Seminar
"The Sustainable Development Goals (SDGs) and the Critical Role of Development Research

Presentation on
"Highlighting SDG target: Inequality"
VID, OSLO, 08 November 2018

International Science Council (ISC) / University of Bergen (UiB)

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The **main objectives** of this presentation is to:

– Describe main trends affecting the goal and target we are highlighting here (10.4)

– Discuss the need of integrated scientific frameworks to capture the complexity of global challenges contained in SDGs and facilitate solutions; and

– Underline the critical role of Universities in using existing knowledge to monitor and evaluate the integrated and indivisible set of goals and targets of the 2030 Agenda for Sustainable Development.

Focus on SDG Target 10.4: Fiscal, wage, and social protection policies

Context: **Goal 10 Reduce inequality within and among countries and the integral and indivisible set of 17 SDGs, targets and (230) indicators.**

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

10.1.1 Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population

Target 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Indicator 10.4.1: **Labour share of GDP**, comprising wages and social protection transfers
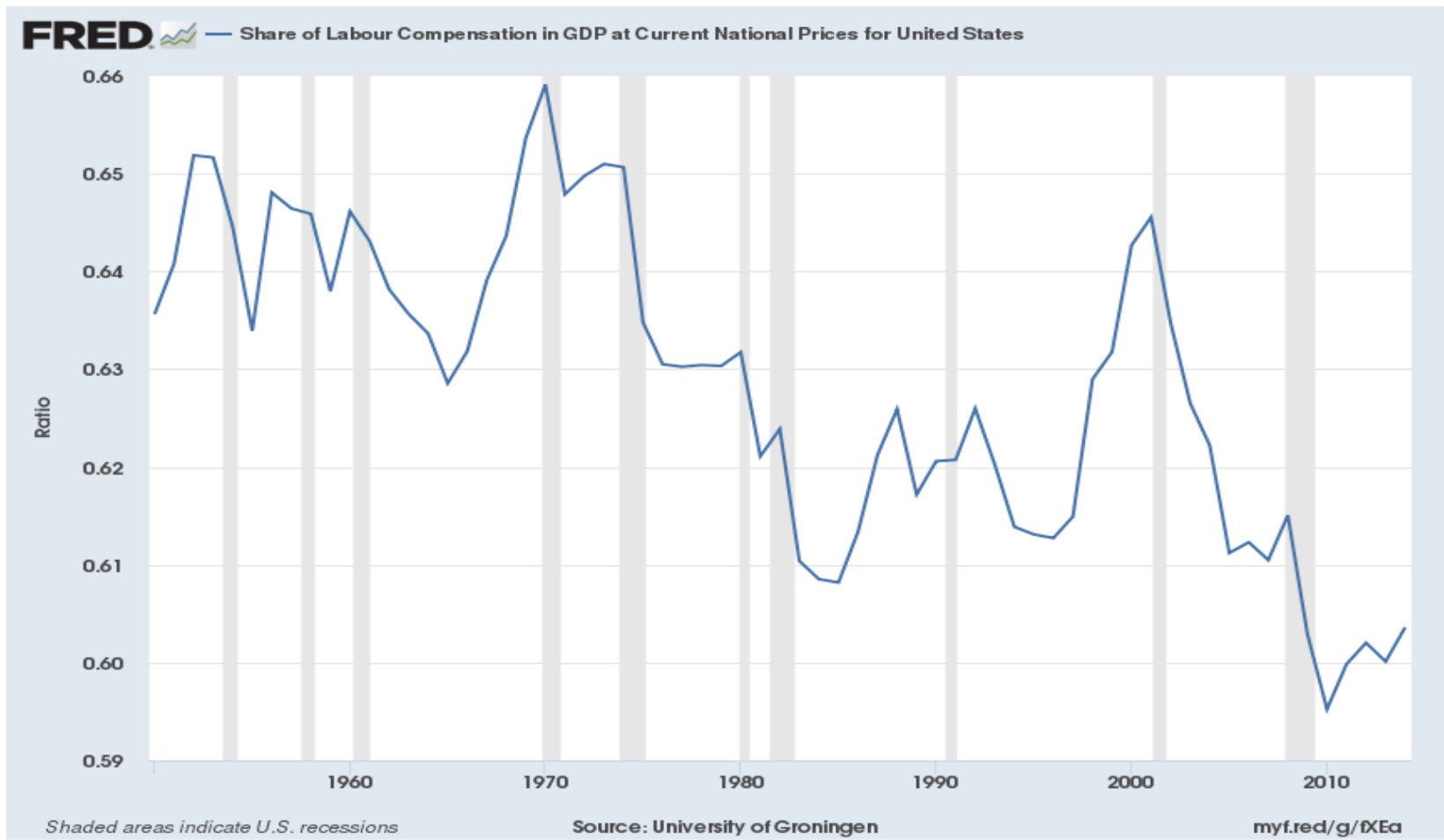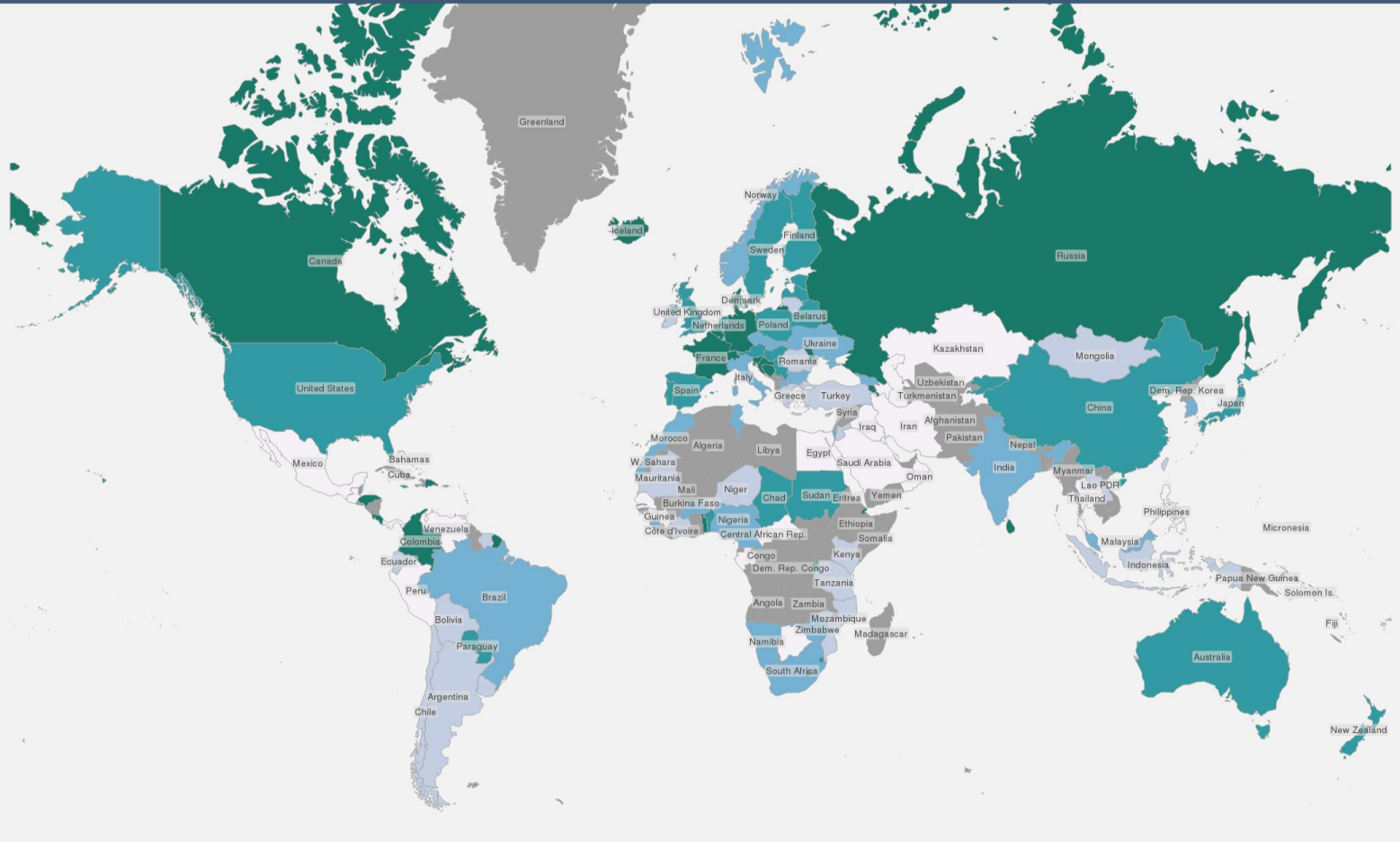
Source: Federal Reserve Bank of St. Louis. https://fred.stlouisfed.org/series/LABSHPUSA156NRUG accessed on September 19, 2018

