-age pension in selected countries, latest available years

[Graph showing old-age effective coverage for various countries, with bars indicating the share of the population covered in pensionable age, and notes explaining the data source and methodology.]
When states fail to provide opportunities for people to live decent lives, they tend to move where these opportunities seem to exist. Increased migration is one of the key challenges the global community is facing in current times, driven in large parts by humanitarian crises caused by the wars in Syria, Afghanistan, Iraq and several African countries. In 2015, there were 244 million migrants worldwide, or 3.3 percent of the world’s population, up from 173 million in 2000 (figure 1.8). In addition to war and humanitarian emergencies, the lack of well-paid jobs and social protection and services, and a climate of inequality and injustice, drives many people to seek to better their condition, either in their country, for example, in big cities, or abroad. Female migration rates are increasing, and migrant women are often particularly vulnerable as they work as domestic or care workers in the private sphere of households (chapter 3). Natural disasters and climate change are also push factors for emigration, and are expected to further fuel migration in the future.

Overcoming unsustainable practices and inequitable outcomes requires multiple changes in how our societies and economies work

Ecological and climate challenges have called into question social and economic systems, and related production and consumption patterns, that depend on the unsustainable exploitation of natural resources. These unsustainable practices have major economic and social repercussions, often reinforcing or exacerbating inequalities, and are therefore an important part of the 2030 Agenda (SDGs 12, 13 and 14). Global warming and related extreme weather events such as droughts, cyclones and flooding are increasing, affecting more and more people, in particular in Asia, where 48 percent of disasters occurred in 2014. Exposure to air pollution is another environmental hazard, killing around 7 million people in 2012.

While technology and resource efficiency are likely to be crucial elements of any solution to current climate and environmental challenges (see also the role of technology in SDG 17), alone they will be insufficient. They may even be counter-productive without profound changes in a number of other areas: the organization of production; consumption and lifestyle behaviours; the distribution, use and control of resources; and systems of governance and enforceable accountability mechanisms for actions that cause lasting harm. The question is therefore whether the development, diffusion and use of new technologies in the coming years can be made more inclusive, equitable and sustainable, including through opportunities for poorer countries to develop appropriate local technologies or to afford technologies produced by richer countries, without slipping into new dependencies or unsustainable development paths (for example, by purchasing...
cheaper, outdated technologies with environmental and social costs,\textsuperscript{72} which in the worst case can crowd out investment in the adaptation and adoption of new technologies that can be more locally sustainable).

The rapid pace of technological innovation—whether in information and communication technology (ICT), renewable energy (figure 1.9), health or transportation, to name some fields—bears challenges and opportunities for many aspects of human development, affecting most or all aspects of our lives. Figure 1.9 on energy consumption levels shows the disproportionate share of non-renewable energy consumption of the high-income countries, as well as the growth in consumption among upper-middle-income countries. It is a question of climate justice to distribute these shares more equally across country groups, while lowering aggregate levels and shifting toward renewable resources. There is a risk, however, that the poor and disadvantaged benefit relatively less from new opportunities, as experiences with the digital revolution or climate-friendly technologies have shown (chapter 5).\textsuperscript{73}

\textbf{Peaceful societies can be built out of conflict}

Few of the SDGs can be met if societies are war-torn or conflict-ridden. The 2030 Agenda includes several explicit goals and targets for the promotion of inclusive and peaceful societies.\textsuperscript{74} This requires inclusive and accountable institutions at all levels, fostering social inclusion, state legitimacy and social stability. Many features of the current reality work against these objectives.

Rising inequalities and fragmented societies fuel social tensions and, at the extreme, generate violent conflict. The early twenty-first century is witness to highly visible forms of violence along a spectrum from everyday insecurity caused by crime and vulnerability to civil, interstate and transnational conflict (figure 1.10). Poverty and rapid urbanization contribute to everyday forms of violence and insecurity, while escalating transnational conflicts are forcing people to flee their homes in numbers not seen since the Second World War. Other manifestations include crime, gangs and gun use; gender-based violence and high murder rates of women; trafficking and exploitation of women, children and migrants; unprecedented numbers of refugees and internally displaced persons; ethnic and religious tensions; criminalization of poverty and militarization of police as well as state-sponsored persecution, torture and murder of activists, journalists or opposition leaders by authoritarian governments.\textsuperscript{75}
Conflicts not only cause unbearable hardship, pain and undermine the dignity and very survival of those directly affected; they also erode states’ legitimacy and capacity to govern, posing obvious challenges for meeting development goals.

