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Panel discussion

Forging inclusive and sustainable economies that deliver well-being and justice for all

Thursday, 20 August 2020, 3.25–4.10 p.m.

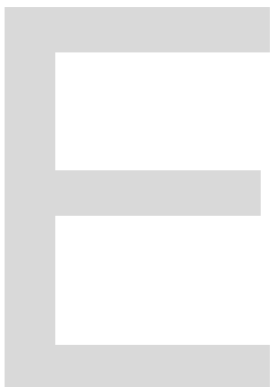
Concept note

*“The world has enough for everyone's need,
but not enough for everyone's greed.”*
Mahatma Gandhi

It is a seminal axiom that the world is currently battling unprecedented socioeconomic inequalities, pandemics, poverty, the decimation of the environment and a prolific but despondent youthful population. The 2030 Sustainable Development Goals were crafted to respond positively to these challenges. But their expeditious implementation and attainment have become elusive. This debate on inclusive economies, justice and well-being is a clarion call for everyone, particularly parliaments, to become champions of economic change and endeavour to achieve inclusive, sustainable and just economies for all.

Globally, there is no shortage of the resources needed for everyone to enjoy a decent life. Befittingly, Mahatma Gandhi rightfully noted that **“the world has enough for everyone's need, but not enough for everyone's greed”**. Nonetheless, basic conditions for well-being appear unattainable to the vast majority of the world's people, who have been trapped in an economic system geared more for growth, profit-making and competition rather than for what matters most – happiness, the satisfaction of human needs, and solidarity among people. Society is crumbling, the climate is changing, ecosystems are collapsing, resources are depleting, the COVID-19 pandemic has torpedied health systems, and civilization is clearly regressing toward a primordial state guided by the principles of natural selection, whereby individuals with certain traits are better able to survive.

Inequality and exclusion are in fact the leitmotif of our age. A tiny minority holds the same wealth as the poorest 3.6 billion people. Multidimensional poverty – the lack of proper health care, education, nutrition, sanitation and housing, among other hardships – affects 1.3 billion people, and half of the world's population earns less than US\$ 5.5 per day. About 20 per cent of the world's population, mostly in high-income countries, consume 75 per cent of the world's resources.



The COVID-19 pandemic brings with it one of the greatest global economic crises of our time. All over the world, companies across all sectors are suffering severe losses, while the International Labour Organization estimates that the equivalent of 300 million jobs may have been lost as a result of the pandemic.

Because of legalized discrimination, women are paid less than men for the same work, have limited access to economic opportunities and financing, and perform most of the unpaid domestic work.

Inequality in the world of work is driven further by weak worker protections, weaker unions, lower effective wages, and overly flexible labour market policies, as well as the rise of the gig economy associated with labour-saving new technologies.

Given these new realities, it will now be up to parliaments and governments to ensure that the rebuilding of the economy happens in a socially equitable and sustainable way. Otherwise, inequality will remain on the rise, and we will move even further away from the goal of inclusive and sustainable economies that deliver well-being and justice for all.

In addition, the vast majority of the world's population that is excluded from the benefits of new technologies is living in poor and developing countries which have not enjoyed the gains of the Fourth Industrial Revolution. The internet as a tool can help to democratize information and enable access to opportunities. However, the benefits of new technologies often accrue disproportionately to a minority of knowledge workers and capital owners. If these technologies are not equally accessible throughout the planet, they perpetuate inequalities.

Other imbalances that impact well-being and justice for all include:

- Limited access to social services, safety nets and public infrastructure in many countries
- A dysfunctional global trade and financial regime that remains fundamentally unfair to developing countries, including by perpetuating their dependence on low value-added commodity exports and by making it difficult for them to acquire their own industrial capacities
- Unequal access to science, technology, engineering and mathematics (STEM) education
- Inadequate infrastructure such as electricity to support industrialization in developing countries
- A food production and distribution system that favours large agribusiness and promotes high-input expensive farming methods at the expense of small plot, locally owned organic farming

While most policymakers agree with the need to address at least some of these issues as a matter of social justice and economic sustainability, opinions are divided when it comes to deciding which solutions are most appropriate. Underlying all such solutions is the traditional two-pronged approach of stimulating growth as a necessary condition to expand the economic pie together with proactive distribution policies to ensure that all sectors of society, including workers and the most vulnerable, enjoy the benefits of economic growth.

However, betting on growth to reduce inequality and improve well-being is not likely to succeed for two reasons. First, significantly higher levels of global growth are unlikely to materialize due to a host of structural constraints, including declining labour productivity despite new technological improvements, unsustainable debt levels, and saturated consumer markets (in developed countries), prompting talk, among some economists, of "secular stagnation". It should be noted that this was already happening before the dramatic economic consequences resulting from the COVID-19 pandemic materialized, casting further doubt on the prospect of sustained economic growth in the near future.

Second, while jobs and incomes are needed to sustain livelihoods, more growth is actually counterproductive from an environmental and well-being standpoint. Evidence shows that beyond a certain level of income and consumption that everyone needs, additional economic growth does not lead to enhanced well-being. Despite various attempts at green economic growth, the global ecological footprint continues to deteriorate as the global economy consumes more resources than are available or can be regenerated within their natural lifecycle. At the current rate of growth – which was already relatively low before COVID-19 – it would take at least the equivalent of four planets in a few decades to supply the entire world's population with the same energy- and resource-intensive consumer lifestyle that is prevalent in the developed world today.

For all these reasons, forging inclusive and sustainable economies that deliver well-being and justice for all requires searching for novel solutions and possibly designing a new economic model altogether. Policy prescriptions intended to address the various imbalances that exist in today's economy need to be framed within a more people-centred economic paradigm.

Part of this paradigm includes green economy models such as the circular economy, the sharing economy and the solidarity economy, inclusive business models that give workers, consumers and communities a greater voice in production decisions and local environmental management, greater investment in public goods such as education, health care and infrastructure, proactive support of local production and of small and medium enterprises, and new environmental and well-being accounting to complement and eventually replace GDP as the leading indicator of progress.

Guiding questions:

Bearing in mind the unique role of parliaments as deliberative bodies in which all people, including the most vulnerable, need to be represented, the panel will explore the following questions:

- What steps can parliaments make towards a new economy for human well-being that is also feasible given the finite resources of the planet?
- How can parliaments ensure that measures to rebuild the economy after the coronavirus crisis are equitable and sustainable from an economic and environmental standpoint?
- How can parliaments guarantee inclusion and well-being of young people in economic development?
- How can parliaments support governments to ensure sustainability of businesses and jobs after the economic crisis resulting from the coronavirus pandemic?
- According to the International Labour Organization, approximately 1.6 billion workers in the informal economy have been significantly affected by lockdown measures. What would you recommend to governments in developing countries to protect them?
- What actions should be taken by governments in order to ensure a transition from the informal to the formal economy?
- What indicators other than GDP could we use to measure well-being of societies?
- How can the new technologies of the Fourth Industrial Revolution and related production methods contribute to making economies more inclusive and sustainable?
- How can people's participation and democracy help support inclusive economies and what could be the role of parliaments in this?