The Way Forward: Pathways toward Transformative Change

The research in this report points to one overarching conclusion: the 2030 Agenda for Sustainable Development can only be realized if the implementation process leads to transformative change addressing the root causes of inequitable and unsustainable outcomes. Transformative change therefore requires fundamental changes in social relations and institutions to make them more inclusive and equitable, as well as the redistribution of power and economic resources.

Much can be learned from the institutional, policy, social, technological and conceptual innovations that have emerged in the social policy, care policy, social and solidarity economy, climate change and eco-social policy, domestic resource mobilization, and governance spheres in recent years, and which are explored in this report. Many notable innovations have been crafted in developing countries, and informed by changes in global development discourse and policy. While progress has been made, however, it is also apparent that not all innovations realize their transformative potential. They may be bolted onto macroeconomic or other policies that reproduce business as usual, or their implementation may be undermined by resource constraints or bureaucratic inertia. Or they may fail to garner the political support, or to reach a level of institutionalization, necessary for sustainability over time.

The big challenge of the future is to genuinely transform the social turn into an eco-social turn and to reverse the normative hierarchy, such that social and ecological justice become the overriding concerns in all policy making

1. Which Innovations Drive Transformative Change?

The social turn that started in the 1990s and, in practice, focused attention largely on poverty reduction did not result in the necessary transformations toward sustainable development, because social policy was frequently conceived as an add-on to conventional neoliberal economic policies. It was designed to alleviate negative social outcomes, while power asymmetries and inequalities remained largely untouched. In cases where ambitious efforts were made to change citizenship regimes and development approaches, there have indeed been visible changes in economic, social and political structures. The major challenge for the future is to sustain and reinvigorate the social turn and broaden it into an eco-social turn. This requires reversing the dominant normative hierarchy in current policy making, such that social and ecological justice become the overriding concerns in all policy making and genuine transformation for sustainable development can be realized.

This report shows that the innovations that have driven transformative change toward sustainable development are those that: are grounded in universal and rights-based policy approaches; reverse normative hierarchies within integrated policy frameworks; re-embed economic policies and activities in social and environmental norms; and foster truly participatory decision-making approaches.

Universal, human rights-based approaches that aim to leave no one behind

In many countries, there are signs of a shift from interventions that narrowly target people living in poverty to more comprehensive social policies that seek to expand welfare provisioning to all citizens and residents based on universal rights and principles (chapters 2 and 3). Several developing countries have significantly expanded social assistance and service provisioning, including care services, to hitherto excluded populations. The notion of offering broad-based social security against multiple risks and contingencies is strongly supported by human rights frameworks, which have long existed on paper

and are now being put into practice through these policies. In addition, care policies constitute a new pillar of social protection systems. A rights-based approach to care that recognizes both caregivers and care receivers as rights-holders and the state as duty-bearer can be a powerful framework to exert claims on the state, as illustrated by several examples from Latin America (chapter 3).

These progressive changes at the national level are supported by conceptual and policy innovations at the global level, such as ILO (International Labour Organization) Recommendation No. 202 on implementing National Social Protection Floors, and SDG targets which emphasize equal rights to economic resources, as well as access to basic services, including care services, and social protection.

This is part and parcel of a discursive shift that (re) acknowledges social protection and social services as a universal human right and as a means to realize citizenship and gender equality. And it is also in line with a growing evidence base on the positive development impacts of universal systems which leave no one behind.

Public policies that are integrated, synergistic and reverse normative hierarchies

This report shows that more attention is also being paid to the intersections of public policy in a number of ways: in terms of addressing the multiple functions of social policy related to protection, redistribution, production and reproduction (figure 2.1. in chapter 2); bridging sectoral divides (figure 3.2 in chapter 3); and rethinking and repositioning the relationships between social and economic policy, and social and environmental policy (chapters 2 and 5).