Figure 1.10. Number of armed conflicts by type, 1946–2014

Note: “Extra-systemic armed conflict occurs between a state and a non-state group outside its own territory. Interstate armed conflict occurs between two or more states. Internal armed conflict occurs between the government of a state and one or more internal opposition group(s) without intervention from other states. Internationalized internal armed conflict occurs between the government of a state and one or more internal opposition group(s) with intervention from other states (secondary parties) on one or both sides” (UCPD/PRIO 2015b:9). Data sources: UCPD/PRIO 2015a; Petterson and Wallensteen 2015:539.

4. Transformative Change and the 2030 Agenda in a Shifting Global Context: From Innovation to Implementation

To realize the transformative promise of the 2030 Agenda and the SDGs in a challenging global context, it is not enough to integrate the 169 development indicators into national strategies and periodically report on progress, as daunting as this task itself might appear. Addressing the root causes of poverty, hunger, inequality, climate change and unsustainable practices will require different types of innovations in conceptual approaches, policies, institutions and social relations, overcoming policy silos by working at the intersections between the three pillars of the agenda by integrating the economic, the social and the environmental objectives in a rebalanced way. It will also require moving from declarations of intent toward implementation by designing appropriate policies and institutions, leveraging the political will and consensus as well as the financial and administrative means to implement them. It will require multiple actions from the top down and the bottom up, involving all members of society. At each step, from innovating to integrating and implementing, the nature of the political process in terms of inclusiveness, transparency and accountability will be crucial. As much as the outcomes, the processes related to the implementation of the SDGs will be the litmus test of the very principles of universalism and human rights inherent in the 2030 Agenda. In this sense, the agenda cannot reach its full potential without transformative change as defined in this report.

The processes related to the implementation of the SDGs will be the litmus test of the very principles of universalism and human rights inherent in the 2030 Agenda. The agenda cannot reach its full potential without transformative change.

This report offers ideas for policy, practice and process change, drawing on a range of innovative approaches in different country contexts and assessing the transformative potential of these in six key areas: social policy, care policy, social and solidarity economy, environmental and climate change policy, domestic resource mobilization, and governance and politics. While not covering the entire 2030 Agenda, these policy areas are highly relevant for socially and ecologically sustainable development outcomes, with direct and indirect impacts on almost all goals and targets, and multiplier effects that make them essential elements of the strategies that governments will need to design and implement (figure 1.11). This section introduces these policy fields and the related questions addressed in the report.
New trends and innovations in social policy

Social policy has been a terrain of innovation and contestation since the beginning of welfare state discussions and the post-colonial project. While in high-income countries recent reforms have generally marked a shift to market-oriented mechanisms, reinforced labour market flexibility and reduced job security, many low- and middle-income countries have expanded coverage of social services and social protection, albeit with varying degrees of quality and scope. Innovations have also happened with regard to reforms that aim to better integrate policy areas, partnership models in the delivery of services, and governance of social policy at different levels, such as regional and global levels. Many of these innovations can be said to be transformative in the sense of simultaneously meeting essential needs, empowering disadvantaged groups, and correcting power and resource asymmetries that reproduce inequality and poverty. Are developing countries themselves now more firmly in the driving seat of contemporary social policy innovation and reform? And how can the social turn be deepened and expanded into an eco-social turn?

