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**High-level segment on reinforcing the 2030 Agenda for Sustainable Development and eradicating poverty in times of multiple crises: the effective delivery of sustainable, resilient and innovative solutions: high-level policy dialogue, including future trends and scenarios related to the Council theme and the long-term impacts of current trends**

## **Long-term impacts of current trends on the realization of the Sustainable Development Goals**

### **Report of the Secretary-General**

#### *Summary*

The world continues to face multiple and interlinked challenges that affect the capacity of States to accelerate the action towards achieving the Sustainable Development Goals that was pledged by world leaders in the political declaration adopted at the 2023 Sustainable Development Goals Summit.

The present report concerns five major, interconnected and mutually reinforcing current trends and their potential long-term impacts on the future realization of the 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals, namely: the impact of geopolitical tensions on the global economy; changing labour markets; rapid technological change; continuing and intensifying adverse impacts of climate change; and the evolving nature of social contracts. While certain aspects of those trends can yield constructive outcomes, there are also negative impacts with the potential to hinder and reverse progress across the Goals, which would be faced predominantly by vulnerable countries and communities.

Tangible and holistic responses are needed at all levels. In order to eradicate poverty and achieve the Goals, priority needs to be given to policies aimed at revitalizing inclusive, sustained and sustainable economic growth and reversing geoeconomic fragmentation. Policy approaches need to be adaptable to rapidly changing labour markets and the increased digitalization of those markets and need to include measures aimed at promoting skills training while addressing unfavourable labour outcomes. Facilitating access to new technologies will advance efforts to



achieve of the Goals and bridge technology divides. The integration of climate adaptation, mitigation and broader sustainable development efforts into all Goals will enable a just transition. Revitalized social contracts can be instrumental in providing expanded and effective social protection, enhancing social inclusion and deepening a sense of trust and intergenerational solidarity.

## I. Introduction

1. In the 2030 Agenda for Sustainable Development, Member States outlined a universal, indivisible, inclusive and integrated vision for people, planet and prosperity, but that promise is in peril. In many cases, progress on agreed targets is slow or stagnant.

2. At the 2023 Sustainable Development Goals Summit, Heads of State and Government adopted a political declaration reaffirming their shared commitment to take transformative actions in order to accelerate efforts to fully implement the 2030 Agenda and achieve the Goals by 2030, which will require accelerated action towards the Goals.

3. The present report discusses five current global trends that have significant potential to influence efforts to get the implementation of the 2030 Agenda on track: the impact of geopolitical tensions on the global economy; changing labour markets; rapid technological change; continuing and intensifying adverse impacts of climate change; and the evolving nature of social contracts. The report contains an assessment of the changes and impact in those areas that are likely to condition the prospects for achieving most, if not all, of the Sustainable Development Goals.

4. The current global economic environment is marked by slow economic growth and increasing geoeconomic fragmentation, which are putting poverty eradication and achievement of the Goals at risk and heightening global uncertainty. Labour markets are being reshaped by unprecedented transformations that were triggered by the coronavirus disease (COVID-19) pandemic and are driven by accelerated technological progress and digitalization. Rapid changes in technology hold potentially significant promise for sustainable development opportunities and sustainable pathways to the future, yet a technological divide remains. Ongoing climate change is intensifying adverse climate impacts, which are now affecting all countries, on all continents. In different societies around the world, social contracts are evolving, affecting the type and impact of people's interactions. Such social contracts involve terms of cooperation, rights and obligations of citizens and States for mutual benefit that are context- and culture-specific, yet that also should be consistent with global agreements.

5. More effective policies and institutional actions in these five interconnected areas will enhance the prospects for achievement of all the Goals, which are universal, comprehensive and interlinked. Therefore, these trends will need to be addressed at the national and international levels. Greatly strengthened international cooperation is needed so that integrated and synergistic strategies and policymaking, supportive international institutions and the necessary financing can be pursued.

6. The present report is intended to inform the high-level segment of the Economic and Social Council in July 2024, pursuant to General Assembly resolution [72/305](#). It complements the report of the Secretary-General on the theme of the 2024 session of the Council ([E/2024/52](#)) and the report of the Secretary-General on progress towards the Sustainable Development Goals ([A/79/9-E/2024/54](#)).

## II. Impact of geopolitical tensions on the global economy

7. The geopolitical environment has become increasingly complex, which is changing the nature and functioning of the global economy. As a result, global economic growth has slowed, divergences and fragmentation have increased, global trade patterns and volumes have shifted, and there has been a departure from free trade and financial flows, which were among the main drivers of globalization.

Increased global cooperation is needed to counteract the potential risks that such changes pose for the eradication of poverty and the achievement of the Goals.

### **Persistent low economic growth**

8. As the midpoint of the 2020s, which has been deemed a transformative decade of action and delivery for sustainable development and the achievement of the Goals, nears, the global economy is experiencing what is expected to be the weakest half-decade for global growth in 30 years.<sup>1</sup> Five-year-ahead projections for global growth are the lowest since 1990.<sup>2</sup> The risk of a lost decade for the global economy looms amid the lingering impacts of the multiple concurrent crises since 2020.<sup>3</sup>

9. Global economic growth remains below the historical average across country income groups. More than 80 per cent of economies have experienced a slump in their growth prospects compared with 15 years ago.<sup>4</sup> Between 2008 and 2023, global medium-term growth prospects dropped by 1.9 percentage points.<sup>5</sup>

10. These weak per capita growth prospects are largely driven by slower prospective capital accumulation per worker, in part due to debt overhangs, and slower productivity growth. The slowdown in labour force participation in developed countries caused by ageing populations has further contributed to the overall decline in projected growth in gross domestic product (GDP) per capita.<sup>6</sup>

