



## Reflections on the Sustainable Development Goals

**David Gordon**

Director

Bristol Poverty Institute &

Townsend Centre for International Poverty Research

University of Bristol, UK

UNAM - Economics

Mexico City

13<sup>th</sup> November 2019

# Sustainable Development Goals (SDGs) 2015 to 2030



**17 Goals, 169 targets, 232 Indicators**

## Millennium Development Goals (MDG) Progress?

| Did we make it?   |                     |                     |
|---|---------------------|---------------------|
| Target  | Then                | Now                 |
| Poverty: halve the proportion of people living in extreme poverty                         | 1990<br><b>36%</b>  | 2015<br><b>14%</b>  |
| Hunger: halve the proportion of hungry people   | 1990<br><b>23%</b>  | 2015<br><b>13%</b>  |
| Education: ensure all children can complete primary school                                | 1990<br><b>82%</b>  | 2012<br><b>92%</b>  |
| Gender equality: end gender disparities in schools  | 1990<br><b>0.88</b> | 2015<br><b>0.98</b> |
| Child mortality: cut under-5 mortality rate (per 1,000 live births) by two thirds         | 1990<br><b>87</b>   | 2015<br><b>43</b>   |
| Maternal mortality: cut maternal mortality rate (per 1,000 live births) by three quarters | 1990<br><b>380</b>  | 2013<br><b>210</b>  |
| HIV & AIDs: halt and begin to reverse the incidence of HIV & AIDS                         | 1990<br><b>0.10</b> | 2012<br><b>0.06</b> |
| Water: halve the proportion of people without access to safe drinking water               | 1990<br><b>24%</b>  | 2015<br><b>8%</b>   |
| Sanitation: halve the proportion of people without access to basic sanitation             | 1990<br><b>46%</b>  | 2015<br><b>32%</b>  |

[http://www.un.org/millenniumgoals/2015\\_MDG\\_Report/pdf/MDG%202015%20rev%20%28July%201%29.pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20%28July%201%29.pdf)

|   | World        |              | China        |              |
|---|--------------|--------------|--------------|--------------|
| Target  | Then         | Now          | Then         | Now          |
| Poverty: halve the proportion of people living in extreme poverty                           | 1990<br>47%  | 2015<br>14%  | 1990<br>61%  | 2011<br>6%   |
| Hunger: halve the proportion of hungry people   | 1990<br>23%  | 2015<br>13%  | 1991<br>24%  | 2015<br>9%   |
| Education: ensure all children can complete primary school                                  | 1990<br>82%  | 2015<br>91%  | 1990<br>97%  | 2014<br>100% |
| Gender equality: end gender disparities in schools  | 1990<br>0.88 | 2015<br>0.98 | 1990<br>0.90 | 2013<br>1.01 |
| Child mortality: cut under-5 mortality rate (per 1,000 live births) by two thirds           | 1990<br>90   | 2015<br>43   | 1990<br>54   | 2013<br>13   |
| Maternal mortality: cut maternal mortality rate (per 100,000 live births) by three quarters | 1990<br>385  | 2015<br>216  | 1990<br>97   | 2015<br>27   |
| Reversal of the incidence of major diseases (Tuberculosis incidence rate per 100,000)       | 1990<br>151  | 2015<br>142  | 1990<br>152  | 2015<br>65   |
| Water: halve the proportion of people without access to safe drinking water                 | 1990<br>24%  | 2015<br>9%   | 1990<br>33%  | 2015<br>4%   |
| Sanitation: halve the proportion of people without access to basic sanitation               | 1990<br>46%  | 2015<br>32%  | 1990<br>52%  | 2015<br>23%  |

[http://www.un.org/millenniumgoals/2015\\_MDG\\_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)

Data for China <http://mdgs.un.org/unsd/mdg/data.aspx>

## The Designers of the MDGs



Jan Vandermootle  
Director of the Poverty Group at the  
UNDP 2001-2005 and co-chair of the  
MDG interagency technical process



Michael Doyle  
Assistant Secretary-  
General and Special  
Adviser to United Nations  
Secretary-General Kofi  
Annan

# Are the SDGs a Global Agenda?

*Agenda 2030 is not universal in scope because the few targets that are verifiable – those that contain conceptual clarity, numerical outcome and specific deadlines – apply primarily to developing countries. ....the SDGs are not fit for purpose to address the dual challenge of environmental sustainability and high inequality.*

Vandermootle (2018) From simple-minded MDGs to muddle-headed SDGs.

<https://doi.org/10.1080/21665095.2018.1479647>

# Progress for the Sustainable Development Goals?

UN SDG Report 2019 key findings:

- **Increasing inequality among and within countries requires urgent attention.** Three quarters of stunted children live in Southern Asia and sub-Saharan Africa; extreme poverty is three times higher in rural areas than urban areas; young people are more likely to be unemployed than adults; only a quarter of people with severe disabilities collect a disability pension; and women and girls still face barriers to achieving equality.
- **The year 2018 was the fourth warmest year on record.** Levels of carbon dioxide concentrations continued to increase in 2018. Ocean acidity is 26% higher than in pre-industrial times and is projected to increase by 100% to 150% by 2100 at the current rate of CO2 emissions.
- The number of people living in extreme poverty declined from 36% in 1990 to 8.6% in 2018, but **the pace of poverty reduction is starting to decelerate** as the world struggles to respond to entrenched deprivation, violent conflicts and vulnerabilities to natural disasters.
- **Global hunger has been on the rise** after a prolonged decline.

*“It is abundantly clear that a much deeper, faster and more ambitious response is needed to unleash the social and economic transformation needed to achieve our 2030 goals.”*  
United Nations Secretary-General António Guterres.

# Progress for the Sustainable Development Goals?

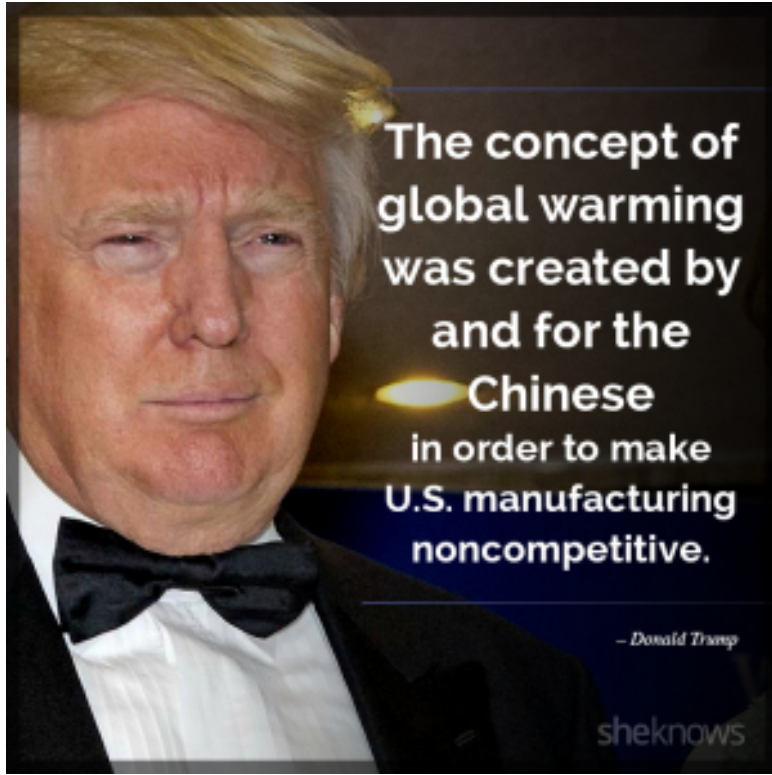
UN SDG Report 2019 key findings:

- 1) Goal 1: The world is not on track to end extreme poverty by 2030
- 2) Goal 2: Millions more are living in Hunger (784 million in 2015, 821 million in 2017)
- 3) Goal 3: There were about 3.5 million more Malaria cases in Africa in 2017 compared with 2016
- 4) Goal 4: One in five children (aged 6 to 17) do not attend a school
- 5) Goal 5: 18% of ever partnered women have experienced physical or sexual partner violence in the past 12 months
- 6) Goal 6: 785 million people do not have basic water services and 673 million have to defecate in the open
- 7) Goal 7: Three billion people lack clean cooking fuels and technology
- 8) Goal 8: One in five young people are not in education, employment or training
- 9) Goal 9: Industrialisation in LDCs is too slow to meet the 2030 targets
- 10) Goal 10: In many countries an increasing share of income goes to the top 1%
- 11) Goal 11: 90% of urban residents breath polluted air
- 12) Goal 12: The global material footprint is increasing rapidly (faster than economic or population growth)
- 13) Goal 13: The global mean temperature was 1°C higher in 2018 than pre-industrial levels.
- 14) Goal 14: Ocean acidity has increased by 26% compared with pre-industrial levels.
- 15) Goal 15: Biodiversity loss is accelerating
- 16) Goal 16: Less than three quarters of children have their birth registered
- 17) Goal 17: In 2018 aid to LDCs fell by 3% and aid to Africa fell by 4% (in real terms)



# **Contexts: Environmental Sustainability**

# Global Warming?



Donald Trump, 6<sup>th</sup> Nov 2012

The New York Times

## *Trump Serves Notice to Quit Paris Climate Agreement*



Donald J. Trump   
@realDonaldTrump

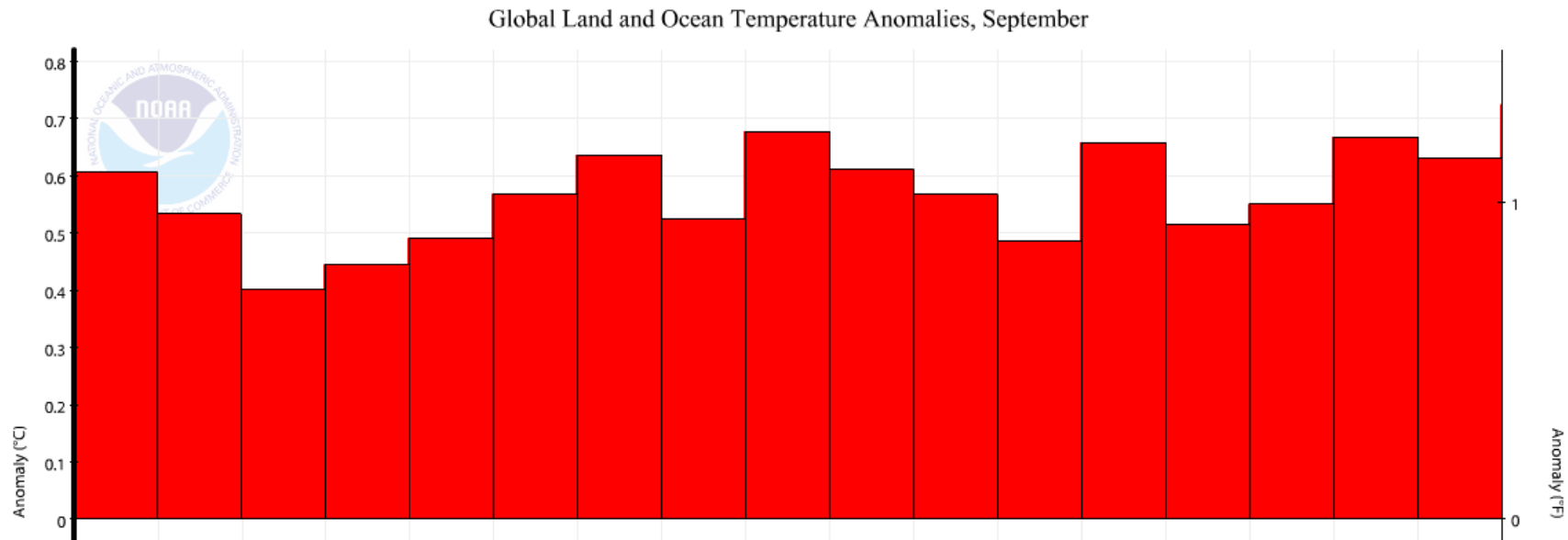
 Follow

This very expensive GLOBAL WARMING bullshit has got to stop. Our planet is freezing, record low temps, and our GW scientists are stuck in ice

