



Sustainable Development, 2030 Agenda and SDGs

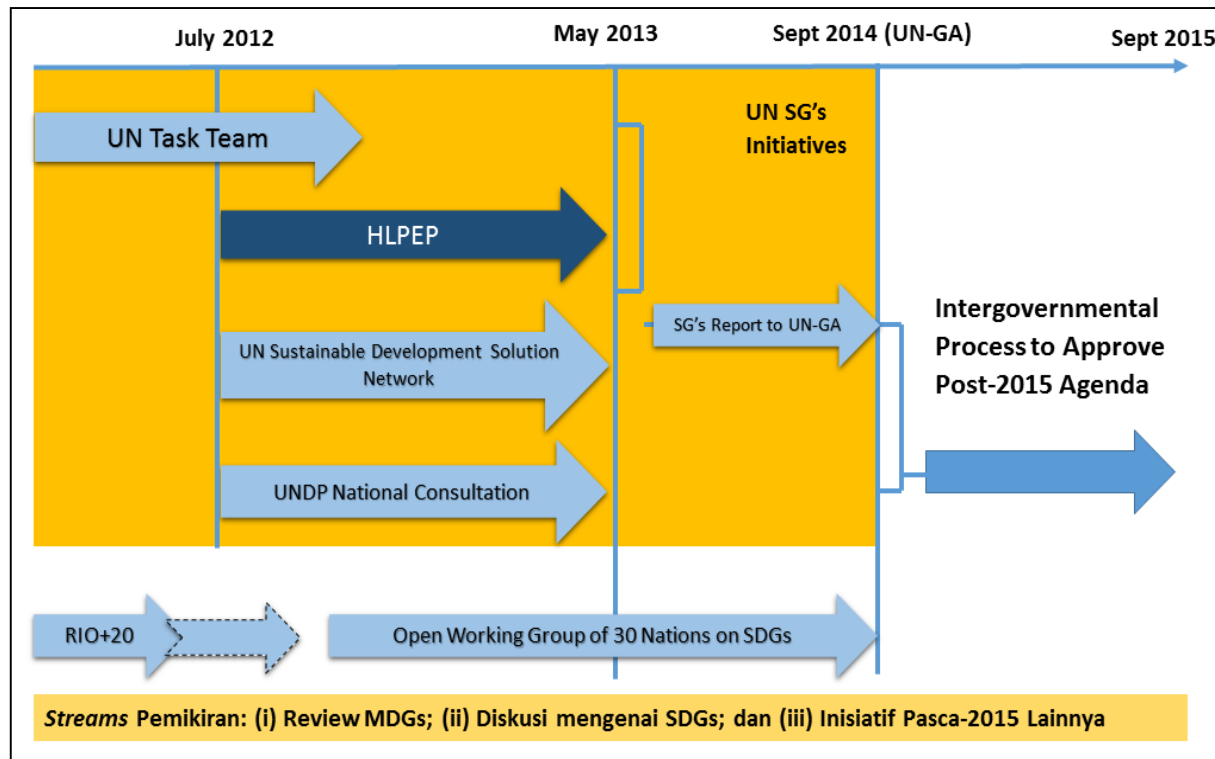
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1. From MDGs to SDGs
2. The Economic, Social and Environmental Pillars
3. The Importance of an Integrated Approach and Strategy
4. Asia Pacific Region Unfinished Development Agenda

SDGs Process in the Post 2015

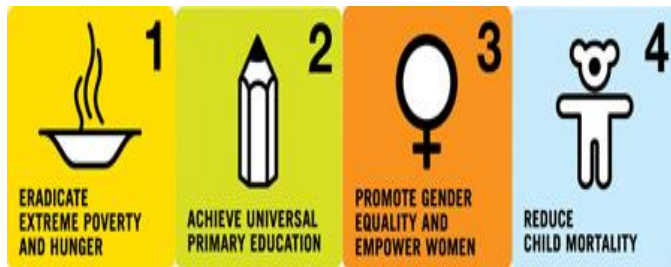


- ▣ UN Resolution no 70/1 adopted by 193 countries in 2015
→ “Transforming Our World: the 2030 Agenda for Sustainable Development”

“Alongside continuing development priorities such as poverty eradication, health, education and food security and nutrition, it sets out a wide range of economic, social and environmental objectives. It also promises more peaceful and inclusive societies. It also, crucially, defines means of implementation.”

- ❑ MDGs Plus, based on Agenda 21 and Global Consultative Processes
- ❑ Shared Vision:
 - Comprehensive (Economic, Social and Environmental Pillars Plus Governance)
 - Thematic (17 Goals)
 - Holistic and Integrated
 - Inclusive (no one left behind)
 - Partnership (all development stakeholders)

From MDGs to SDGs: *from 8 to 17 goals*



Millennium Development Goals



From MDGs to SDGs: An Ambitious Transformation



New goals in SDGs



SDGs:

- Agenda 21
 - Open Working Group on SDGs
 - Other consultative processes
 - UN GA Deliberations
- **Proposed Goals and Targets are as much as results of Global Political Processes**

2. The Economic, Social and Environmental Pillars

Based on Sachs, 2012, 2015a, 2015b and ADB, 2011:

- ▣ Shared focus and urgency on economic, social and environmental goals to address global sustainability issues

Global Sustainability Issues:

- ▣ Environmental and Climate Change Issues:
 - Global economic growth with its consequences on Planetary Boundaries (Anthropocene – human driven age of the planet)
 - Global and local pressures → carbon, nitrogen, water cycles
 - Many overlapping crises of environmental sustainability: climate change, the acidification of the oceans, unsustainable use of natural resources (renewable and non-renewable)