11. The global economy is expected to grow at a subpar pace in 2024 and 2025 amid high levels of debt, rising borrowing costs, persistently low investment, weak global trade and mounting geopolitical risks. Economic growth in developing countries is forecast to slow to 4.0 per cent in 2024, which is substantially less than the average rate of 4.9 per cent between 2011 and 2019.<sup>7</sup> Economic growth in developed countries has also slowed, from 2.6 per cent in 2022 to 1.6 in 2023, and is projected to slow further to 1.3 in 2024. Tight financial conditions in developed countries will further constrain capital flows to developing countries.<sup>8</sup>

12. Growth is forecast to improve moderately in 2025 but is expected to remain below the pre-pandemic trend growth rate of 3.0 per cent. Forecasts indicate that many low-income and vulnerable countries are likely to see only modest growth in the coming years, which makes a full recovery of pandemic losses ever more elusive.<sup>9</sup>

13. These developments have fundamental implications for the achievement of the Goals and for the possibility of overcoming the current intertwined crises. Debt unsustainability has become a major concern in many countries. Governments may be compelled to implement fiscal consolidation measures and reduce expenditures on social programmes, which would have significant effects on women, children and vulnerable groups. Slow economic growth and low investment will continue to impede progress towards eradicating poverty and hunger and diminish much needed opportunities for decent employment, with serious implications for the entire 2030

<sup>1</sup> World Bank, *Global Economic Prospects: January 2024* (Washington, D.C., 2024), p. 6.

<sup>2</sup> International Monetary Fund (IMF), *World Economic Outlook: Navigating Global Divergences* (Washington, D.C., 2023), p. 26.

<sup>3</sup> World Bank, *Falling Long-Term Growth Prospects: Trends, Expectations, and Policies* (Washington, D.C., 2024), p. xix.

<sup>4</sup> IMF, *World Economic Outlook: Navigating Global Divergences*, pp. viii, 11 and 18.

<sup>5</sup> *Ibid.*, p. 26.

<sup>6</sup> *Ibid.*, p. 18.

<sup>7</sup> *World Economic Situation and Prospects 2024* (United Nations publication, 2024), p. 8.

<sup>8</sup> *Ibid.*, p. 7.

<sup>9</sup> *Ibid.*, p. 5.

Agenda. If current trends continue, some 6.9 per cent of the world's population may still be living in extreme poverty by 2030 (A/79/79-E/2024/54).

### **Growing global income divergence**

14. The low growth prospects of developing economies over the medium- and long-term also have profound implications for future global convergence in per capita incomes. While global between-country inequality had been declining in the two decades preceding the COVID-19 pandemic, 2020 marked the largest single-year surge in global inequality since the Second World War.<sup>10</sup> Forecasts suggest that the anticipated number of years needed for emerging market and developing economies to bridge half the gap in income per capita with developed economies has increased, from 80 years (projections in *World Economic Outlook*, 2008) to 130 years (projections in *World Economic Outlook*, 2023).<sup>11</sup>

15. Several of the least developed countries are affected most severely, which reflects an economic divergence between developing countries as well. Sub-Saharan Africa is forecast to experience the slowest growth in terms of GDP per capita among all regions, thereby increasingly falling behind, or diverging from, the levels in developed economies.<sup>12</sup>

### **Intensifying geoeconomic fragmentation**

16. Geopolitical tensions and an erosion of confidence in the benefits of globalization are fuelling and intensifying geoeconomic fragmentation, which presents significant risks to the global economy and the achievement of the Goals. Geoeconomic fragmentation can be understood as any policy-driven reversal of economic integration, including those that are motivated by strategic factors, such as national security considerations.<sup>13</sup>

17. World trade growth in 2023 was well below the 2000–2019 average.<sup>14</sup> The trade outlook continues to be surrounded by significant risks and uncertainties, which are primarily tilted to the downside given calls for protectionism, continuing trade tensions and rising political uncertainty.<sup>15</sup>

18. Governments imposed close to 3,000 new restrictions on trade in 2022, compared to fewer than 1,000 in 2019.<sup>16</sup> Commodity markets are particularly fragmented; there were more than six times more new restrictions in 2022 alone than the average for the 2016–2019 period.<sup>17</sup> Fragmentation can also be seen in the widening of price differentials for selected commodities across geographical markets, as well as in the recent declines in foreign direct investment (FDI) in the commodity sector.<sup>18</sup>

19. These developments have long-term implications for the achievement of the Goals. In the past, the deepening of trade has contributed significantly towards a convergence in per capita incomes across countries, boosted productivity and catalysed

<sup>10</sup> World Bank, *Poverty and Shared Prosperity Report 2022: Correcting Course* (Washington, D.C., 2022), p. 83.

<sup>11</sup> IMF, *World Economic Outlook: Navigating Global Divergences*, p. 28.

<sup>12</sup> World Bank, *Global Economic Prospects: January 2024*, p. 17.

<sup>13</sup> Shekhar Aiyar and others, *Geoeconomic Fragmentation and the Future of Multilateralism*, (Washington D.C., IMF, 2023).

<sup>14</sup> IMF, *World Economic Outlook: Navigating Global Divergences*, p. 18.

<sup>15</sup> United Nations Conference on Trade and Development, "Trade and development report update", April 2024.

<sup>16</sup> IMF, *World Economic Outlook: Navigating Global Divergences*, p. 18.

<sup>17</sup> *Ibid.*, p. 76.

<sup>18</sup> *Ibid.*, p. 73.

a substantial reduction in poverty.<sup>19</sup> Increasing trade fragmentation is expected to have adverse effects, particularly for the least developed countries and for low-income consumers in developed countries affected by the accompanying rise in prices.

