Policy Innovations *for* Transformative Change

Implementing the 2030 Agenda for Sustainable Development

UNRISD
United Nations Research Institute for Social Development

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Implementing the 2030 Agenda for Sustainable Development

United Nations Research Institute for Social Development

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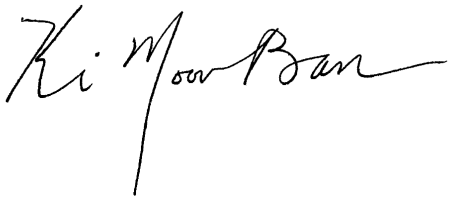
FOREWORD TO THE REPORT

Societies across the world are facing many complex and interwoven challenges—poverty, inequality, environmental degradation, demographic change, discrimination and violence—that threaten our efforts to enable people everywhere to live a peaceful, decent and dignified life on a healthy planet.

The 2030 Agenda for Sustainable Development is our shared plan to build that future. This report by the United Nations Research Institute for Social Development, *Policy Innovations for Transformative Change,* offers critical guidance on how countries can turn the aspirations of the 2030 Agenda into reality. It highlights the importance of addressing the root causes of problems, and of rebalancing the social, environmental and economic dimensions of sustainable development.

It shows how some governments—many of them in the Global South—are leading the way through inclusive political processes, new partnerships and new ways of approaching governance. The report also points to the critical role of civil society and movements in holding governments to account, as well as new forms of business that are explicitly incorporating social and environmental objectives.

We have much to learn in the years until 2030 about how to make this transformative change happen. Research by organizations like UNRISD will continue to play an important role in understanding the underlying processes and drivers of change, and in helping countries to learn from each other. At a time when resources are being stretched thinly across many challenges, it is crucial to maintain funding for research. We have a few short years to get things right. I commend the findings of this report to a wide global audience as we strive together to fulfil our promise to leave no one behind.



Ban Ki-moon
Secretary-General of the United Nations
October 2016

This beautification project in Pachuca, Mexico, was also a tool of social transformation that decreased violence and created jobs.

Implementing the 2030 Agenda for Sustainable Development

World leaders have committed to transform our world and to leave no one behind in the quest for sustainable development. What needs to happen now to enable the 2030 Agenda for Sustainable Development to deliver on its transformative promise? Which policies and practices will lead to social, economic and ecological justice?

Research presented in the UNRISD 2016 Flagship Report, *Policy Innovations for Transformative Change*, shows that:

- breaking the vicious circle that produces poverty, inequality and environmental destruction requires transformative change that directly attacks the root causes of these problems instead of the symptoms;
- transformative change can be driven by innovative policies that overcome palliative and "silo" approaches, and promote an "eco-social" turn in development thinking and practice;
- innovative policies, which are informed by solid evidence and grounded in normative values such as social justice and sustainability, need to be forged through inclusive political processes, new forms of partnership, multilevel governance reforms and increased state capacity.

Understanding *Transformation* for Sustainable Development

In September 2015, the international community agreed on the 2030 Agenda for Sustainable Development that will guide development policy and practice at national, regional and global levels for the coming 15 years. The Sustainable Development Goals (SDGs) follow the Millennium Development Goals (MDGs), which successfully mobilized efforts around poverty reduction and social development, but also had shortcomings and gaps.[1] Overcoming these by forging a universal agenda that will "leave no one behind" is the ambition of the 2015 agreement and the SDGs. The more inclusive process of formulating and negotiating the goals not only resulted in a more comprehensive development vision, but also laid the foundation for more inclusive implementation and monitoring processes.

"Transforming our world", as the 2030 Agenda is titled, is a far more challenging task than business as usual and goes well beyond the narrower focus of the MDGs. Transformation requires attacking the root causes that generate and reproduce economic, social, political and environmental problems and inequities, not merely their symptoms.

The transformative 2030 Agenda is to be welcomed. Instead of segregated policies in separate domains, it could lead to policy integration and usher in an "eco-social" turn—a normative and policy shift toward greater consideration of ecological and social objectives in development strategies—that delivers genuinely transformative results in terms of human well-being and rights-based, inclusive development.[2] Indeed, it is the vision of doing things differently to achieve radically different outcomes, rather than doing more of the same, that inspires hope for breaking the vicious circle of poverty, inequality and environmental destruction confronting people and the planet.

So what needs to happen now to enable the 2030 Agenda to deliver on its transformative promise? Which policies would lead to social, economic and ecological justice? In this report, UNRISD contributes answers to these questions by:

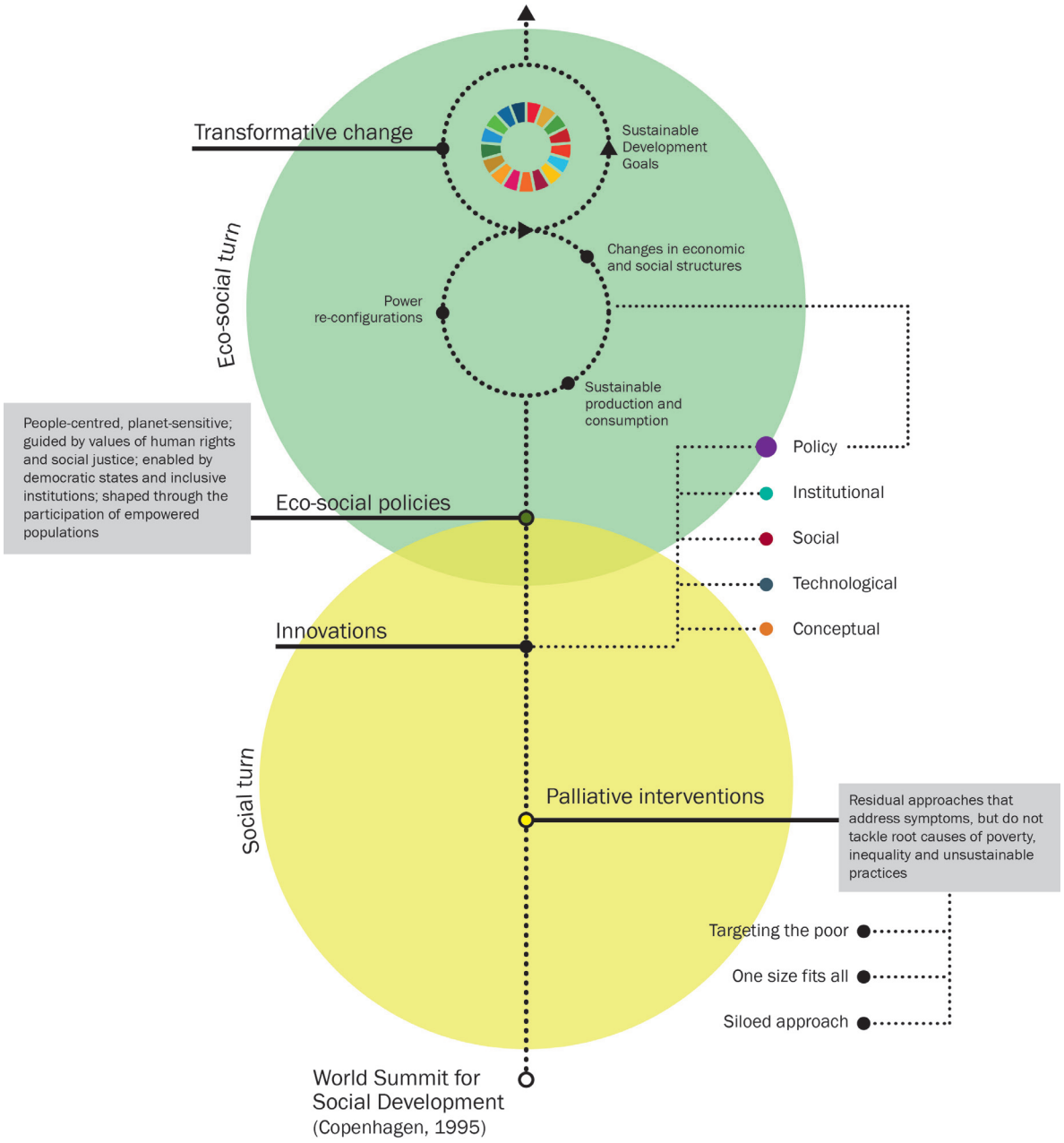
- unpacking the concept of "transformation" to which governments have committed themselves, using the term *transformative change* to designate the qualitative changes in different policy domains that are necessary to achieve the SDGs; and
- presenting integrated policy and institutional reforms and *innovations,* as well as the conditions for their implementation, with the potential to foster transformative change leading to sustainable development.

Defining transformative change

From the perspective of development and social justice, the key question is how to catalyse processes of change that result in transformation. While the terms transformative, transformational or transformation are now being used widely in development discourse, their meaning is often vague, referring to desirable outcomes such as inclusion and sustainability. In contrast, this report is specific about the processes of change needed in society and the economy to achieve greater equality, sustainability and empowerment.

Transformative change, as defined in this report, involves changes in all three dimensions of the 2030 Agenda for Sustainable Development: economic, environmental and social. It requires changes in economic structures to promote employment-intensive growth patterns that ensure macroeconomic stability and policy space. In order to make this economic change environmentally sustainable, profound changes are required in production and consumption patterns and energy use through legislation, regulation and public policies. But most importantly, it requires changes in social structures and relations, including addressing the growing economic and political power of elites and patterns of stratification related to class, gender, ethnicity, religion or location that can lock people (including future generations) into disadvantage and constrain their choices and agency. It also means changing

Figure 0.1. **Understanding transformative change**



norms and institutions, both formal and informal, that shape the behaviour of people and organizations in the social, economic, environmental and political spheres.

Transformative change understood in this way is a long-term process, requiring both individual agency and collective action by societies. Its means, and its results, include visible and measurable economic and political empowerment of disadvantaged and vulnerable groups; greater gender equality in all spheres; more equal redistribution of income and wealth; active citizenship with greater agency of civil society organizations and social movements; changes in North-South power relations and global governance institutions; empowerment of small enterprises, rural producers and informal workers; and a reversal of the hierarchies of norms and values that subordinate social and environmental goals to economic objectives.

It is clear that transformative change involves multiple actors, and transparent and democratic political processes involving all those actors are also part of the "transformation we want".

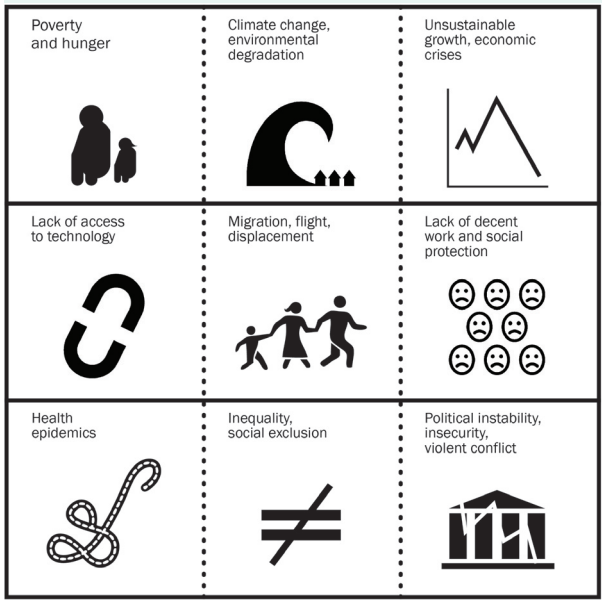
The context

The emphasis of the SDGs on multiple, interrelated and indivisible objectives requires integrated policy frameworks for implementation. This holistic vision resonates with UNRISD's approach to social development, which has long emphasized the integration of economic and social policy while enhancing environmental sustainability, human rights and gender equality.[3]

The multiple objectives to be fulfilled through the 2030 Agenda speak directly to the global challenges of our time: poverty and hunger; climate change; unsustainable growth and economic crises; migration, flight and displacement; health epidemics; inequality; social exclusion; lack of decent work and social protection; as well as political instability, insecurity and violent conflicts (figure O.2).

