

Social Dimension of Inequality: “Inequality Affects Resilience of Society” Addressed in Post-2015 Development Goals



IMF-Hitotsubashi Seminar on Inequality

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2000-2015 MDGs Progress Status



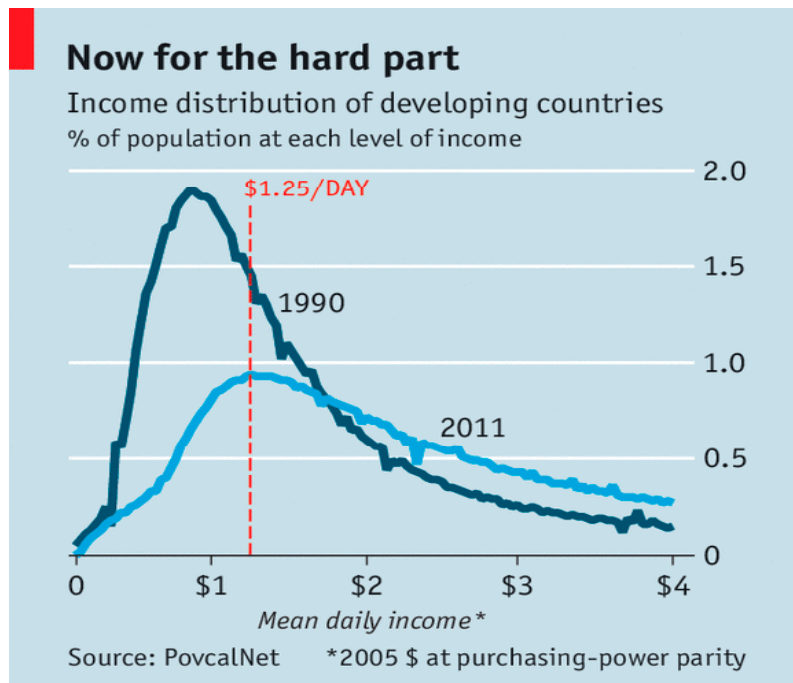
Goals and Targets	Africa		Asia				Latin America & the Caribbean	Caucasus & Central Asia	
	Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western			Oceania
GOAL 1 Eradicate extreme poverty and hunger									
Reduce extreme poverty by half	low poverty	very high poverty	moderate poverty*	moderate poverty	very high poverty	low poverty	very high poverty	low poverty	low poverty
Productive and decent employment	large deficit in decent work	very large deficit in decent work	large deficit in decent work	large deficit in decent work	very large deficit in decent work	large deficit in decent work	very large deficit in decent work	moderate deficit in decent work	moderate deficit in decent work
Reduce hunger by half	low hunger	very high hunger	moderate hunger	moderate hunger	high hunger	moderate hunger	moderate hunger	moderate hunger	moderate hunger
GOAL 2 Achieve universal primary education									
Universal primary schooling	high enrolment	moderate enrolment	high enrolment	high enrolment	high enrolment	high enrolment	—	high enrolment	high enrolment
GOAL 3 Promote gender equality and empower women									
Equal girls' enrolment in primary school	close to parity	close to parity	close to parity	parity	parity	close to parity	close to parity	parity	parity
Women's share of paid employment	low share	medium share	high share	medium share	low share	low share	medium share	high share	high share
Women's equal representation in national parliaments	low representation	moderate representation	moderate representation	low representation	low representation	low representation	very low representation	moderate representation	low representation
GOAL 4 Reduce child mortality									
Reduce mortality of under-five-year-olds by two thirds	low mortality	high mortality	low mortality	low mortality	moderate mortality	low mortality	moderate mortality	low mortality	moderate mortality
GOAL 5 Improve maternal health									
Reduce maternal mortality by three quarters	low mortality	very high mortality	low mortality	moderate mortality	high mortality	low mortality	high mortality	low mortality	low mortality
Access to reproductive health	moderate access	low access	high access	moderate access	moderate access	moderate access	low access	high access	moderate access
GOAL 6 Combat HIV/AIDS, malaria and other diseases									
Halt and begin to reverse the spread of HIV/AIDS	low incidence	high incidence	low incidence	low incidence	low incidence	low incidence	low incidence	low incidence	intermediate incidence
Halt and reverse the spread of tuberculosis	low mortality	moderate mortality	low mortality	moderate mortality	moderate mortality	low mortality	high mortality	low mortality	moderate mortality
GOAL 7 Ensure environmental sustainability									
Have proportion of population without improved drinking water	high coverage	low coverage	high coverage	moderate coverage	high coverage	high coverage	low coverage	high coverage	moderate coverage
Have proportion of population without sanitation	high coverage	very low coverage	low coverage	low coverage	very low coverage	moderate coverage	very low coverage	moderate coverage	high coverage
Improve the lives of slum-dwellers	moderate proportion of slum-dwellers	very high proportion of slum-dwellers	moderate proportion of slum-dwellers	high proportion of slum-dwellers	high proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	—
GOAL 8 Develop a global partnership for development									
Internet users	high usage	moderate usage	high usage	high usage	moderate usage	high usage	low usage	high usage	high usage