20. While estimates of overall output losses vary, greater trade fragmentation could reduce global GDP by as much as 7 per cent over the long term, equivalent to about \$7.4 trillion in current dollar terms.<sup>20</sup> As a result of rising barriers to capital mobility, FDI flows are likely to decrease, capital misallocation is likely to increase and productivity growth is likely to be hampered, all of which poses a significant risk to development and external financing opportunities in a context where more than half of all low-income developing countries are at high risk of or already in debt distress.<sup>21</sup>

### III. Changing labour markets

21. Labour markets are in an unprecedented state of flux worldwide, as they react and adapt to global crises and trends. The main drivers include accelerated technological progress, such as digitalization, related skill shortages, demographic shifts, and increased economic and geopolitical volatility. These changes and the related uncertainties make it even more imperative for policymakers to make adjustments aimed at supporting just transitions and curbing and accounting for potential losses of livelihoods, jobs and industries.

#### Increased digitalization

22. Digital innovations, including, most recently, generative artificial intelligence, have transformative implications for labour markets and the future of work. The resulting new forms of work are creating new opportunities, including remote and flexible work arrangements, and have the potential to boost labour supply in several sectors.

23. A distinct characteristic of labour market digitalization is the ability to outsource tasks or projects through online labour platforms. The number of such platforms has grown rapidly. While it is difficult to know exactly how many people are working on these platforms, there is evidence that a significant and growing number of people, particularly young people, are involved in such work.

24. Online labour platforms, including online outsourcing, crowdworking and gig economy platforms, allow workers to serve multiple clients remotely from their homes, vehicles or co-working spaces instead of working full-time for a single employer. The online platforms facilitate work through digital applications in such areas as web-based platforms for care, domestic, delivery and transport services.

25. While this trend of increased digitalization has the potential to bring about a structural and productive transformation within the economy, many of these new forms of work fall outside the scope and coverage of labour laws and regulations, since an employer may be in one place while a worker is on the other side of the world. These new forms of work also reveal gaps in policy frameworks, such as in addressing the high risk of informal work and job insecurity and the related lack of access to social protection systems, as well as irregular and low incomes.

<sup>19</sup> See Shekhar Aiyar and others, *Geoeconomic Fragmentation*, p. 4; Jeffrey A. Frankel and David H. Romer, "Does trade cause growth?", *American Economic Review*, vol. 89, No. 3 (June 1999); and Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton, New Jersey, Princeton University Press, 2007).

<sup>20</sup> Aiyar and others, *Geoeconomic Fragmentation*, p. 4.

<sup>21</sup> IMF, *World Economic Outlook: Navigating Global Divergences*, p. xvi.

26. In response, some Governments have extended social security coverage to platform workers, including by requiring platforms to cover the cost of accident insurance for self-employed workers. There is also recognition of a need for international action.

27. Within the ongoing digital transformation, artificial intelligence is expected to have a particularly significant impact on labour markets, including by boosting productivity. Without adequate policy interventions, however, artificial intelligence could worsen inequalities within and between countries by reducing demand for some low-skilled workers and adversely affecting women and already disadvantaged and vulnerable groups. Lower-income countries dependent on low-skill-intensive economic activities would also be disproportionately affected by increased uptake of artificial intelligence.

28. Overall, the future of work will be determined by the ability of Governments, employers and employees to navigate the challenges and capitalize on the opportunities presented by recent trends in digitalization. Policy strategies must be coordinated and mutually reinforcing, at both the country and the multilateral levels, in order to harness the potential of decent work as a key lever of transformation towards sustainable and inclusive prosperity, with multiplier effects across all Goals.

### **Growing need for skills training**

29. As digitalization and other shifts transform the nature of work, labour skills training is increasingly needed. By some estimates, as many as 6 out of 10 workers will need training before 2027, but only half currently have access to such training.<sup>22</sup> The skills shortage is further exacerbated by the elevated rate of young people who are not in education, employment or training, which continues to exceed the 2015 global baseline of 22.2 per cent, far from the objective of substantially reducing that rate.<sup>23</sup>

30. The situation is most concerning for young people in low-income and lower-middle-income countries, particularly in Central and South Asia and Western Asia and North Africa.<sup>24</sup> Young women continue to be twice as likely as young men to not be in education, employment or training.<sup>25</sup> These developments have reduced the chances for gainful and decent employment and contribute to further divergence between the supply of labour skills and the skills needed for sustainable development.

31. Skill and labour imbalances between labour-rich countries and those with shrinking labour forces can be addressed through comprehensive global skills partnerships that are beneficial for both source and destination countries. Governments and the business sector also need to view expenditures for upskilling, reskilling and lifelong learning as investments towards addressing structural impediments to long-run productivity growth and advancements in living standards.

### **Increases in working poverty and informal and precarious employment**

32. As the nature of work is changing and macroeconomic conditions remain tight, working poverty and informal and precarious employment have been on the rise.

33. There are approximately 2 billion informal workers worldwide, if not more. The informal sector has expanded by more than 120 million informal workers since 2019. The slight downward trajectory in the prevalence of informal employment observed

<sup>22</sup> World Economic Forum, *Future of Jobs Report 2023* (Geneva, 2023), p. 7.

<sup>23</sup> International Labour Organization (ILO), *Transformative Change and SDG 8: The Critical Role of Collective Capabilities and Societal Learning* (Geneva, 2024), p. 3.

<sup>24</sup> United Nations, Department of Economic and Social Affairs, Statistics Division, "Goal 8: Decent work and economic growth". Available at [unstats.un.org/sdgs/report/2023/Goal-08/](https://unstats.un.org/sdgs/report/2023/Goal-08/).