There are also opportunities emerging in the current context that could impact positively on transformative change. One is to seize the momentum of the 2030 Agenda to raise awareness and forge the alliances that will be needed to drive implementation at the national, regional and global levels. Others arise from the wider range of global initiatives and partnerships that aim to support progressive change at the national level, from the recommendation on National Social Protection Floors to the Paris Agreement on Climate Change.

Figure O.2. **Global challenges of our time**



What UNRISD research demonstrates

Innovations happening in many different areas reflect a shared interest in providing solutions to the complex and interrelated problems that countries are facing (box O.1). But policy, institutional, social, technological and conceptual innovations need to fulfil certain conditions if they are to promote transformative change in a positive and progressive sense.

In this report, UNRISD takes a careful look at some key areas of innovation and reform, examining the evidence of what is working for transformative change in specific contexts, in developing countries in particular, and identifying challenges and potential contradictions. The report analyses which policies and approaches are likely to contribute to the achievement of the SDGs, and explores ways to foster the policy coherence, and democratic and participatory policy processes and institutions, that will be required to do so.

The report covers:

- recent innovations that can be harnessed to realize the 2030 Agenda;
- whether innovations are conducive to truly transformative change; and
- the necessary conditions for transformative innovations to succeed.

This report consists of eight chapters.[4] Chapter 1 sets out a framework for understanding transformative change, and identifies opportunities and challenges for implementing the 2030 Agenda in the current global context. The report then analyses the transformative potential of reforms and innovations in six key areas with relevance across multiple SDGs, and where UNRISD has a rich evidence base to draw upon from its research in recent years: social policy, care policies, social and solidarity economy, climate change and sustainability, domestic resource mobilization, and governance and politics (figure O.3). Chapter 8 brings together the main findings from the six key areas to outline pathways toward transformative change for sustainable development.

Note: Icons for Lack of technology, Migration, and Health epidemics were designed by Iconoci, Gerald Wildmoser and Rohit Arun Rao respectively, and are licensed under Creative Commons via The Noun Project. Icons for Climate change and Lack of decent work and social protection are public domain.

Box O.1. **Innovations for transformative change**

Policy innovation: Policy innovation is particularly apparent in several regions in the Global South. Over the last two decades, many developing countries have adopted policies that extend the coverage of social services or social protection schemes to formerly excluded groups, and implemented innovative financing policies through progressive tax reforms or more effective capture of mineral rents. At the global level, in the wake of the 2008 financial crisis new policies have been conceptualized to promote employment creation and social protection floors, and the Rio+20 and COP21 processes have triggered policy innovation in the area of sustainable development.

Institutional innovation: Policy innovation at national, regional and international levels has been coupled with institutional innovation. This includes new normative, regulatory and judicial instruments; changes in governance arrangements associated with participatory democracy, public-private partnership and multistakeholder standard-setting where new stakeholders or combinations of actors engage in service delivery, financing and decision-making processes; "multiscalar" governance, where such processes and institutions are articulated at local, subnational, national, regional and international levels; and institutional complementarities that reconfigure institutional arrangements (for example, state and market) and policies (such as economic and social) at the macro level.[a] Transformative institutional innovations help to overcome inequalities and structural disadvantages, and to empower weaker actors.

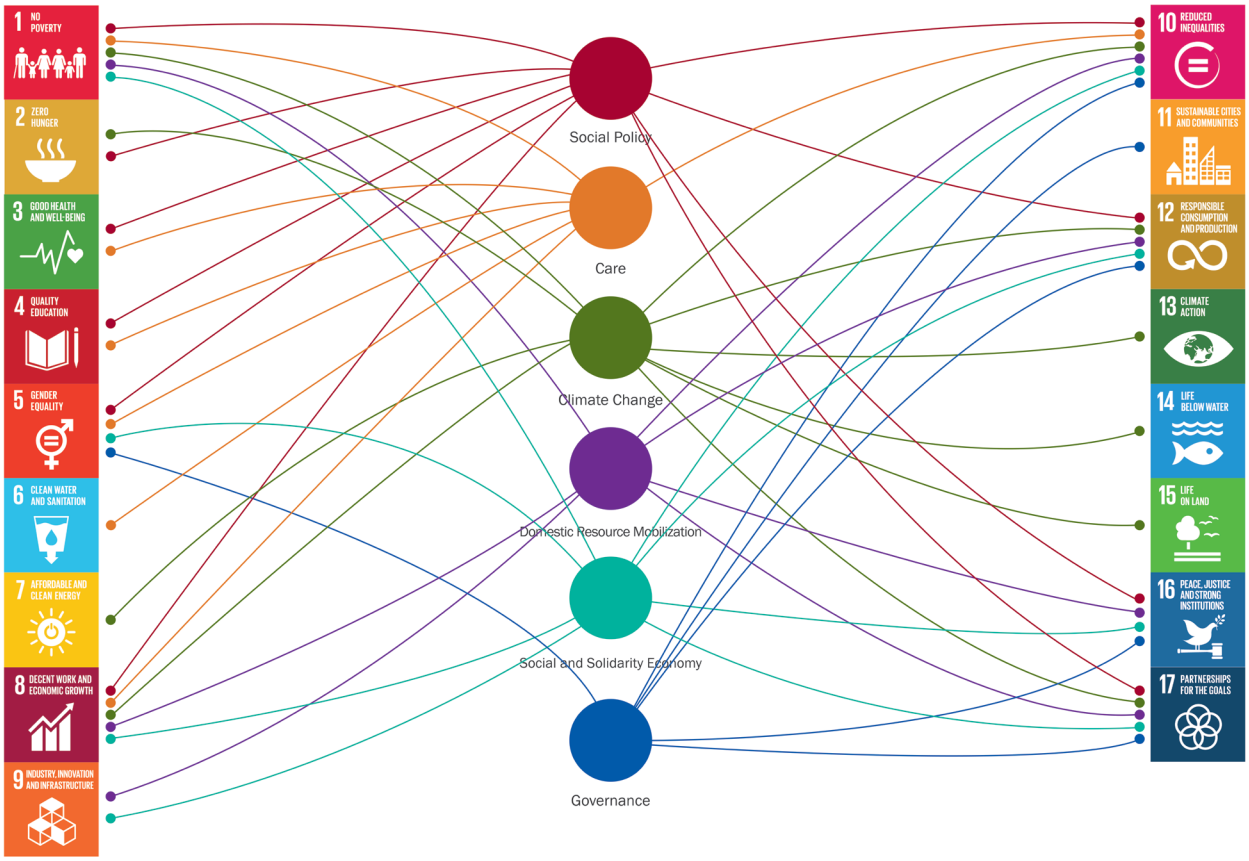
Social innovation: Non-state actors, in particular non-governmental organizations (NGOs) but also the private sector, are increasingly associated with social innovation. This is said to occur when organizations and networks adopt new ideas, strategies and practices that aim to better meet social needs and build relationships conducive to social and environmental improvements. Social innovation frequently occurs at the local level, where community organizations and social enterprises, often enabled by civil society networks and decentralization, organize to greater effect in order to mobilize resources and to defend their rights.[b] It is also apparent in social movement activism, or "glocal" networking, that connects local actors with change agents across scales, as well as across North and South, such as women's movements aiming to change gender-based stereotypes and discrimination entrenched in social norms and practices.[c]

Technological innovation: From the perspective of development and empowerment, important synergies can arise when social and technological innovation combine. This is seen, for example, in the case of networking (including transnational migrant activism) that is facilitated by information and communication technologies;[d] when farmer cooperatives move up the value chain by adding processing and quality control to their business activities;[e] or when decentralized renewable energy supply reduces the drudgery of unpaid work by women.

Conceptual innovation: Changes in institutions, policies and the way organizations behave are often informed by conceptual and discursive innovation. Particularly important in recent years have been those associated with governance and organizational theory, conceptual approaches toward alternative development pathways such as Buen Vivir or social and solidarity economy, and new social policy concepts such as the care policy approach.

Notes: [a] Jozan, Raphaël, Sanjivi Sundar and Tancrède Voituriez. 2013. "Reducing Inequalities: A Sustainable Development Challenge." In Reducing Inequalities: A Sustainable Development Challenge, edited by Rémi Genevey, Rajendra K. Pachauri and Laurence Tubiana, 7–15. New Delhi: TERI. [b] Laville, Jean-Louis. 2015. "Social and Solidarity Economy in Historical Perspective." In Social and Solidarity Economy: Beyond the Fringe, edited by Peter Utting, 41–56. London: Zed Books/UNRISD. [c] UNRISD (United Nations Research Institute for Social Development). 2013. When and Why Do States Respond to Women's Claims? Understanding Gender-Egalitarian Policy Change in Asia. Project Brief No. 5. Geneva: UNRISD. www.unrisd.org/pb5e. Accessed in May 2016. [d] O'Neill, Kelly. 2012. "Power Check: Protecting the Digital Commons." UNRISD Think Piece, 26 June. Geneva: UNRISD. http://www.unrisd.org/news/oneill. Accessed in May 2016. [e] Muradian, Roldan. 2015. "The Potential and Limits of Farmers' Marketing Groups as Catalysts for Rural Development." In Social and Solidarity Economy: Beyond the Fringe, edited by Peter Utting, 116–129. London: Zed Books/UNRISD.

Figure 0.3. **Mapping policy areas for transformative change:** The UNRISD Flagship Report and the SDGs



Note: This infographic shows the most direct links with the greatest transformative potential between the topics covered in the UNRISD Flagship Report, on the one hand, and the SDGs, on the other. There are also many indirect links; these have been omitted from the infographic for clarity.

Box 0.2. **Sustainable Development Goals**

GOAL 1. End poverty in all its forms everywhere
GOAL 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
GOAL 3. Ensure healthy lives and promote well-being for all at all ages
GOAL 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
GOAL 5. Achieve gender equality and empower all women and girls
GOAL 6. Ensure availability and sustainable management of water and sanitation for all
GOAL 7. Ensure access to affordable, reliable, sustainable and modern energy for all
GOAL 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
GOAL 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
GOAL 10. Reduce inequality within and among countries
GOAL 11. Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12. Ensure sustainable consumption and production patterns
GOAL 13. Take urgent action to combat climate change and its impacts
GOAL 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
GOAL 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
GOAL 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
GOAL 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

New Trends and Innovations in Social Policy

An elderly woman counts her money in China.