Care policies: Realizing their transformative potential

An important aspect of the social turn that has elevated the role of social policy in government and political agendas is the increasing recognition of the need for care policies. For too long, care provision has remained off the radar of policy makers, on the assumption that unpaid care and domestic work would be provided by women in the private sphere of the home or in the community.
Care policies figure prominently in the SDGs ("Achieve gender equality and empower all women and girls", goal 5) because the unequal distribution of unpaid care and domestic work is a powerful driver of gender inequality in the economic and social realms. As care policies mould the ways in which care is provided, funded, for whom and by whom, they can contribute to gender equality and mitigate other dimensions of inequality like class, caste or ethnicity—or exacerbate them. They can contribute to the fulfilment of women’s human rights and the rights of persons with care needs related to disability, sickness or age, particularly those of the poorest, or be detrimental to them. Transformative care policies are thus defined as those that simultaneously guarantee care receivers’ and caregivers’ well-being, and advance their rights. The explicit inclusion of unpaid care and domestic work in the 2030 Agenda brings with it the potential to move care policies up governments’ agendas, and represents an opportunity for women’s movements and other social actors to support, shape and hold governments accountable for their implementation. Which policies and innovations are conducive to this end? And which political strategies have succeeded in integrating a care lens into public policy?

**Promoting social and solidarity economy through public policy**

A vibrant arena of innovation for social protection and transformative change is found in social and solidarity economy. Myriad organizations, enterprises and people in their roles as producers, workers, consumers, citizens and residents are engaging in forms of production and exchange of goods and services with the primary objective of meeting social, cultural and environmental needs. While not explicitly mentioned in the SDGs, an increasing number of governments are recognizing the importance of SSE and supporting it through policy, laws, development programmes and institutional reforms. A key concern is the scope for scaling up SSE as a means of implementation of the SDGs, or more ambitiously, as an alternative development pathway. What are the challenges that need to be addressed if SSE is to grow out of its alternative niche into a more important sector? And how can the transformative potential of these activities be enhanced?

**Sustainable development in times of climate change**

Climate change is one of the most pressing manifestations of the unsustainable practices of our time. It challenges the very foundations of the global economic system, based on carbon-fuelled exponential growth, which is incompatible with environmental sustainability. The risks associated with environmental and climate change are very unevenly distributed and closely linked to structural inequalities which leave disadvantaged communities more exposed and vulnerable to climate impacts. Climate change is fraught with a double injustice that leaves those least responsible for global warming the most exposed and vulnerable to its impacts. Yet its social dimensions, including the politics of transformation toward sustainability and climate change resilience, are often neglected.

Transformative change with regard to sustainable development, defined in progressive terms as leading to the changes in consumption and production patterns that minimize environmental destruction while promoting development and the well-being of present and future generations, is probably the biggest challenge of the new agenda. However, the international sustainability discourse has changed significantly since the first Earth Summit was convened in Stockholm in 1972, shifting from conflicting to synergistic linkages between environment and growth, toward promotion of market-based instruments and from a political to a technocratic discourse. Will the recourse to private property and commodification and financialization of nature in much of the current operationalization of sustainable development be sufficient in a context of increasing inequality and wealth concentration? What needs to be done to catalyse an eco-social turn in the coming 15 years?

**Mobilizing domestic resources for sustainable development**

To make the eco-social turn materialize it needs to be sustainably financed. Sustainable development does not only require funds to be scaled up at all levels, but also reforms of the logic and incidence of taxation and other revenue systems, making them more conducive to environmental sustainability, progressive redistribution and equitable economic
development while strengthening societal links between different population groups and between citizens and governments. In the particular financing mix countries dispose of for their development policies, public domestic resources are the most important funding source, in average terms, for all country groups. These are also the only reliable form of long-term financing and hence particularly important for transformative social policy. A so-far neglected aspect in finance for development debates, including in the Addis Ababa Action Agenda, is the political economy of resource mobilization. Understanding the transformative potential of financing systems requires moving beyond technical perspectives toward a fiscal contract approach. What are the political and institutional processes associated with tax reform and rent distribution from extractive industries? What innovations in DRM could lead to transformative change? What is the future role of different funding sources in a challenging global environment?

