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The Big Reset: Learning from COVID-19 to fast-track the SDGs

Parliamentary Forum at the United Nations High-level Political Forum on sustainable development (HLPF)

Wednesday, 15 July 2020
9–10.30 a.m. (New York)
English, French and Spanish interpretation
Online registration (details provided to IPU members)

The novel coronavirus (COVID-19) pandemic has exacted an enormous human toll while leading the world into the worst economic recession in living memory.

Without strong countervailing measures, the number of people living in extreme poverty is estimated to increase up to 130–160 million this year, with vulnerable groups such as women and informal sector workers disproportionately affected. In a world where half of the population subsists on less than US\$ 5.50 a day, and most of the wealth belongs to a small minority, income and wealth inequalities are set to become more acute. The global economy is projected to shrink by 5 per cent this year. The equivalent of 305 million jobs have already been lost while public and private debt levels are rising by the trillions of dollars. Export earnings have collapsed due to lower demand and the disruption of global supply chains, and foreign direct investments are on a steep decline. Developing countries are at growing risk of debt default as their debt servicing charges become unsustainable.

Following decades of underfinancing of health-care systems and social safety nets, energy and transport infrastructure, as well as public goods like education and environmental protection, in most countries, COVID-19 is a stark reminder of the centrality of government when it comes to protecting the well-being of people, beginning with women and youth and other vulnerable groups.

More fundamentally, the lockdowns that were required in response to COVID-19 show how *people*, as opposed to markets, stock exchanges, financial institutions and the like, are the real engine of any economy. The rapid succession of viral outbreaks over the past couple of decades that has now culminated with COVID-19 can be attributed in large measure to

environmental degradation linked to human activity, showing most dramatically how no economy is sustainable when it undermines its own foundations in the natural world.

Even before the COVID-19 outbreak, the implementation of the Sustainable Development Goals (SDGs) that governments committed to achieve by 2030 was substantially lagging. Progress toward the SDGs was uneven and fragile, with the rate of poverty reduction slowing down, more people going hungry, climate change worsening, entire ecosystems nearly imploding, and income and wealth inequalities widening further. The economic recession engendered by COVID-19 will likely result in a further setback toward the 2030 deadline. COVID-19 has highlighted pre-existing vulnerabilities in the economic and financial architecture and made the question of financing the SDGs more urgent than ever.

Can the crisis brought on by COVID-19 be turned into an opportunity for a major reset – in both thinking and action – for the remaining ten years of the SDGs? What does COVID-19 tell us about the need for institutional reforms nationally and globally?

Clearly, the economic response to COVID-19 needs to go beyond mere stopgap solutions to protect livelihoods and address the underlying causes of the SDGs' mixed record to date. What is needed most urgently is a more people-centred economy that is truly in harmony with nature. From this deeper, long-term perspective, a number of issues may be identified, including, at a minimum: an overly financialized global economy rewarding speculation and value *extraction* more than value *creation*; excessive economic and financial interdependence that increases vulnerability to crisis; a fiscal and regulatory regime that rewards capital more than labour, and that remains ineffective against large-scale tax evasion and avoidance; a growing concentration of industry in powerful conglomerates that can overcome small and medium enterprises and the local communities on which they depend; a hyper-competitive trade and investment regime that drives down wages as well as labour and environmental standards, while keeping developing countries dependent on low-value-added commodities and resource extraction; systemic discrimination against women whose work and entrepreneurial potential remain undervalued at great cost to them and to society as a whole; the advent of new technologies and their potential negative impacts on employment creation as well as conditions of work; economic policies centred on GDP as opposed to more meaningful indicators of human well-being; and unsustainable production and consumption patterns that keep enlarging humanity's ecological footprint.

Against this backdrop, the Parliamentary Forum will focus on the role of parliaments and parliamentarians in forging consensus around key reforms to put the SDGs back on track:

- How can much-needed resources for universal health care, social protections, and environmental preservation be mobilized and scaled up?
- How can we transition toward a green economy to better reconcile economic progress with environmental sustainability?
- What would be the main elements of a Green New Deal, as some have proposed?
- What measure of income and wealth redistribution is needed to make economies more sustainable and improve well-being for all?
- How should finance be regulated nationally and globally so that it better serves the needs of the real economy?
- What reforms of the trade and investment regime are most urgently needed to fix some of the structural imbalances in the global economy?

Opening remarks

Ms. Gabriela Cuevas Barron, President of the IPU

Moderator

Senator Juan Carlos Romero, President of the IPU Standing Committee on United Nations Affairs

Presentations

- Dr. Mukhisa Kituyi, Secretary-General of UNCTAD
- Dr. Kate Roll, Institute for Innovation and Public Purpose, University College London
- Ms. Nyaradzayi Gumbonzvanda, Board Chair, ActionAid International and Chief Executive, Rosaria Memorial Trust
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- Mr. Lorenzo Fioramonti, MP, Chamber of Deputies of Italy, and Professor of Political Economy, University of Pretoria
- Ms. Wafa Bani Mustafa, MP, Vice-President, IPU Standing Committee on Sustainable Development

After presentations, participants can request to speak or submit questions live via the event chat. To facilitate interaction with the panel, questions will be considered by clusters of five or six at a time until the closing of the session when the main takeaways from the discussion will be highlighted.

For more information, please write to ny-office@ipu.org