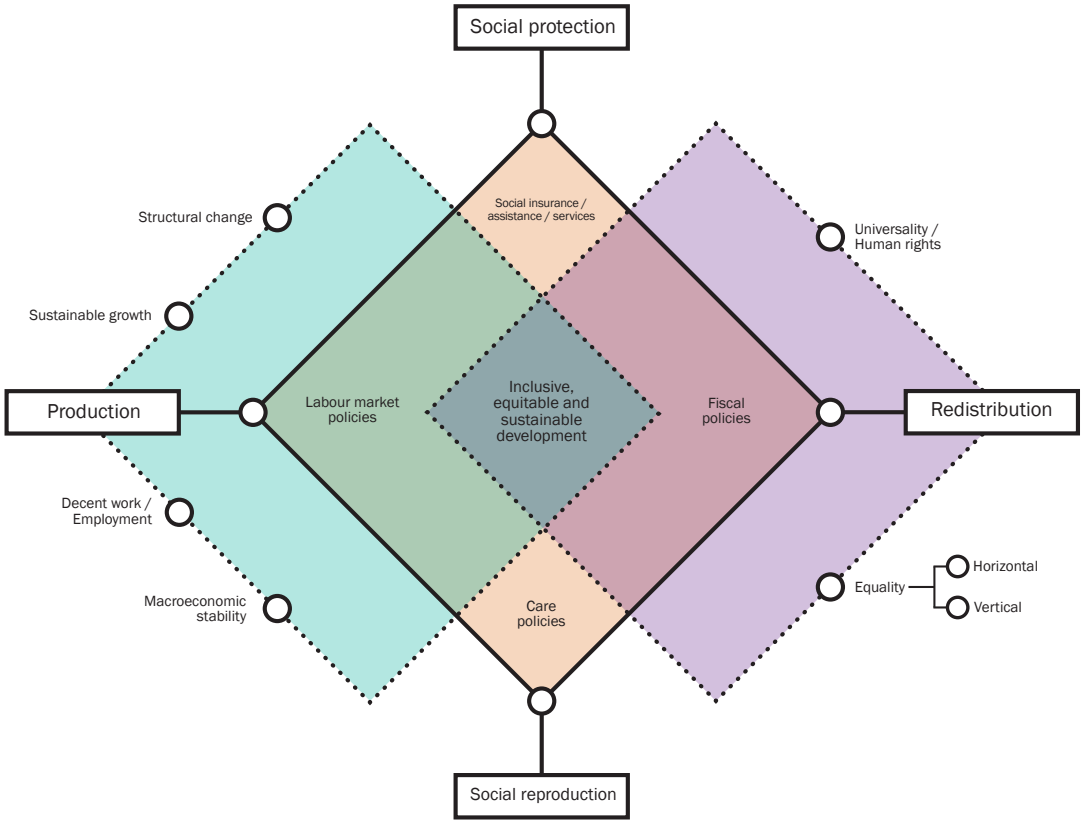
Since the 1990s, the "social turn"—a combination of shifts in ideas and policies that reasserted social issues in development agendas—has brought about various changes and reforms in a wide range of social policy institutions and instruments. Innovations in social policy that bode well for transformative change include the increasing trend toward universalization (leaving no one behind); better integration of policy instruments (or policy coherence) across the social, economic and environmental dimensions of development; more inclusive forms of participation in policy design and implementation; new forms of partnership; and new directions in global and regional social policy. While currently facing strong headwinds, the social turn needs to be sustained, reinvigorated and, ultimately, broadened into an eco-social turn.

Chapter 2 addresses implementation of SDGs

Social policy needs to be at the core of efforts to implement the SDGs over the coming 15 years. There is not a single goal in which social policy—defined here as collective intervention, in particular state intervention, that directly affects social welfare, social institutions and social relations—does not have an important role to play. The intersecting nature of social policy, contributing not only to protection but also to production, reproduction and redistribution, is more visible in the SDGs than it was in the MDGs, and makes it a key instrument for transformative change, a role that UNRISD has highlighted with its concept of *transformative social policy* (figure O.4).[5]

The remit of social policy has broadened in recent times, in particular since the early 2000s when the social turn was reinvigorated in several countries, including middle and low-income countries, with an expansion in the coverage of social services and social protection programmes to hitherto excluded groups. This mainly took the form of non-contributory pensions (figure O.5), child grants or cash transfers for families living in poverty, public works programmes and reforms in health service provision. Expansion sometimes involved the creation of more inclusive social and political institutions, and it continued even in the aftermath of the 2008 crisis. It demonstrates that a number of developing countries had, to a certain extent, institutionalized social policies in a way that allowed them to use the policies as counter-cyclical instruments in times of crisis, and to resist the quick

Figure 0.4. **Transformative social policy**



Box 0.3. **Eco-social policies: Examples from Brazil and India**

Eco-social policies take an integrated approach to the achievement of social and environmental goals.

Bolsa Verde, a cash transfer programme in Brazil established in 2011, provides incentives for the sustainable management and conservation of ecosystems; improves living conditions and income levels; promotes education and social, environmental and professional training; and encourages active citizenship.[a] It particularly helps families that make a living from collecting forest products or farming in protected or other designated areas, in return for commitments to adopt more sustainable use of natural resources to reduce deforestation. Around 213,000 families are potentially eligible to participate in the programme, and in December 2015, 74,522 households received benefits of 300 reais per month.[b]

Much of the work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), established in 2005 in India and guaranteeing at least 100 days of paid employment each year to every rural household, is devoted to environmental conservation, natural resource management (including the creation of durable assets), improved water security, soil conservation and higher land productivity. Since its inception, MGNREGA has offered employment to 20–55 million households per year, or around 30 percent of all rural households.[c]

Realizing the eco-social potential of such programmes, however, is no easy task. All have been affected by serious challenges, for example, difficulty in monitoring performance and conflicts between the rights of indigenous peoples to access resources and the designation of environmentally sensitive areas in the case of Bolsa Verde; and rent-seeking by government officials through informal systems of patronage and inadequate attention to skill development of beneficiaries in the case of the MGNREGA scheme.[d]

Notes: [a] Cook, Sarah, Kiah Smith and Peter Utting. 2012. Green Economy or Green Society? Contestation and Policies for a Fair Transition. Social Dimensions of Green Economy and Sustainable Development, Occasional Paper No. 10. Geneva: UNRISD. http://www.unrisd.org/op-cook-et-al. Accessed in May 2016. [b] OECD (Organization for Economic Co-Operation and Development). 2015. OECD Environmental Performance Reviews: Brazil 2015. Paris: OECD Publishing. doi: 10.1787/9789264240094-en. Ministério do Meio Ambiente. 2016. "Bolsa Verde". http://www.mma.gov.br/mma-em-numeros/bolsa-verde. Accessed 10 June 2016. [c] Ehmke, Ellen and Khayaat Fakier. Forthcoming. Civil Society Engagement in Public Employment Schemes: Insights from India and South Africa. UNRISD Research Note. Geneva: UNRISD. [d] Access Development Services. 2014. State of India's Livelihood Report 2013. New Delhi: Sage India/Access Development Services.

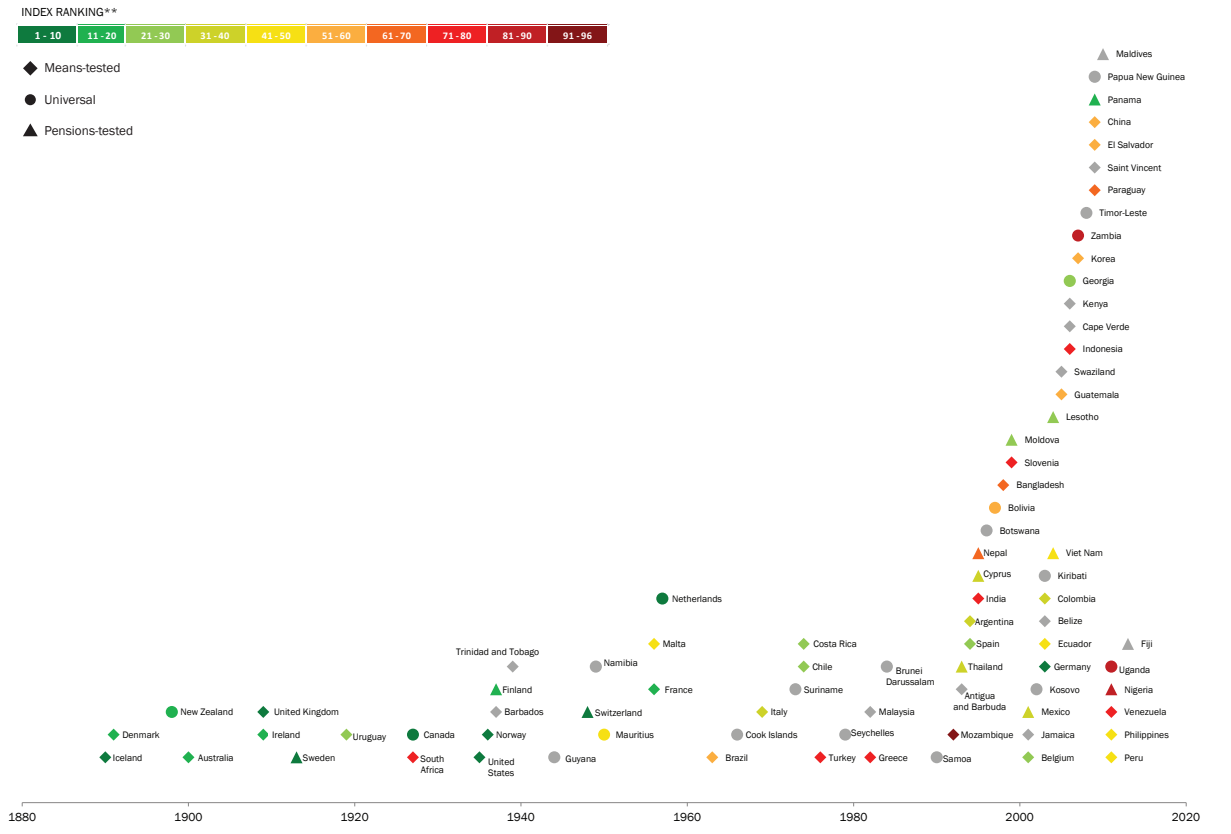
dismantling of programmes in times of fiscal pressure or donor retrenchment. Yet, given the prolonged context of austerity policies and fiscal consolidation, and setbacks in progressive policy agendas following changes in government in several countries that had spearheaded the social turn, by the time the 2030 Agenda was adopted, prospects for deepening the social turn in a progressive way had deteriorated.[6]

Indeed, the social turn per se does not guarantee transformative change for inclusive, equitable and sustainable development. Instead, its transformative nature depends on the specific design of social policies, and the way in which they take account of structural, institutional and political dynamics. Social policies that contribute to transformative change are those that expand rights, increase equality and reduce power asymmetries, and support sustainable and equitable structural change of the economy. Innovative eco-social policies exemplify this kind of approach (box O.3).

