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Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: priority theme: promoting empowerment of people in achieving poverty eradication, social integration and full employment and decent work for all

Statement submitted by Sisters of Charity Federation, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.



Statement

The adverse effects of a culture of consumerism and profit at all costs, including the destruction of the environment through the breaching of planetary boundaries, must be examined and addressed in any effort to promote the empowerment of people in achieving poverty eradication, social integration and full employment and decent work for all. Social development does not occur in isolation. It is integral to sustainable development, which necessitates the inclusion of all three pillars: environmental, social and economic. The transition from the Millennium Development Goals to the sustainable development goals must include alternatives to conducting business as usual. The Sisters of Charity Federation, working in 27 countries throughout the world, sees daily the negative impact that the uncontrolled pursuit of economic growth has on those living in poverty.

Systemic inequalities

Today's world has been described by Tim Jackson, a British economist, as one with islands of prosperity within oceans of poverty. The growing gap between the haves and have-nots is increasingly leading to civil strife within societies and conflict among nations. Those at the top have created systems that allow more and more wealth to flow into their hands at the expense of the rest of society. The systemic nature of inequality must be addressed, given that only then can emerge societies that will put the well-being of people ahead of economic growth.

It is becoming more and more apparent that an increase in a country's gross domestic product (GDP) is doing very little to lift people out of poverty. GDP focuses on the overall level of economic activity within an economy; in other words, money changing hands. Natural disasters and wars, among other things, all contribute to GDP, but do nothing to ensure that everyone in a society is benefiting. GDP does not factor in the environmental or social costs of growth. An economy that depends on consumption for its very survival is neither desirable nor sustainable in a globally interconnected world. The United Nations Development Programme has called for transformational thinking, which is certainly needed to ensure the well-being of both people and the planet.

The idea of "growing" the economy has become synonymous with prosperity in the minds of business and political leaders. However, this pursuit of growth at all costs is undermining the very fabric of societal well-being by destroying the life systems essential for survival. The quality of life decreases for everyone as natural resources are consumed far beyond their regenerative capacity. Biodiversity loss, climate change, pollution, deforestation, soil degradation and ozone depletion are just a few of the indicators of system failure at multiple levels.

Poverty eradication will be achieved only when all members of society have access to food, clean water, health care and opportunities for education and/or skills training to prepare them to be productive members of society. As Nelson Mandela said:

Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. And overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.

Alternative to business as usual: the steady state economy

A steady state economy is a relatively new concept in economic theory, but one that offers a viable alternative to the current pro-growth model. It replaces the goal of GDP to grow the economy at all costs with that of improving the quality of life for all. It aims to maintain a stable level of consumption and keep material and energy use at sustainable levels. It also advocates a fair distribution of income and wealth within societies. A steady state economy would provide economic benefits for all, not for just a few at the top, as it aims to balance the needs of markets, civil society and the State.

Herman Daly, an ecological economist, defines a steady state economy as “an economy with constant stocks of people and artifacts, maintained at some desired, sufficient levels by low rates of maintenance ‘throughput’, that is, by the lowest feasible flows of matter and energy from the first stage of production to the last stage of consumption”.

A steady state economy does not imply stagnation, but rather what ecological economists call “a dynamic equilibrium”, which continually changes and develops over time, but maintains a balance with the natural environment. It seeks to enhance the well-being of all members of society by providing meaningful work and basic social protection and protecting the Earth’s ecosystems for future generations. It provides sufficient employment for all those seeking work and directs labour towards work that is both meaningful and constructive. Instead of supporting large multinational corporations, it advocates more work at the local level with an emphasis on cooperatives.

The transition to a steady state economy would require fundamental systemic change. It would require rethinking and re-evaluation of how progress is measured. GDP could no longer serve as the standard measurement of prosperity. Several alternatives to GDP are already available, such as the Beyond GDP initiative of Eurostat, the Better Life Initiative of the Organization for Economic Cooperation and Development, the Genuine Progress Indicator and the Happy Planet Index.

Given that nations are at different starting points, the paths to a steady state economy will differ. In developing countries, where people are not currently consuming enough to meet their basic needs, a period of growth is needed before a steady state economy can be achieved. However, in developed countries, where people’s consumption habits exceed the Earth’s carrying capacity, a period of degrowth, a voluntary transition towards a just, participatory and ecologically sustainable society, is needed before a steady state economy can be achieved.

Benefits of a steady state economy to social development

The transition to a steady state economy would help to eliminate the glaring inequalities that exist in the world today. It would reduce levels of poverty within and among countries by creating a more even playing field. It would place limits on material and energy consumption and waste production and protect the natural environment. A social protection floor would be a key element in steady state economies.

Our current economy, based on the need for continual growth in order to survive, has created a very unequal society at both the individual and country levels. A steady state economy would facilitate social integration because one of its

primary goals is the fair distribution of wealth and services within a society. All members of society would benefit in an economy that meets people's needs without destroying the planet's life support systems.

A steady state economy would provide stable prices and equal opportunities to earn income. A move from large multinational corporations to more locally owned cooperatives would give people a greater sense of ownership and pride in their work. More production at the local level would eliminate the high environmental costs of transportation and increase employment opportunities for local citizens.

Recommendations

We recommend that action be taken:

- (a) To address the question of systemic inequalities that are fostered by the current economic system;
- (b) To develop and implement alternatives to GDP as the measure of a country's wealth;
- (c) To adopt the principles of a steady state economy as a means of reducing individual and societal inequalities;
- (d) To improve access by Member States to high-quality information about a steady state economy and its potential to enhance social development;
- (e) To shift policy priorities and mainstream the concept of a steady state economy in development planning.

Conclusion

The current economic system has led to a global society with glaring inequalities among people and nations. It has pursued a course of growth at all costs that is no longer sustainable on a planet with finite resources. Promoting the empowerment of people in achieving poverty eradication, social integration and full employment and decent work for all requires systemic changes. As Richard Buckminster Fuller once said: "You never change things by fighting existing reality. To change something, build a new model that makes the existing model obsolete." A steady state economy requires transformational thinking on the part of world leaders, but clearly represents a new model that can empower societies to move towards greater equality within and among themselves and in harmony with planetary boundaries.

Note: The statement is endorsed by the following non-governmental organizations in consultative status with the Council: Bharat Sevashram Sangha, Company of the Daughters of Charity of St. Vincent de Paul, Congregation of Our Lady of Charity of the Good Shepherd, Dominican Leadership Conference, International Presentation Association of the Sisters of the Presentation of the Blessed Virgin Mary, Partnership for Global Justice, Passionists International, Sisters of Notre Dame de Namur, UNANIMA International and VIVAT International.