The implications of the UN 2030 Sustainable Development Agenda for the OECD

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OECD countries need to cope better, in terms of household well-being, income equality, and environmental damage, in response to external shocks and risks around migration, financial markets, climate, disease, security, to name a few. The UN’s 2030 Agenda would want the OECD to contribute to global partnerships to address these issues. In addition, the OECD should continue its historical way of dealing with the developing world through the OECD Development Assistance Committee (DAC) and facilitate the developing world to come to terms with this agenda.

But in addition to supporting the implementation in non-OECD countries, this universal agenda puts pressure on the OECD to take part in global partnerships to address global issues and implement the agenda within the nation states of the OECD themselves. The OECD will need to think about how to finance and allocate resources and capacity across these three horizontal segments of the UN 2030 Agenda.

The agenda gives the responsibility for implementing this agenda to every person, whether in a household, or in a company, or in a government, or in any sphere of life. Multi-stakeholder partnerships got the mandate to implement this agenda, and OECD policy making can only truly engage such partnerships if they are formally part of setting the policy agenda.

Economics, society and the environment are largely dealt with as horizontal issues by policy makers at all levels. The UN 2030 Agenda makes them vertical. The OECD has a great tradition producing reports that link product and labour markets, economic and social issues. How do we bring the three pillars of sustainable development together? How do we integrate equity, efficiency and suitability issues in to all OECD policies? The first challenge is to ensure the economics, social and environmental departments work vertically on policy analysis. This will require institutional reform and an upskilling of researchers, the resourcing of data and technical capacities to integrate economics, social and environmental pillars into their policy formation and advice. Economic policy with a focus on economic growth will have to bring in sustainability and equity issues. Walsh (2015) illustrates how industrial policies can be designed to build in social and sustainable...
issues. OECD countries attract multinationals by allowing access to markets, and must ask in return that multinationals show us how inclusive they are from a societal point of view, not just locally, but also globally, and also that they are not causing undue damages to the environment locally and globally.

Economists in economic planning and finance need to build in social and environmental targets into their economic planning. The problem is, even if we had inclusive and sustainable industrial policies and technologies, can the economies really grow 4% to 5% a year? The targets for economic growth are there in the goals for the developed and developing world. But economic growth is already stretching planetary boundaries. It may happen that OECD members might have to ensure that sustainability is put first, and then allow social and economic transformations and development to work within planetary boundaries. That is going to be politically very difficult. But on the other hand, if you want to avoid the worst effects of climate change we may have to do this. This is why the OECD has to mainstream social and environmental issues into government planning and financing.

Going a little deeper, what does this mean for our statistical offices and the data we use? Policy makers will need integrated data on companies, households, and on natural capital and environmental damage. Even though there is a lot of micro data out there, the data sets are not interoperable for use in policy making. If we were truly designing economic policy in a particular region, we need to know the benefit to the society and environment. If we don’t have the data, which would incorporate data on water, land use, energy, climate, we cannot study how that interplays with productivity, or the interplay with social issues. Lots of companies have data for what they do, from an efficiency point of view. But the government tends not to have linked social and environmental data to create policies that create the future we want. And as good as the OECD datasets are, they are not linked up to support truly integrated approaches to sustainable development.

While the 17 SDGs and 169 targets are for every country, the agenda is quite prescriptive at the global level but is rather open and flexible at the regional and national level. Obviously, this has risks.
For example, African countries can decide to target SDGs 8 and 9, which are mainly economic in nature and forgot about social and environmental development. But in reality, it is clear that you can design your own agenda, in line with the spirit of the agenda, to achieve as many goals as you can, but it has to be relevant to the country and region.

The Agenda can be led by OECD member states and could take a formal legal approach, where governments would implement their actions and plans and legislate, enforce and make all accountable by law. This top-down approach would need serious buy-in by bureaucratic, parliamentary and judicial systems. The data, knowledge and regulatory ability would be high. Yet, member states and partnerships should be encouraged to implement the Agenda in their own way. For example, different countries have different labour market institutions. Some countries can target equity issues using smart labour market policies and progressive tax systems.

Europe might have a tradition of big state, and we might favour top-down government policies. But in other countries, where the state is not as legitimate and powerful, maybe this type of policy is not the way forward. Financial markets, companies, NGOs, civil organisations can be encouraged to change their governance structure and policies to help a bottom-up movement which is enabled by global government and global institution.

The OECD may have a history of government-led policies, implemented by government, reviewed by government, but why not be an enabler and see how you can incentivise and enable companies, households, NGOs and other stakeholders to be part of this agenda, to reward them, underwrite them? Like the UN Agenda, the plan should be that the OECD enables 24/7 participation and innovation by partnerships at local, national, regional and global levels in Sustainable Development.
Useful links


UN Sustainable Development Knowledge Platform: https://sustainabledevelopment.un.org