Analysis of recent innovations and trends in social policy around the world identifies transformative outcomes in countries where:

- innovative policies, such as eco-social ones, have been implemented, integrating ecological concerns with economic and social policy;
- the type of incorporation of informal economy workers and previously excluded groups into social provision is supported by social policies, legal frameworks and labour market formalization, with sustainable financing of both contributory and non-contributory social protection programmes;
- reforms expand the possibility of claiming rights and enforcing entitlements instead of receiving hand-outs;
- partnerships are crafted to include communities and empower weaker actors in the partnership; and
- national political systems are able to benefit from discursive, legal or financial support from regional and global organizations or actors.

Figure O.5. **Establishment of social pension and assistance schemes for older persons (up to 2015)**



Note: Colours refer to an index ranking developed by Global AgeWatch that comprises different measures of social and economic well-being of older people, including pension coverage. Grey indicates insufficient data for the country. Sources: Adapted from Mark Dorfman. 2015. *Pension Patterns in Sub-Saharan Africa. Social Protection and Labour Discussion Paper No. 1503. Washington DC: World Bank.* http://hdl.handle.net/10986/22339. Accessed 17 May 2016. Based on HelpAGE International, Social Pensions Database 2015, and Global AgeWatch 2015.

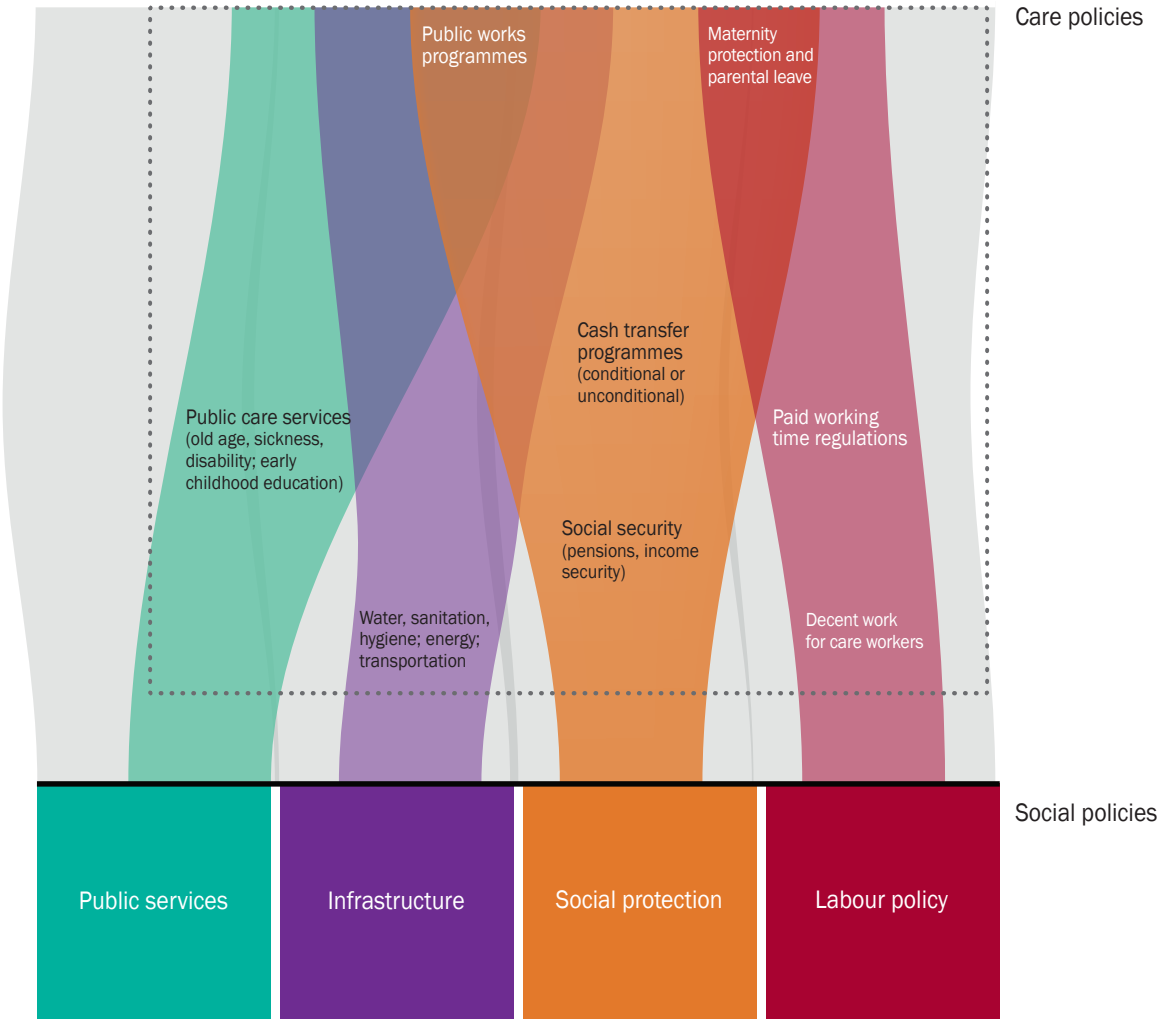
Care Policies: Realizing their Transformative Potential

Children in the village of Dumbravita, Moldova benefit from a kindergarden heated by biomass.

Framing public care services, basic infrastructure, labour and social protection policies under the umbrella of care policies is a game changer. It promotes gender equality, allows for policy complementarity and coordination, improves the situation of care workers and has visible positive macroeconomic impacts. Transformative care policies emerge if a human rights–based approach to care policies is adopted, when broad political alliances are formed, and when evidence is used in an innovative way to inform policy design and monitoring.

Chapter 3 addresses implementation of SDGs

Figure 0.6. **Care policies bridge sectoral divides**



The process that led to the adoption of the 2030 Agenda is an example of how research, advocacy and more inclusive negotiations can result in conceptual innovations and discursive shifts, which are key initial steps in the design of policies and institutions that promote transformative change. One of the new policy areas that has been integrated into the SDGs, as a result of both strong research evidence and advocacy by women's groups,[7] is unpaid care and domestic work, understood broadly as domestic activities and care of children, older, disabled or sick persons outside of market relations. While immensely important for social reproduction, economic development and the well-being of all members of society—and therefore a key feature of sustainable development—unpaid care and domestic work was largely off policy makers' radar until relatively recently. The burden of unpaid care and domestic work, mainly borne by women and girls, is exacerbated by lack of infrastructure, climate change and natural resource depletion. UNRISD research on the political and social economy of care helped build the evidence that contributed, first, to higher visibility of the issue, and then to the adoption of the care-related targets and goals in the SDGs.[8]

Unpaid care and domestic work, though not measured in monetary terms or remunerated, is not free of costs and has implications for caregivers, most significantly when it acts as a driver of poverty and inequality, in particular gender inequality. The inclusion of an explicit target on care (5.4) that points to a range of care policies (public services, infrastructure and social protection; see figure O.6) is in itself an important milestone. This helps push care policies up governments' agendas, and creates an opportunity for women's movements to support, shape and hold governments accountable for their implementation.

Box 0.4. **Uruguay's National Care System**

The Uruguayan National Care System (Sistema Nacional Integrado de Cuidado / SNIC) was created in November 2015. It includes both existing policies on health, education and social security, and new policies for priority populations, in particular adults with specific care needs, persons with disabilities and young children. The SNIC is human rights–based, solidaristic in its financing and universal both in coverage and minimum quality standards. Other principles include the autonomy of care receivers and the co-responsibility of the state, the community, the market and the family, as well as between women and men, in the provision of care. Changing the sexual division of labour within households and supporting paid care workers are among the SNIC's stated objectives.

The SNIC was the result of political mobilization and broad alliances forged between women's and social movements, women parliamentarians and academics.[a] Together they provided evidence, including through time-use surveys, and positioned care on the public agenda. But it was engagement with the ruling party, Frente Amplio, and the inclusion of the SNIC in the 2010–2015 electoral campaign programme, that proved crucial.[b] Care thus became a political, and not only a technical, public policy issue. An intergovernmental working group, in turn, made possible the institutional development of the SNIC, providing a platform for state actors to develop ownership. Building consensus around the system spanned seven years and three progressive presidencies. Ultimately, delays in the creation of the SNIC were blamed on budgetary problems. When those were solved, and funding was allocated to fulfil coverage and quality targets, the SNIC law was passed without opposition.

Notes: [a] Aguirre, Rosario, and Fernanda Ferrari. 2014. La Construcción del Sistema de Cuidados en el Uruguay: En Busca de Consensos para una Protección Social más Igualitaria. Santiago de Chile: UN ECLAC. http://www.cepal.org/es/publicaciones/36721-la-construccion-del-sistema-de-cuidados-en-el-uruguay-en-busca-de-consensos-para. Accessed 24 February 2016. [b] Fassler, Clara (ed.). 2009. Hacia un Sistema Nacional Integrado de Cuidados. Serie Políticas Públicas. Montevideo: Ediciones Trilce.

Transformative care policies are defined as those policies that simultaneously guarantee the human rights, agency and well-being of caregivers and care receivers. Policies need to be assessed with regard to their differentiated impacts on caregivers and care receivers, while avoiding potential trade-offs and bridging divergent interests. This perspective rebalances previous approaches that tended to focus mainly on care receivers' well-being, driven by the fact that the costs incurred by caregivers were often justified by traditional gender norms. But transformative care policies cannot be achieved without tackling the social and economic drivers of multiple inequalities, including those based on gender.

Different country experiences show that viewing social policies through a care lens strengthens them in terms of gender equality, policy complementarity and sectoral coordination. It also improves the situation of care workers and contributes positively to the macroeconomy. While in many cases it is highly effective, however, the care lens is not automatically associated with transformative change. Elements that have been decisive in making care policies transformative are progressive political framings, broad political alliances and innovative use of evidence. These are further supported by contextual factors such as dynamic labour markets and increasing female labour demand, as well as availability of funding for care policies. Transformative care policies are more likely to emerge when:

- channels for social dialogue are established with women's and social movements, trade unions and organizations of persons with specific care needs, in order to set priorities and inform policy design;
- institutional coordination effectively bridges sectoral divides such as health, education, infrastructure and social protection;
- a strong gender perspective is built into the design and implementation of care policies, and decent working conditions are offered to paid care workers; and
- care policies are framed within a universal, human rights–based approach to social protection.