Total **labor compensation** is normally defined as **labor** costs over nominal GDP or gross value added. Often the **capital share** and **labor share** are assumed to sum to 100%

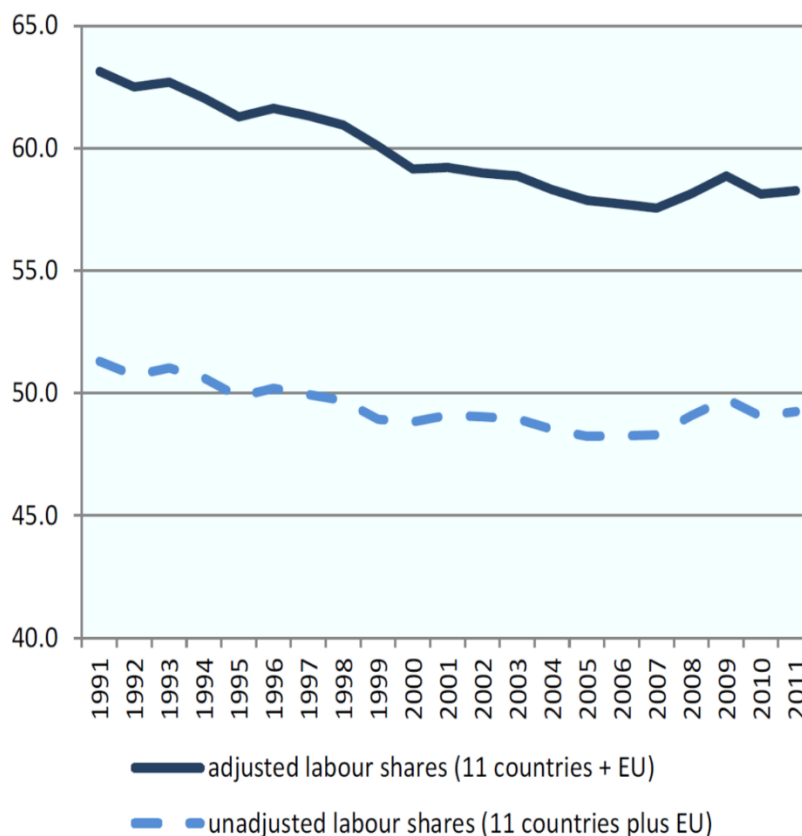
2014 Share of Labour Compensation by Nation (ratio)

Legend

GEO**FRED**

DATE: 2014

UNITS: (Ratio)
- ≤ 0.42
- ≤ 0.49
- ≤ 0.56
- ≤ 0.62
- ≤ 0.85
- No Data Available

Estimated adjusted and unadjusted labour shares in selected G20 countries

Data for the selected group of countries includes **EU-28, Australia, Canada, France, Germany, Italy, Japan, The Rep. of Korea, the Russian Federation, South Africa, United Kingdom and the United States**.

