

Minister of Social Affairs and Health Hanna Sarkkinen
8.2.2023 UN-CSocD Opening Statement at a virtual side event organized by CSOs
(*Global Coalition for Social Protection Floors*)

Speech

Distinguished ministers, leaders and experts. Ladies and gentlemen.

We need a new social contract. One that places people's and planets wellbeing at the core of all decision making.

For this we need new concepts. And for this I propose the concept of economy of wellbeing. During Finland's recent Presidency of the EU council the EU-group of countries agreed on Conclusions on the *Economy of Wellbeing*, a policy orientation and governance approach that puts people and their wellbeing at the very center of policy and decision-making and progress monitoring. It also makes the mutually reinforcing interlinkages between economy and wellbeing visible.

We all know that GDP alone does not provide a comprehensive picture of people's wellbeing. The UN CSocD is fortunately a meeting where everyone knows that our investments into health, education, employment, gender equality and social protection for all members of society are vitally important also to economic development. And so do the efforts we take to build greater trust, more civic engagement and social cohesion in our societies. They all contribute to sustainable economies through stronger total factor productivity, greater financial and political stability, and enhanced resilience to adverse shocks.

Mr Chair. The Corona pandemic did put all societies into a serious test. It revealed weaknesses in our systems:

We were not prepared to risks that affect all at once

There were gaps in social protection and health services

There were increasing inequalities at all levels: local and global

Limited one sector responses were inadequate

We did not realize the social risks of health protection measures. For instance: closing schools will have a long and dark shadow in the lives of children and youth.

There will be similar challenges in the future. It is important to be prepared, to have systems that can be rolled out when needed. The pandemic really showed how important universal social protection systems are.

Dear friends,

The Covid pandemic made clear, how important universal social protection systems are during crises. Social protection benefits, such as employment benefits, create security for people in normal times and during crises. They also strengthen the resilience of whole societies and economies. When social protection systems are in place during normal times, they are there ready to be used also during the crises.

For a long time it was difficult to get social protection on the global agenda because of the old, still often repeated conceptualization of social protection as charity. Now the wide coalition on Universal Social Protection has developed a knowledge base and evidence that shows the feasibility of social protection systems that can reach all, also in lower income countries. While feasible, it has also become clear that lower income countries need help in getting started on the road to appropriate social protection floors for all.

There are challenges in social protection systems in all countries, including in my country, Finland. We have launched a major reform of social and health sectors. Our social protection system is rather comprehensive, but we see that we need to renew it to meet

the challenges of the changing society and labour markets. There are still challenges in its adequacy and appropriate coverage.

Furthermore, the social and health sectors cannot do it alone. Ensuring well-being for all requires applying social values in all sector policies. Including economic policies.

In order to invest into well-being and social protection we need well-functioning taxation system, that also reduce wealth and income inequalities.

In 2015-19 Finland and OECD implemented an EU project that supported ten lower income countries in their efforts to systematize their social protection. This kind of work needs to be continued, and we are happy that your Global Coalition on Social Protection Floors is active on that together with the ILO and Unicef, the leaders of social protection within the UN system.

Social protection has unfortunately no longer been a such high priority in Finland's development cooperation. But taxation is still a high priority. Finland supports the capacity development of domestic revenue mobilization systems in Africa. We support the African Union efforts to curb illicit financial flows that constrain the capacity of African countries to raise tax revenue for their development. We are also a key financing partner for the UNDP Global Tax programme and for several African tax justice organizations such as the African Tax Administration Forum and the Tax Justice Network Africa.

Dear friends,

A new paradigm of social and economic development is needed. GDP growth cannot continue as our dominating policy priority. The dimensions of sustainable development should be implemented in the right order: the people and the planet first, and the economy as an instrument and 'servant'.

The concept of Economy of Wellbeing stems from the observation that economic growth has in many cases not resulted in people getting happier. Consumption patterns are eroding the natural and cultural resources needed for resilience and collective sustained wellbeing.

The Economy of Wellbeing – approach seeks to build a bridge over the canyon between the economic, social and environmental sides of policy-making. An Economy of Wellbeing approach helps us to better understand the multiple two-way interrelationships between these domains. A balanced, integrated approach has the potential to create a virtuous cycle of development.

We need a whole-of-society approach to social and economic development towards wellbeing for all within the limits of the globe.

Dear friends,

“Wellbeing for all” was the ultimate goal of the first World Summit for Social Development in Copenhagen in 1995. Social protection was in the toolbox, but in a more narrow way than how it would be understood today.

Copenhagen principles are still relevant but the world is very different. The world population has grown by 40 % since the Copenhagen Summit. Populations are ageing, climate change cuts across all societies, new social gaps have emerged, digitalization is creating new possibilities and challenges, new kinds of armed conflicts have emerged, and new types of exclusion have also emerged at national level. It is high time to reach a new consensus globally and to renew our commitment to the values and principles of social development and on how to reach more fair societies and global systems.

A new Social Summit, as proposed by the UN Secretary General will be an appropriate forum to launch a global initiative supporting social policy development, including social protection floors.

We need a new social contract in the changing world. We need to strengthen the resilience of people and the societies, by investing in social protection, education and decent work. People must be able to trust, that even in the middle of changes and crises they can have their basic needs met and that they have the safety nets, skills and re-skilling springboard to bounce back and adjust to the new realities. To be able to finance these safety nets and springboards, we need strong and fair taxation systems in national and international level that reduces the inequalities.

I look forward to discussing with you the components of the new social contract during this event and during our road together towards the Social Summit 2025.

Thank you!