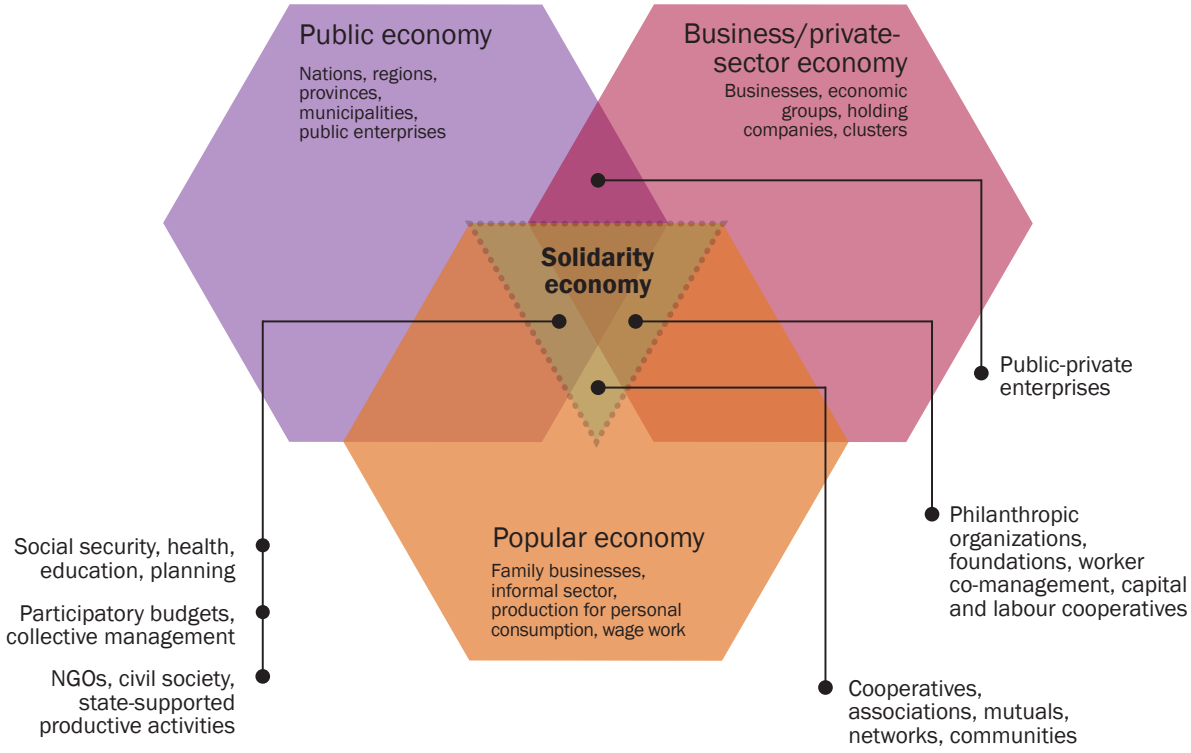
With 21,500 members, Cooperative Café Timor produces organic certified coffee and is Timor Leste's largest employer during the coffee season.

Promoting Social and Solidarity Economy through Public Policy

Social and solidarity economy (SSE) has a potentially important role to play in reorienting economies and societies toward greater social and ecological sustainability. Its principles and practices aim to reintroduce values of equity and justice, humanize the economy and contribute innovative solutions that are grounded in people's agency. As such it is crucial that it be factored into discussions on the means of implementation of the 2030 Agenda and the SDGs. Scaling up SSE and realizing its transformative potential require a range of supportive public policies at different levels, effective participation, innovative forms of financing, as well as learning from—and adjusting—implementation experiences on the basis of research, monitoring and evaluation.

Chapter 4 addresses implementation of SDGs

Figure O.7. **Situating SSE in the broader economy**



Note: The term solidarity economy, used in this figure, is often used in Latin America and is synonymous with social and solidarity economy. Source: Coraggio, José Luis. 2015. "Institutionalizing the Social and Solidarity Economy in Latin America." In Social and Solidarity Economy: Beyond the Fringe, edited by Peter Utting, 130–149. London: Zed Books/UNRISD.

The term SSE covers a diverse range of organizations and enterprises that prioritize social and often environmental considerations over private economic interests and profit orientation; involve forms of management or governance which are more horizontal and democratic; and are often linked to forms of collective action and active citizenship (figure O.7). An increasing number of governments are recognizing the importance of SSE to help generate employment and combat poverty, and are consequently supporting this diverse set of actors and organizations through public policies.[9] Indeed, SSE can be an instrument for implementing the SDGs; it corresponds to their integrated nature and transformative ambition.

More research is needed to get a better sense of the characteristics, size, functions and needs of SSE. Existing evidence suggests that SSE can be enabled by enacting laws, promoting development programmes and building institutions that make its organizations and enterprises more resilient and stable over time. Governments also need to identify and address aspects of policy incoherence where policies associated, for example, with trade and finance constrain rather than facilitate SSE. Effective participation of SSE actors in designing the policies and institutions that concern them can counter tendencies associated with bureaucratization, lack of transparency and accountability, co-optation by state actors and the diversion of key principles of SSE. Different SSE organizations may require tailored policy approaches to respond to their specific needs.

SSE can help shift production and consumption patterns associated with the current unsustainable development model. SSE organizations are often examples of how to reassert social control, democratic practices and the place of ethics in the economy; they demonstrate why it is necessary to recognize the importance of collective action for both economic and political empowerment; they expand the notion of participation to include not only stakeholder consultation but also contestation, advocacy, bargaining and negotiation, and diverse forms of "active citizenship"; they broaden the concept

Box 0.5. **Public policies for SSE: Women's economic empowerment in Nicaragua**

The Nicaraguan government is actively supporting SSE and has prioritized two programmes that involve some 300,000 women, the equivalent of 20 percent of the economically active female population. Women are organized in small groups in order to facilitate programme implementation.

The Productive Food Programme, known popularly as Zero Hunger (Hambre Cero), provides a package primarily of livestock (a combination of chickens, a pregnant sow and a cow) and building materials to women in rural or peri-urban areas with the aim of boosting both household nutrition and cash income. This initiative transitioned from being an NGO project that organized some 3,000 women in the early 2000s to a national programme involving nearly 150,000 women in 2015. Participants are organized in pre-cooperative groups of approximately 50 women for training.

In urban areas, women who are independent workers or run micro-enterprises can access microfinance through the Zero Usury (Usura Cero) programme on terms that are far more favourable than those of traditional microfinance institutions. The programme aims to reduce barriers to formal credit. Borrowers become members of a neighbourhood "solidarity group" that oversees implementation at the local level—identifying potential members, acting as guarantor of the loans of other members of the group, discussing family and community problems, and making suggestions to improve the programme. Within six years (2007–2013), the programme expanded to include 159,286 women organized in 68,272 solidarity groups. Average annual loans amounted to approximately USD 15 million.

Independent evaluations have found that these programmes fare reasonably well in achieving basic objectives related to improvements in family economy, nutrition, and women's self-esteem and control of household resources. Ongoing concerns relate to weak state support through training and technical assistance; clientelism in the allocation of resources; the malfunctioning of pre-cooperative or solidarity groups; and lack of attention to other dimensions of gender inequality.[a]

Notes: [a] Grupo Cívico Ética y Transparencia. 2014. Informe Final "Medición de Eficiencia y Transparencia en Programas Estatales". Managua: Grupo Ética y Transparencia / Transparency International. Grupo Venancia. 2015. "Hambre Cero: Cómo les Va a las Mujeres?" Envio, No. 396, March.
Box source: Amalia Chamorro and Peter Utting. 2016. Políticas Públicas y la Economía Social y Solidaria: Hacia un Entorno Favorable. El Caso de Nicaragua. Geneva/Turin: ILO/ILO-ITC.

of public-private partnership for development to include SSE and related community and civil society organizations; and they have the potential to break down the structures of inequality that underpin social exclusion, vulnerability and unsustainable development.[10]

In order to develop the transformative potential of this set of organizations further, in particular as a means of implementation of the SDGs, it is important to consider the following.

- Monitoring and evaluation are essential to ensure that government support helps scale up SSE without diluting its transformative potential.
- Forums that facilitate and institutionalize participation need to be created and strengthened to ensure that policy design and implementation foster transformative outcomes in SSE.
- Innovative sources of financing can play an important role in enabling SSE—as seen in the case of the regional funds of ALBA,[11] national development banks, solidarity finance schemes, and earmarking a percentage of taxes or other revenues for SSE development.[12]
- Crafting an enabling policy environment for SSE requires interventions at international, national, subnational and local levels.
- Attention to policy coherence should not be limited to issues of better coordination, and should also take into account the possible disabling effects on SSE of macroeconomic, investment, trade and fiscal policies.

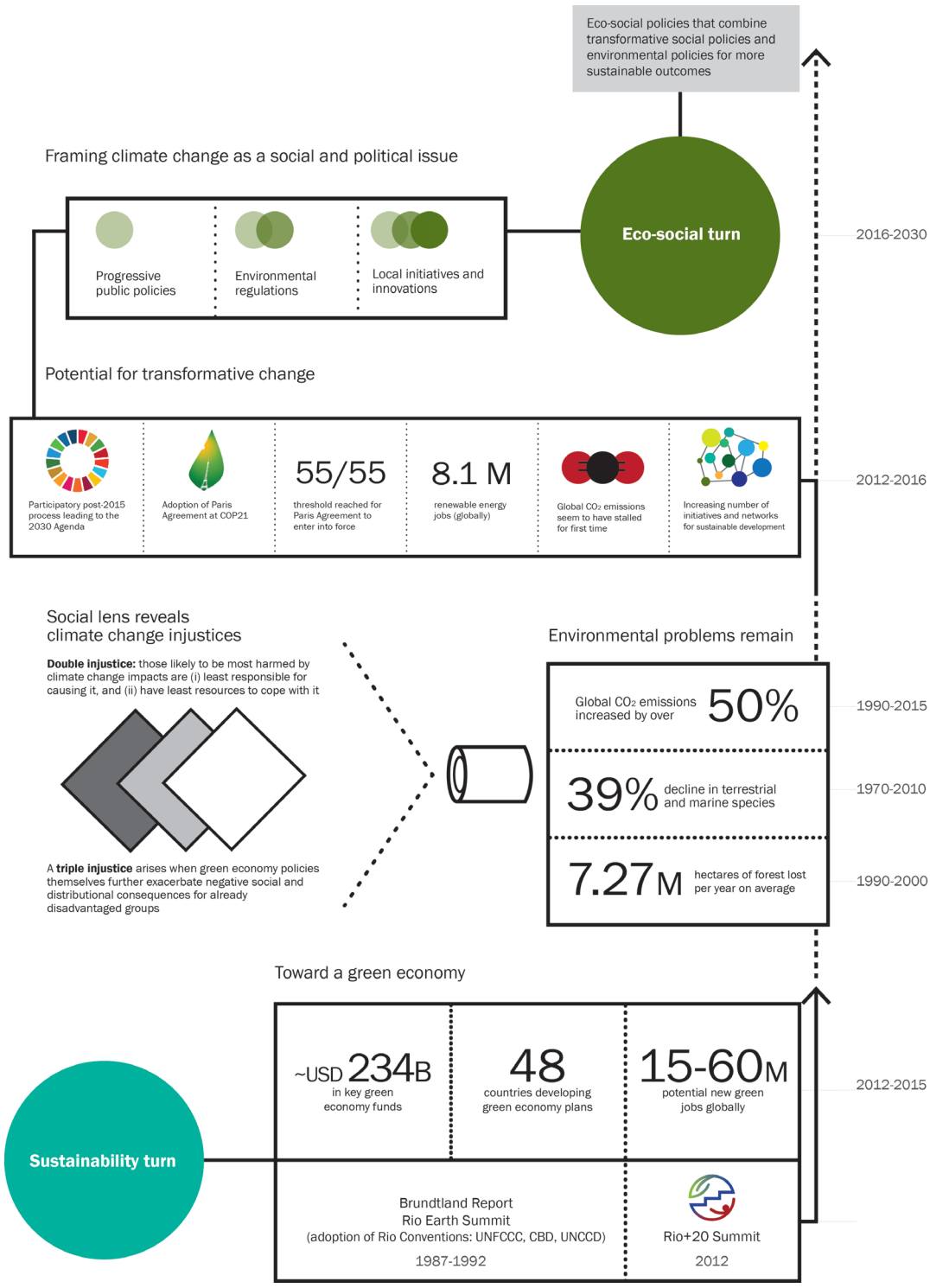
Sustainable Development in Times of Climate Change

A Haitian student takes part in a massive tree-planting campaign to reforest areas depleted for charcoal production and farm land.

