

Sustained Inclusive Growth

Plenary Statement made by IHDP and ICSU, on behalf of the Scientific & Technological community

5th session of Open Working Group on SDGs, 25 November, New York

The Science & Technology Community supports the way forward proposed in the technical issue brief, to consider wealth in an inclusive manner, including not only manufactured but also natural and human forms of capital.

Economic growth paradigms have focused until recently on the flows of goods and services required for well-being, as measured, for example, by GDP. This, however, masks the rapid deterioration of the underlying asset base for the supply of these goods and services. These underlying stocks or assets include, in particular, a Natural Capital component (forests and biodiversity), as well as a Human Capital component (education and health). These must be maintained over the long term to ensure sustained economic growth. The Inclusive Wealth Report, released in Rio by IHDP, UNU and UNEP, proposed such an approach to sustainability, based on including natural, and human forms of capital to manufactured capital in the calculation of the wealth of a country.

One key challenge in this discussion is to develop an overarching conceptual framework that is both flexible, as well as comprehensive, covering each of the 3 pillars of sustainable development. The framework does not need to capture the fine details of each pillar, but to incorporate the key variables in such a manner that major interdependencies are captured explicitly. The framework, should, for example accommodate the impacts that various macroeconomic fiscal, monetary and trade policies will have on the environment, that is, on our natural capital, as well as on the social capital.

Another challenge is to address the profusion of concepts and terms being used in the international policy landscape with regards to sustained inclusive economic growth. Many of these terms overlap, duplicate, and in some cases even conflict with each other, causing confusion within the policy and academic communities.

The scientific & technology community, in light of these observations, would like to recommend that the OWG:

- 1- **agree on a clear common terminology** for the various concepts and terms currently used in the policy dialogue;
- 2- **identify key operating principles to guide the design of the economic framework for the post 2015 development agenda** (including the SDGs);
- 3- **develop an overarching conceptual framework** designed in a manner that the various goals and targets from the three pillars of sustainable development are linked – and if needed, nested – in a coherent manner.

A background paper has been prepared for this session by ICSU and IHDP, and is available both on the OWG 5th session web site, and in paper copies in this room.

Thank you very much