5:39 PM - 1 Jan 2014

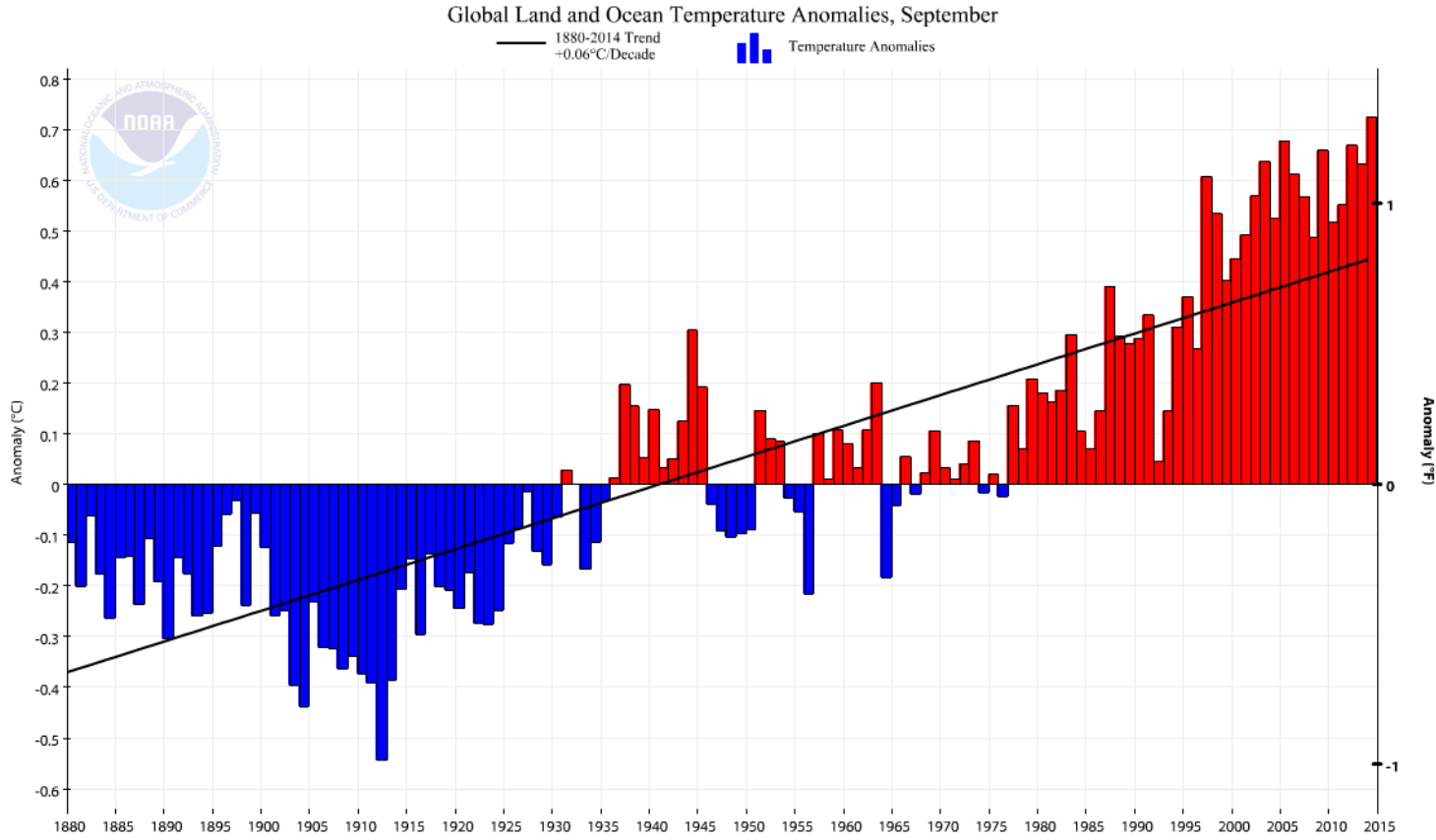
  2,061  1,176

## Is Climate Change a Myth? No Clear Increase in Global Temperatures Since 1997



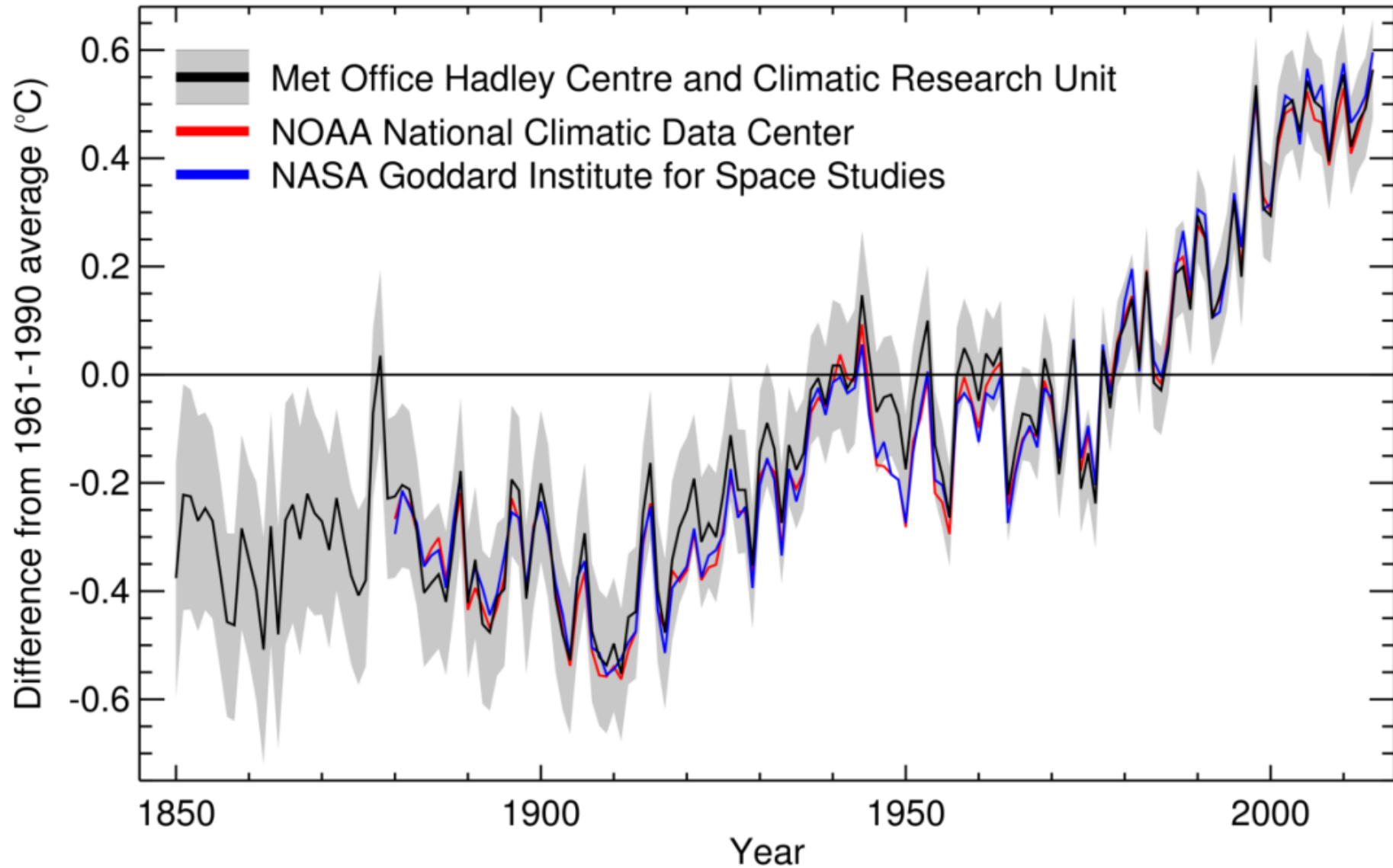
Source: <http://www.ncdc.noaa.gov/cag/time-series/global>

# Is Climate Change a Myth? – When Identifying Trends you Need to Look at All the Data



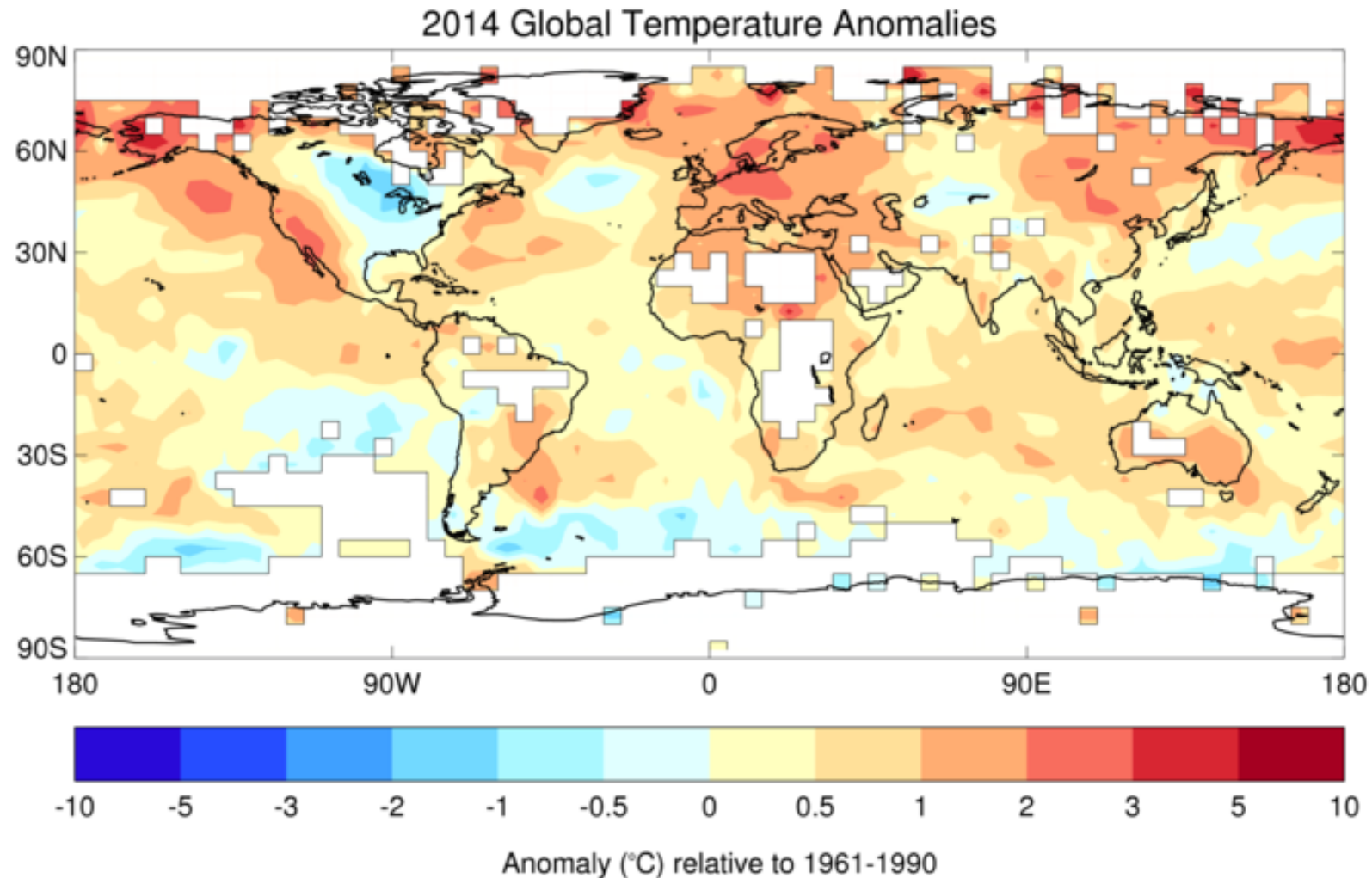
Source: <http://www.ncdc.noaa.gov/cag/time-series/global>

# Global average temperature anomaly (1850-2014)

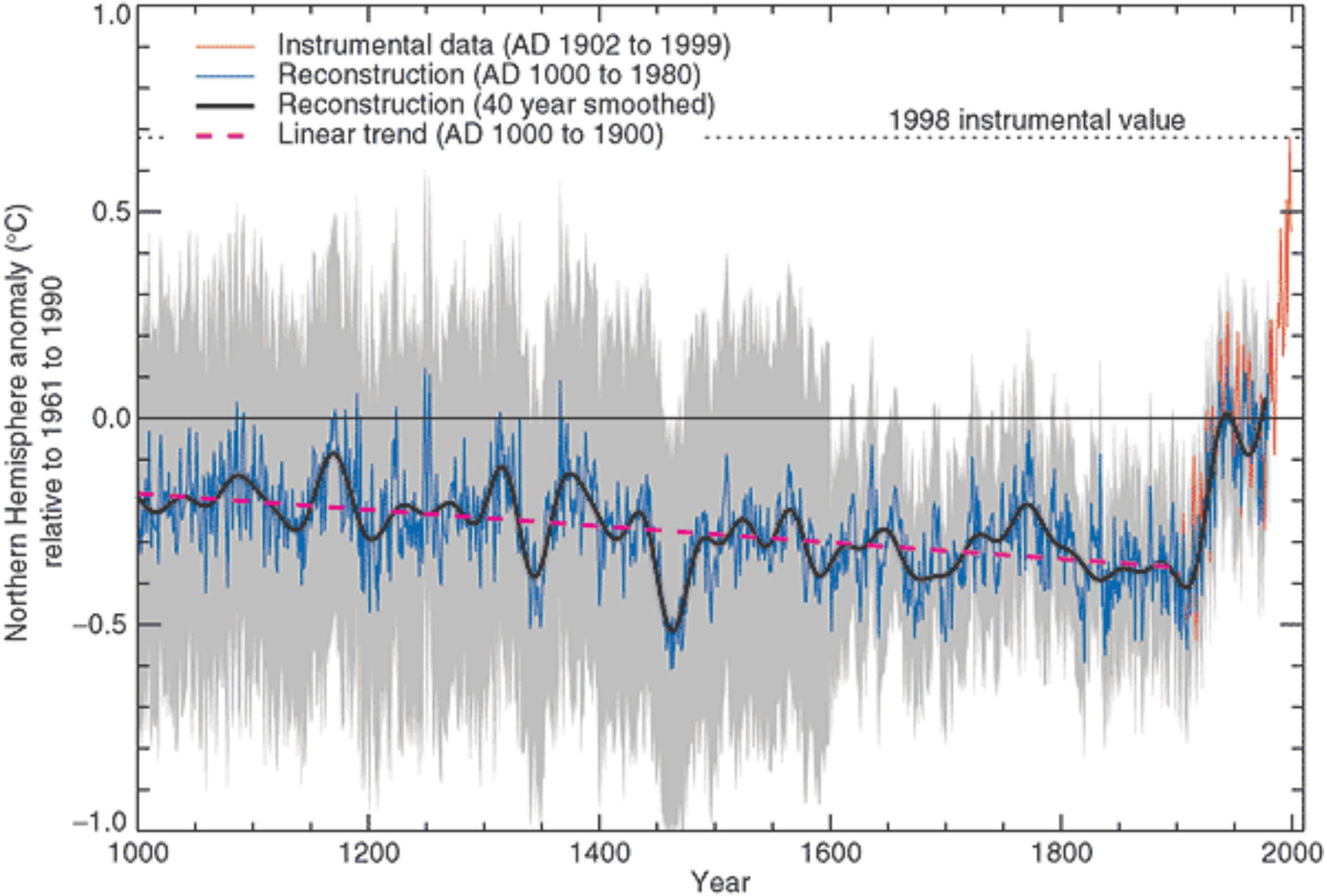


# 14 of 15 Hottest Years Have Been in 21<sup>st</sup> Century

World Meteorological Organisation 2/22015 <http://www.wmo.int/media/content/warming-trend-continues-2014>