Note: To estimate adjusted labour income shares the projections of number of self-employed from the ILO Global Employment Trends (GET April 2014 (LP)) were used.


adjusted labour shares (11 countries + EU)

unadjusted labour shares (11 countries plus EU)

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A quick look at the SDGs Report 2018 and selected official date make evident the need of an approach able do deal with the complexity posed by the global challenges:

- *"The latest global estimate suggests that 11 per cent of the world population, or **783 million** people, lived below the **extreme poverty** threshold in 2013" – "**815 million** people worldwide" was **undernourished** in 2016 (SDGs Report 2018 on SDG 1 and SDG2)* **(What these numbers tell us?)**

- *"Based on 2016 estimates, **only 45% of the world's population were effectively covered by at least one social protection cash benefit, leaving 4 billion people behind".** "(...) only 22% of the unemployed received unemployment cash benefits, 28% of persons with severe disabilities collected disability cash benefits, 35% of children were covered by some form of social protection, and 41% of women giving birth received maternity cash benefits. Although 68% of people above retirement age received a pension, the benefits were often not enough to lift older people out of poverty. (SDG 1)*

- *Many more people today are living healthier lives than in the past decade. Nevertheless, people are still suffering needlessly from preventable diseases, and too many are dying prematurely. Overcoming disease and ill health will require concerted and sustained efforts, focusing on population groups and regions that have been neglected. (SDG 3)*

- *In 2015, 29 % of the global population lacked safely managed drinking water supplies, and 61 % were without safely managed sanitation services. In 2015, 892 million people continued to practise open defecation. (SDG 6)* **(How to deal with these SDGs and the rest of integrated and indivisible goals & targets at the same tame?)**

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Top 10% income shares across the world, 1980–2016: Is world inequality moving toward the high-inequality frontier?
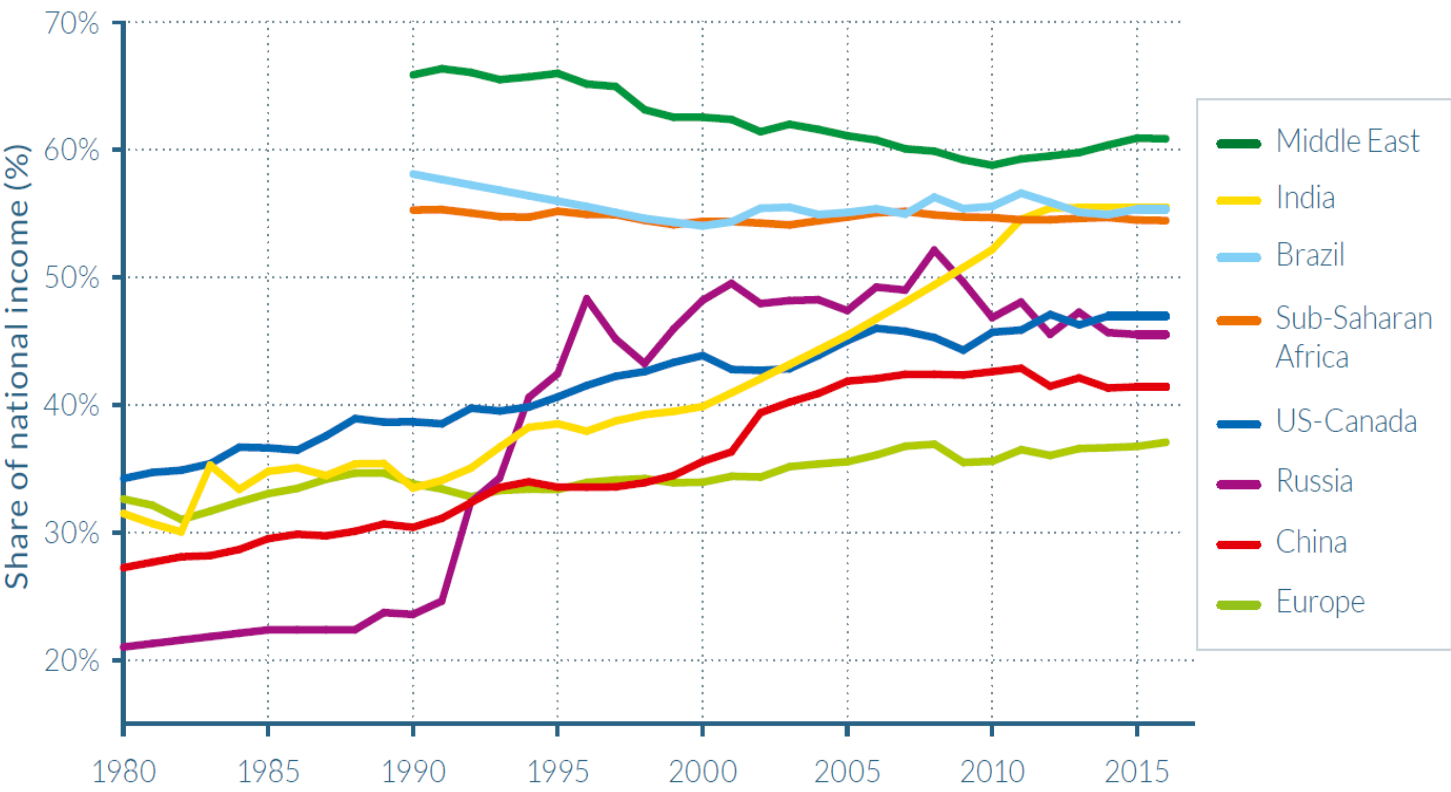
Source: WID.world (2017). See wir2018.wid.world for data series and notes.