Transforming our world toward sustainability requires understanding environmental destruction and climate change as social and political issues. Adopting an eco-social lens in policy design and implementation can facilitate not only green but also fair, integrated approaches that will be required to achieve the SDGs. It would help minimize the risk of injustice associated with green economy policies, and redress the distributional impacts of environmental and climate change policies in favour of vulnerable groups. An eco-social policy mix brings together participatory governance and decision making, progressive social policies and environmental regulation with local initiatives and innovations to promote equitable and sustainable outcomes.

Chapter 5 addresses implementation of SDGs

Figure 0.8. **From sustainable development to a transformative eco-social turn**



Notes: Data sources: FAO (Food and Agriculture Organization of the United Nations). 2015. *Global Forest Resources Assessment 2015. How are the World's Forests Changing?* Rome: FAO. www.uncclearn.org/sites/default/files/inventory/a-i4793e.pdf. Accessed 29 January 2016. ILO (International Labour Office). 2012. *Working towards Sustainable Development: Opportunities for Decent Work and Social Inclusion in a Green Economy*. Geneva: ILO. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_181836.pdf. Accessed 29 January 2016. IRENA (International Renewable Energy Agency). 2016. *Renewable Energy and Jobs. Annual Review 2016*. Masdar City: IRENA. http://www.irena.org/DocumentDownloads/Publications/IRENA_RE_Jobs_Annual_Review_2016.pdf. Accessed 6 June 2016. UN (United Nations). 2015. *The Millennium Development Goals Report*. New York: United Nations. http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2015/English2015.pdf. Accessed 20 May 2016. UN-DESA (United Nations Department of Economic and Social Affairs). 2013. *A Guidebook to the Green Economy. Issue 4: A Guide to International Green Economy Initiatives*. https://sustainabledevelopment.un.org/content/documents/916guidebook4.pdf. Accessed 29 January 2016. UNEP (United Nations Environment Programme). 2015. *Uncovering Pathways towards an Inclusive Green Economy. A Summary for Leaders*. Nairobi. http://www.unep.org/greeneconomy/Portals/88/documents/GEI%20Highlights/IGE_NARRATIVE_SUMMARY.pdf. Accessed 29 January 2016. WWF (World Wide Fund for Nature) 2014. *Living Planet Report 2014. Species and Spaces, People and Places*. Gland: Switzerland. https://www.wwf.or.jp/activities/lib/lpr/WWF_LPR_2014.pdf. Accessed 29 January 2016.

Based on carbon-fuelled growth, the global economy in its current form is incompatible with environmental sustainability. Combating climate change and environmental destruction caused by unsustainable patterns of consumption and production will require multiple innovations at the conceptual, policy, institutional, social and technological levels. The sustainable development model, which integrates economic, environmental and social objectives, needs to fully replace current growth-led models where the social and ecological dimensions are mere add-ons.

In parallel with the social turn, the 1980s were characterized by a "sustainability turn", and the publication of the Brundtland report in 1987 brought the concept of sustainable development to the centre of global development discourses. This discursive shift was facilitated by voluntary initiatives and market-based instruments for environmental protection. It has fostered technological innovations, such as renewable energy and cleaner industrial and agro-technologies that reduce the environmental impacts of economic activities. Such green economy approaches have, however, not succeeded in incorporating social dimensions into sustainable development, despite their stated objectives of combining low carbon growth, resource efficiency and conservation with social inclusivity and poverty reduction.[13]

Climate change is as much a social and political issue as it is an environmental and economic one. Focusing narrowly on economic solutions, such as the creation of carbon markets or incentives for investment in and use of clean technologies, does not do justice to the integrative and universal nature of the 2030 Agenda. The changes in production and consumption patterns required to implement truly sustainable development models challenge the dominant approaches that have been taken in Northern industrialized countries and guided catching-up processes in the Global South. Changing these patterns that are grounded in a logic of growth, profit and consumption maximization will require shifts in thinking and behaviour, and will eventually trigger structural change in line with sustainable development. However, structural change produces winners and losers. Rich countries are more likely than poor countries to have resources to invest in the necessary transformations and to compensate those that are negatively affected.

Policies to combat global warming and other environmental problems need to address the double injustice associated with climate change (figure O.8): that those who have contributed most to the current problems are least affected by their direct adverse impacts (such as flooding, droughts and so on), are most likely to have the resources to cope with them and to be able to pay the higher prices for products and services that reflect not only economic but also environmental costs. At the same time, they are often better placed to reap the benefits of new economic opportunities that emerge from mitigation and adaptation policies. Costs and benefits will not only accrue differently according to the country context, but also depending on whether a person belongs to a privileged or less privileged or excluded group in his or her respective society.[14]

UNRISD research suggests that policies and institutional reforms that promote an eco-social turn need urgently to be expanded and scaled up for implementation of the 2030 Agenda. In this process, eco-social policy integration (see box O.3), as well as alternative production and consumption models such as SSE, can help to overcome tensions among different SDGs and actors. The following implications for policy at national and global levels emerge from the research:

- climate change needs to be framed as a social and political issue; it should be addressed through eco-social policies in line with a reversed normative hierarchy that positions social and environmental priorities above economic ones;
- adopting an eco-social approach can promote transformative change by addressing distributional consequences of climate change policies (such as price adjustments, economic restructuring and employment changes);
- policies that engage affected populations actively in planning and implementation should be preferred, because evidence shows that they yield better results;
- getting energy provision right—through renewable energy technologies and innovative policies that simultaneously promote gender equality and social entrepreneurship, for example—will be essential for the transition to sustainability; and
- policy makers need to promote and provide an enabling environment for social innovation (including behavioural change), currently happening mostly at the local level, which aims to integrate protection of the environment with sustainable livelihood strategies (for example, through SSE or by introducing a care lens).

Demonstrating in Macedonia against a proposed increase in taxes for freelance and part-time workers.

Mobilizing Domestic Resources for Sustainable Development

Domestic resource mobilization (DRM) will be crucial not only to meet the sheer scale of investment needed to implement the 2030 Agenda and the SDGs, but also because it holds its own broader promise for transformative change. If undertaken successfully, DRM can generate substantial benefits for state-citizen relations, economic stability and growth, and redistribution. Coalitions for progressive reforms, through which the rich pay relatively more than the poor, are a precondition for creating transformative eco-social and fiscal contracts. This is easier in contexts with greater state capacity, where resource bargains are more transparent and inclusive, and where national bargains are supported by global bargains, the latter providing resources and regulation.

Chapter 6 addresses implementation of SDGs

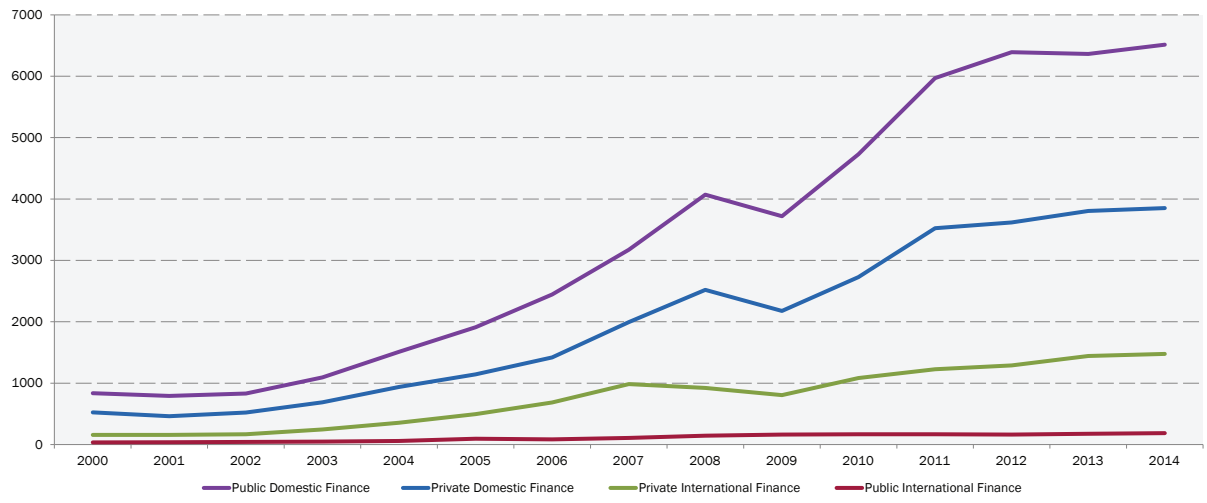
Much of the 2030 Agenda could be implemented with a real commitment to transformative policy reform. But enhanced financial investment is also needed. SDG 17 together with the Addis Ababa Action Agenda[15] suggest a range of instruments for financing sustainable development over the coming 15 years, with a clear focus on domestic resources, complemented by international aid, foreign loans and access to international credit markets, foreign direct investment (FDI) and trade. Domestic resources, in particular public domestic resources, are already the most important source of development finance (figure O.9) across country income groups, and government revenues funded around three-quarters of MDG spending in a large number of developing countries.[16] But the economic, social and ecological transition toward sustainable development requires efforts to be scaled up considerably to change not just the quantity but also the quality of financial resources.

Domestic resource mobilization is a political process that involves contestation and bargaining, rather than a technical fix.[17] DRM can contribute to transformative change if it redistributes resources and power in ways that lead to greater equality; promotes structural change of the economy conducive to sustainable development; strengthens citizen-state relations, social cohesion and a sense of fairness and social justice; and if resources are allocated in ways that support an eco-social turn, which will be essential for successful implementation of the 2030 Agenda.

Many countries have managed to increase their domestic resources in recent years, and have made financing systems more equitable and spending more effective and transformative. Overcoming obstacles to revenue mobilization has involved policies and reforms that improved the economic environment by stimulating labour-intensive growth and building administrative capacity, sometimes supported by technological innovations. Key drivers of success were political leadership, broad alliances and strategic use of evidence and information, as well as linking revenue mobilization with social policies by extending citizenship and social rights.