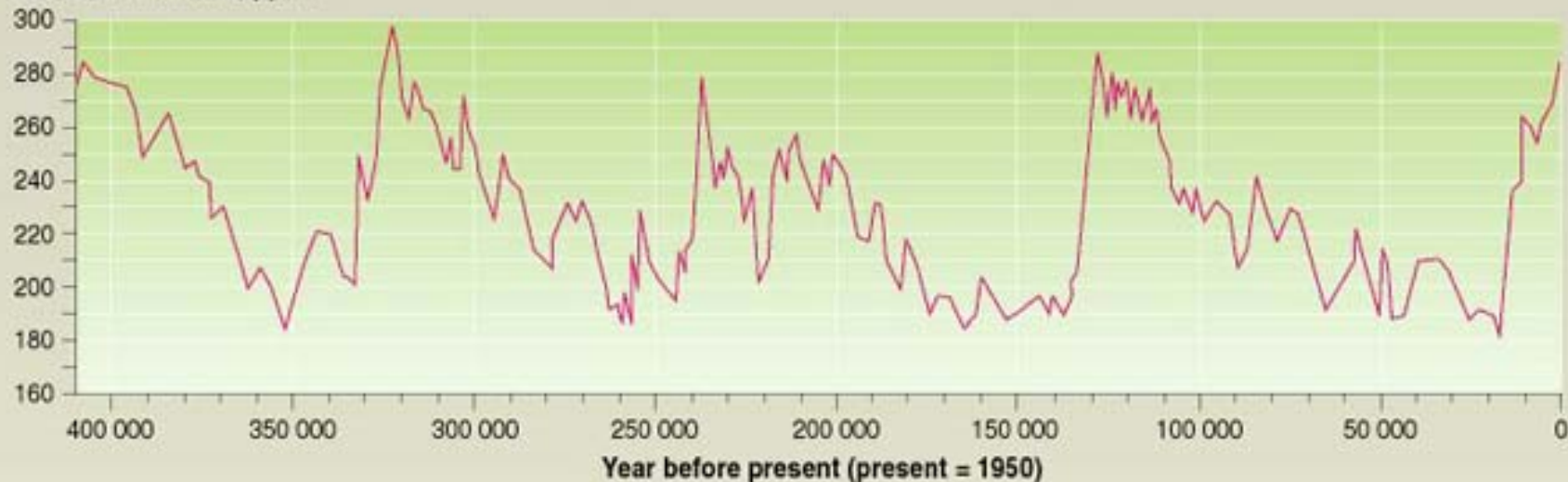
# Temperature over the past 1,000 years – the IPCC ‘Hockey Stick’ graph



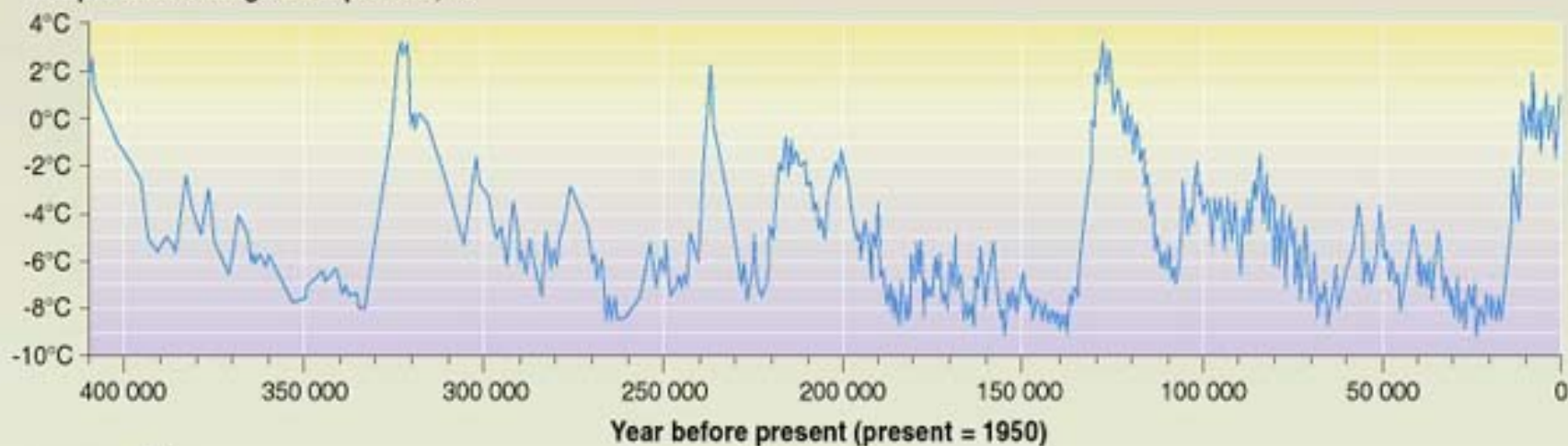


## Temperature and CO<sub>2</sub> concentration in the atmosphere over the past 400 000 years (from the Vostok ice core)

CO<sub>2</sub> concentration, ppmv



Temperature change from present, °C



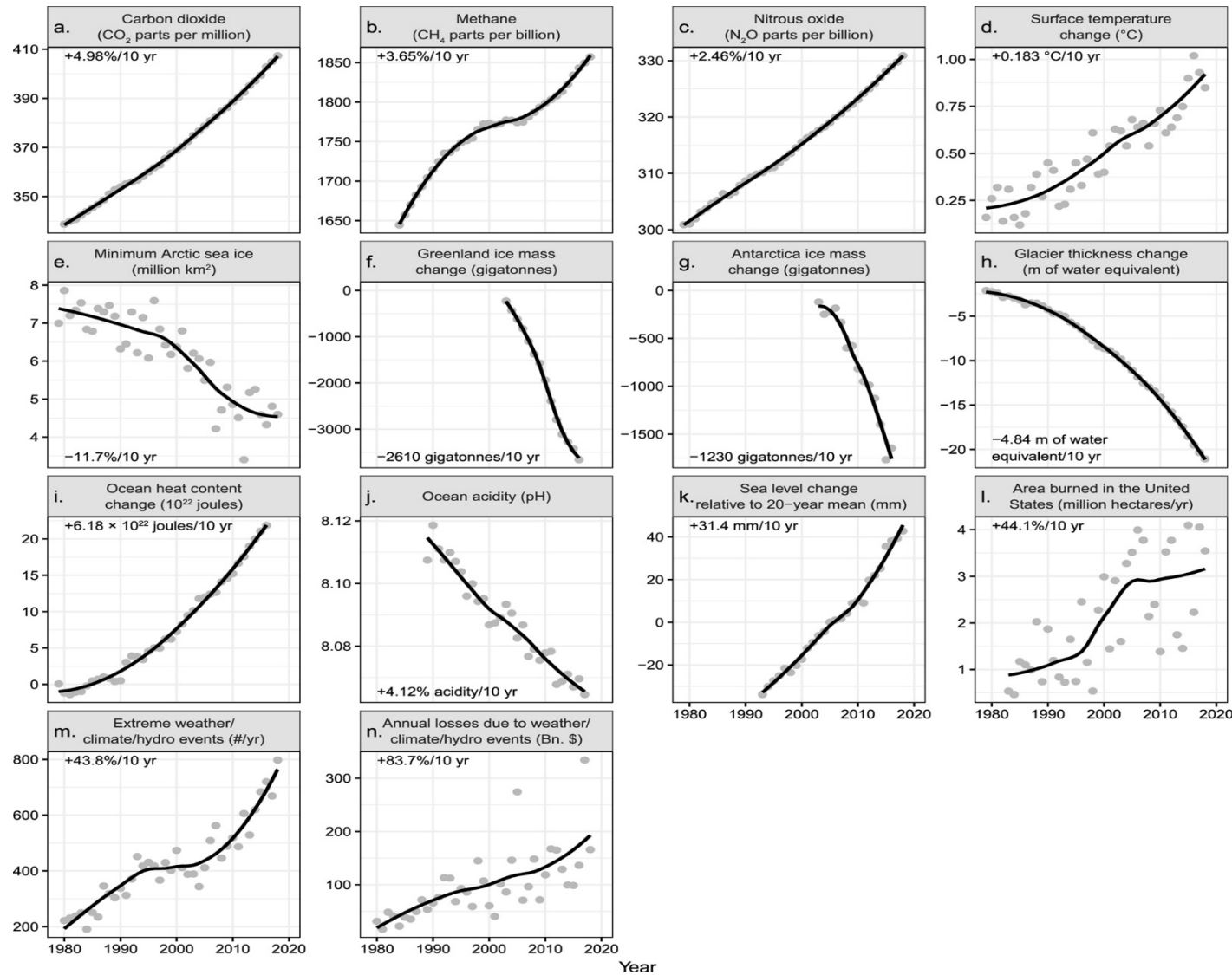


# Effects of Global Warming

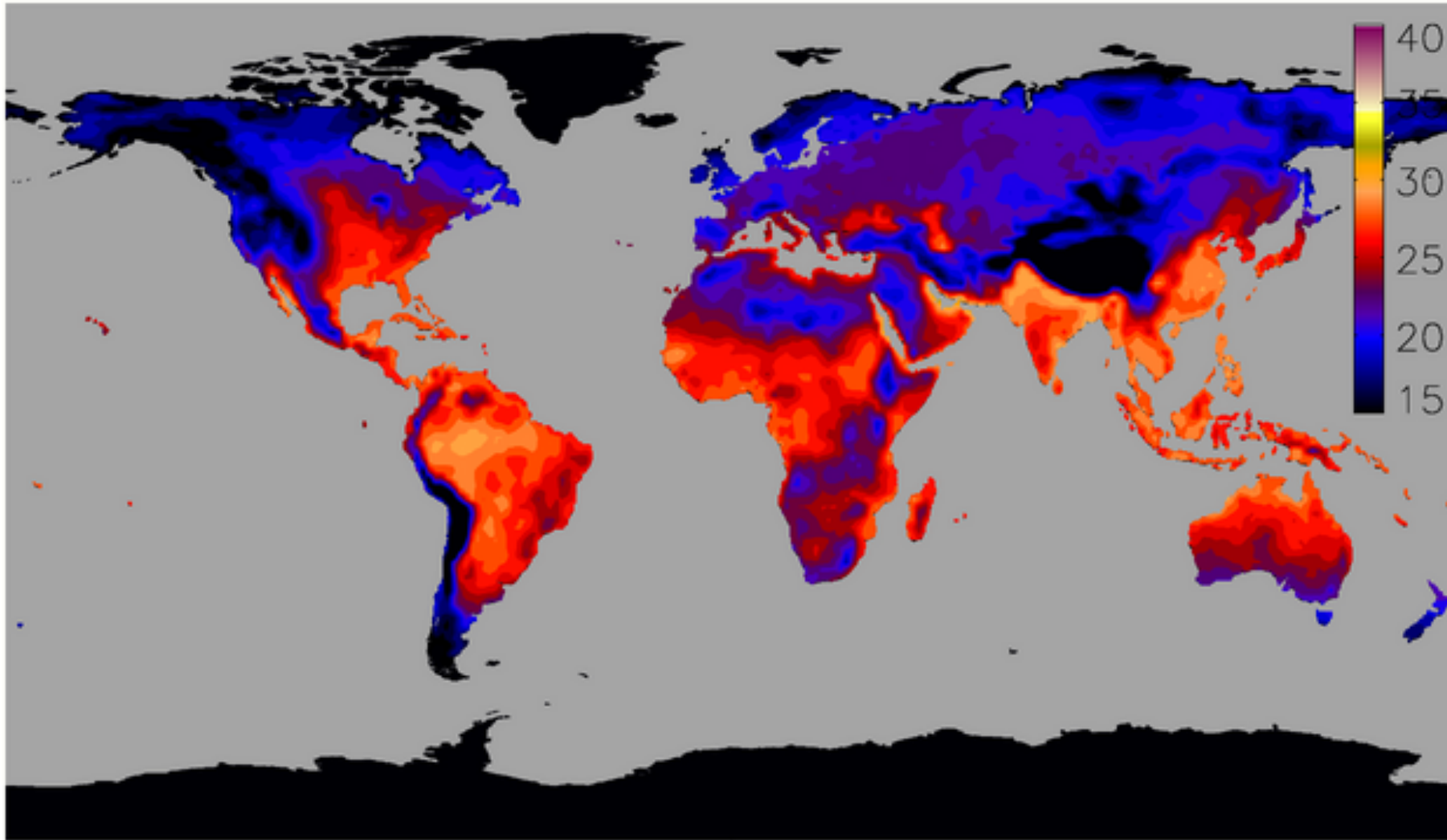
- Hotter summers and winters
- More violent storms
  - Water cycle speeds up
- Glaciers and sea ice melting
- Sea level rise
  - Glacial and permafrost melt
  - Ocean water expansion
- Increased volcanic and seismic activity?

