



The current global polycrisis, characterized by widening inequality, mounting geopolitical tensions, conflict and widespread uncertainty demands that we urgently address the flaws and glaring fractures of our global system. The COVID-19 pandemic, the wars in Ukraine and Gaza, a dislocated global economy with rising debt in the Global South and the looming climate crisis have all contributed to the unsustainable course of our global trajectory. We risk breaking multilateral commitments made to both people and planet and this is bound to have grave consequences.

We are at an inflection point that is challenging us to redefine and recommit to shaping the society and planet in which we want to live. Recent discourse, debate and advocacy have evidenced clamorous demands for a new eco(logical)-social contract able to tackle the system change needed to achieve the commitments of Agenda 2030.

The World Summit for Social Development, held in Copenhagen in 1995, marked a major shift in the global development agenda. For the first time, it put people at the centre and shaped the ambition to leave no one behind. Through the MDGs and the SDGs, this approach has produced tangible results for millions of people, reducing extreme poverty in a significant way, for example, promoting higher literacy rates and lower maternal deaths and reduced prevalence of major diseases. Yet, inequalities have been growing, and the impact of climate change is now a fundamental additional threat to this legacy of social progress.

Club de Madrid’s 2023 Policy Dialogue, Rethinking Social Development for People and Planet’s¹ offered a unique platform for a multi-stakeholder exchange gathering representatives from governments, intergovernmental organizations, academia, think tanks, civil society, and the private sector, as well as experienced democratic, political leaders, Members of Club de Madrid, who explored the multidimensional nature of social development through three main angles:

- i) System Change for Economic Transformation
- ii) Social Dimensions of Climate Change
- iii) Shared Societies: A Driver for Equitable, Inclusive, and Resilient Societies

¹ Club de Madrid’s 2023 Policy Dialogue, Rethinking Social Development for People and Planet, held in Brasilia on 13-14 November 2023, in partnership with the Liz Mohn Center, highlighted the imperative of prioritising social development, framed by a new eco-social contract aimed at attaining a democratic and just society. As our flagship 2023 Club de Madrid activity it again corroborated our firm belief that dialogue and deliberative spaces are vital in advocating and driving commitments to tackle complex and converging global challenges.

In light of these Policy Dialogue discussions, we, Members of Club de Madrid, offer the following actionable recommendations for governments and multilateral institutions working to prioritize and integrate social development into their planning and policy-making, always bearing economic, social and cultural rights (ESCR) in mind.

System change for economic transformation

As a contribution to ongoing debates on the construction of new social contracts in times of crisis, we support [UNRISD](#)'s² call for new, restructured "eco-social" contracts. These would bring together social and environmental priorities, as well as the concerns of future generations for inclusion and justice. These new eco-social contracts should be centred on principles of human rights, gender equality, and peace and solidarity that promotes the transformation of economies and societies toward greater sustainability.

New eco-social contracts must be built on fair fiscal agreements between citizens, businesses and states that lay out a strategy for mobilizing and allocating financial resources for its implementation. Beyond raising sufficient resources for SDG implementation and climate action, fiscal policies need to distribute the financing burden within and between countries in line with principles of fairness and equity.

Four key policy recommendations would support this system change for economic transformation:

1) Foster an enabling environment for system change.

Labour-intensive, sustainable and inclusive growth strategies can be implemented for green structural change that can lead to higher levels of formalization, household income and equality, with positive impacts on tax receipts. States need to invest in tax capacity to implement reforms and enforce compliance with tax laws and regulations, especially by high-income earners and big corporations, including multinational corporations. Transparent and accountable institutions and inclusive political processes build trust and improve tax morale, reinforced by a public discourse that emphasizes shared interests, values, responsibilities and benefits, moving away from harmful polarization.

2) Make domestic resource mobilization equitable, effective and sustainable.

Prioritise progressive corporate and personal income taxes, inheritance, property and land taxes, and levies on capital income such as interest, dividends and capital gains, as well as windfall taxes on excess profits and taxes on luxury carbon emissions. Tax capacity can be strengthened through better enforcement of taxes on wealthy individuals and large corporations, for example, through the creation of asset registries, implementation of unitary taxation of multinational companies and country-by-country reporting, reduction of tax exemptions and fiscal subsidies, better taxation in the mining sector, enforcement of VAT and customs duties, and renegotiation of bilateral tax treaties. At the same time, tax policy and incentives should be aligned with sustainable development and national goals, and tax instruments tailored to the national context and administrative capacity.

3) Create fair global fiscal and financial pacts.