While many middle-income countries are increasing their tax take, low-income countries still face

Figure O.9. **Financing trends in developing countries, 2000–2014 (billion USD, 2013 prices)**



Note: *Public Domestic Finance* is defined here as total government revenue. Gross-Fixed Capital Formation by the private sector was used as indicator for *Private Domestic Finance*. *Private International Finance* is the sum of FDI, portfolio equity and bonds, commercial banking and other lending, and personal remittances. *Public International Finance* refers to total official flows (Official Development Assistance and other official flows). Sources: Graph adaptation based on ODI (Overseas Development Institute), DIE (German Development Institute/Deutsches Institut für Entwicklungspolitik), ECDPM (European Centre for Development Policy Management), University of Athens (Department of Economics, Division of International Economics and Development), and Southern Voice Network. 2015. European Report on Development 2015: Combining Finance and Policies to Implement a Transformative Post-2015 Development Agenda. May. Brussels: ODI, DIE, ECDPM, University of Athens and Southern Voice Network, page 32. Sources: World Bank. 2016. Database: World Development Indicators. http://www.databank.worldbank.org/data/. Accessed 16 March 2016. OECD (Organization for Economic Cooperation and Development). 2016. OECD.Stat: Geobook: Geographical Flows to Developing Countries. http://www.stats.oecd.org. Accessed 11 March 2016. OECD (Organization for Economic Cooperation and Development). 2016. "OECD.Stat: Geobook: Deflators". http://www.stats.oecd.org. Accessed 9 June 2016. IMF (International Monetary Fund). 2016. "Database: International Financial Statistics. http://data.imf.org/. Accessed 11 March 2016. ICTD (International Centre for Tax and Development)/UNU-WIDER (United Nations University–World Institute for Development Economics Research). 2016. Government Revenue Dataset, January 2016. https://www.wider.unu.edu/project/grd-government-revenue-dataset. Accessed 11 March 2016.

Box O.6. **DRM and mineral rents in Bolivia**

Social mobilization and contestation around DRM has markedly altered relations between the Bolivian state, citizens, investors and donors.[a] After a failed attempt to increase public revenues through the introduction of an income tax on salaried employees in 2003, indigenous leader Evo Morales nationalized the hydrocarbon sector in 2006, paving the way for greater state capture of oil and gas rents in a context of booming energy prices. Mounting fiscal surpluses allowed the expansion of social expenditures, in particular universal cash transfers such as the social pension, Renta Dignidad, and support for families with children.[b]

The new social contract forged between the left-wing government and the Bolivian population was further institutionalized through the 2009 constitution, which created a space for direct citizen participation and incorporated the right to public services and income transfers. Less dependence on external financial flows, including aid, led to a change in relations between the Bolivian state and donors. This is reflected in the share of public investment from domestic resources, which increased from 37.2 to 66.5 percent in the period from 2005 to 2010.

While positive developments—like enhanced policy space and less reliance on volatile external sources—are associated with this shift in financing, several risks have also emerged: reliance on an economic model that is grounded in fossil fuels responsible for climate change; high fiscal dependence on international gas and oil prices (which have, more recently, declined significantly); conflicts about rent distribution; and sluggish development of other competitive sectors of the Bolivian economy, a typical problem for mineral-dependent countries.[c]

Notes: [a] UNRISD (United Nations Research Institute for Social Development). 2013. Contestation and Social Change: The Politics of Domestic Resource Mobilization in Bolivia. Project Brief No. 7. Geneva: UNRISD. http://www.unrisd.org/pb7. Accessed in May 2016. [b] Daroca Oller, Santiago. 2016. Protesta Social y Movilización de Recursos para el Desarrollo Social en Bolivia. Working Paper 2016-3-S. Geneva: UNRISD. www.unrisd.org/daroca-pdrm. Accessed in May 2016. [c] Hujo, Katja (ed.). 2012. Mineral Rents and the Financing of Social Policy: Opportunities and Challenges. Basingstoke: Palgrave Macmillan/UNRISD.

greater obstacles in extending their tax net.[18] Yet bringing more citizens into progressive taxation systems could reduce these countries' high reliance on corporate tax revenues and aid. This would, in turn, reduce their vulnerability to global crises and shifts in donor or investor behaviour; at the same time, building a social contract based on progressive taxation of citizens could improve state-citizen relations and state capacity. Some countries that rely on natural resource rents, in particular minerals and fuels, have used their fiscal space to promote universal social policies, but progressive outcomes are challenged by revenue volatility and the negative impacts of extractive industries on the environment and structural change (box O.6).

Financing SDG implementation through more transformative domestic revenue policies can be supported through the following measures.

- Actual and potential taxpayers and other relevant stakeholders need to be involved in transparent and inclusive tax bargains that establish links with social policy. They need to hold governments to account for the agreed distribution and allocation of resources.
- The financing mix at the national level should be diversified and move away from instruments that do not support the transformative change envisioned in the 2030 Agenda. Instead, financing policies, need to support policies and activities that facilitate an eco-social turn.
- An enabling environment for resource mobilization needs to be built, based on macroeconomic policies that foster labour-intensive and sustainable growth and structural change, as well as administrative capacity and technological innovations that facilitate tax enforcement and promote efficiency.
- Domestic resource bargains need to be supported by global bargains, providing resources (capacity building and finance) and regulation (for example, to prevent illicit financial flows, tax evasion and environmental damage caused by productive activities).
- Global governance regimes need to be reformed, in particular the international financial architecture, to be more coherent with sustainable development and the SDG vision of partnerships.

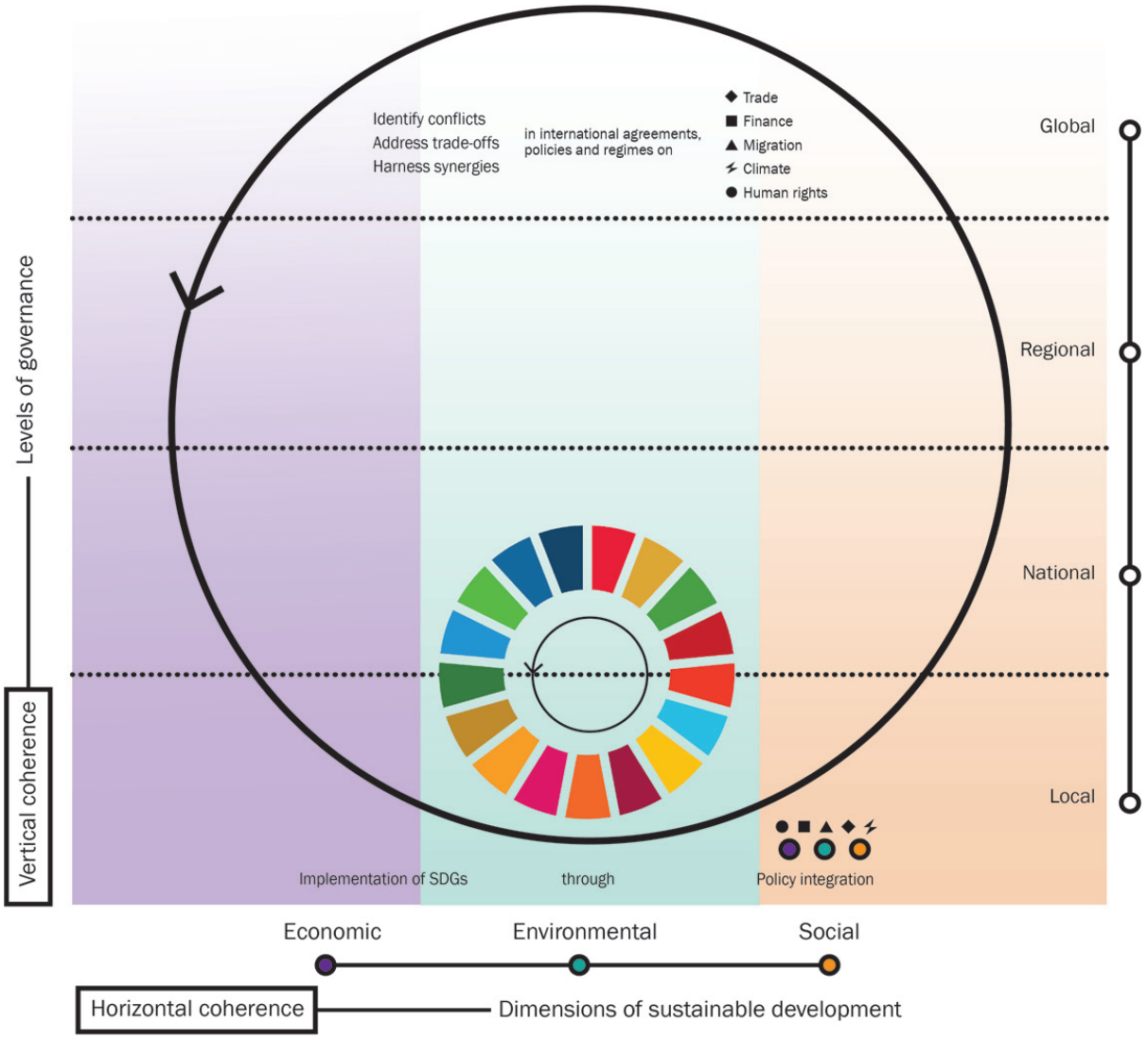
Driving the Eco-social Turn: Governance and Politics

May Day demonstration in Hamburg, Germany in favour of social rights for all and an inclusive, solidarity-based city.

Transformative change at the national level must be complemented by similar change processes at the regional and global levels. But major imbalances—or policy incoherence—are evident in global governance regimes. These tend to facilitate trade, finance and private investment, and subordinate or challenge goals related to social and environmental protection and decent work. Achieving greater policy coherence in global governance is not simply about improved coordination: it is fundamentally a political process. Within that process the voice and influence of less powerful stakeholders, vulnerable groups and poorer developing countries need to be enhanced. Responses to the call in the 2030 Agenda for a global partnership must go beyond current approaches to public-private partnerships and participation. Social innovations that allow civil society organizations and groups to organize, mobilize and participate to greater effect are important in this regard.

Chapter 7 addresses implementation of SDGs

Figure O.10. **Achieving policy coherence in the 2030 Agenda**



The extent to which the 2030 Agenda will lead to transformative change depends on its successful implementation at the national, regional and global levels. Implementation, while often associated with technical or administrative tasks, is first and foremost a political process that requires negotiation among different actors of concrete reforms, as differing options distribute costs and benefits differently among and within countries. Only when decisions have been made about how to integrate the 2030 Agenda into national development plans, and which positions to defend regarding cross-border or global concerns, does administrative capacity become more relevant. Nevertheless, implementing reforms successfully requires the continuous mobilization of resources and political support, meaningful participation of stakeholders and citizens, and transparent and inclusive processes if tensions and trade-offs emerge.

Tensions and trade-offs can be anticipated by looking carefully at the coherence of the 2030 Agenda at different levels: horizontal coherence across the economic, the social and the environmental pillars; and vertical coherence between the national level and global governance regimes in areas such as finance, trade, climate change, migration or human rights (figure O.10). While horizontal coherence at the national level is complex, it can be supported through policy integration and improved sectoral coordination. Vertical coherence is an even more complex undertaking, involving a larger group of actors and reform of global institutions. A careful look at existing global trade, finance, climate, human rights and migration regimes reveals not only considerable fragmentation, gaps and enforcement challenges, but also the reproduction and reinforcement of existing power asymmetries between North and South, and between rich and poor.