In 2016, 55% of national income was received by the Top 10% earners in India, against 31% in 1980.

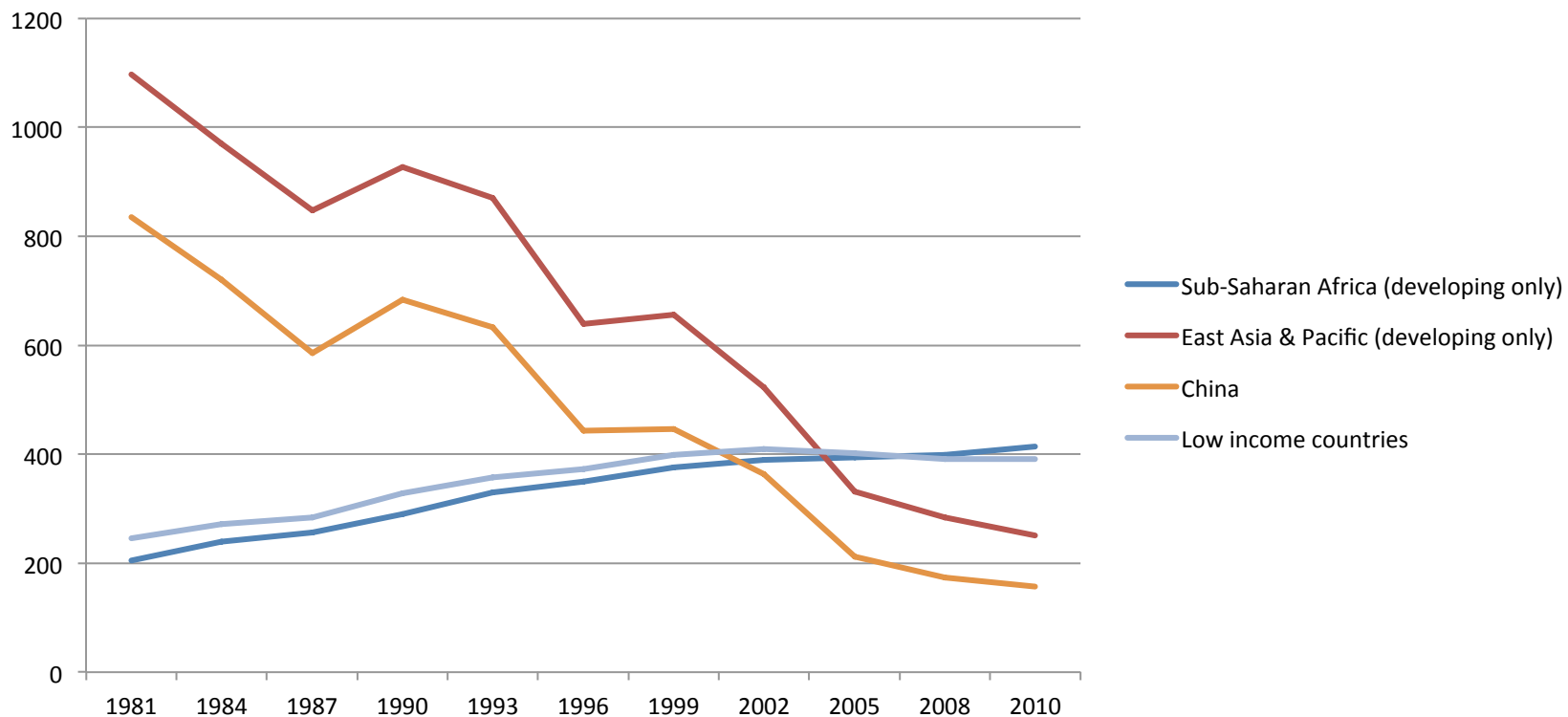# Poverty at the International Poverty Line of $1.90/day (in 2011 PPP)