# Climatic and environmental changes from 1979 to the present.

The rates shown in the panels are the decadal change ...

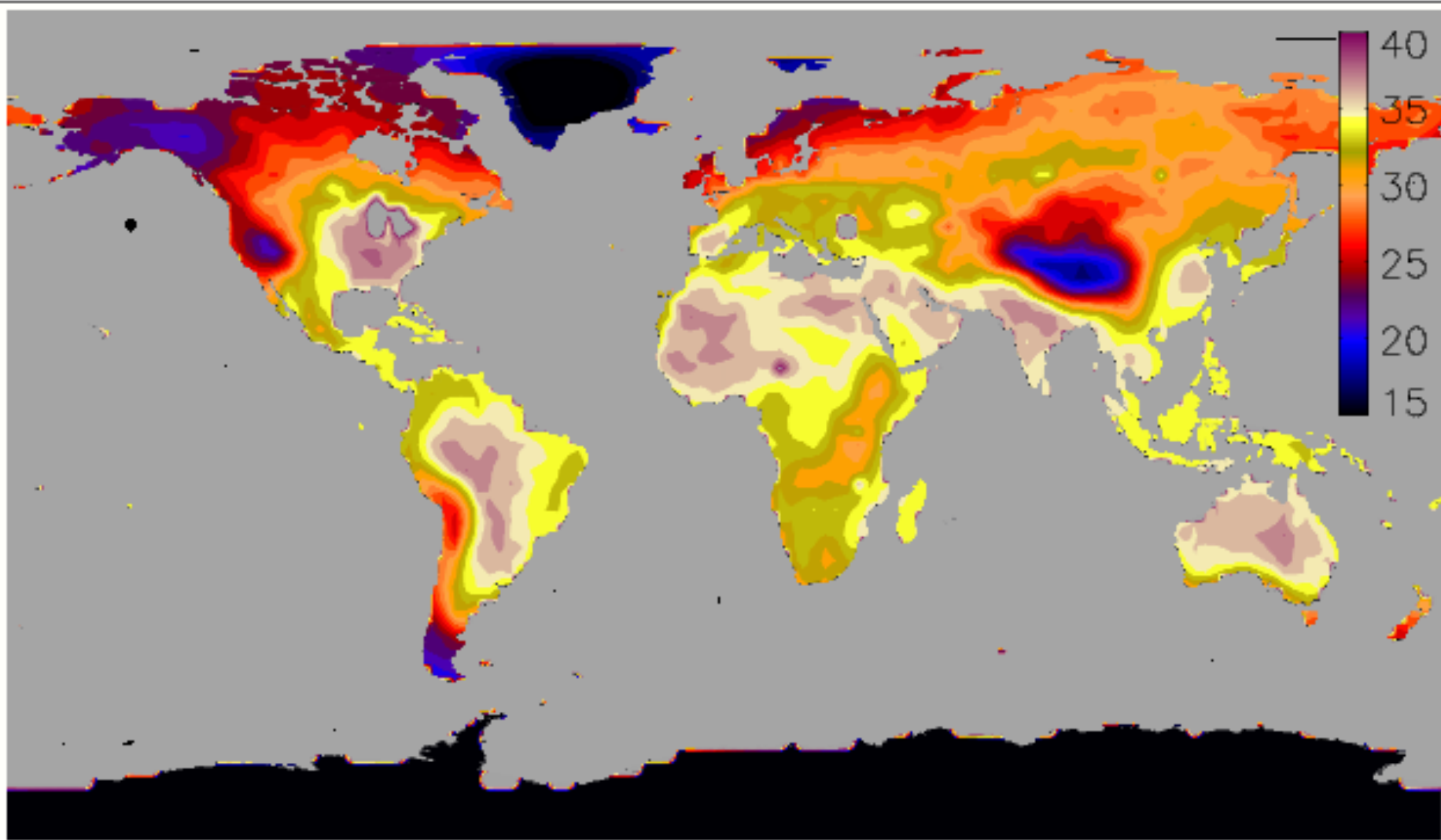


## Peak annual afternoon wet-bulb temperatures: 1999 to 2008



Sherwood, S. & Huber, M. (2010) An adaptability limit to climate change due to heat stress. *Proceedings of the National Academy of Sciences*, 2010. 107 (21): 9552–9555

## Climate Model Prediction of Wet Bulb Temperatures: 10°C Average Global Warming



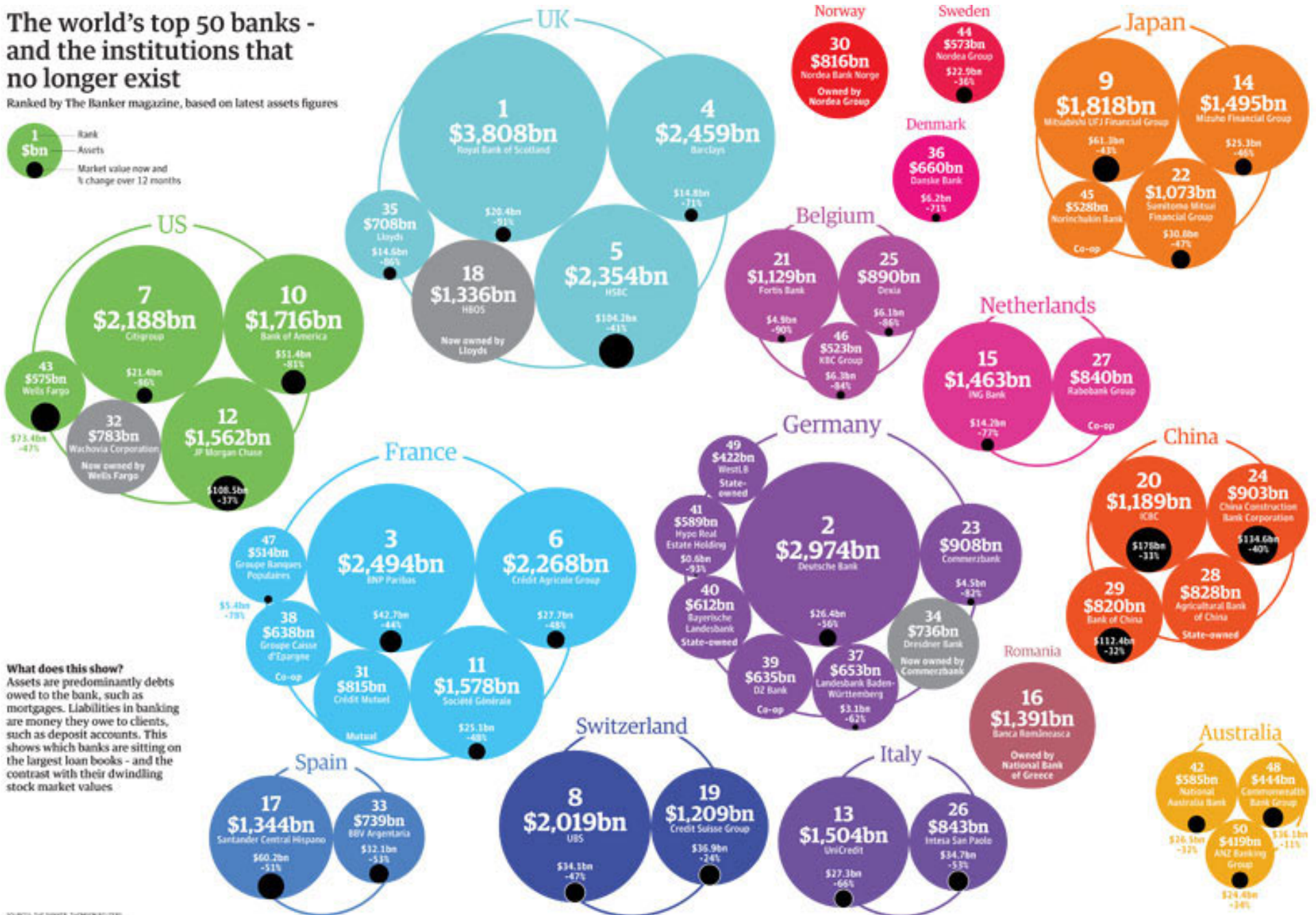
Sherwood, S. & Huber, M. (2010) An adaptability limit to climate change due to heat stress. Proceedings of the National Academy of Sciences, 2010. 107 (21): 9552–9555

# **Contexts: Social & Economic**



# The world's top 50 banks - and the institutions that no longer exist

Ranked by The Banker magazine, based on latest assets figures



**What does this show?**  
Assets are predominantly debts owed to the bank, such as mortgages. Liabilities in banking are money they owe to clients, such as deposit accounts. This shows which banks are sitting on the largest loan books - and the contrast with their dwindling stock market values.

SOURCE: THE BANKER, THE ECONOMIST

## The Beginning of the Crisis? The Collapse of Lehman Brothers September 2008





# Europe & Middle East Civil Unrest, 2011



Egypt



Bahrain



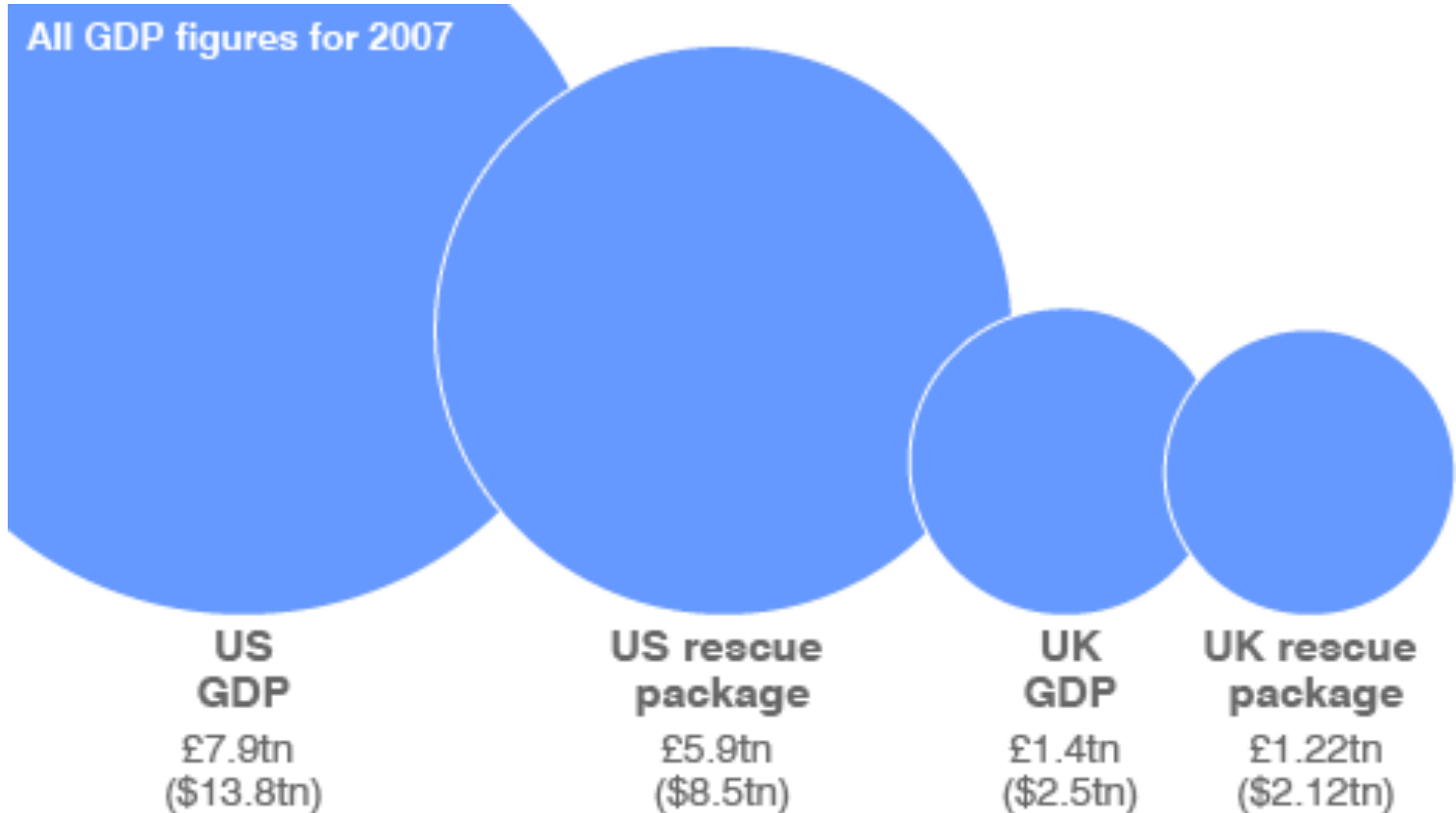
Greece



Spain



# The Scale of the Financial Rescue in the USA & UK



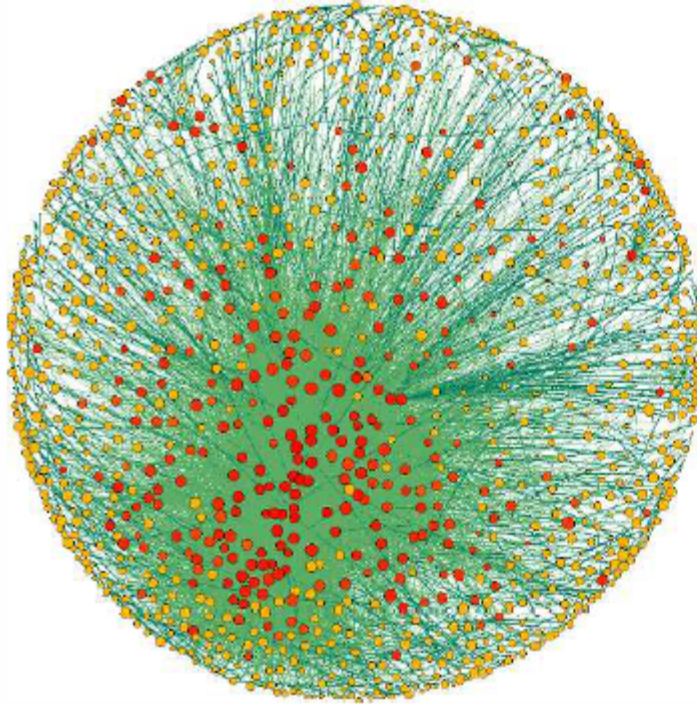
SOURCE: US Treasury, UK Treasury, Bloomberg

The bank's profits were private but the losses belong to the public!

