

**Open Working Group on Sustainable Development Goals
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Constituency: France, Germany, Switzerland

**Common statement on Sustainable Economic Growth,
Macroeconomic Policies and Industrialisation**

to be delivered by Ambassador Michael Gerber (Switzerland)

Honorable Chair(s),

Excellencies,

Dear colleagues,

I am speaking on behalf of the constituency shared by France, Germany and Switzerland.

Sustainable economic growth plays an essential role in the development of all countries. When we say “sustainable growth”, we mean growth that is **sustained, inclusive and green**. In our view, sustainable growth should therefore be prominently included in the Post-2015 agenda.

It is commonly acknowledged that economic growth is a key factor in the development of a country and that a flourishing private sector is the main engine for growth and job creation. However growth has been quite uneven in the various regions of the world, and the need for more sustainable growth has become apparent. For growth to reduce poverty and increase well-being sustainably, it must be **inclusive** and lead to higher living standards for the population at large so that

prosperity is shared. One essential factor for making economic growth more inclusive is **jobs creation:** the economy must provide enough jobs that enable people to earn their living in decent working conditions.

Moreover, there is a need to transform towards a **green economy.** Recent decades have witnessed a huge pressure on the world's natural resources, as well as climate change, increasing pollution of the environment and depletion of finite natural resources. These conditions also exacerbate the vulnerability of the poorest segments of the population. One important aspect is the need to make **consumption and production patterns** more sustainable. The policy framework should aim to set the right prices for natural resources and lead to a gradual decoupling of socio-economic development from the use and degradation of natural resources.

To achieve sustainable development, it is important that governments provide adequate **framework conditions to ensure an enabling environment.** This concerns on the one hand the framework conditions of the **economy** (e.g. financial, trade, investment and tax systems), but also the policies and regulations in place in the area of environmental protection, resource efficiency, social protection and labor market policies. At the international level, effective implementation of corresponding conventions in these areas should be promoted. Moreover, it is important to promote a **multilateral trade system** to the benefit of all countries, including the least developed countries.

International trade contributes to sustainable development in its economic, social and environmental dimensions, including through economic development, employment and decent work as well as the protection and preservation of the environment and natural resources. We need to continue to promote an open, rules-based and development-friendly multilateral trading system as part of the global enabling environment, **reducing trade-distorting measures, while improving market access of products from developing countries.**

At a time when many governments are struggling with extremely tight budgets and excessive debt levels, the benefits of pursuing more open trade and government procurement policies are obvious in order to achieve sustainable development. Therefore governments need to work towards **opening markets** rather than closing them.

In the context of sustainable development, we should not only consider overall income and job creation effects of trade liberalization, but also the **distribution of the benefits of trade.** More thought should be given to the **social mechanisms** as well as to the continuing **education** and retraining that need to be put in place for those workers in sectors that may lose as trade expands. As these measures are costly, they require healthy public finances in the long run. Countries opening up to reap the benefits of greater trade liberalization must therefore also pursue sound **fiscal and monetary policies**, a necessary pre-condition for ensuring sustainable growth and development.

Sustainable macroeconomic framework conditions and a sound and sustainable **fiscal policy** are important to support overall economic activity. Therefore, measures ensuring macro-economic stability are to be promoted, such as sound **public finances** managed in a responsible and transparent way, responsible **debt management, efficient tax administration**, as well as a stable **monetary policy**. **Fiscal consolidation** combined with **structural reform** is a prerequisite for sustainable economic growth. Measures targeting the stability of the **financial sector** are important in order to sustain the economic growth of the countries.

A new post-2015 development agenda can only be achieved through a greater cooperation with the **private sector**. Sustainable development requires a dynamic and robust private sector. The private sector is the basis for economic development and job creation. In order for enterprises to invest and develop their activities, they need to operate in an enabling business environment and have adequate access to financial means. It is especially important to promote financial inclusion and the equitable and fair access to finance for Small and Medium Enterprises (SMEs), including micro-entreprises.

Finally, the role of **infrastructure** is paramount for providing the basis for sustainable growth. Sustainable *urban* infrastructure in particular needs much more attention since the infrastructure challenge is greatest in cities. Urbanization can be an extremely powerful force in support of economic growth and poverty reduction.

Thank you.