Implementing the 2030 Agenda and the SDGs requires policy integration and improved coherence, within and across policy domains (chapter 7). Social policy provides protection through income transfers and services such as health, and it is also conducive to economic development and structural transformation. Care policies can help realize the rights of caregivers and care receivers, and therefore contribute to multiple dimensions of equality, and at the same time can have positive macroeconomic effects (chapter 3). Several countries in Africa, Asia and Latin America have begun to reframe

development and poverty reduction strategies in ways that recognize the need for closer integration of social and economic objectives and policies. Such approaches acknowledge how social policy can improve labour markets and productivity, gender equality and care provisioning, and how social policy improves tax compliance and fiscal governance through building a credible social contract (chapter 6). All three examples—reforms in production and labour markets, care policies, and resource mobilization policies—combine aspects of social and economic development, and the case studies in this report demonstrate how integrated and progressive approaches can make a difference.

A powerful catalyst for better policy integration and coherence is the inclusion of unpaid care and domestic work in SDG target 5.4. Framing public care services, basic infrastructure and social protection policies under the umbrella of care policies the way target 5.4 does brings in a strong gender perspective; allows for complementarity and coordination in social policy, improving outcomes for caregivers, care receivers and care workers; and foregrounds drivers and impacts that sometimes go unnoticed in sector-based policy debate, design and implementation.

As for the linkages between environmental and social policy, this report uses the term eco-social policy to capture an expanding field of policy design and implementation that simultaneously meets social and environmental objectives. Eco-social policies aim for win-win or triple-win scenarios, as in the case of cash transfer or public works programmes with environmental objectives; or fiscal measures to reduce subsidies that have adverse ecological impacts to both cut emissions and create fiscal space for the expansion of social protection schemes (chapters 2 and 6). Social and solidarity economy promotes types of economic organizations that simultaneously address objectives related to economic and social development, environmental sustainability, participation and active citizenship (chapter 4).

Implementation and monitoring of the Sustainable Development Goals need to take into account synergies and address trade-offs at the intersections of social, environmental and economic policies and democratic governance. However, policy coherence is not simply about better coordination in the design and implementation of interventions across different policy fields or even within one field; more fundamentally, it is about progressing simultaneously in all three dimensions, managing conflicts and trade-offs in transparent and inclusive democratic spaces with full awareness—and discussion—of distributional consequences. It means that macroeconomic policies and technological or efficiency gains, for example, must not contradict welfare and sustainability objectives. Similarly, environmental protection goals must be balanced with socio-economic welfare considerations. And all policies should enhance human rights and democratization. This report has argued that we need to reverse the normative hierarchy: transformation will require that hitherto prioritized objectives of economic growth and profit maximization be subordinated to those of social and environmental justice (chapters 5 and 7).

We need to reverse the normative hierarchy: transformative change will require that hitherto prioritized objectives of growth and profit maximization be subordinated to those of social and environmental justice

Markets that work for society and the environment

In the 1980s and 1990s, economic globalization and liberalization detached markets from their social moorings—that is, norms associated with basic needs provisioning, decent work, environmental stewardship, local development and equitable forms of value distribution. More recently, some social and institutional innovations have sought to re-embed markets and reassert social control over economic activities. Such innovations have included business practices like corporate social responsibility, public private partnerships (PPPs) and integrating poor producers, workers and consumers into global value chains. However, these reforms have mostly failed to solve problems of social exclusion, economic exploitation and environmental damage. SSE organizations, on the other hand, take a different approach: making principles of equity and environmental sustainability central to economic activity, rather than treating them as add-ons (chapter 4).

Strengthening the eco-social rationale of the global economic system requires reforms that reverse the current hierarchies between global economic, social and ecological regimes (chapter 7). This is the same reversal of hierarchies that must underpin the policy integration discussed previously.