■ target already met or expected to be met by 2015.

■ Progress insufficient to reach the target if prevailing trends persist.

■ No progress or deterioration.

■ Missing or insufficient data.



Economist.com Quoting "the World Bank Report on Global Economic Prospects"

Current discussions on Post-2015

The Open Working Group on Sustainable Development Goals (OWG on SDGs): Proposed 17 Goals as of its final session in July 2014

1	End Poverty in all its forms everywhere	10	Reduce inequality within and among countries
2	End hunger: achieve food security, nutrition and sustainable agriculture	11	Cities and human settlements inclusive, safe, resilient and sustainable
3	Healthy lives and well-being for all at all ages	12	Ensure sustainable consumption and production patterns
4	Inclusive and equitable quality education and life-long learning	13	Take urgent action to combat climate change and its impacts
5	Achieve gender equality and empower all women and girls	14	Conserve and sustainably use the oceans, seas and marine resources
6	Ensure availability/management of water and sanitation for all	15	Protect, restore and promote sustainable use of terrestrial ecosystems, combat desertification and halt biodiversity loss
7	Access to affordable, reliable, sustainable energy for all	16	Peaceful and inclusive society, access to justice and accountable and inclusive institutions
8	Economic Growth, employment and decent work for all	17	Strengthen means of implementation and revitalize the global partnership for development
9	Resilient infrastructure, industrialization and innovation		

SDG-Goal 10: Reduce inequality within and among countries

Targets among others;

- **Income growth** of bottom 40% population higher than the national average,
- Social, economic, political **inclusion of all**,
- Fiscal, wage and social **protection** policies to achieve greater equality,
- Enhanced **representation of developing countries** in global economic and financial institutions,
- Facilitate **migration and mobility** of people,
- Focus more on **LDC** to aid,
- Reduce **transaction costs of migrant remittances**.

Human Development
Report 2014



UNDP Human Development Report 2014 on Resilience tells:

- **Post-2015:** from getting to zero to staying at zero
- In our increasingly connected world we face – and must manage - **new vulnerabilities** ← **caused by inequality**
- Vulnerability is often managed in silos. **Human Development approach is an holistic approach:**
focus of Sendai 3rd World Conference on Disaster Risk Reduction





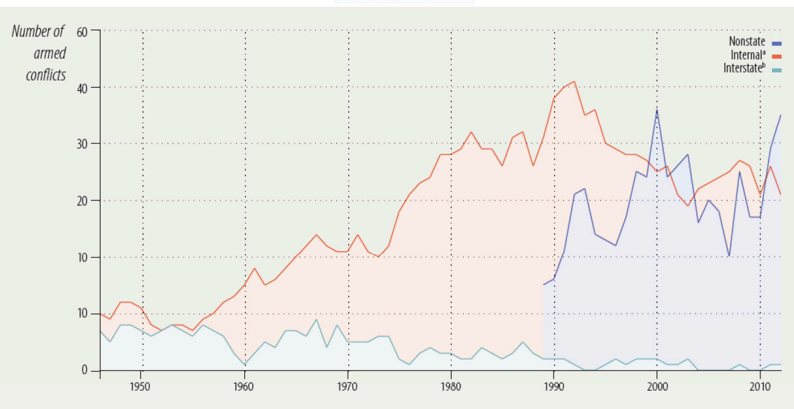
New Concepts, Old Realities

- **Life capabilities, sensitive periods**
Threats face by individuals from infancy through youth, adulthood and old age
- **Structural vulnerabilities**
e.g. The poor, minorities, women and the elderly
- **Violence, personal insecurity**
45 million displaced by violence or conflict



Conflict

Internal and nonstate armed conflicts account for the vast majority of conflicts worldwide



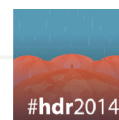
a. Includes internationalized internal conflicts.
b. Includes extrastate conflicts.
Source: UCDP and PRIO 2013; UCDP 2013.