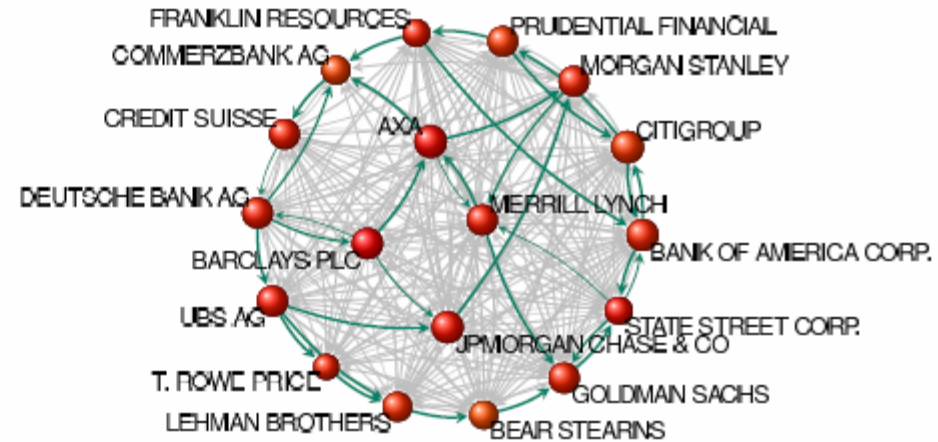
<http://news.bbc.co.uk/2/hi/business/7893317.stm>

# The Network Structure of Global Capitalism in 2007

C



D



Only 737 firms (mainly banks) have 80% of the control over the value of all Transnational Corporations (TNCs). The top ranked actors hold a control ten times bigger than what could be expected based on their wealth

Network analyses of 43,060 TNCs, taken from a sample of about 30 million businesses contained in the Orbis 2007 database resulted in 1,006,987 ownership ties. Vitali et al (2011) *The network of global corporate control*

# The Cause of the Crisis – Taking a Longer View

There are many newspaper articles which discuss the causes of the global financial crisis in terms of Credit Default Swaps, Sub-prime Mortgages, Exotic Financial Derivatives, etc. – but these are symptoms not ‘real’ causes.

## **The longer view**

The 1960s & 1970s were times of prosperity for working people in many ‘rich’ countries and ‘labour/workers’ received an increasing share of the national wealth – labour was a scarce resource in many rich countries.

In the 1980’s and 1990’s ‘real’ wages were static or even fell and labour’s share of the national wealth declined. The labour scarcity ‘problem’ was solved by, increased immigration, off-shoring, technical change (ICT, containerisation) and anti-labour laws (e.g. Regan, Thatcher, Pinochet).

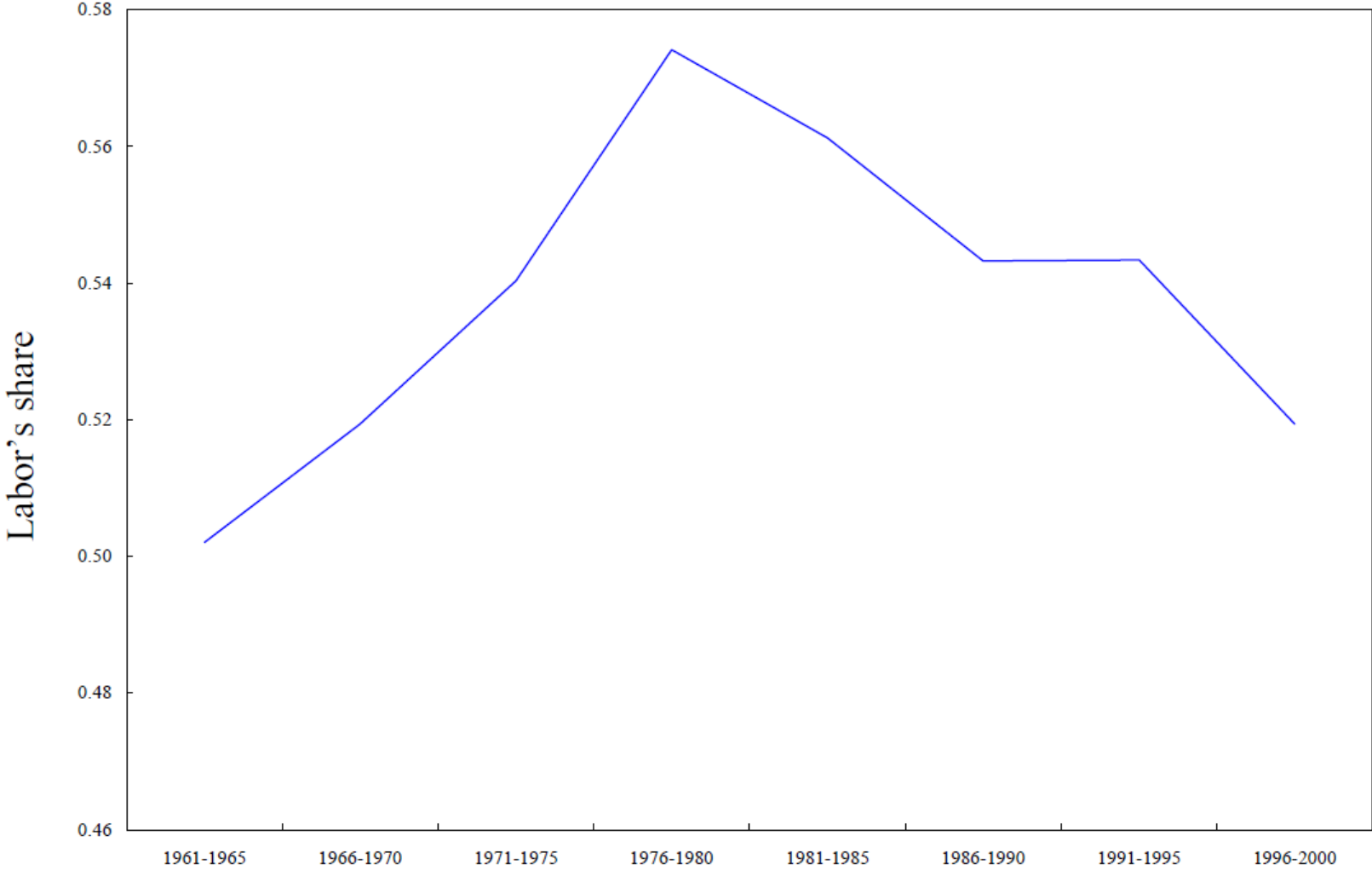
The decline in the relative wealth of labour presented a problem for the economy – how could people keep spending to buy the new products? The answer was financial deregulation resulting in a huge increase in household debt i.e. households maintained high spending by borrowing money. Securitisation resulted in people with almost no income being able to borrow!

The rich became relatively richer and invested their money in assets resulting in speculative bubbles e.g. dotcom, property, commodities (oil, food, etc.)

**This financial system collapsed in 2008**

# Average Labour Share of National Income in OECD Countries

(Ratio of labour income to national income)



Source: Guscina (2006) – The share of GDP going to Labour is just over 50% of GDP in the OECD countries and parts of Asia, around 40% in Latin America, the Middle East and North Africa, and approximately 30% in sub-Saharan Africa (Diwan, 2001)

*‘Inequality is the defining issue of our time`.*

**President Obama, 2013**

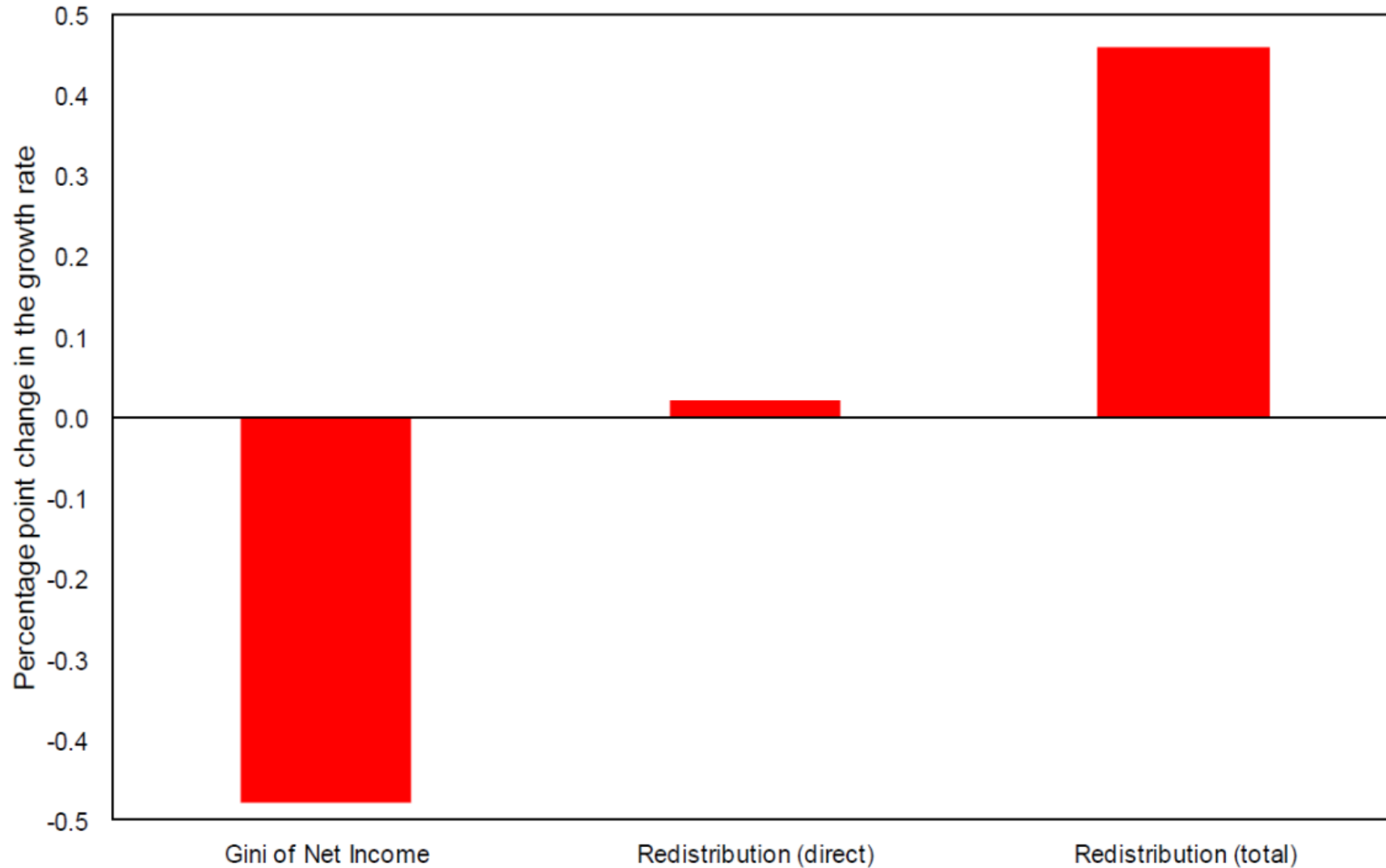
*‘Excessive inequality is corrosive to growth; it is corrosive to society... the economics profession and the policy community have downplayed inequality for too long.’*

**Christine Lagarde, Managing Director of the IMF, January 2013**

*“We find that longer growth spells are robustly associated with more equality in the income distribution... reduced inequality and sustained growth may thus be two sides of the same coin.”*

**Berg & Ostry (2011) *Inequality and Unsustainable Growth: Two Sides of the Same Coin?* IMF Staff Discussion Note. p3.**

