

SETTING A PATH TOWARDS NEW ECONOMICS FOR SUSTAINABLE DEVELOPMENT- AN OVERVIEW

Decades of unprecedented economic growth have not prevented the cascading and interlinked crisis of climate change, degrading ecosystems and biodiversity, devastating war and violence, aggravating poverty, hunger, and inequalities, increasing costs of living and debt distress, and the continued pandemic, social insecurity and unrest. Instead, we are seeing an increasing disconnect between economic growth and wellbeing. At the halfway point in the implementation of the 2030 Agenda for Sustainable Development, adopted in 2015, it is clear we need radical changes in the way our economies operate.

The New Economics for Sustainable Development (NESD) seeks to address the lack of inclusivity as our economies are leaving too many behind, while waging a war on the planet. The target audience for the series of policy briefs on NESD are decisionmakers, strategists and key actors in the global and national policy space that can steer socio-economic policies towards a world of better holistic accounting of externalities, both positive and negative, in our interconnected system. It is also directed at UN country economists providing them with not “one economic solution for all” but rather, a toolbox to advance the three dimensions of the SDGs, while responding to the current priorities and human and environmental capital endowment of the country they serve in.

the Summit of the Future and the 2025 update of the System of National Accounts. But to avoid trade-offs and capture synergies among the three dimensions of sustainable development we require a paradigm

agents to conduct economic activities (formal and informal alike). Science has clearly evolved to show how economic activities occurs within interdependent systems. This overview takes a look at the global economic, social and ecological system, with a deliberate aim to address practical drivers that make people and ecosystems thrive, without putting at risk planetary health or social cohesion.

RATIONALE – SHORTCOMINGS OF MAINSTREAM ECONOMIC THEORY AND PRACTICE

There are several aspects of modern economic life that have not been adequately integrated into mainstream economic policy making. These include, inter alia, the impact of linear production models on the planet, including life on land and in the oceans; the notions



... there is a need to expand the conceptual, analytical and policy frontiers of mainstream economics ...

In 2012, the UN Statistical Commission introduced the first international standard for environmental-economic accounting, bringing together a common framework to measure the condition of the environment, the contribution of the environment to the economy and the impact of the economy on the environment. Today the Statistical Commission has advanced global dialogue and discourse on accounting for the stocks of physical, human and now natural capital through the 'System of Environmental-Economic Accounting– Ecosystem Accounting' (SEEA-EA), which will be updated by 2025.

However, the next step is to shape multilateral, regional and especially national policymaking to better measure and manage the stocks q

timber, an action that is unrepeatable in future periods, therefore harming future capital stock and growth potential of that country, resulting in the loss of ecosystems and services provided by forests, for example. GDP cannot

of resources by pooling the assets of cooperative members, although its main goal is to achieve social outcomes.

NESD CONCEPT	NATIONAL POLICY RECOMMENDATIONS	REGIONAL AND INTERNATIONAL POLICY RECOMMENDATIONS
Blue Economy	<p>Accurately value the contribution of natural oceanic capital to national accounts and welfare.</p> <p>Catalyze new financial investments and targeting financial instruments can help leverage investment that can feed directly into national budgets.</p> <p>Integrate new coastal and marine spatial planning into national and local planning.</p>	<p>Ensure policy coherence for ocean-based economic production and consumption.</p> <p>Implement effectively and enforce the UN Convention on the Law of the Sea.</p> <p>Improve the integration of ocean assets in international and regional strategies.</p>
Green Economy	<p>Policy strategies towards the full removal of fossil fuel subsidies, while minimizing impacts on the poorest and most vulnerable through social protection programs.</p> <p>Investment strategies for the creation of green jobs, green human capital, and to de-risk viable green technology startups, while benefiting vulnerable areas and groups.</p>	<p>Global guidance on the reform of price systems through fiscal policies that can ensure the value of goods and services</p>

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