<sup>25</sup> ILO, *World Employment and Social Outlook: Trends 2024* (Geneva, 2024), p. 36.

before 2020 was disrupted by disproportionate job losses related to the pandemic, which pushed many workers into the informal sector. In 2023, the number of informal workers was the highest in two decades,<sup>26</sup> comprising 70 per cent of workers in developing countries and 18 per cent in developed countries.<sup>27</sup> In 2023, more than 8 out of 10 employed people in Africa were in informal employment. In Asia and the Pacific, close to two thirds of the workforce were informally employed, and in Latin America and the Caribbean, more than 50 per cent were informally employed.<sup>28</sup>

34. The growth of the informal sector has compounded workers' vulnerability to working poverty and precarious employment. Globally, the number of workers living in extreme poverty (i.e. those earning less than \$2.15 per person per day) grew by about 1 million in 2023. The trend is even more pronounced when observing moderate working poverty (i.e. those earning less than \$3.65 per person per day), which increased by 8.4 million globally in 2023.<sup>29</sup> At the same time, inflationary pressures resulting from economic and geopolitical instability led, in 2022, to the first decline in workers' real wages in 15 years, and the increased economic burden has disproportionately affected poorer households.

35. A related concern is the disproportionate impact that negative labour force trends have on women and young people. Current trends put countries significantly off track for achieving Goal 5 and undermine long-run progress made towards achieving Goal 8 on decent work for all.

36. The global gap in labour market participation rates between men and women remains large, and some of the gradual improvements made over the past decade have been reversed by the pandemic. Participation rates among men are forecast to be 25 percentage points higher than those among women by 2025. The gap will be even more pronounced in lower-middle-income countries, where it is projected to reach 38 percentage points.<sup>30</sup>

37. In 2022, as employment recovered after the pandemic, 4 out of 5 newly created jobs held by women were in the informal sector, compared with only 2 out of 3 of jobs held by men.<sup>31</sup> Gender parity in the labour force declined to 62.9 per cent in 2022, the lowest level recorded since measurement of the global gender gap began in 2006.<sup>32</sup>

38. Globally, in 2023, youth unemployment rates were almost 3.5 times higher than rates for adults, a pattern that is consistent across all country income groups.<sup>33</sup>

## IV. Rapid technological change

### Science and technology for sustainable development and the Goals

39. Science and technology have played pivotal roles as means of implementation for the Goals, offering substantial benefits in health, economic growth and environmental protection, but also present challenges because of their uneven distribution and unintended consequences.<sup>34</sup>

<sup>26</sup> Ibid., p. 29.

<sup>27</sup> World Economic Forum, *Future of Jobs Report 2023*, p. 14.

<sup>28</sup> ILO, *World Employment and Social Outlook*, p. 35.

<sup>29</sup> Ibid., p. 12.

<sup>30</sup> Ibid., p. 28.

<sup>31</sup> United Nations, Department of Economic and Social Affairs, Statistics Division, "Goal 8: Decent work and economic growth". Available at [unstats.un.org/sdgs/report/2023/Goal-08/](https://unstats.un.org/sdgs/report/2023/Goal-08/).

<sup>32</sup> World Economic Forum, *Global Gender Gap Report 2022* (Geneva, 2022), p. 7.

<sup>33</sup> Ibid., p. 29.

<sup>34</sup> *Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads* (United Nations publication, 2024), chap. III.G.



40. Health-care advancements due to technology have been remarkable. The development and distribution of COVID-19 vaccines, notably those using messenger RNA (mRNA) technology, saved over 14 million lives worldwide in the first year of their use, and mRNA technology is now being used to aid the creation of vaccines for other diseases. The integration of artificial intelligence with health-care technologies is poised to advance disease risk management and treatment significantly. For example, gene-editing tools and DNA sequencing advancements are unlocking new potential treatments for diseases such as HIV, beta thalassemia and cancer.

41. Environmental sustainability has also benefited from technological progress. Renewable energy technologies, such as solar and wind power, have become more affordable and efficient, challenging traditional fossil fuels. Over the past two decades, the cost of solar photovoltaic energy dropped significantly, making it cheaper than fossil fuel-fired solutions in an increasing number of contexts. Advances in energy storage technologies are continuously increasing the affordability and accessibility of a wide range of electric vehicles.<sup>35</sup> The global electric vehicle fleet increased to 40 million by the end of 2023, with China accounting for more than half of that total.

42. Nevertheless, the benefits of technology have been unevenly distributed and have led to new challenges. Automation technologies have widened wage inequalities, as routine and repetitive tasks have increasingly been displaced. Automation has also increasingly eroded the comparative advantage that many developing countries used to have owing to low labour costs. There is empirical evidence that automation induces reshoring and premature deindustrialization in developing countries. This situation calls for new development models beyond export-oriented industrialization.

43. The environmental footprint of new digital technologies is rapidly increasing, in particular the electricity and water requirements of computing and data centres, distributed ledger technologies and mobile technologies. Electronic waste and the extraction of critical minerals, for example those used in smartphones, solar panels, wind power plants and various electronic components, have become serious environmental problems at a global scale.

#### **Technological advancements and the erosion of trust**

44. Growing security risks are also a concern. New digital technologies, including artificial intelligence, rely on vast stores of data, raising concerns regarding privacy, discrimination, identity theft, financial fraud and censorship. If misused, technology can even undermine trust in institutions.

45. Technology has co-evolved with and transformed rules and regulations, culture and social norms. Rapid technological evolution demands a more agile form of governance that can more quickly adapt to changing social, economic and environmental conditions.