Debt relief should be promoted immediately through debt reduction and cancellation (including mechanisms for commercial bank debt), and Official Development Assistance (ODA) should reach the 0.7 goal, tightening classifications of what counts as ODA to make sure it supports national development strategies in the Global South. Other instruments include increasing the minimum tax threshold for large multinational corporations to 25 percent, implementing new transborder tax instruments for eco-social transformation and mobilizing new affordable financing for low- and middle-income countries. The role of the United Nations (UN) should be

² The United Nations Research Institute for Social Development (UNRISD) has led the Working Group on System Change for Economic Transformation and is also pioneering the concept of for a new eco-social contract: [UNRISD Flagship Report 2022, Crises of Inequality: Shifting Power for a new Eco-Social Contract](#).

strengthened in the international financial architecture by creating a UN tax body, a UN framework convention on international tax cooperation, and a UN high-level expert group on fiscal policy.

4) Deliver on eco-social contracts through public investment and transformative policies.

Investing in universal, rights-based social policy, including social protection, social services and inclusive labour market policies, is a critical priority based on strengthening fundamental principles of a transformative social policy: human rights, social security standards, universalism, public provisioning, gender justice and equitable financing. We must move beyond sectoral approaches and promote integrated policies such as care systems and eco-social policies. Spaces for meaningful and informed citizen participation and public debate about new eco-social contracts should be created by promoting democratic governance, direct citizen engagements, tax dialogues, taxpayer information and education.

Social Dimensions of Climate Change

The escalating triple planetary crisis of climate disruption, biodiversity loss, and pollution widens existing gender and social inequalities and jeopardizes the quality of life for current and future generations. The impact of biodiversity loss on food and water security are severely felt by the most climate-vulnerable populations, who often already belong to marginalized groups such as women, Indigenous peoples, Afro-descendants, and ethnic minorities. Furthermore, groups in precarious circumstances – smallholder farmers, pastoralists, fishing communities, refugees, and displaced individuals – face increased risks due to a lack of human rights recognition and protection, poverty, governance issues, limited resources, conflicts, and livelihoods sensitive to climate change.

Despite the challenges, there is a window of opportunity in the lead-up to the World Social Summit in 2025 to make the social dimensions of climate change and the triple planetary crisis a central element of the international agenda. Time is of the essence in the implementation and scaling of climate solutions for a sustainable future. Recommendations from this Working Group led by [Igarapé Institute](#) for integrating a more people-centred approach into action, financing, and partnerships to tackle climate change and ecosystem degradation are presented:

1) Boost inclusive climate action.

To promote environmental sustainability, social inclusivity, and climate adaptation, stakeholders should commit to upholding access rights, engaging vulnerable groups in sustainable practices, and providing targeted support and opportunities for reskilling and adaptation. The pivotal role played by indigenous and traditional communities facing the triple planetary crisis, needs to be acknowledged, and their knowledge and wisdom need to be integrated into early warning systems and sustainable development solutions. Policies that facilitate climate migration as a viable form of adaptation while preventing the exacerbation of vulnerabilities and poverty must be developed. This is a crucial policy for inclusive climate action, considering the non-economic losses associated with relocation and implementing measures to address them, including community support systems and cultural preservation initiatives. The design and implementation of tailored and accessible training and reskilling programs are also fundamental, with particular attention on women, young people, and workers in the fossil fuel industry and those in the informal sector, preparing them for careers in green professions.

2) Enhance financing strategies and instruments.

Climate finance strategies need to be aligned with the 2030 Agenda and SDGs, to promote a balanced approach to mitigation and adaptation, prioritise sustainable development, support urban areas, and diversify financing mechanisms to accelerate climate action. This could include boosting the proposed G20 Brazilian Presidency initiatives: the "Global Alliance Against Hunger and Poverty" and "Global Mobilization Against Climate Change." Public and private sectors should be encouraged to invest in mitigation, adaptation, and solutions rooted in nature. Investments that prioritise "nature-positive" outcomes not only offset environmental degradation but also support indigenous communities, gender equality, and diverse ecosystems. Broadening the scope of climate-conscious agriculture and decarbonizing supply chains can yield ecological and economic gains like

those seen in carbon credit trading. Bolstering financial efforts focused on nature, as seen with Conservation Trust Funds and the Amazon Bioeconomy Initiative Funds, align with the expanding blue and green bond markets.

3) Promote global partnerships

The coherence and synergy among multilateral frameworks should be strengthened, making them more inclusive and supporting countries in accelerating the achievement of the Sustainable Development Goals, for example, ensuring that the social dimensions of climate change, biodiversity loss and the creation and consolidation of domestic science, technology and innovation capabilities, are adequately represented in global governance frameworks. Additionally, the voices of the most affected and vulnerable communities must be heard in various forums, from the UN General Assembly to the Conferences of the Parties. The representative apex body proposed by the UN Secretary-General in Our Common Agenda Report could serve as a coordinating mechanism to improve coherence and synergy between the UN and other multilateral frameworks and processes that facilitate collaboration and collective action to accelerate the achievement of the SDGs. Effectively materialising the Loss and Damage Fund is essential to assist developing countries facing higher risks of adverse climate impacts.

Shared Societies: A Driver for Equitable, Inclusive, and Resilient Societies

Shared Societies³ encompass four essential elements for individuals or groups to feel a sense of belonging: democratic participation, respect for diversity and dignity, equal opportunities, and protection from discrimination. Shared Societies align closely with and contribute to the Agenda 2030 Sustainable Development Goals.