While reform proposals and voices supporting the eco-social turn are not lacking, it remains to be seen how current agreements, such as the SDGs, the Addis Ababa Action Agenda and the Paris Agreement, as well as proposals to reform the global trade and financial systems, will play out in practice. Success will hinge on how countries meet their commitments, and in some cases whether they implement agreements at all. And much depends on whether powerful actors are willing to undertake the necessary reforms in global governance and resource distribution (chapters 2, 5, 6 and 7).

Empowered participation and accountable, effective institutions

Transformative change that generates inclusive and sustainable development outcomes depends on the agency of social actors—in particular on the capacity of different actors from civil society, the private sector and the political sphere to form broad alliances that bridge divides along class, gender, ethnicity, age and location (including the North-South divide). Transformative change also requires public, private and civil society actors to create true partnerships that lead to a more equitable distribution of power, resources, knowledge and responsibilities. Individuals and communities who are currently marginalized by processes of economic development need to be brought back in. This demands mechanisms of participation and empowerment, as well as accountability of both public and private institutions. Participation mechanisms must give less powerful or disadvantaged groups a voice, empowering them to claim their rights, mobilize collectively and exercise influence over decisions that affect them (chapter 7).

Empowered participation may challenge existing structures and relations of power, opening spaces for contestation and negotiation over policies and resources (chapters 3 and 6). Such spaces are crucial for fair decision making and outcomes, and are thus essential for equitable, inclusive and sustainable development pathways. Chapter 6 argues that sustainable financing for the SDGs depends on

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transparent and inclusive resource bargains at the national and global levels that connect resource mobilization with the policies needed to implement the 2030 Agenda. Effective participation also requires accountable and responsive decision makers and power holders, as well as transparent institutions, in the public and the private spheres. Both governments and corporations need to be accountable to citizens, and special attention has to be paid to power imbalances that can emerge in hybrid governance arrangements such as PPPs (chapters 2 and 7).

2. An Agenda for Action

This report has presented new evidence in six policy areas that can have powerful impacts for the successful achievement of the 2030 Agenda and the SDGs. The implications for policy in these areas are summarized in table 8.1. These policy implications are based on analysis of recent experiences and innovations; they are starting points for a longer process of understanding and designing further policies and reforms that will be needed to catalyse the eco-social turn. They will need to be adjusted to specific contexts, and translated into local, national, regional and global development strategies through inclusive and transparent public debates that allow for meaningful participation, contestation and bargaining, and through inclusive decision-making processes to manage potential tensions and trade-offs. Once implemented, policies and reforms will need to be evaluated and assessed for their transformative potential: whether they attack the root causes of poverty, inequality and unsustainable practices, and lead to more inclusive, just and sustainable societies. Responsive, independent, interdisciplinary, locally relevant research will be needed across all these areas, in order to ensure that evidence, knowledge and innovative ideas inform the processes of transformative change that will drive progress toward the achievement of the SDGs and the 2030 Agenda.

Table 8.1 **Making policies for transformative change**

Social Policy	Care Policy	Social and Solidarity Economy (SSE)
Foster policy innovation that brings together social justice and environmental protection, and prioritizes them over economic growth	Promote social dialogue between social movements and civil society organizations	Monitor and evaluate government support of SSE to safeguard and expand its transformative potential
Use social policy, legal frameworks, formalization, participatory approaches and sustainable financing to promote universalization	Strengthen institutional coordination between health, education, infrastructure and social protection around care	Create forums that facilitate and institutionalize the participation of SSE actors in decision making
Promote a human rights–based approach to social policy design and implementation	Build a strong gender perspective into the design and implementation of care policies	Support innovative sources of finance for SSE entities
Build empowering and innovative public-private partnerships	Promote decent work for paid care workers	Craft an enabling policy environment for SSE at all levels
Support national social policy through regional and global social policy	Frame care policies in a universal, human rights–based approach to social protection	Expand the understanding of policy coherence to include the (potentially disabling) effects on SSE of macroeconomic, investment, trade and fiscal policies
Design and deliver progressive eco-social policies		

