

# **A policy pathfinder for the Sustainable Development Goals**

*by*

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At one time, I might have said that sustainable development is in the OECD's blood, but biological metaphors have made enormous progress over the past few years and now I'd say it's in the Organisation's DNA. The OECD Convention, signed in December 1960, talks about the signatory countries' determination to: "promote the highest sustainable growth of their economies and improve the economic and social well-being of their peoples". This commitment has been reaffirmed regularly, in 2013, for example, when the strategic role of the OECD was defined as helping to achieve a resilient economy, inclusive society, and sustainable environment.

How to relate economic growth to the other goals is more than an analytical question, since it lays bare the burning political issues of the day: threats to the biosphere; growing inequality leading to a threat to democracy; and a new technological revolution. Above all, there is a loss of trust in the capacity of governments across the world to advance towards obviously desirable goals.

None of these issues can be tackled in isolation, but the economic, social, and environmental systems have different logics, so systems analysis is back in vogue. Trade-offs and synergies can be demonstrated by analysis, but politicians have to arbitrate between different goals. The disaggregation of policy frameworks is part of that movement, which has several thrusts: the importance of relating a reduced range of indicators to the political goals of individual countries; "around the table" discussions in the country review process to nail down the real policy options; the preponderant role of metropolitan areas in growth; and the fact that national strategies may simply not work at the regional level.

Can the economic, social and environmental systems be reformed to take account of this more complex and more realistic view of what makes human beings tick? Can rational self-interest be balanced by altruism, power by individual autonomy, greed by solidarity? These questions take the OECD growth paradigm to, and perhaps beyond, its limits. They challenge the behavioural assumptions about economic man and woman on which the dominant macroeconomic theory is built. On the theoretical side, behavioural economics is beginning to provide new insights concerning individual and collective rationality. On the policy side,

alternative concepts such as the collaborative economy are coming under debate.

The long OECD quest for fair (income distribution) and open (equality of opportunity) societies is now faced by a new challenge: how to inter-relate the two. OECD analyses have shown that income disparities are widening and that the meritocratic social ladder is blocked. But there is no clear strategy for the redistribution of opportunities, involving both education and the labour market. The redistribution of life-long learning opportunities could be an answer, since it would help individuals to renew their human capital at several points in the life-cycle.

Behind this lurks the most serious threat to inclusive society – profound inter-generational inequalities. When I asked the OECD’s New Approaches to Economic Challenges (NAEC) Seminar on the New Growth Narrative if inclusive growth includes the non-active population, the affirmative “yes” in reply puzzled me, since I had the opposite impression. Obviously, inclusive growth includes the non-active population insofar as household income and health care are concerned, but the problem of social exclusion involves the redistribution of opportunities as well as incomes. Hence the recent creation of the OECD Centre for Opportunity and Equality (COPE).

As is the case of the feminist movement, the status of youth in society is more than an economic issue. As stated in the OECD/EU Youth Inclusion Project of the Development Centre: “young people are agents of change. They live in a fast-growing world and have heightened expectations”. The costs of blocking youth from accession to adulthood, as citizens as well as workers, will be very high. The response lies in “A Society Fit for Future Generations”, a question already raised in the OECD Global Strategy Group. The future is now and it has to be invented, so say the strategic foresighters. Yes, but it has to be built on the foundations of the past.

I am struck by the reality that the past and the future are colliding. Both growth and de-growth are in the nature of things: the seed in the pod flowers, dies and is reborn. What humankind has added is the idea of progress: the act of moving forward towards chosen goals.

But the relationship between collective goals and individual autonomy is the central problem of democracy, and it pervades contemporary philosophical, political and economic debate. Human rights, empowerment, and universal human needs are embedded in the UN's Sustainable Development Goals (SDGs) and the OECD's "Better Lives" approach. How can this reality find expression in the efforts of OECD and other countries to chart their future?

The systemic interdependencies between the economy, society and nature cannot in all circumstances be handled by market solutions. A new humanism, centred on fundamental human needs rather than runaway consumerism, is needed to combat the threat of transhumanism. Innovative creativity across the policy arena, piloted by strategic foresight and with human progress as its goal, is the order of the day.

The goal of reconciling nature, the economy and society requires a world view. In the absence of a world government, a sort of coalition of multinational agencies, serving the political leadership in the UN, G20, G7 frameworks, is emerging. There are many examples of OECD bilateral co-operation with other international agencies such as the WTO, ILO, and UNESCO, but the most striking phenomenon is a common effort to achieve the SDGs.

In this "coalition" of international agencies, the OECD role is that of policy pathfinder and standard setter, based on soft-power, rather than legal or financial power as is the case of the IMF, ILO and WTO. Professionalism, political neutrality, and intellectual independence are essential for that role to be exercised and accepted.

## Useful links

Original article: Gass, R. (19 April 2016), "A Policy Pathfinder for the Sustainable Development Goals", OECD Insights blog, <http://wp.me/p2v6oD-2sI>.

OECD work on the Sustainable Development Goals:  
[www.oecd.org/dac/sustainable-development-goals.htm](http://www.oecd.org/dac/sustainable-development-goals.htm)



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