Region	Headcount ratio (%)		No. poor (millions)	
	2013	2015	2013	2015
East Asia and Pacific	3.6	2.3	73.1	47.2
Europe and Central Asia	1.6	1.5	7.7	7.1
Latin America and the Caribbean	4.6	4.1	28.0	25.9
Middle East and North Africa	2.6	5.0	9.5	18.6
South Asia	16.2	12.4	274.5	216.4
Sub-Saharan Africa	42.5	41.1	405.1	413.3
World Total	**11.2**	**10.0**	**804.2**	**735.9**

Source: World Bank, latest data available. Press release Sept. 19 2018 - 2019/030/DEC-GPV

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Trends in poverty reduction. The China efect and the «left behind»

Graph: Number of poor 1981-2010
(selected regions and countries, in millions) Source: World Bank


Legend:
- Sub-Saharan Africa (developing only)
- East Asia & Pacific (developing only)
- China
- Low income countries

Where SDG 1.1 will be hard to achieve

Extreme poverty in Sub-Saharan Africa, 1990 - 2015
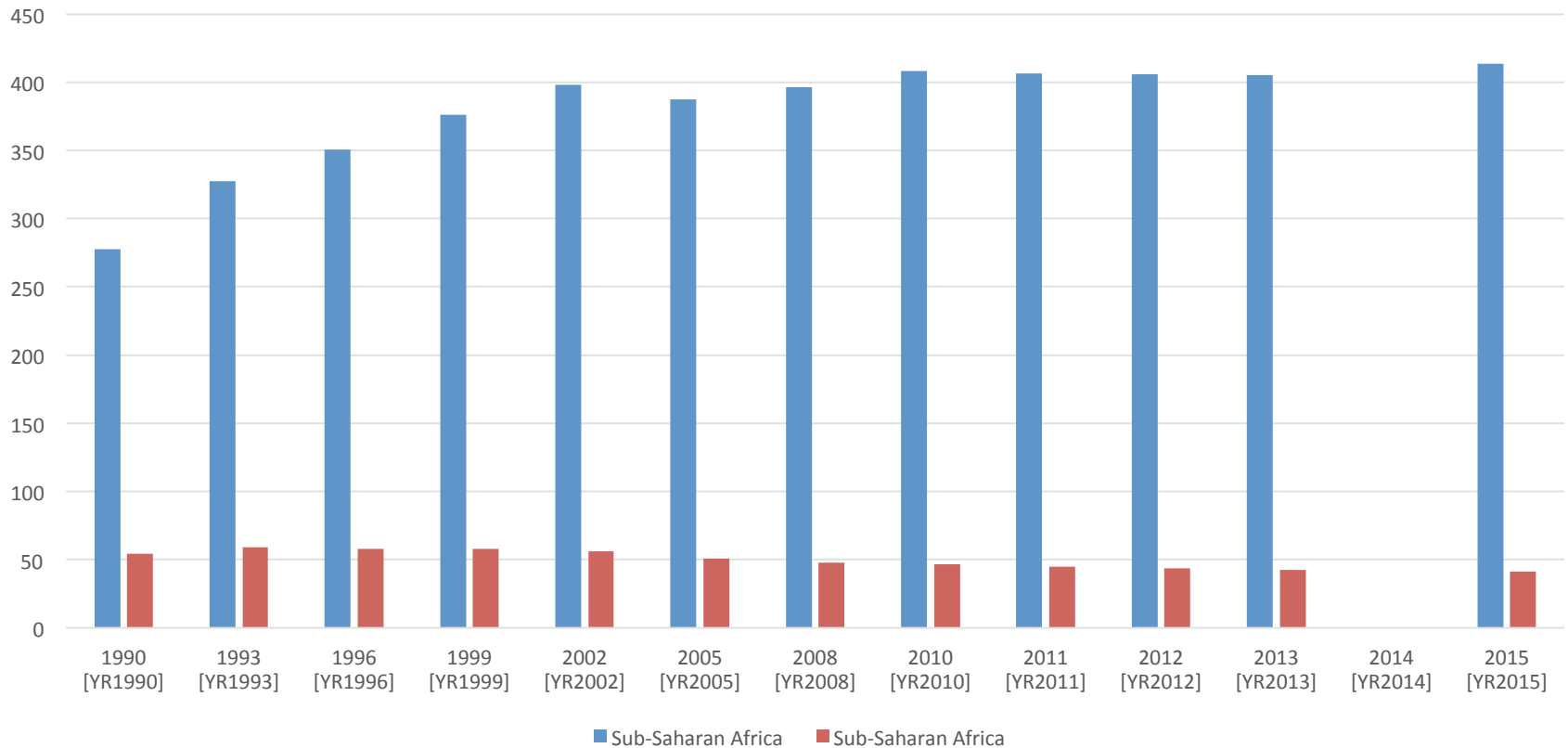
Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to **safe, nutritious and sufficient food all year round**.