Climate Change	Domestic Resource Mobilization	Governance
Frame climate change as a social and a political issue	Promote transparent, inclusive and accountable resource bargains with strong links to social policy	Improve the horizontal and vertical coherence of the 2030 Agenda
Design integrated policy frameworks that prioritize social and ecological sustainability over economic growth, and promote eco-social policies	Diversify the financing mix for policy measures and prefer instruments that promote the eco-social turn	Reverse the normative hierarchy of international governance to put social and ecological objectives at the top
Redress inequitable distributional impacts related to climate change and the green economy	Build an enabling economic environment and state capacity for resource mobilization	Promote eco-social policies and sustainable economic policies, and rectify climate injustices
Engage affected populations in participatory decision-making processes	Support national bargains with global bargains through better regulation (of illicit financial flows, tax evasion, harmful investments), governance and access to resources (finance, capacity building and information)	Create new and strengthen existing regulatory regimes for multinational corporations and financial institutions
Consider decentralized forms of energy provision centred on renewables, as well as other ways to "get energy provision right"		Develop the institutional capacity to manage and monitor public-private partnerships
Foster an enabling environment for social innovation that integrates ecological and socioeconomic strategies		Create spaces for the meaningful participation of civil society in decision-making processes

Six broad guidelines for action can be distilled from the policy implications shown in table 8.1. This report recommends them (figure 8.1) to national and international policy makers if transformative change is to occur.

Re-embed

markets in social and ecological norms by making policies and building institutions that make the economy work for society and respect planetary boundaries.

Reverse

the existing **normative hierarchy to position social and environmental priorities above economic ones**; design integrated social, environmental and economic policies to maximize synergies and coherence.

Promote

and enable **meaningful political participation and empowerment** through inclusive and transparent political processes, access to information and assets, and governance reforms at the national and international levels.
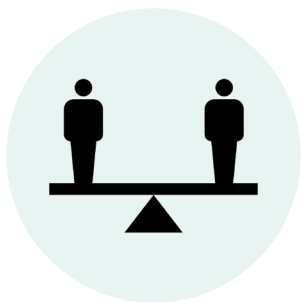
Design

policies and institutional frameworks according to principles of **universalism, human rights and social justice**.

Use

an **eco-social lens** to design measures that reduce resource use, halt environmental destruction and combat climate change.

Invest

in **research** on innovative ways to design, implement and evaluate transformative policies for sustainable development.

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But policy makers and governments, while bearing a key responsibility to drive transformative change, cannot do it alone. The 2030 Agenda is an agenda of, by and for all people explicitly targeted at multiple actors, including the private sector, civil society organizations, social movements and international organizations. These actors need to influence, monitor, evaluate and complement actions taken by policy makers at the national, regional and global levels through:

- incorporating an eco-social rationale in their own decisions and actions;

- holding to account employers, multinational corporations, financial institutions and governments;

- developing their own agency and creative potential to continuously innovate for sustainable development;

- advocating for equal distribution of voice and resources within partnerships; guarding against the skewed distribution of risks, costs and benefits in ways that favour private interests; and actively seeking new and innovative partnership opportunities, many of which may involve communities and citizens; and

- ensuring that vulnerable groups and agents of transformative change can effectively influence decision-making processes.

Working toward the 2030 Agenda is an opportunity for the international community, but also a challenge. Choices about alternative pathways toward transformative change need to be grounded in both solid evidence and the normative values of social and climate justice, equity and inclusion. All participating actors have to walk their talk in terms of the commitments they have made, and translate visions into visible and measurable changes. This will require redressing power asymmetries and inequalities; promoting political participation and agency; altering international power relations and global governance institutions; empowering small enterprises, rural producers, informal workers and, notably, SSE entities; and reversing the hierarchies of norms and values that subordinate social and environmental goals to economic objectives.