46. Generative artificial intelligence further accelerates and amplifies the positive and negative impacts of technology. Artificial intelligence systems have become highly capable in language and image recognition. Since the public release of ChatGPT in 2022, generative artificial intelligence has given rise to an avalanche of artificial intelligence applications that can be used to create content, including text, code, audio, images and video.

47. Generative artificial intelligence has, in turn, become another vehicle of misinformation and disinformation. For example, the affordability and accessibility

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<sup>35</sup> International Energy Agency, *Global EV Outlook 2024: Moving towards Increased Affordability* (2024).

of generative artificial intelligence lower the barrier of entry for its use in disinformation campaigns. Generative artificial intelligence can be used to manipulate videos and messages, which can erode public trust in factual information, even when the information is verifiable.

### **Persistent technology divides: geographic concentration, uneven access and geopolitical fragmentation**

48. The rapid and accelerated pace of technological advancements is, in many cases, exacerbating existing divides between and within countries. Current trends in development and innovation often benefit developed countries and large firms, leading to concerns regarding wealth and market power concentration. Technology diffusion has slowed down in the last few decades, both within and between nations, which has major implications for productivity growth and sustainable development in a broad sense.

49. Developing nations face barriers in creating and gaining access to technologies, such as inadequate infrastructure and investment, limited access to financing and weak institutions. The frontier technology readiness index developed by the United Nations Conference on Trade and Development has shown a persistent capability gap between lower-income countries and those at the capability frontier. While the capabilities of many upper-middle-income countries and some lower-middle-income countries have moved closer to those at the frontier over the past 20 years, the gap between the capabilities of low-income countries and countries at the frontier remains as wide as ever. Innovation and research and development remain geographically concentrated, as a few high-income countries dominate most of the patenting in such fields as smart manufacturing and green technology.

50. One possible driver of slow technology diffusion is the increasing complexity of technologies and innovations, which has raised the level of complementary investments in infrastructure, productive capital, skills and capabilities required for technological innovation and the successful adoption of new technologies. Infrastructure for artificial intelligence and a mastery of such technology have become essential elements for competitiveness in an ever-increasing number of economic sectors. In 2024, the artificial intelligence market already totals around \$180 billion and is rapidly increasing. The generative artificial intelligence market alone has nearly doubled, from \$12 billion in 2023 to \$21 billion in 2024.<sup>36</sup>

51. Localized knowledge spillovers in dense clusters of firms and resources in certain areas perpetuate these disparities, creating self-reinforcing cycles of innovation concentration and thereby perpetuating innovation and access divides. Even within leading countries, the gap in technology adoption and use between frontier firms and the rest of the economy persists, particularly in the case of artificial intelligence, which has predominantly been adopted by large firms.

## **V. Continuing and intensifying adverse impacts of climate change**

52. Steps to address the impacts of climate change are critical for the overall development aims of the international community. Climate change has already caused rapid, widespread changes in the atmosphere, oceans, cryosphere and biosphere that threaten to reverse progress towards the achievement of all the Sustainable Development Goals. Climate change is now affecting all countries, on all continents,

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<sup>36</sup> Markets and Markets, “Generative AI market by offering”, available at [www.marketsandmarkets.com/Market-Reports/generative-ai-market-142870584.html](http://www.marketsandmarkets.com/Market-Reports/generative-ai-market-142870584.html).

through climate-induced changes in weather patterns, rising sea levels and more extreme weather events.<sup>37,38</sup>

53. Extreme weather events, such as floods, droughts and hurricanes, disproportionately affect the poorest communities, destroying homes, livelihoods and infrastructure. The resulting damage, food insecurity and water scarcity exacerbate malnutrition and health problems and push people into a cycle of poverty that is hard to break. The Food and Agriculture Organization of the United Nations estimates that 670 million people might still face hunger in 2030, in part due to more extreme weather events that disrupt food security, in terms of access to food, food availability, food utilization and food stability.<sup>39</sup>

54. Access to clean water and sanitation is increasingly challenged by intensified water-related hazards, fluctuating precipitation patterns, evaporation rates and water storage challenges that complicate water resource management. Likewise, rising temperatures and changing precipitation patterns disrupt natural habitats, drive biodiversity loss and further degrade land and forest resources.

### **Early climate impacts on mitigation efforts**

55. Climate change itself is affecting the world's mitigation efforts. Almost half of the 410 million tons of carbon dioxide increase in carbon dioxide emissions in 2023 derived from the need to use fossil fuels to compensate for a drought-induced global shortfall in hydropower generation. Without this exacerbating effect of climate change, emissions from the global electricity sector would have fallen in 2023.<sup>40</sup>

56. Member States and other stakeholders are beginning to make necessary changes. Clean energy deployment has reached a level at which it is finally making a decisive impact on global carbon dioxide emissions. Without the major scaling up of solar photovoltaics, wind power, nuclear power, heat pumps and electric cars in recent years, global emissions growth since 2019 would have been three times larger.

57. At the global stocktake at the twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, in December 2023, attention was drawn to the increased ambitions of, and action by, almost all States. Those efforts could possibly bend the global greenhouse gas emissions curve, bringing it to a peak within the next two to four years despite the continued yet slowing growth in emissions in a number of large economies. A decoupling of the economy from fossil fuels has also begun. Among developed countries in 2023, GDP grew by 1.7 per cent while emissions fell by a record 4.5 per cent, returning to levels recorded 50 years ago.<sup>41</sup>

### **Towards a just transition away from fossil fuels in energy systems**

58. At the twenty-eighth session of the Conference of the Parties, Member States agreed to transition away from fossil fuels in energy systems in a just, orderly and

<sup>37</sup> World Meteorological Organization and others, "United in science 2023", Sustainable Development ed., 2023.