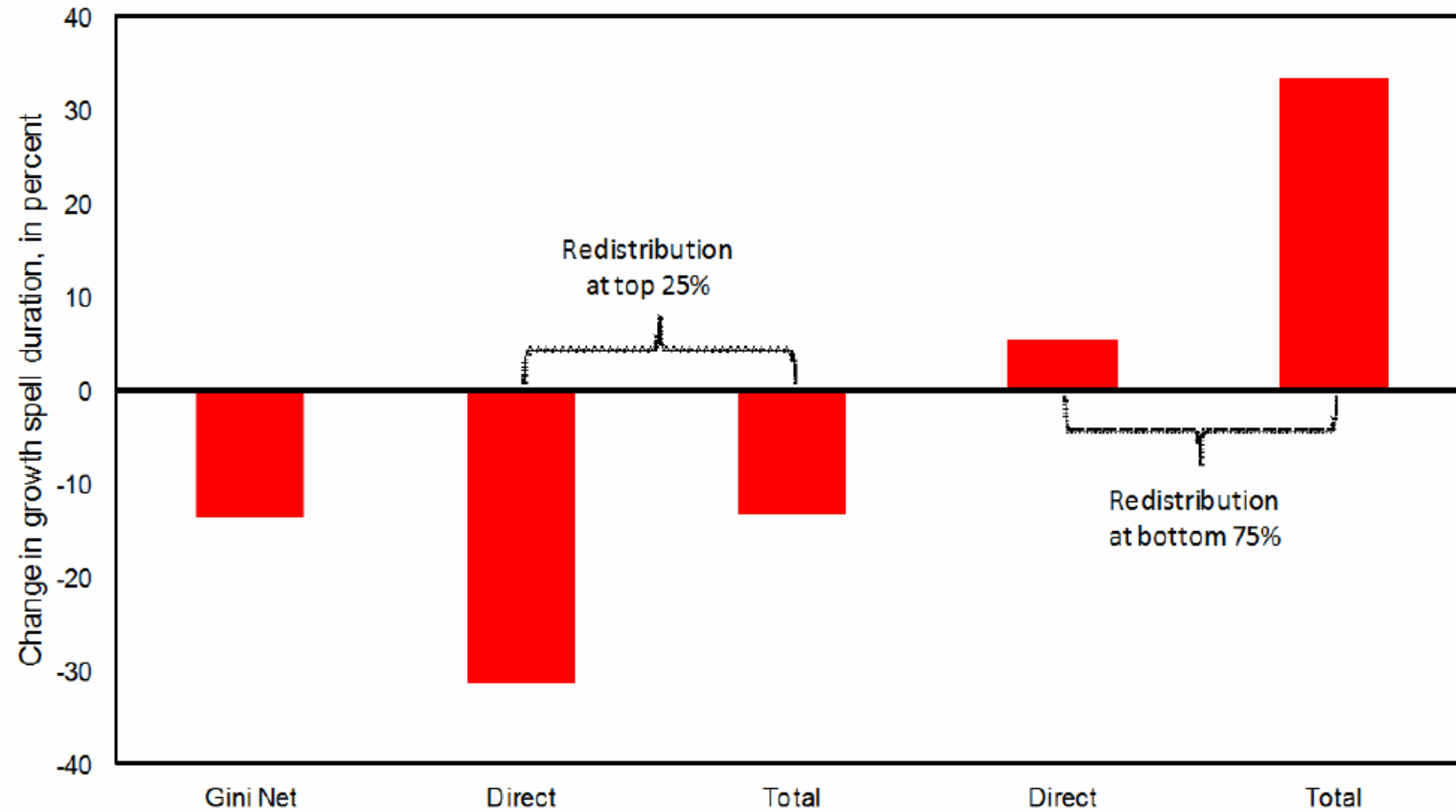
Figure 6. The effect of inequality and redistribution on growth



Each bar shows the change from the median to the 60<sup>th</sup> percentile e.g increasing the Gini from 37 to 42 results in a 0.5% reduction in growth

Source: Ostry et al (2014) *Redistribution, Inequality and Growth*. IMF Staff Discussion Note

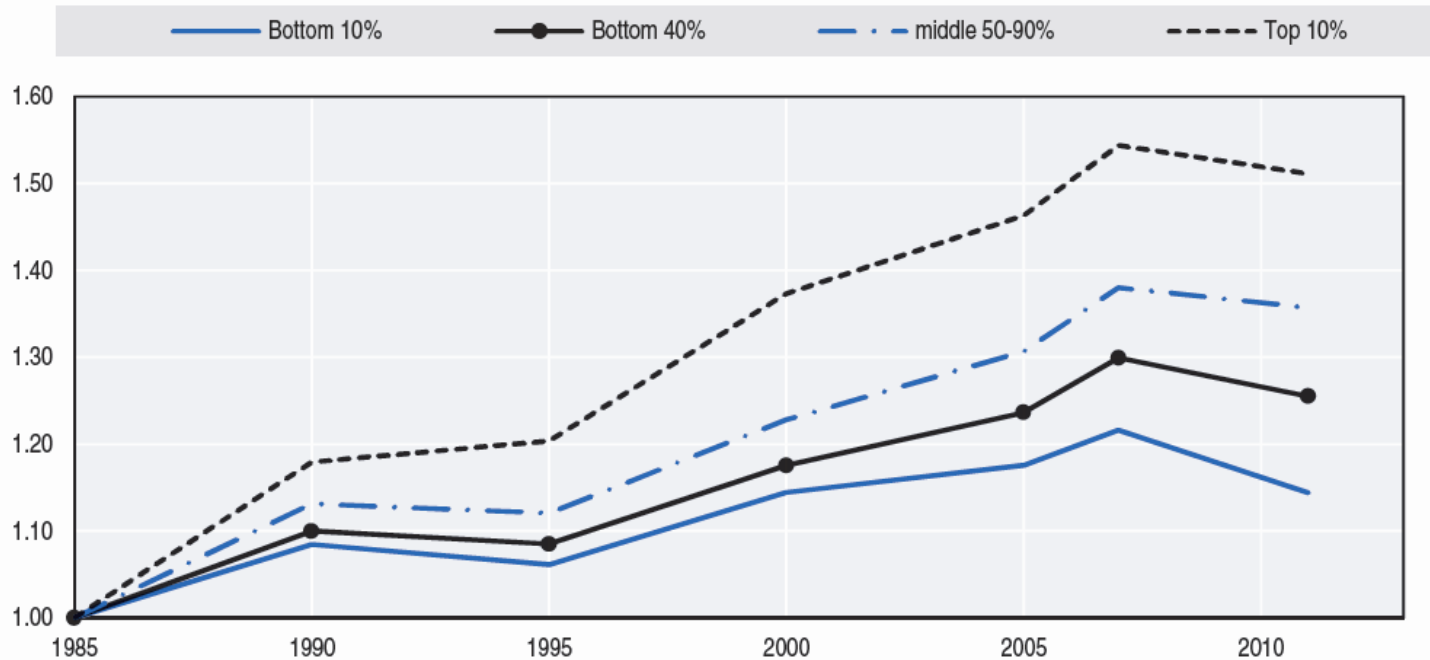
**Figure 8. The effect of inequality and redistribution on growth spell duration**



Source: Ostry et al (2014) *Redistribution, Inequality and Growth*. IMF Staff Discussion Note

**Figure 1.2. Lower and lowest incomes were increasingly left behind**

Trends in real household incomes at the bottom, the middle and the top, OECD average, 1985 = 1



*Note:* Income refers to disposable household income, corrected for household size. OECD is the unweighted average of 17 countries (Canada, Germany, Denmark, Finland, France, United Kingdom, Greece, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, Norway, New Zealand, Sweden and United States). See notes to Figure 3.5.

*“new research at the OECD...finds consistent evidence that the long-term rise in inequality of disposable incomes observed in most OECD countries has indeed put a significant brake on long-term growth”*



# The Problem of Riches

*“what thoughtful rich people call the problem of poverty, thoughtful poor people call with equal justice a problem of riches”*

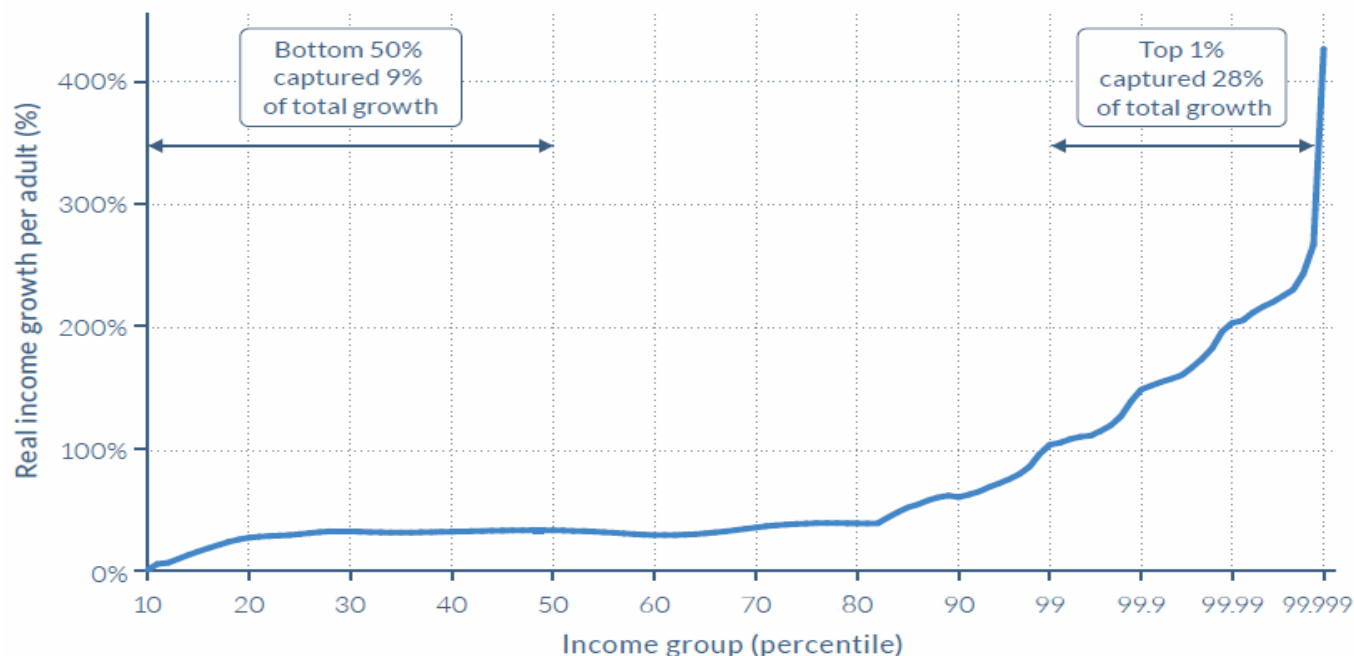
Tawney, R. (1913, p10) *Poverty as an industrial problem*, inaugural lecture, reproduced in *Memoranda on the Problems of Poverty*, London: William Morris Press.

*The institutions which create or disadvantage the poor at the same time as they create or advantage the rich are institutions which have to be reconstructed “*

Townsend, P. (1988:59).

# World Inequality Report 2018

Total income growth by percentile in US-Canada and Western Europe, 1980–2016



The richest 1% continue to own more wealth than the whole of the rest of humanity

Credit Suisse. (2017). *Global Wealth Databook 2017*

The wealth of the world's billionaires increased by \$900bn in the last year alone, or \$2.5bn a day. Meanwhile the wealth of the poorest half of humanity, 3.8 billion people, fell by 11%

Lawson *et al* (2019) *Reward Work Not Wealth*. London: Oxfam

## If current trends continue then the richest 1% will own 64% of the worlds wealth by 2030

### Estimated distribution of global wealth under different scenarios, 2017-2030

|  | Wealthiest 1% | Least wealthy<br>99% |
|--|---------------|----------------------|
| <b>Share of total wealth in 2017</b>                 | 50%           | 50%                  |
| <i>Total wealth, annual rate of increase 2000-17</i> | 6%            | 5%                   |
| <i>Total wealth, annual rate of increase 2008-17</i> | 6%            | 3%                   |
| <b>Share of total wealth in 2030</b>                 |               |                      |
| Assuming total wealth grows at 2000-17 annual rate   | 54%           | 46%                  |
| Assuming total wealth grows at 2008-17 annual rate   | 64%           | 36%                  |