Undernourishment means that a person is not able to acquire enough food to meet the daily minimum dietary **energy** requirements, over a period of **one year**. FAO defines hunger as being synonymous with chronic undernourishment
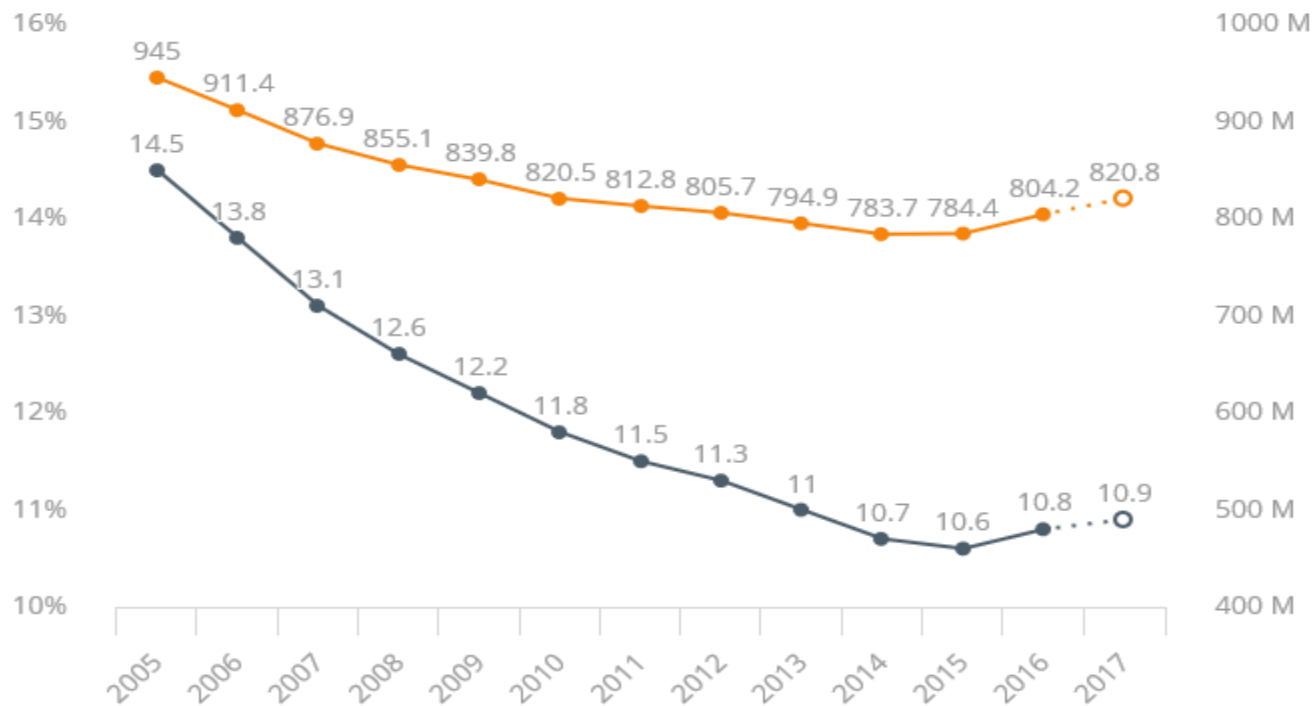
- The trends show the structural and contextual difficulties to achieve the target we are highlighting here

- What can a theoretical view using a simplified two level IR model can tell us?