<sup>38</sup> Based on the findings of the Intergovernmental Panel on Climate Change, the United Nations Environment Programme, World Meteorological Organization, Global Carbon Project, the Meteorological Office of the United Kingdom of Great Britain and Northern Ireland and the World Climate Research Programme.

<sup>39</sup> Food and Agriculture Organization of the United Nations (FAO) and others, *The State of Food Security and Nutrition in the World 2022: Repurposing Food and Agricultural Policies to Make Healthy Diets More Affordable* (Rome, FAO, 2022).

<sup>40</sup> International Energy Agency, "CO2 emissions in 2023: a new record high, but is there light at the end of the tunnel?", 2023, p. 3 (Executive summary).

<sup>41</sup> Ibid.

equitable manner. This development could change the geography of energy and associated trade flows. At the same time, such a transition could potentially upend the development pathways of developing countries with untapped fossil fuel reserves that might have otherwise fuelled their long-run growth.

59. The energy transition will require, among other things, additional risk guarantees to make the increased investments in zero-carbon energy systems in developing countries feasible for the private sector. The current high inflation in borrowing costs, especially in developing countries, continues to be a major challenge and could constrain investments in capital-intensive clean energy. A related question is how low-income countries can gain access to renewable energy technologies with lower capital costs.

60. In addition, carbon prices<sup>42</sup> and related regulations in major economies increasingly affect supply chains, trading flows and the costs of clean energy options and will be decisive in fulfilling the aspiration of the 118 Member States that agreed at the twenty-eighth session of the Conference of the Parties to triple renewables capacity and double energy efficiency by 2030. The high levels of investment in climate and green economy that were achieved in 2022 and 2023 will need to be sustained.

61. The transition away from fossil fuels does not imply a complete end to their use. Fossil fuels will likely be needed for certain industrial processes, chemical and fertilizer production, and many niche applications, and thus engagement of oil and gas producers in the energy transition is imperative. At the twenty-eighth session of the Conference of the Parties, 50 large hydrocarbon firms agreed to eliminate methane emissions from fossil fuel exploration and production by 2030. That commitment has been complemented by other industry and government partnerships amounting to \$85 billion.

62. At the twenty-eighth session of the Conference of the Parties, a call was issued to accelerate carbon capture and storage, particularly in hard-to-abate sectors. Similarly, plans have emerged to scale up demonstration projects that are currently under way in the area of negative emissions, including calls for a separate market for trading negative emissions. As part of a related initiative, a 38-member “climate club” has set standards and made technologies available for decarbonizing heavy industry through the use of climate-friendly steel, cement and aluminium, which has the potential to change the industrialization pathways of many developing countries.

## **VI. Evolving nature of social contracts**

63. Social contracts can be understood as the terms and expectations of cooperation between people for mutual benefit within a shared society. Social contracts underpin daily interactions, influence social norms, shape institutions and offer the “architecture of opportunity”.

64. Every society and country has its own, context-specific social contract and renews and shapes its social contracts according to its own specific situation. At the same time, social contracts are expected to be consistent with global agreements, including the 2030 Agenda and the Sustainable Development Goals. At the heart of social contracts are the ideas of mutuality and the added value of collective provision and risk-sharing, particularly with regard to childcare, health, education, livelihoods and old age. In some societies, social contracts rely more on cooperation within and among families and communities, while in others the State or markets play a greater

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<sup>42</sup> There are an estimated 64 carbon price mechanisms that capture more than one fifth of all carbon dioxide emissions. The average price of carbon dioxide has more than doubled since 2020.

role. Regardless, a reliance on people to contribute towards the common good is at the root of the social contract in all societies.<sup>43</sup>

65. In the report entitled “Our Common Agenda”, the Secretary-General called for a renewal of social contracts. Social contracts have profound implications for people, underpinning their rights and obligations and shaping their chances in life. In a renewal of the social contract, the current shifting global context would need to be taken into consideration to address issues of trust, opportunity and security. While such a renewal would need to be specific to each society, due regard should be given to global agreements, including the 2030 Agenda.

### **Crises, challenges and change**

66. Social contracts will need to respond to new challenges in order to provide essential services and meet human needs, including food, health care, water and sanitation, education, decent work and social security. Social contracts also need to enable all people to live in dignity, provide opportunities for young people, ensure equal opportunities for women and protect vulnerable groups and minorities. All these elements are embedded in the 2030 Agenda and the Goals.

67. A confluence of catastrophic events has put the world in crisis mode. These crises have put to the test the response capacities of societies and institutions, which has long-term implications for resilience and for the achievement of the Goals. As a result of multiple, overlapping crises, more people have been pushed into poverty, food security has weakened, inequality has increased, gender gaps have widened, significant health consequences have emerged, and there have been significant losses in education, all of which affects the well-being and outlook of people and societies.

68. The COVID-19 pandemic marked a turning point for the evaluation of social contracts in several countries. The experience showed that investment in the Goals serves as a cost-effective strategy for building resilience.

69. Societies with advanced mechanisms in place for the implementation of the Goals and for social protection consistent with target 1.3 prior to the pandemic also offered more comprehensive protection during the pandemic.<sup>44</sup> From February to December 2020, governments around the world announced some 1,600 social protection measures in response to the pandemic.<sup>45</sup> Social protection expenditure in 2020–2021 reached an estimated \$3 trillion, 4.5 times higher than what had been spent during the 2008 global financial crisis.<sup>46</sup>

### **The 2030 Agenda as a basis for renewed social contracts**

70. As a universal reference for a sustainable and inclusive world, the 2030 Agenda and the Goals serve as a shared framework, foundation and opportunity for renewing social contracts. They constitute, in themselves, an international social contract aimed at safeguarding the well-being of all members of society, leaving no one behind. Policies aimed at achieving the Goals and targets of the 2030 Agenda help to safeguard human well-being while managing transitions, such as those related to health, the labour market and life cycle changes.