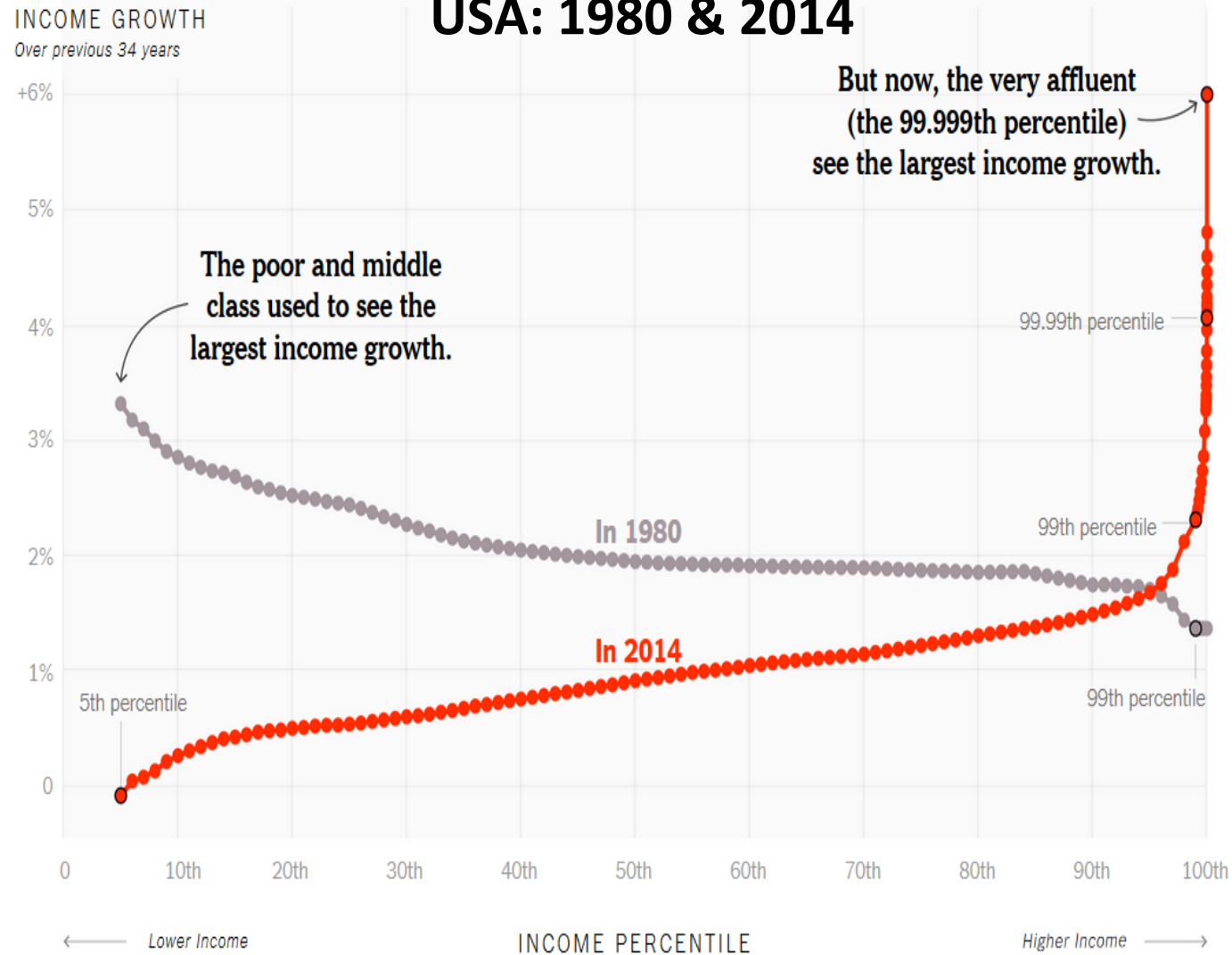
Note: the composition of each group will change from year to year. Someone who is in the wealthiest 1% in one year may be in the least wealthy 99% in the next.

Source: Estimates based on wealth data for 2000-2017 published in Credit Suisse, *Global Wealth Report 2017* and *Global Wealth Databook 2017*

Source: UK House of Commons Library Research: Inclusive Growth, April 2018  
<https://www.inclusivegrowth.co.uk/house-commons-library-research/>

# Changes in the distribution of income growth in the

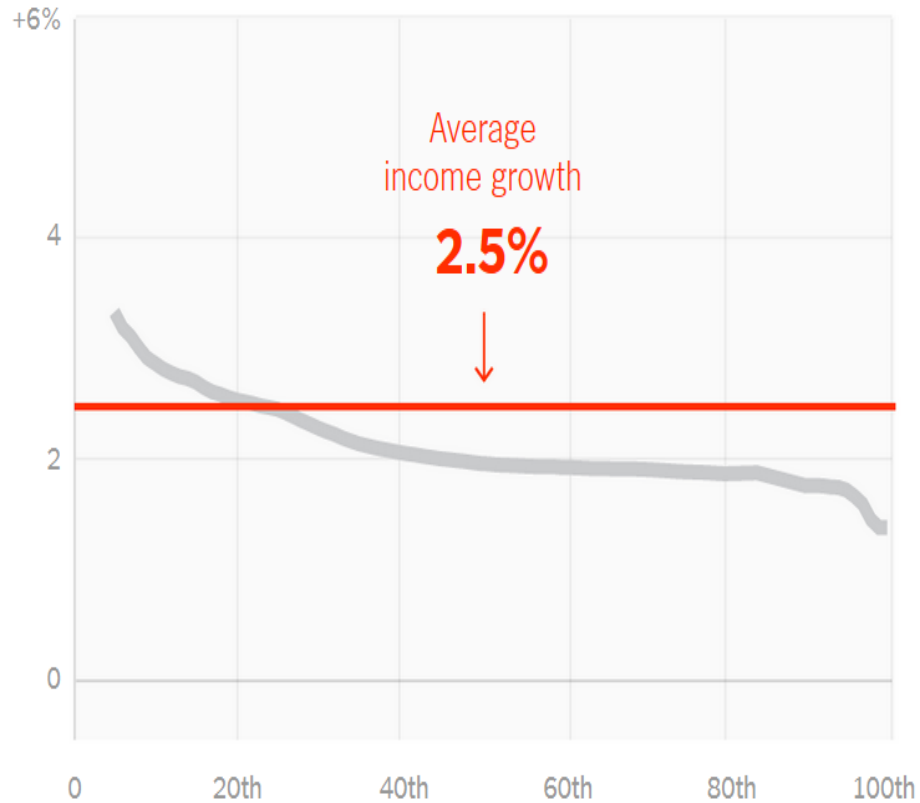
## USA: 1980 & 2014



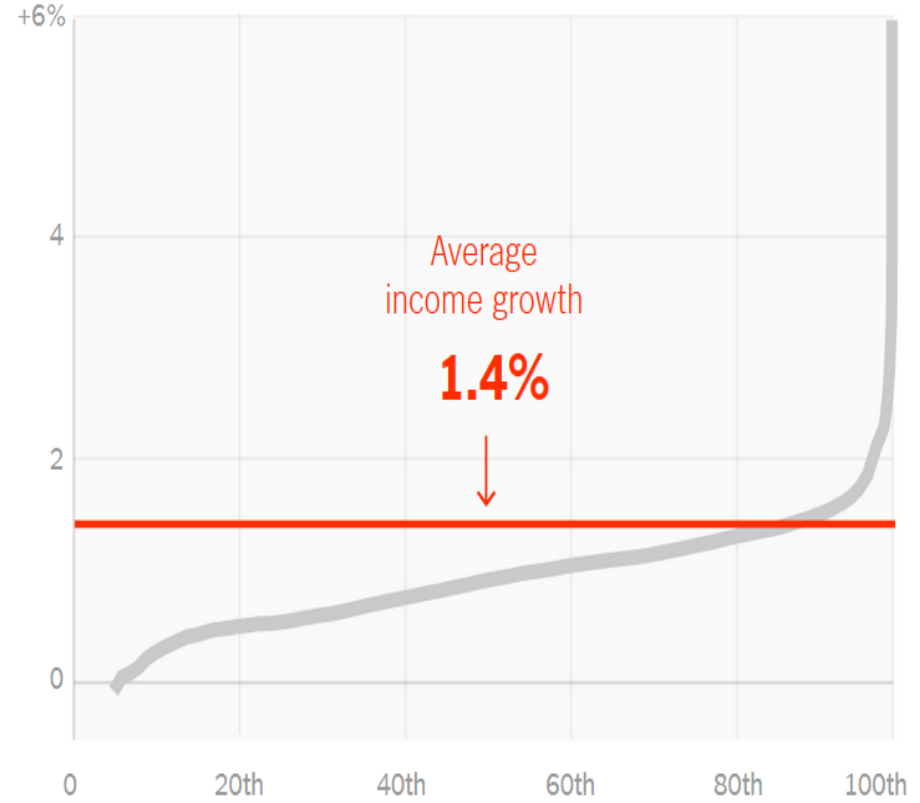
Note: Inflation-adjusted annual average growth using post-tax income.

Source: New York Times graphic – data from Piketty et al (2016) DISTRIBUTIONAL NATIONAL ACCOUNTS: METHODS AND ESTIMATES FOR THE UNITED STATES. NBER Working Paper 22945 <http://www.nber.org/papers/w22945>

INCOME GROWTH IN 1980



INCOME GROWTH IN 2014

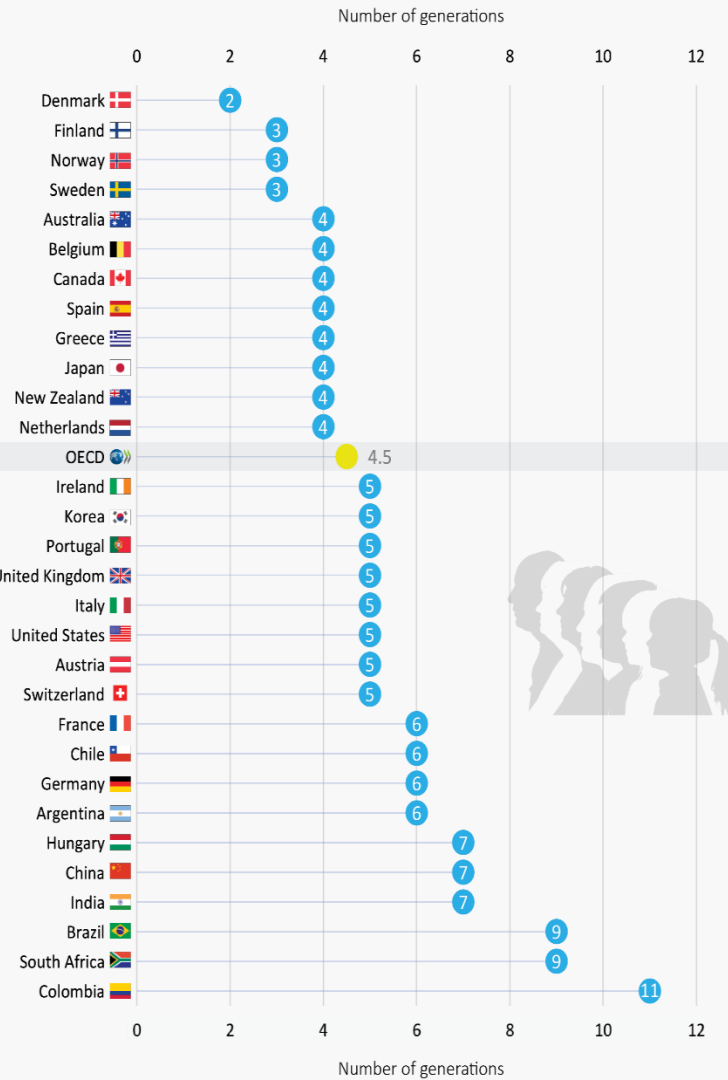


Source: New York Times graphic – data from Piketty et al (2016) DISTRIBUTIONAL NATIONAL ACCOUNTS: METHODS AND ESTIMATES FOR THE UNITED STATES. NBER Working Paper 22945 <http://www.nber.org/papers/w22945>



## Income mobility across generations

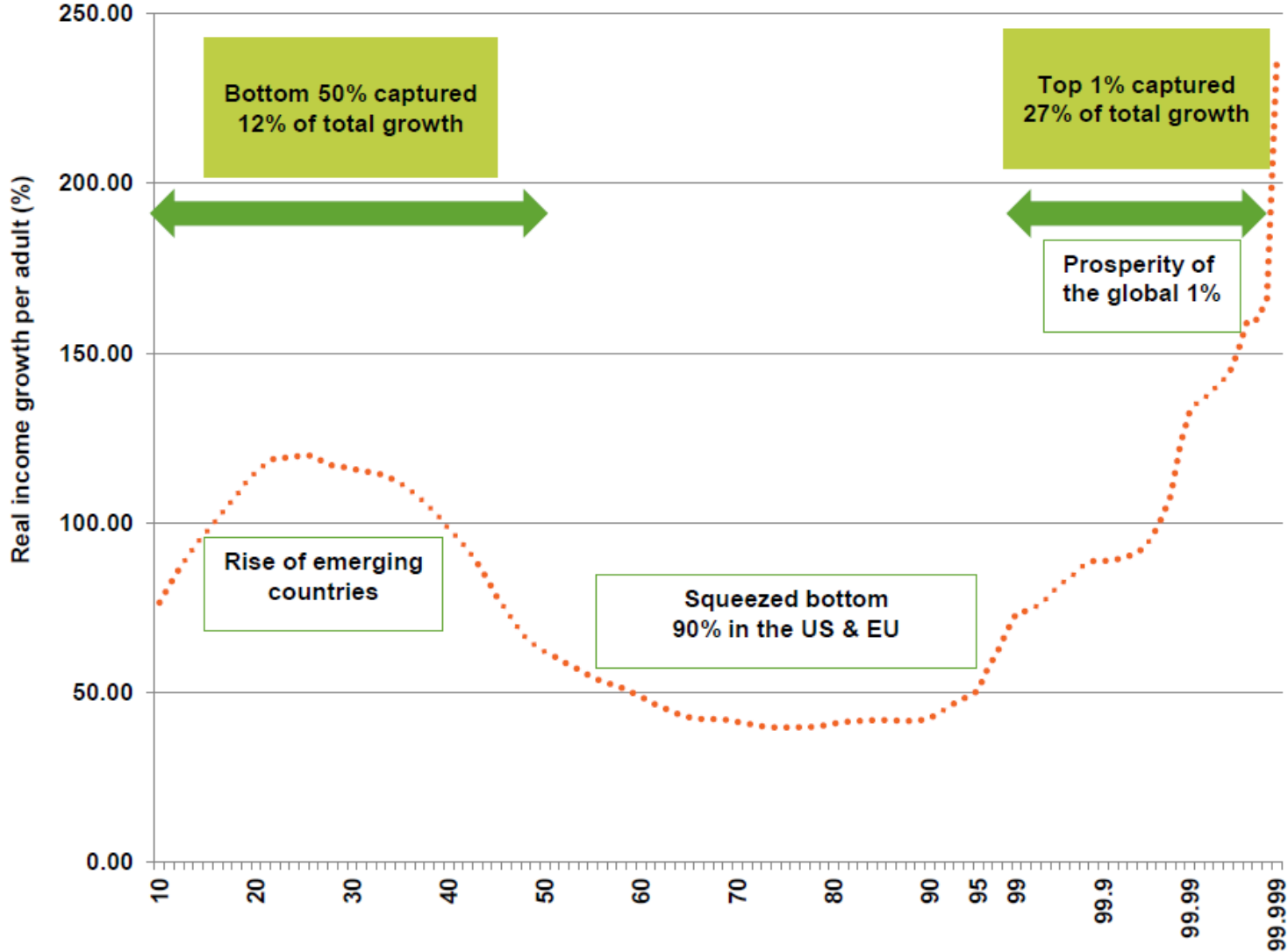
Number of generations it would take for those born in low-income families to approach the mean income in their society



Note: Low-income families refer to the bottom 10% of the income distribution, OECD average based on 24 member countries.