The role of ideas / ideologies in creating structures & systems

The political economy of poverty & inequality production and eradication: the **structural conflict**

How this model can help us to explain **causes** at different level of analysis?

- Structural constraints & incentives set parameters to the production and distribution of wealth.

- Agents' **relative power and capabilities** explain policies (economic, social, etc.) and results. A key factor is the differential capabilities to move across borders capital & labour have.

- A key issue for contemporary democracies : **Regulatory capture** (i.e, when a regulatory agency, formed to act in the public's interest, eventually acts in ways that benefit the industry or sector it is supposed to be regulating, rather than the public)

MAIN CONSTITUTIVE ELEMENTS OF THE POLITICAL SUBSYSTEM	MAIN CONSTITUTIVE ELEMENTS OF THE ECONOMIC SUBSYSTEM
LEVEL 1: NATIONAL SYSTEMS	
STRUCTURE 1) State = territorially based governance structure with **regulatory & policy capabilities**	STRUCTURE 1) Domestic Market = non territorially based structures that provide incentive to produce and distribute wealth
Agents: 1) Government 2) Social groups and organizations with power differentials 3) Citizens	Agents: 1) Individual producers and consumers with similar power atributes 2) Consumer and producer organizations
ORDERING PRINCIPLE 1) **Hierarchical**, based on a constitutional order and power relations. Monopoly of the use of force	ORDERING PRINCIPLE 1) Non-hierarchical, based on economic logic (MAXIMIZATION OF BENEFITS)
LEVEL 2: INTERNATIONAL SYSTEM	
MAIN CONSTITUTIVE ELEMENTS OF THE POLITICAL SUBSYSTEM	MAIN CONSTITUTIVE ELEMENTS OF THE ECONOMIC SUBSYSTEM
Structure: 1) **Community of States (formally non-hierarchical)**	Structure: 1) **International Market (non-hierarchical & non-territorial)**
Main **Agent**s: 1) **Intergovernmental organizations** representatives 2) **Government representatives** 3) Non-governmental organizations represent.atives	Main **Agents**: 1) Firms (**Multinational Corporations,** International banks, etc.) 2) International producer organizations (OPEC 3) IOs (World Bank, IMF, WTO)
MAIN CONSTITUTIVE ELEMENTS OF THE POLITICAL SUBSYSTEM	MAIN CONSTITUTIVE ELEMENTS OF THE ECONOMIC SUBSYSTEM
Ordering principle: 1) **Anarchy,** based on community principles (e.g., sovereign states, "formally equals") and power relationships that are reflected in existing international regimes.	Ordering principle: **Anarchy,** based on economic logic and **very loose and limited REGULATIONS .** **CAPITAL can move relatively well & fast across borders but LABOUR cannot.**

FINAL REMARKS

- Empirical evidence and theories to interpret them are the tools we have as researchers to understand complex situations and eventually, identify solutions.

- Follow-up and review of the process to achieve the SDGs is undoubtedly a central element for success. A full chapter of the UN 2030 Agenda for Sustainable Development is devoted to this matter.

- Monitoring and evaluation are pillars of the follow-up and review process that depend on institutional contributions from science and education organisations. However, we need to learn from experience in order to improve the chances of achieving the SDGs. Previous work by CROP suggests that: "Monitoring and evaluation need to be radically improved, based on lessons extracted from the MDG era"

- Universities' involvement in the measuring and monitoring process can increase the level of transparency, accuracy and independence from national governments and international bodies responsible and accountable for reaching the goals (Cimadamore et al., Zed Books, 2016)

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Thank you for your attention

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