

## Speaking Points – Isabel Ortiz

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Session: Building resilience against future shocks through structural changes and investment in sustainable infrastructure

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***QUESTION: Your experience in the UN System and at a Multilateral Development Bank is at the nexus between hard and soft infrastructure and adequate investments in “social infrastructure” (education, health, water supply, social protection and labor standards) essential for structural transformation. From your perspective, what kind of reforms, systems and transformations are needed?***

Thank you for the opportunity to participate in this very interesting debate today.

The COVID-19 pandemic has evidenced the weak state of public health systems—generally overburdened, underfunded and understaffed after decades of insufficient investments.

This is because, since the 1980s, the so-called Washington Consensus minimized the role of the state cutting public expenditures; deregulating standards; and liberalizing, commercializing, or privatizing public services. While the Washington Consensus has been much criticized, most recently [even by the IMF](#), it has left a legacy of minimal investment in the social sectors that we must abandon if we want structural transformation.

We need to invest in **universal public health**. At stake is the survival of the planet. Vaccines, respirators and oxygen are critical during the pandemic, but countries need more than emergency care. The earlier model of basic health for the poor and private health for the wealthy has proved inadequate. This outdated model has left the poor with poor services, excluded the middle classes and eroded the social contract.

The same applies in education: we need to invest in **primary, secondary and tertiary public education**. Providing basic public education for the poor is insufficient: countries need to educate architects, engineers to build better societies.

In social protection, a few safety nets targeted to the poor with private pensions for the rich cannot and will not lift societies. Actually, most countries are reversing pension privatization, because it did not work. For structural transformation, countries need [universal public social protection systems](#), consisting of public social security/social insurance and social assistance, that covers everybody. We all are going to become old in the future, or sick, or have a child - and we all deserve a system that protects us with adequate benefits.

For **water supply, public systems** are again best to secure affordable drinking water, as demonstrated by more than 250 reversals of the privatization of water over the last 15 years. For example, the re-municipalization of the Paris water supply in 2010 led to cheaper prices and better delivery.

Last, structural transformation must generate **employment with living wages**— not any job, but decent jobs in accordance with labor standards.

For structural transformation and the achievement of the sustainable development goals (SDGs), governments and development banks must ensure adequate investment in universal public social services and support labor standards. This requires **increased quantity of investments** (in terms of the dollar amounts invested) and **better quality** (in terms of universal coverage, adequate benefits and standards) included in their [National Development Strategies](#).

These are primary investments that generate structural change, raise productivity, reduce poverty and inequality, and build peace and social cohesion.

Critics always say that there are no funds, but this is wrong. It is again a vestige of the old austerity, Washington Consensus mindset. There is **fiscal space** even in the poorest countries. There are at least [eight financing options](#), fully supported by policy statements from the UN and international financial institutions. Governments around the world have been successfully applying these options for decades. So there is financing: Achieving the SDGs by 2030 can be done.