<sup>43</sup> Minouche Shafik, *What We Owe Each Other: A New Social Contract for a Better Society* (Princeton, New Jersey, Princeton University Press, 2021).

<sup>44</sup> S. Nazrul Islam and others, *Variations in COVID-19 Strategies: Determinants and Lessons*, Department of Economic and Social Affairs Working Paper, No. 172 (November 2020).

<sup>45</sup> ILO, *World Social Protection Report 2020–22: Social Protection at the Crossroads – In Pursuit of a Better Future* (Geneva, 2021).

<sup>46</sup> *Global Sustainable Development Report 2023: Times of Crisis, Times of Change – Science for Accelerating Transformations to Sustainable Development* (United Nations publication, 2023).

71. The renewal of social contracts on the basis of the 2030 Agenda and the Sustainable Development Goals is an opportunity for a systemic shift towards a more inclusive, just, peaceful, resilient and sustainable world. To ensure the well-being of all, social contracts need to offer avenues to a life in harmony with nature, including sustainable consumption and production, a reversal of environmental degradation, a reduction of disaster risks and the halting of climate change and biodiversity loss.

### **Intergenerational solidarity and trust**

72. Renewed social contracts also need to include intergenerational solidarity, which includes addressing the needs of all persons in all age cohorts and thinking ahead to the needs of future generations and requires concern and respect for all humans, regardless of where or when they are born.

73. The international system can support the pursuit of a more explicit normative basis for strengthening frameworks that help to safeguard the interests of future generations. The legacy left to future generations has many dimensions: accumulated human knowledge, culture, institutions, infrastructure and the state of the natural world. The Summit of the Future and the forthcoming Pact for the Future and Declaration on Future Generations serve as significant opportunities to strengthen social contracts through intergenerational solidarity.

74. A deficit of trust in governments is undermining social contracts between governments and people. Public protests worldwide doubled between 2017 and 2022.

75. Further evidence of this erosion of trust includes increasingly lower voter turnout, which has fallen by a global average of 10 per cent since the beginning of the 1990s. The widespread incidence of tax concessions, tax avoidance and tax evasion is also undermining the mutual trust upon which the social contract is built, given the reduction in the resources that can be invested in social protection, education and health care.<sup>47</sup>

76. Trust is also a cornerstone of the international multilateral system. International cooperation cannot function well without the expectation that States will respect the commitments that they have made.

## **VII. Multilateral institutions**

77. The current global context has brought the effectiveness of multilateral institutions to the forefront. The multilateral system has not been able to anticipate and respond to the ongoing, rapidly changing crises and challenges to fulfilling the 2030 Agenda.

78. One key challenge relates to the structure and functioning of those institutions. Effective responses to current crises and trends require a comprehensive approach, in which impacts across all three dimensions of sustainable development are accounted for in the policies and programmes being implemented.

79. In “Our Common Agenda”, the multilateral system is called upon to become better fit for purpose. It is imperative that institutions such as the United Nations, international financial institutions and the World Trade Organization are broadly capable to provide coordinated, effective and holistic support for development efforts. Those institutions need to address existing inequalities within and between countries,

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<sup>47</sup> United Nations Development Programme (UNDP), “2024 UNDP trends report: the landscape of development”, January 2024, p. 13 (The trust deficit).

including unequal access to financial resources and decision-making power, particularly in the least developed countries and those in protracted crisis.

80. Such efforts would shore up global economic growth and support collective action to reverse geoeconomic fragmentation. They would also support adaptation to rapidly changing labour markets and digitalization, facilitate access to new technologies, support climate adaptation and revitalize social contracts.

81. Multilateral institutions can also support broad multi-stakeholder engagement with a view to fostering genuine collaboration, which requires ongoing support for translating dialogue into tangible action with lasting impact. Partnerships should include an integrated approach, capacity-building and the active engagement of all stakeholders.

82. The Summit of the Future to be held in 2024 and the Fourth International Conference on Financing for Development and the Second World Summit for Social Development to be held in 2025 are milestones for the way forward for multilateral institutions befitting a world racing towards 2030. Together, they offer a platform for various stakeholders to discuss necessary reforms with a view to formulating multilateral solutions.

## VIII. Conclusion

83. Current global trends present challenges and opportunities that shape national experiences, policies and interventions. In the current context, delivering the change necessary to achieve the Sustainable Development Goals by 2030 requires bold decisions, a surge in investment and the advancement of long-term holistic and inclusive approaches in support of transformative policies that realize and build upon synergies.

84. Building on the 2023 Sustainable Development Goals Summit, the Summit of the Future in 2024 and the Fourth International Conference on Financing for Development and Second World Summit for Social Development in 2025 will be opportunities to provide multilateral solutions.

85. Critical priorities for the international community in addressing the five trends discussed in the present report include: revitalizing inclusive, sustained and sustainable economic growth and reversing geoeconomic fragmentation; adapting policy approaches to rapidly changing labour markets amid increased digitalization, including through measures aimed at promoting skills training and addressing unfavourable labour outcomes; facilitating access to new technologies that can be used to advance the achievement of the Goals and to bridge technology divides; integrating climate adaptation and mitigation and broader sustainable development efforts across all the Goals with a view to enabling a just transition; and renewing social contracts with a view to expanding social protection and making it more effective, enhancing social inclusion and deepening the sense of trust and intergenerational solidarity.

