### **ISSUE BRIEF**

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**United Nations Development Programme** 

**POVERTY REDUCTION** 

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# IF IT'S NOT ABOUT SOCIAL DEVELOPMENT, IT'S NOT SUSTAINABLE

Economic development is supported by the individual pursuit of self-interest, the power of multinational corporations, and the resources of institutions like the International Monetary Fund, the World Bank, and the World Trade Organization. While nowhere near as well supported, the global ecological dimensions of sustainable development benefit from the engagement of the <u>United Nations Environmental Programme</u>, as well as from UNDP and other implementing agencies of the <u>Global Environmental Facility</u>. In preparation for Rio+20, governments, civil society, and others are debating whether strengthening UNEP will be sufficient to better address the environmental strand—or whether the creation of a more robust global environmental agency is needed.

By contrast, the social strand of sustainable development sometimes appears to be the unwanted stepchild of global governance discourse. There is no world social organization; nor is such under discussion. Global social development responsibilities are divided across many UN (e.g., UNICEF, ILO, UNESCO, UN Women, ECOSOC—and UNDP) and other bodies, with overlapping mandates and imperfect coordination mechanisms.

Weak emphases on social development are also reflected in the silo/stovepipe nature of social protection systems in many countries. Social insurance programmes (pensions, health insurance) are typically separated from social assistance programmes (cash transfers to individuals in poverty), which in turn are divided from the provision of social (education, health, public safety) or basic services (subsidies to extend energy, water and sanitation networks), transport infrastructure projects, and active labour market programmes, as well as environmental protection and disaster risk reduction activities.

### Social development matters

Undervaluing the social dimensions of sustainable development can be most unfortunate, in two respects. First, this may reflect an underestimation of the innate importance of social equality, justice, inclusion—values that have been drivers of human progress, and over which revolutions have been fought. There is <u>compelling evidence</u> that more equal

## The UN Social Protection Floor initiative: Towards more comprehensive social protection

Social protection in its traditional form—social insurance plus social protection, separated from the provision of social and basic services, and from labour market regulation, disaster risk response, and climate policies—is increasingly seen as too narrow to respond to the world's emerging social development challenges. The **UN Social Protection Floor** initiative offers a conceptual and programmatic framework for a broader approach to social protection. It calls *inter alia* for the integration of social insurance and social assistance activities with:

- social service provision, that are targeted at poor, vulnerable households;
- improving access to basic energy, water, sanitation, and other basic and social services;
- food security programming and policies; and
- <u>adaptive social protection</u> measures to build resilience in poor and vulnerable households to weather-related and other shocks, such as expanded crop insurance for vulnerable farm households post-crisis reconstruction activities ('building back better').

societies do better than less equal societies at similar levels of economic development, over a wide variety of social indicators. Second, policies and programming that are intended to improve economic and environmental sustainability—such as raising energy prices—can easily run afoul of social concerns, when these are neglected. This has been demonstrated most recently (2012) in Nigeria, when social protests forced the cancellation of fuel price increases. Likewise, attempts in Kyrgyzstan to combine sharply higher energy prices with increased social assistance for vulnerable households in 2010 misfired badly, leading to a popular revolt that unseated a president and helped precipitate clashes between ethnic Kyrgyz and Uzbeks. Policies seek to improve economic and environmental sustainability while ignoring the relevant social dimensions are themselves often unsustainable.

### Transitions to sustainable development require more effective social protection

If developed countries (as many have pledged to do) dramatically reduce per-capita greenhouse gas emissions and adopt sustainable production and consumption patterns, new, possibly difficult, social challenges could appear. These could include higher unemployment in carbon-intensive sectors, and in regions whose economic livelihoods are based on these sectors. In developing countries, residents of low-lying coastal and drought- and flood-prone areas are already facing growing climate-related risks. Traditional policy and programming instruments—social protection, disaster/emergency response, regional development—and their associated siloed/stovepipe institutional frameworks may not meet these challenges.

#### New approaches from the 'south'

Many developing countries during the past two decades have benefitted from important social policy innovations. Combined with high economic growth rates, these innovations have helped reduce poverty—particularly in Latin America, where declines in income inequalities have magnified the povertyreducing impact of growth. Governments (often with donor support) are increasingly blending social protection with programming for food security, employment generation, disaster risk reduction, environmental protection, and the extension of basic services. Integrated approaches to aligning socio-economic development with environmental sustainability and disaster risk management are being adopted.

Other elements of more holistic approaches to social protection can take the form of:

- Expanded use of 'bloc' or 'lifeline' tariffs for energy, water, and other basic services, whereby tariffs for minimal consumption levels are set very low levels (or zero)—but rise thereafter. Where grid connection rates are high, such approaches can afford poor households better access to these services while still ensuring the financial sustainability of service providers;
- Reductions in (or increased subsidization of) fees for low-income households (e.g., in rural or informal settlements) to connect to energy and communal service infrastructure;
- Aligning public procurement expenditures (which comprise 10-20% of GDP in most developing countries) with sustainable production and consumption criteria, to provide new income- and employment-generation opportunities for vulnerable households; and
- Increased investment in training and education in green business skills and sustainable livelihood options, particularly for low-income households.

In these approaches, social protection is not treated as a standalone activity; programming silos and institutional stovepipes are being broken. Rather than being viewed as efforts to protect levels of social welfare and development that have already been attained, social protection is helping to

#### New approaches in developing countries

- South Africa's 'Working for Water' programme employs 20,000 persons per annum to remove water-intensive alien tree and plant species from local habitats. Since its inception in 1995, 'Working for Water' has cleared more than one million hectares of alien plant species, releasing 50 million cubic meters of additional water per annum. Much of this water was used for irrigated agriculture, reducing local food insecurity. Many of the programme's beneficiaries come from marginalized groups: it seeks to ensure that 60 percent of its staff are women, 20 percent are youth, and 5 percent are living with disabilities.
- Ethiopia's **Productive Safety Net** programme has reaches over 8 million beneficiaries in 300 foodinsecure districts, providing cash and predictable food supplies in return for participation in public works in such areas as environmental conservation, water source protection, and terracing. A recent government assessment found that, in addition to producing significant increases in forest and herbaceous vegetation cover, this programme increased caloric acquisition by 19 percent among recipient households. Livestock holdings among programme beneficiaries grew 28 percent faster than among nonbeneficiaries; and nearly half of beneficiaries reported a greater use of health facilities.
- The 106,000 small hydropower stations installed under Sri Lanka's Renewable Energy for Rural Economic **Development** programme created some 477,000 person-days of employment. Each mini-hydro facility constructed under this programme employed 8-11 local people during construction (lasting up to 18 months), providing 3,600 to 4,950 person-days of local employment. It also employed three to four people for maintenance, generating another 90 to 120 person-days of employment per month. Combined with the income-generating effects of rural electrification, this employment creation played important roles in reducing rural poverty levels, while also promoting environmentally sustainable solutions to national and community energy security challenges.
- Brazil's <u>Bolsa Verde</u> programme provides payments for ecosystem services to low-income participants in the <u>Bolsa Familia</u> programme who live or work in national forests, or other areas designated for sustainable extractive and land reform activities.

drive development itself. These approaches offer new answers to questions of 'how to do social development', and how to integrate it with the economic and environmental dimensions of sustainable development.

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