Source: OECD: A Broken Social Elevator? How to promote Social Mobility, Figure 1.5  
URL: [oe.cd/social-mobility-2018](https://www.oecd.org/social-mobility-2018)

# Global Real Income Growth per Adult by Percentile: 1980 to 2016

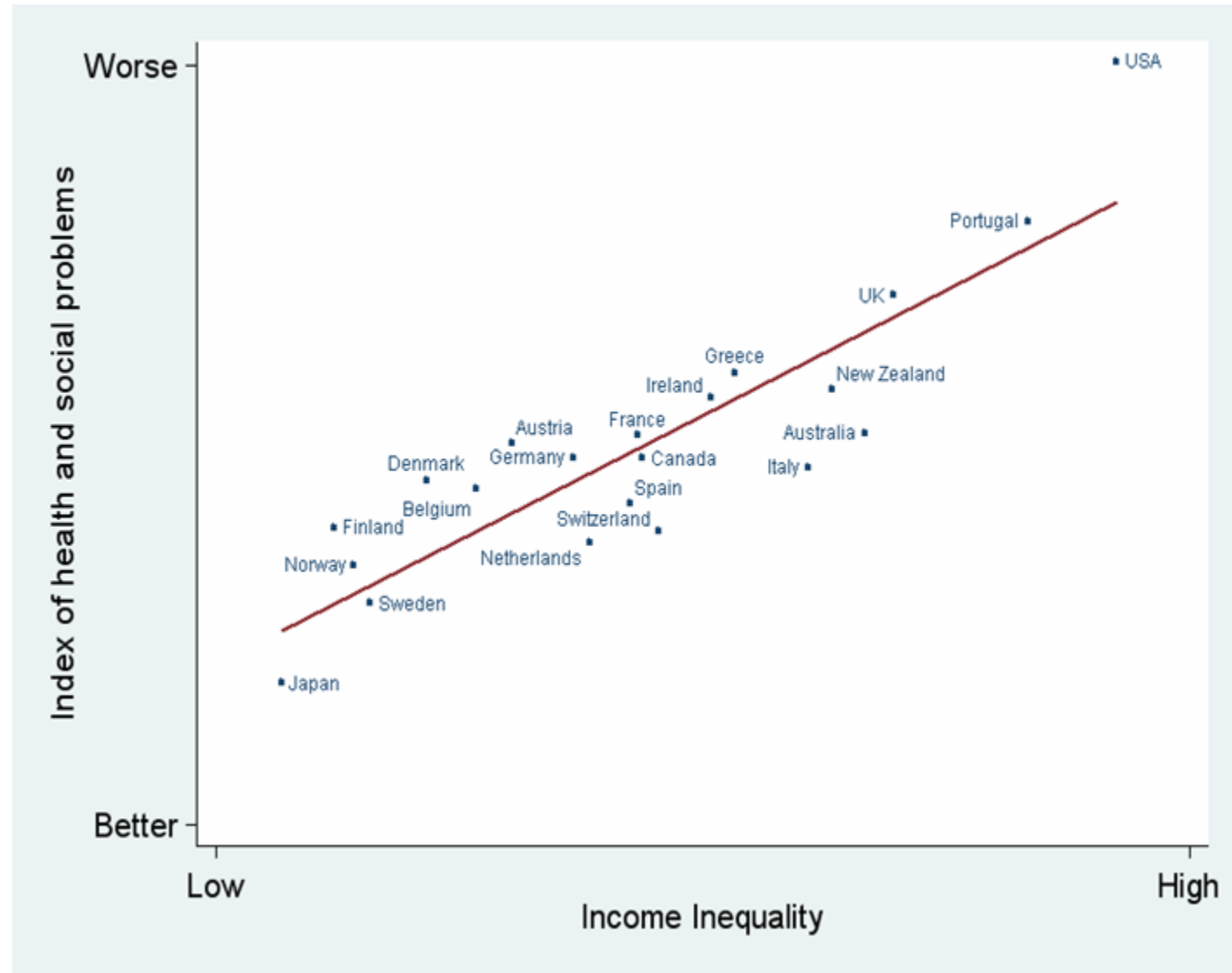


Source: Made by authors using F. Alvaredo, L. Chancel, T. Piketty, E. Saez and G. Zucman. (2017). *The World Inequality Report 2018*. World Inequality Lab. data available from <http://wir2018.wid.world/>.

# Health and Social Problems are Worse in More Unequal Countries

## Index of:

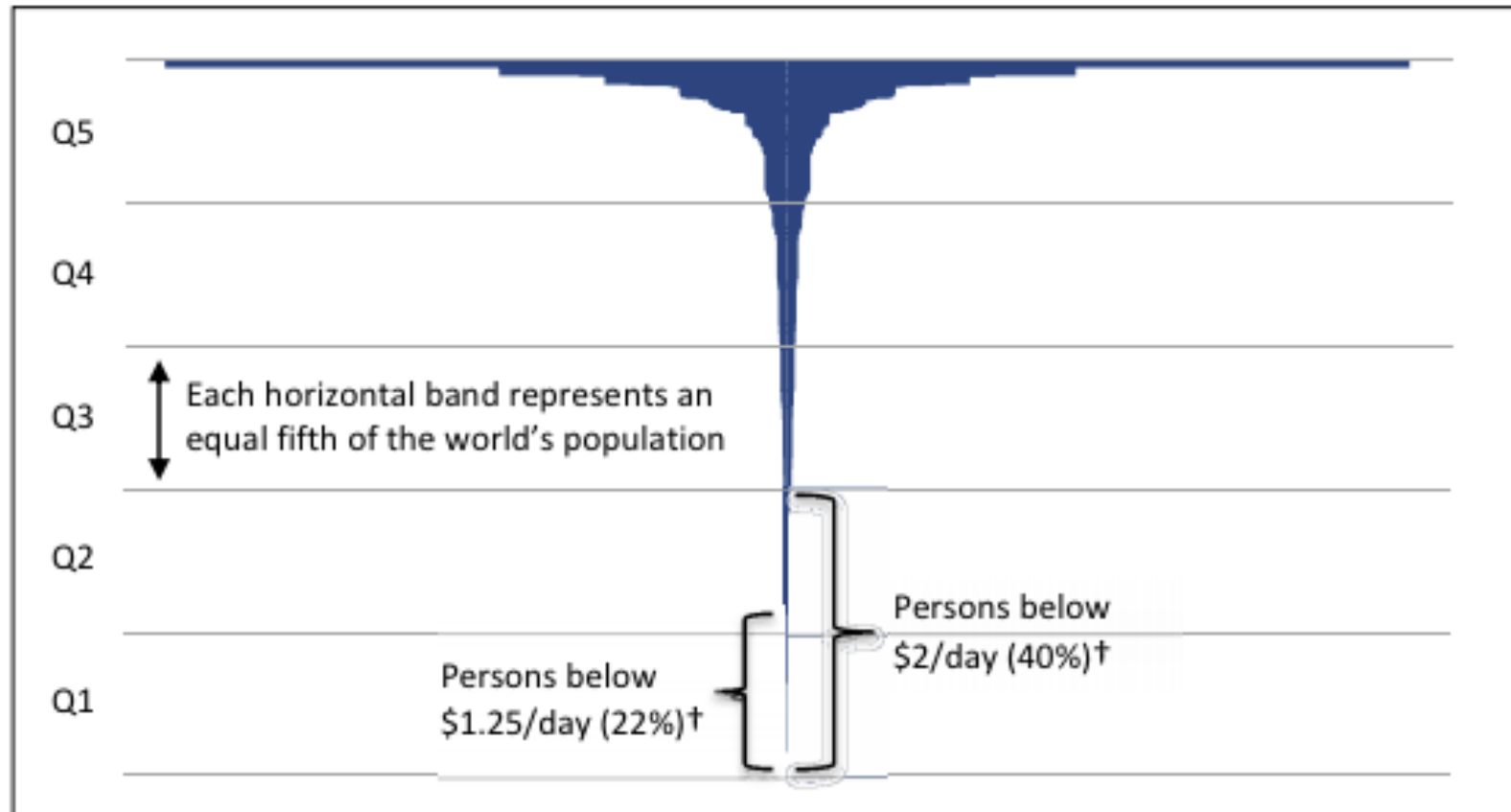
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility





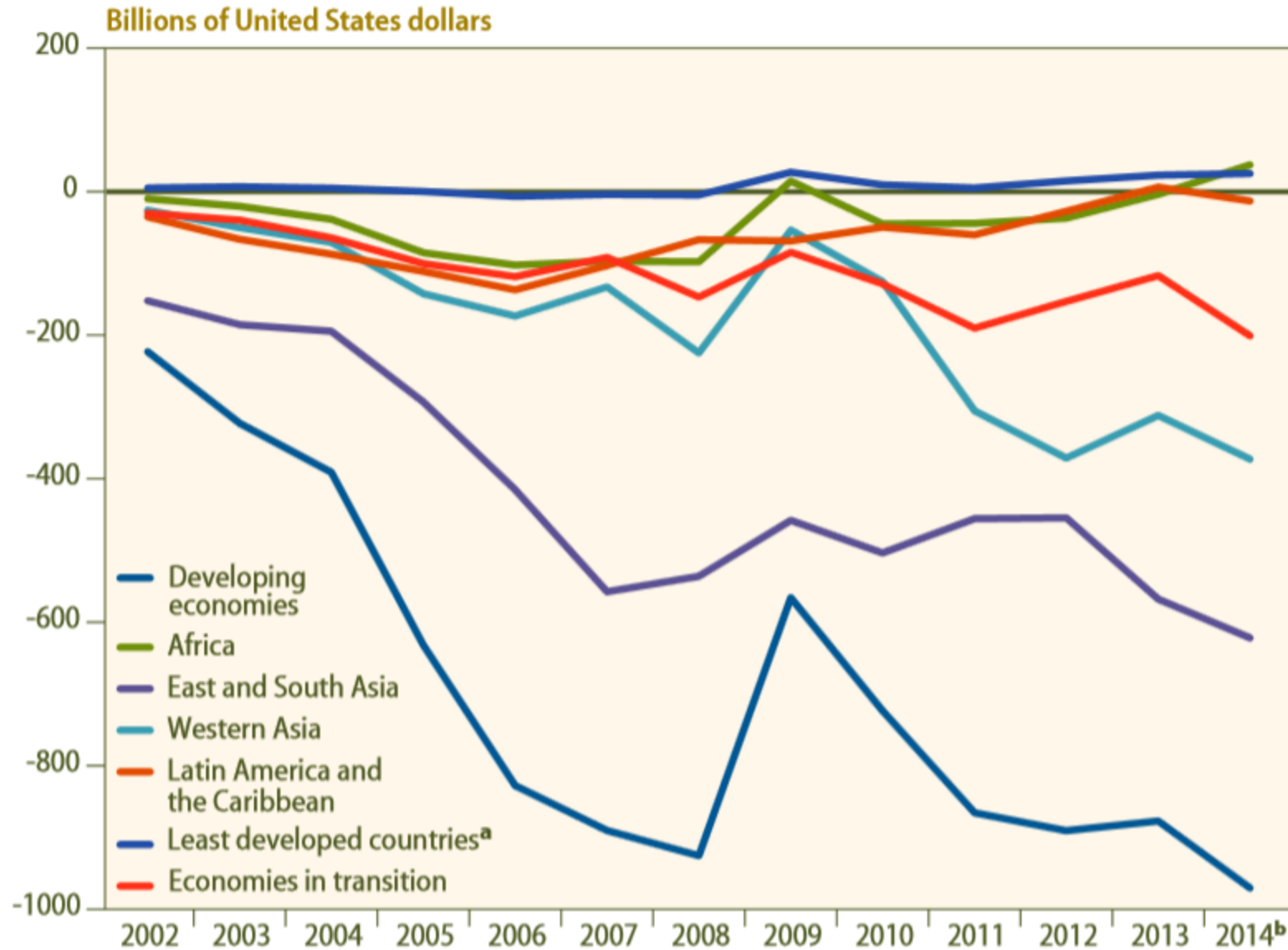
# The World is Very Unequal

Figure 7. Global Income Distributed by Percentiles of the Population in 2007  
(or latest available) in PPP constant 2005 international dollars\*



Source: Ortiz & Cummings (2011) *Global Inequality: Beyond the Bottom Billion*. UNICEF

# Net outflows of money from 'poor' to 'rich' countries increased rapidly during the 21<sup>st</sup> Century



Source: UNDESA 2015 *World Economic Situation and Prospects*

# Conclusions

The World is not on track to meet the ambitious SDG goals.

Climatic change and environmental sustainability problems are getting worse.

Inequality is getting worse.

Economic growth in GDP will not on its own solve these problems

Some redistribution both within and between countries is likely to be needed to meet the SDG goals.