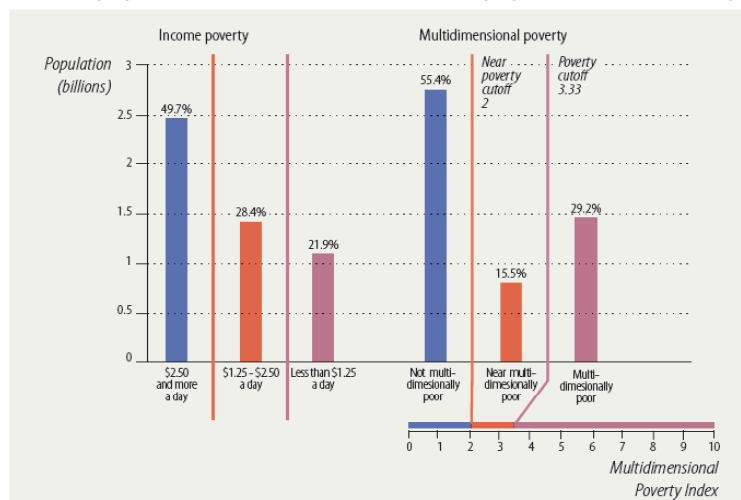
Inequality: Who is Vulnerable and Why?

- **Over 2.2 billion** with overlapping deprivations in health, education and living standards. Some 1.5 billion deprived in all three; “Multidimensional Poverty”
- **80% of the globe** lack comprehensive social protection. About 12% in chronic hunger.
- **Nearly half of all workers**—more than 1.5b—in informal/precarious employment.



Multidimensional Poverty

Some 1.2 billion people live on less than \$1.25 a day, and 1.5 billion people live in multidimensional poverty



Source: Multidimensional poverty, Human Development Report Office calculations based on various household surveys, including ICF Macro Demographic and Health Surveys, United Nations Children's Fund Multiple Indicator Cluster Surveys and several national household surveys; income poverty, Human Development Report Office calculations based on data from the World Bank's World Development Indicators database.





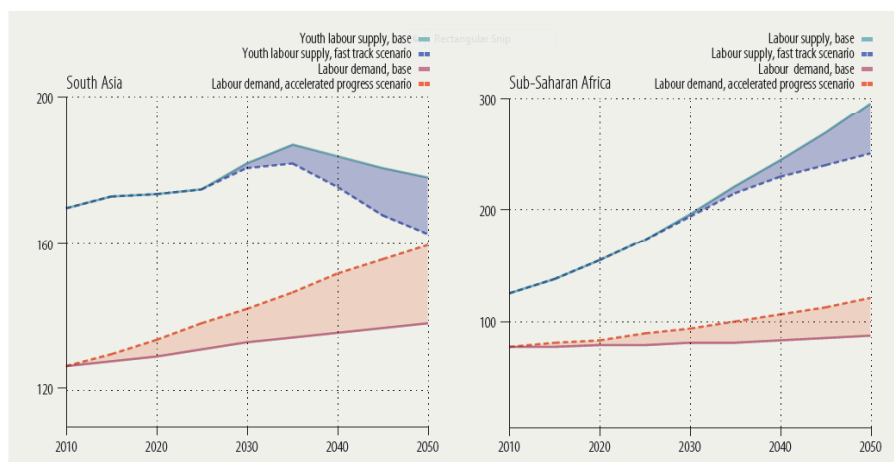
Full Employment

- **Full Employment** - a central policy goal in the 1950s/60s - has fallen out of fashion. It must return.
- **Jobs bring benefits far beyond a salary.** They foster social cohesion, bring dignity and belonging, help individuals to manage shocks and volatility



Young People and Jobs

Fast track education policies and accelerated economic growth would eliminate the gap in supply and demand for young workers in South Asia and narrow it in Sub-Saharan Africa between 2010 and 2050



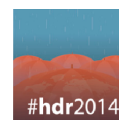
Source: Human Development Report Office calculations based on Lutz and KC (2013) and Pardee Center for International Futures (2013).