While international development institutions and frameworks now generally acknowledge the need for participation, in practice it is often reduced to mere consultation with selected stakeholders whose worldviews and proposals for change are considered "reasonable". If the less powerful are to gain voice and influence, they must have recourse to a broad portfolio of actions. This includes diverse forms of contestation and claims making such as protest, advocacy, lobbying, monitoring activities, naming and shaming, critical research, bargaining and negotiation.[19] Moreover, gaining power involves reconnecting the policy process not only with selected civil society experts and NGOs, but also with social and global justice movements at national and transnational levels.[20] Civil society actors can increase their policy impact through various forms of social innovation: framing issues in ways that resonate with larger constituencies; networking and building coalitions and alliances; adopting a broad portfolio of actions involving both "insider" and "outsider" tactics; crafting strategic entry points into the policy process; and developing the technical competencies needed to engage policy and other decision makers.[21]

Civil society actors and networks have played a key role in shaping a major new terrain of transnational regulatory reform related to standard-setting that aims to promote corporate social (and environmental) responsibility, as well as the aspects of corporate governance associated with transparency, accountability and anti-corruption.[22] NGOs have often taken a lead or participated in the governance structures of multistakeholder initiatives such as the United Nations Global Compact, the Extractive Industries Transparency Initiative, the Forest Stewardship Council and other commodity roundtables. While such initiatives have helped to fill governance gaps that have arisen under globalization, their regulatory outcomes are often quite weak, especially when first established. But the synergistic combination of both insider and outsider pressures has meant that the standards and procedures they promote tend to be ratcheted up through time.

Implementation of the 2030 Agenda will benefit from improved national and international governance and inclusive political processes. Policy makers are encouraged to:

- identify and address trade-offs and imbalances in development objectives and regulatory regimes to improve the horizontal and vertical coherence of the 2030 Agenda;
- adjust the normative hierarchy in international governance from one where an economic rationale dominates, to one that prioritizes social and ecological objectives;
- design and implement eco-social policies, including sustainable economic policies that are conducive to employment creation and decent work; investment incentives that reward environmentally and socially sustainable activities; social policies that combine social and environmental goals; and environmental norms that rectify social and climate injustices;
- elaborate national and international regulatory regimes that hold transnational corporations and financial institutions accountable so that they respect human rights, obey national tax laws and avoid environmental harm;
- develop strong institutional capacity to manage and evaluate public-private partnerships, and create partnerships with communities and civil society; and
- facilitate the political empowerment and activism of civil society at the national level and transnationally, and provide real options for participation beyond "having a seat at the table".

We will need to see beyond disciplinary and policy silos to achieve the integrated 2030 Agenda.

Pathways toward Transformative Change: An Agenda for Action

The research in this report points to one overarching conclusion: the 2030 Agenda for Sustainable Development can only be realized if the implementation process leads to transformative change addressing the root causes of inequitable and unsustainable outcomes. Transformative change therefore requires fundamental changes in social relations and institutions to make them more inclusive and equitable, as well as the redistribution of power and economic resources.

Much can be learned from the institutional, policy, social, technological and conceptual innovations that have emerged in the social policy, care policy, social and solidarity economy, climate change, domestic resource mobilization, and governance spheres in recent years, and which are explored in this report. Many notable innovations have been crafted in developing countries, and informed by changes in global development discourse and policy. While progress has been made, however, it is also apparent that not all innovations realize their transformative potential. They may be bolted onto macroeconomic or other policies that reproduce business as usual, or their implementation may be undermined by resource constraints or bureaucratic inertia. Or they may fail to garner the political support, or to reach a level of institutionalization, necessary for sustainability over time.

The social turn that started in the 1990s and, in practice, focused attention largely on poverty reduction did not result in the necessary transformations toward sustainable development, because social policy was frequently conceived as an add-on to conventional neoliberal economic policies. It was designed to alleviate negative social outcomes, while power asymmetries and inequalities remained largely untouched. In cases where ambitious efforts were made to change citizenship regimes and development approaches, there have indeed been visible changes in economic, social and political structures. The major challenge for the future is to sustain and reinvigorate the social turn and broaden it into an eco-social turn. This requires reversing the dominant normative hierarchy in current policy making, such that social and ecological justice become the overriding concerns in all policy making and genuine transformation for sustainable development can be realized.

This report shows that the innovations that have driven transformative change toward sustainable development are those that: are grounded in universal and rights-based policy approaches; reverse normative hierarchies within integrated policy frameworks; re-embed economic policies and activities in social and environmental norms; and foster truly participatory decision-making approaches.

Table O.1 summarizes policy implications from the six policy areas explored in this report, and which can have powerful impacts for the successful achievement of the 2030 Agenda and the SDGs. They are starting points for a longer process of understanding and designing further policies and reforms that will be needed to catalyse the eco-social turn. They will need to be adjusted to specific contexts, and translated into local, national, regional and global development strategies through inclusive and transparent public debates that allow for meaningful participation, contestation and bargaining, and through inclusive decision-making processes to manage potential tensions and trade-offs. Once implemented, policies and reforms will need to be evaluated and assessed for their transformative potential: whether they attack the root causes of poverty, inequality and unsustainable practices, and lead to more inclusive, just and sustainable societies. Responsive, independent, interdisciplinary, locally relevant research will be needed across all these areas, in order to ensure that evidence, knowledge and innovative ideas inform the processes of transformative change that will drive progress toward the achievement of the SDGs and the 2030 Agenda.

Table O.1 **Making policies for transformative change**

Social Policy	Care Policy	Social and Solidarity Economy (SSE)
Foster policy innovation that brings together social justice and environmental protection, and prioritizes them over economic growth	Promote social dialogue between social movements and civil society organizations	Monitor and evaluate government support of SSE to safeguard and expand its transformative potential
Use social policy, legal frameworks, formalization, participatory approaches and sustainable financing to promote universalization	Strengthen institutional coordination between health, education, infrastructure and social protection around care	Create forums that facilitate and institutionalize the participation of SSE actors in decision making
Promote a human rights–based approach to social policy design and implementation	Build a strong gender perspective into the design and implementation of care policies	Support innovative sources of finance for SSE entities
Build empowering and innovative public-private partnerships	Promote decent work for paid care workers	Craft an enabling policy environment for SSE at all levels
Support national social policy through regional and global social policy	Frame care policies in a universal, human rights–based approach to social protection	Expand the understanding of policy coherence to include the (potentially disabling) effects on SSE of macroeconomic, investment, trade and fiscal policies
Design and deliver progressive eco-social policies		

Climate Change	Domestic Resource Mobilization	Governance
Frame climate change as a social and a political issue	Promote transparent, inclusive and accountable resource bargains with strong links to social policy	Improve the horizontal and vertical coherence of the 2030 Agenda
Design integrated policy frameworks that prioritize social and ecological sustainability over economic growth, and promote eco-social policies	Diversify the financing mix for policy measures and prefer instruments that promote the eco-social turn	Reverse the normative hierarchy of international governance to put social and ecological objectives at the top
Redress inequitable distributional impacts related to climate change and the green economy	Build an enabling economic environment and state capacity for resource mobilization	Promote eco-social policies and sustainable economic policies, and rectify climate injustices
Engage affected populations in participatory decision-making processes	Support national bargains with global bargains through better regulation (of illicit financial flows, tax evasion, harmful investments), governance and access to resources (finance, capacity building and information)	Create new and strengthen existing regulatory regimes for multinational corporations and financial institutions
Consider decentralized forms of energy provision centred on renewables, as well as other ways to "get energy provision right"		Develop the institutional capacity to manage and monitor public-private partnerships
Foster an enabling environment for social innovation that integrates ecological and socioeconomic strategies		Create spaces for the meaningful participation of civil society in decision-making processes

Six broad guiding principles can be distilled from the policy implications shown in table O.1. This report suggests the following guidelines for action (figure O.11) by national and international policy makers if transformative change is to occur.

Figure O.11. **Guidelines for action toward transformative change**

Re-embed

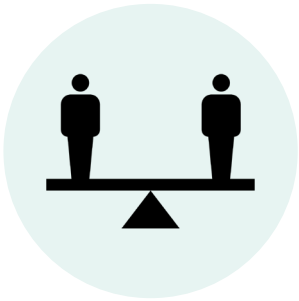
markets in social and ecological norms by making policies and building institutions that make the economy work for society and respect planetary boundaries.

Reverse

the existing **normative hierarchy to position social and environmental priorities above economic ones**; design integrated social, environmental and economic policies to maximize synergies and coherence.

Promote

and enable **meaningful political participation and empowerment** through inclusive and transparent political processes, access to information and assets, and governance reforms at the national and international levels.



Design

policies and institutional frameworks according to principles of **universalism, human rights and social justice**.

Use

an **eco-social lens** to design measures that reduce resource use, halt environmental destruction and combat climate change.

Invest

in **research** on innovative ways to design, implement and evaluate transformative policies for sustainable development.

Note: Attribution for icons in this section is due to Joris Millot, factor[e] design initiative, icon 54, David García, Hayley Warren, Iconathon.

But policy makers and governments, while bearing a key responsibility to drive transformative change, cannot do it alone. The 2030 Agenda is an agenda of, by and for all people explicitly targeted at multiple actors, including the private sector, civil society organizations, social movements and international organizations. These actors need to influence, monitor, evaluate and complement actions taken by policy makers at the national, regional and global levels through:

- incorporating an eco-social rationale in their own decisions and actions;
- holding to account employers, multinational corporations, financial institutions and governments;
- developing their own agency and creative potential to continuously innovate for sustainable development;
- advocating for equal distribution of voice and resources within partnerships; guarding against the skewed distribution of risks, costs and benefits in ways that favour private interests; and actively seeking new and innovative partnership opportunities, many of which may involve communities and citizens; and
- ensuring that vulnerable groups and agents of transformative change can effectively influence decision-making processes.

Working toward the 2030 Agenda is an opportunity for the international community, but also a challenge. Choices about alternative pathways toward transformative change need to be grounded in both solid evidence and the normative values of social and climate justice, equity and inclusion. All participating actors have to walk their talk in terms of the commitments they have made, and translate visions into visible and measurable changes. This will require redressing power asymmetries and inequalities; promoting political participation and agency; altering international power relations and global governance institutions; empowering small enterprises, rural producers, informal workers and, notably, SSE entities; and reversing the hierarchies of norms and values that subordinate social and environmental goals to economic objectives.

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The 2030 Agenda for Sustainable Development and the Sustainable Development Goals are a global commitment to "transforming our world" and eradicating poverty in all its forms everywhere. The challenge now is to put this vision into action.

Policy Innovations for Transformative Change, the UNRISD 2016 Flagship Report, helps unpack the complexities of the 2030 Sustainable Development Agenda in a unique way: by focusing on the innovations and pathways to policy change, and analysing which policies and practices will lead to social, economic and ecological justice.

Drawing on numerous policy innovations from the South, the report goes beyond buzzwords and brings to the development community a definition of transformation which can be used as a benchmark for policy making toward the 2030 Agenda, intended to "leave no one behind". Bringing together five years of UNRISD research across six areas—social policy, care policy, social and solidarity economy, eco-social policy, domestic resource mobilization, and politics and governance—the report explores what transformative change really means for societies and individuals.

View the report at **www.unrisd.org/flagship2016**

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