86. The following recommendations are aimed at addressing the challenges and tapping the opportunities presented by the five major trends discussed in the present report, with a view to fully implementing the 2030 Agenda and achieving the Sustainable Development Goals:

### **Impact of geopolitical tensions on the global economy**

(a) Countries need to prioritize policies aimed at revitalizing inclusive, sustained and sustainable economic growth so as to eradicate poverty and achieving

the Goals, in response to the changing global political economy and historically low economic growth.

(b) Countries should engage in effective international cooperation that provides an enabling environment with supportive international institutions for increasing growth and advancing sustainable development;

(c) Countries need to reform development finance and the global financial architecture with a view to increasing financing for sustainable development and scaling up climate financing;

(d) Given that many developing countries are in debt distress, urgent and more effective international cooperation is also needed to restructure debt and address refinancing challenges;

(e) There is an urgent need for States to resist and reverse geoeconomic fragmentation, including by engaging in stronger multilateral efforts aimed at supporting and promoting international trade conducive to sustainable development through a rules-based, inclusive and transparent global trading system. Urgent reforms are needed to ensure that the World Trade Organization can resolve disagreements among member countries, accelerate progress on global trade agreements and address new challenges, including the growing use of trade barriers and restrictions;

### **Changing labour markets**

(f) Countries need to adapt to rapidly changing labour markets and the increased digitalization of those markets by, at the national level, extending social protection coverage to non-conventional workers and, at the international level, bridging the digital divide and reducing other geographical inequalities and disparities related to technology and labour markets;

(g) Governments, workers, employers and educational institutions need to take complementary measures, in line with their respective responsibilities, to formulate, invest in and build an effective and adequately funded universal system of lifelong learning for skills training and the upskilling and reskilling of workers with a view to achieving long-run productivity growth and advancements in living standards;

(h) Governments need to orient economic, social protection and employment policies towards urgently addressing the vulnerability of workers to working poverty and precarious employment, as well as towards breaking down systemic barriers to the full and equal labour market participation of women, young people, older persons and other workers who face lower rates of employment;

(i) Governments could consider establishing national strategies to address labour market transitions, relying on the 2030 Agenda and social dialogue as the basis for the development of such strategies;

### **Rapid technological change**

(j) Countries need to enact policies aimed at facilitating access to new technologies by bolstering the ability of economies to adopt and utilize them. Governments also need to ensure adequate investment in education, training, infrastructure and policies aimed at enhancing innovation capacity, including policies on intellectual property and competition;

(k) Financing is crucial for innovation and technological change, and different types of financing are needed across innovation stages. Countries could consider using public funding to support basic research and early development, while riskier



phases could be supported by equity investors and crowdfunding, and later stages could often rely on traditional financial institutions;

(l) Countries need to adopt and engage in collaborative science, technology and innovation approaches to rapid technological evolution, particularly to address technology divides and inequalities that are exacerbated by new technologies. Policymakers need to anticipate changes, explicitly address the inequalities and exclusion that new technological applications may cause and work collectively to narrow technology gaps;

### **Continuing and intensifying adverse impacts of climate change**

(m) All countries should adopt policy approaches that integrate climate adaptation, mitigation and wider sustainable development efforts into all Sustainable Development Goal areas and leading towards a just transition away from fossil fuels in energy systems;

(n) In addition, all countries need to implement a wide range of targeted actions in terms of technology systems, cooperation and financing to address the most urgent adverse climate impacts across the Goals. Such actions include climate-resilient strategies, policies and adaptation plans across all sectors, major investments in science and early warning systems and greatly strengthened international cooperation and partnerships on high-impact science and technology;

(o) Countries need to engage in urgent global cooperative action to assist developing countries in building green, sustainable economies, particularly in those countries that would otherwise continue building fossil fuel-intensive industries and infrastructure that could curtail global mitigation efforts for decades to come;

(p) Countries also need to engage in special global cooperative efforts at scale to build the resilience of the poorest countries and population groups across the world so that they can withstand accelerating adverse climate impacts;

### **Evolving nature of social contracts**

(q) Governments and other stakeholders need to implement policies and take action aimed at facilitating context- and culture-specific social contracts, in accordance with the 2030 Agenda and the Sustainable Development Goals, that enable societies to respond, evolve and adapt to new crises and challenges and provide essential services to meet human needs, including through expanded and effective social protection, enhanced social inclusion and a deepened sense of intergenerational solidarity;

(r) Countries and other stakeholders need to adopt policies and take action aimed at safeguarding the interests of young people and future generations. The international system can use the Pact for the Future and the Declaration on Future Generations to support the pursuit of a more explicit normative basis for strengthening frameworks that help to safeguard such interests;

(s) All countries and other stakeholders need to take ambitious action at all levels to restore trust and strengthen the capacity of governments and other institutions to support stable, credible and inclusive social contracts that equalize opportunity and security and increase inclusion and participation;

(t) At the international level, countries should work together to urgently restore trust in multilateral frameworks and the international system with a view to collectively fostering shared global prosperity, while addressing disruptive trends and sustainable development challenges through revived international cooperation;

**Multilateral institutions**

(u) Countries should support reform of multilateral institutions to make them more inclusive and better able to respond to crises, build resilience and address current challenges to sustainable development. Achieving those objectives will require structural reforms aimed at rectifying power imbalances and supporting and ensuring just transitions;

(v) Particular attention should be given to structural reforms of global and regional economic institutions, including in relation to finance, trade and taxation. Such reforms should address current inequalities within and between countries, unequal access to financial resources and decision-making power and limited resources and capacities, particularly in the least developed countries.

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