To contribute to the realisation of a new eco-social contract and the achievement of equitable, inclusive, and resilient shared societies, three sets of policy recommendations have been proposed:

1) Redouble efforts to strengthen and implement international commitments, policies, and metrics that promote and ensure a common understanding of Shared Societies

Existing mechanisms and processes that advance greater recognition, participation, voice, and leadership of key Shared Society groups⁴, including women and youth, should be strengthened. These include the development of metrics and data at the local, regional, and national levels to support the measurement of the progress of excluded groups towards the common good. Special efforts should be prioritised to fill data gaps and improve and disseminate data quality related to Shared Societies to enable evidence-based policy design and increasingly effective implementation. A global conference to update the United Nations Declaration on Human Rights Defenders and the elaboration and adoption of a universal, comprehensive convention on the Protection of Minorities are needed in this direction. Multilateral agreements recognising that businesses in the digital sector must be held accountable for operations, harm, and impact within and beyond the national borders of states in which they are established should be encouraged.

2) Prioritise strong and well-governed institutions that can effectively integrate and mainstream Shared Societies into economic, social, environmental and technological commitments, policies, and plans.

Shared Societies envision a world in which all people in a society benefit from economic, environmental, and social opportunities, which can help inform and underpin redistributive fiscal and social policies, and which, in

³ Club de Madrid defines a Shared Society as a socially cohesive society in which people hold an equal capacity to participate in and benefit from economic, political, and social opportunities regardless of race, ethnicity, religion, language, and other attributes, where, as consequence, relations between the groups are peaceful. The Club de Madrid's [Shared Societies Program](#) team has led this Working Group.

⁴ This refers to excluded and marginalised groups, including women and girls, youth, persons with disabilities, migrants, internally displaced persons and refugees, indigenous peoples, People of African descent, Sexual Orientation and Gender Identity (SOGI) groups, digitally unconnected people, linguistic, ethnic, religious, and other minorities.

turn, can address dominant economic and social structures that inhibit Shared Societies. A key shift that must therefore occur is for Shared Societies to be considered and understood as central to all development outcomes, and not as a stand-alone, isolated area that is divorced from other policy issues. Governments and other agencies should be supported to further participatory and inclusive spaces, including those for women, youth, and other Shared Society groups, and innovative forms of governance and decision-making like citizens' assemblies. They should also engage in efforts to renew and strengthen democratic and inclusive political leadership, with an emphasis on young political leaders. The vital role of social protection systems is guaranteeing the well-being of Shared Society groups, e.g., women, girls and youth, and the progressive realisation of human rights, as well as a comprehensive welfare policy agenda with social protection at its core to reduce inequalities and address issues related to unemployment and weak labour policies. Digital companies cooperating with governments should utilise tech-design, algorithms, and business models to develop products and services that promote and enhance social cohesion rather than polarisation.

3) Promote collaboration and the inclusion of all actors, including the private sector, government, and civil society, to ensure that multilateral spaces remain relevant, responsive, and effective for achieving Shared Societies.

The effective use of social dialogue should be ensured to guarantee open and safe debate and deliberative processes that include key Shared Society groups, including women and youth. The realization of Shared Societies requires greater and deeper engagement on various policy issues, including the use of digital technologies, international norms and standards concerning hate speech, freedom of speech, misinformation and disinformation, discrimination, and inclusion. National and multilateral governance, policy-making, and regulation are central to this.

To fulfil these policy recommendations, we must agree on a new eco-social contract that will allow us to live together just and sustainably on earth while celebrating our varied cultural identities and heritages. For this purpose, dialogue and deliberative spaces are vital in galvanizing and coordinating commitments to address global challenges.

These proposals and recommendations will be presented by Club de Madrid Members and our partners to decision-makers at the national level and in the main multilateral fora until the celebration of the World Social Summit in 2025: at the United Nations during UNGA 2023-2025, Summit of the Future 2024, COP 28 and 29; and the G20 Presidencies of Brazil (2024) and South Africa (2025).

This Concluding Document is an outcome of Club de Madrid's 2023 Policy Dialogue on Rethinking Social Development for People and Planet, held in Itamaraty Palace, Brasilia, on 13-14 November 2024, in partnership with the Liz Mohn Center, an initiative of the Bertelsmann Stiftung. [Read more](#). Club de Madrid thanks all partners, supporters and working group leaders who contributed to the success of this initiative. The views expressed herein do not necessarily represent the views of individual Club de Madrid Members, partners or supporters.

About us

Club de Madrid is the world's largest forum of democratic former Presidents and Prime Ministers, who leverage their individual and collective leadership experience and global reach to strengthen inclusive democratic practice and improve the well-being of people around the world. As a non-partisan and international non-profit organization, it counts on the hands-on governance experience of more than 100 Members from over 70 countries, along with a global network of advisers and partners across all sectors of society.