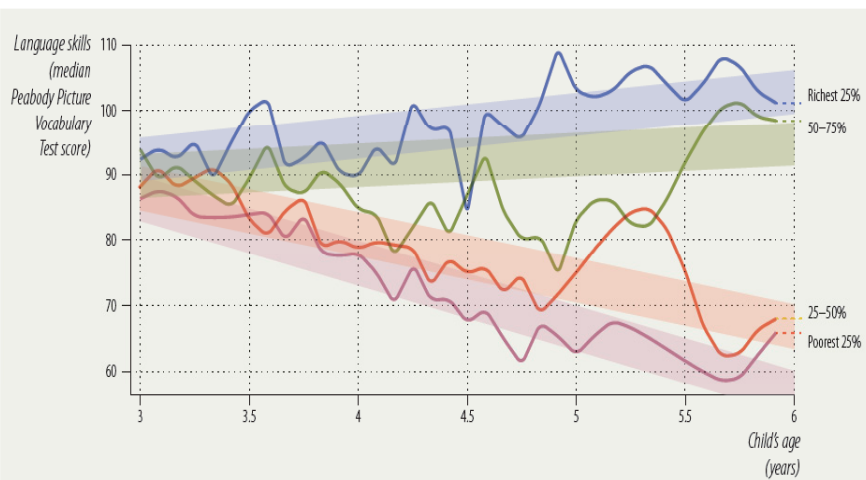
Social Protection

- Time to introduce **social protection floors** to protect immediate choices and help individuals make better long term decisions during crises.



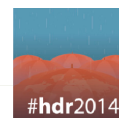
Gaps Open Early and are Hard to Close

Poor children are already at a vocabulary disadvantage by age 6, as shown in the case of Ecuador



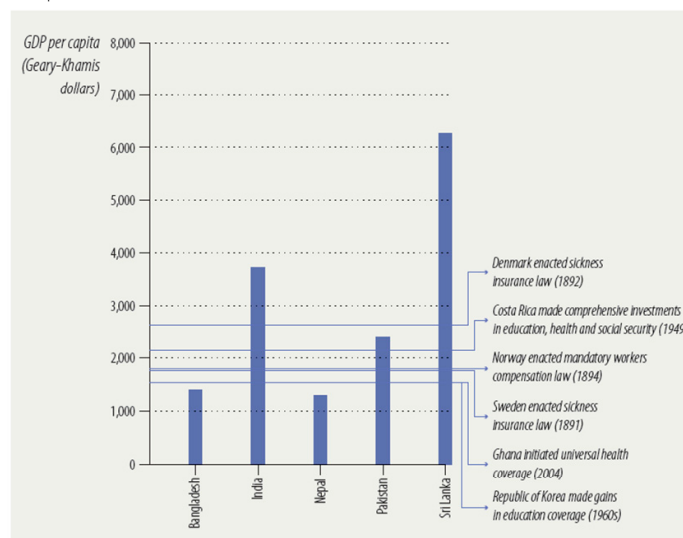
Source: Paxson and Schady 2007.



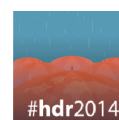


Human Development Choices: Reducing Inequality is Affordable for All

Several countries started putting in place measures of social insurance when their GDP per capita was lower than that of most countries in South Asia today



Source: Calculations based on Maddison (2010).



Social Inclusion, Responsive Institutions

- **Social inclusion** builds resilience and by transforming norms helps address violent conflict.
- **Take direct measures to address group inequalities**, such as affirmative action, alongside broader pro-poor policies.
- **Responsive institutions** that give a voice to the poor - and react to their concerns - can be hard to build but worth the effort.





Can Globalization Work for People

National action can only go so far; collective action is essential.
Two profound challenges for the 21C

- Under provisioning of global public goods, e.g. reducing CO₂ emissions
- Architectural deficits in global governance (which are perhaps growing), e.g. financial governance

Inaction risks social instability whether from financial crises, climate change, or mass unemployment.

- Renewed attention on fragile states and conflict.
- Stronger global/regional shock absorbers e.g. Regional Financial Institutions



Towards Reducing Inequality; Resilient, Sustainable Progress?

- **A better balance between private and public interests.**
- **We need more than markets. Collective action and public goods are essential.**
- **Sustaining progress takes work and requires protecting achievements against vulnerability and building resilience. Targeting vulnerable groups and reducing inequality are essential.**



Thank you for joining us in reducing inequality

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