The extent to which the 2030 Agenda will lead to transformative change depends on its successful implementation at the national, regional and global levels. Implementation, while often associated with technical or administrative tasks, is in the first place a political process that requires negotiation among different actors, as differing options and alternatives distribute costs and benefits differently across the population. Implementing reforms successfully requires continuous mobilization of resources and political support, meaningful participation of civil society and stakeholders, and transparent and inclusive decision-making processes if tensions and trade-offs emerge.

Potential tensions and trade-offs can be anticipated by looking carefully at the coherence of the 2030 Agenda at different levels: first, horizontal coherence across the economic, the social and the environmental pillars as well as within each pillar; and second, vertical coherence between the national level and global governance regimes in areas such as finance, trade, climate change, migration and human rights. While horizontal coherence can be improved at the national level through policy integration, vertical coherence is an even more complex undertaking involving a larger group of actors and reform of global institutions.

At the national and global levels, it is crucial to allow for broad-based participation of civil society actors and to empower weaker stakeholder groups, as these are often the ones advocating for social and environmental objectives, which are at the heart of the 2030 Agenda. How can the overall coherence and effectiveness of the new global agenda be strengthened? Are the means of implementation suggested in SDG 17 in line with the transformative vision of the agenda? Which innovations and political processes have supported better policy integration at the national level and how can global governance facilitate the systemic changes needed? How can civil society actors and social movements increase their policy impact?

The 2030 Agenda has moved beyond the traditional aid sectors to encompass the entire tool box of policy makers to make poverty history, to combat inequality and exclusion, and to align production and consumption patterns with the carrying capacity of our planet. The discussion in this report of different policy areas includes both positive examples of numerous innovations and reforms, as well as obstacles and limitations.

In the end progress toward sustainable development will not be the summary of isolated and siloed interventions, but the outcome of systemic changes and holistic approaches based on a new normative framework of transformation. Which innovations drive transformative change? What are the key lessons and policy implications emerging from the analysis presented in this report?
Endnotes

1 Koehler 2016; Fukuda-Parr 2014.
2 UNRISD 2010a, 2015b.
3 van Griethuysen 2016.
4 UNRISD 2010a; Cook and Hujo 2013; for more recent analysis, see Molyneux et al. 2016.
5 Koehler 2016.
6 UNRISD 2010a; CEPAL 2010; Piketty 2014; Atkinson 2015; Stiglitz 2012.
7 UN 2012.
8 Fukuda-Parr 2014; Cimadamore et al. 2016.
9 Mishra 2004; Mkandawire 2016.
10 Utting et al. 2012.
12 UNRISD 2013b.
13 Utting et al. 2012.
14 van Griethuysen 2016.
15 UN Women 2015:10.
16 UN Women 2015; UNRISD 2013b.
17 Heintz 2015; UNCTAD 2015a; UNRISD 2013a.
18 See also UNRISD 2010a.
19 ILO 2014.
20 Sustainable work is defined by the HDR as work, including unpaid care and domestic work, that advances human development and reduces negative side effects. UNDP 2015.
21 UNRISD 2010a; ILO 2014.
22 Aid allocation to social sectors between 2005 and 2014 increased by 45 percent; however, this was outpaced by increases in economic infrastructure and services of 109 percent (calculation based on OECD 2016).
23 ILO 2014.
24 Many other countries have successfully introduced or expanded social pensions to protect the older population against poverty. For a more detailed discussion, see chapter 2.
25 This is especially important as population ageing requires adjustments in pension and health systems, including long-term care systems, as well as reforms in the labour market. Currently, Europe has the greatest percentage of its population aged 60 or over (24 percent), but rapid ageing will occur in other parts of the world as well, so that, by 2050, all major areas of the world except Africa will have nearly a quarter or more of their populations aged 60 or over (UNDESA 2015b).
26 ILO 2015a; OECD 2014; Adema et al. 2014.
27 IOM 2009.
28 WHO 2014; see also chapter 5.
29 World Bank 2008; Tanner and Horn-Phathanothai 2014:63.
31 SDGs 4, 8, 9, 11, 16.
32 UNRISD 2015a.
33 These policy areas were also the focus of UNRISD research under the Institute’s 2010–2015 research agenda.
35 Gough 2011.
36 Gomez-Baggettun and Naredo 2015.