- Unsustainable conversion of forests → loss of biodiversity
 - Unsustainable depletion of key fossil resources
 - Impact on food production
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- Population Issues:
 - Population growth (9 billion in 2035) – uneven population growth and issues
 - China and India population size and growth
 - Impact on global food demand and change in consumption pattern
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- Social Inclusion Issues:
 - Inequality across and within countries
 - Caused by low human capital (education, health, skill level)
 - Socio-economic factors on inequality
 - Gender bias

- Youth – youth unemployment
- Access and availability of good jobs

- Economic Issues:
 - Almost all developing (including least developed) countries by 2030 will become middle income countries
 - Classic sources of economic growth: Capital, Labor and Productivity (technological progress)
 - **New sources of transformative growth:** young and productive population, the growing middle class, ICT, Climate Change and Environmental Issues
 - Could further enhance inequality if not properly addressed

The Importance of Governance and Institution

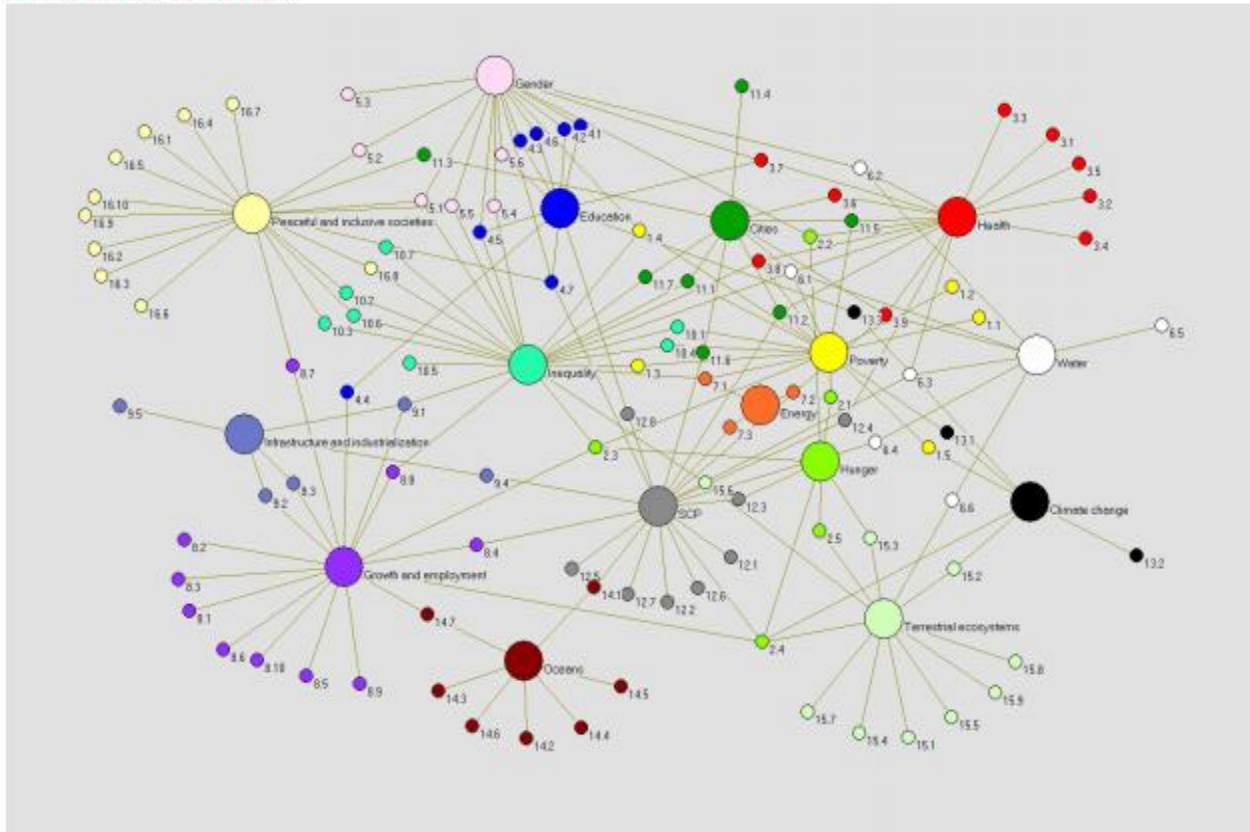
- ❑ Achievement of SDGs will depend on the successful implementation of all three pillars
- ❑ Need concerted global efforts, but integrating global, national and local level efforts
- ❑ Good governance and institutions at all levels (global, regional, national, local)
 - Governance: commitment to rule of law, transparency, accountability, sound institution, participation and inclusivity
 - Good governance has to be homegrown
 - Governance: political, law and bureaucracy
 - Human resources/capital is key to good governance and institution
- Boediono, 2016
- ❑ Leadership role of emerging countries (China, India)

3. The Importance of an Integrated Approach and Strategy

Based on Le Blanc, 2015:

- ▣ The proposed SDGs Goals and Targets as a network (Simple Network Analysis Techniques)
- ▣ Political mapping → results of negotiations in intergovernmental context (not purely based on natural and social science insights about how the system works)
- ▣ Focus on links between thematic areas
- ▣ Links among goals through targets may facilitate anchoring certain Goals in the system such as Sustainable Consumption and Production

Figure 1
The SDGs as a network of targets



Source: Author's elaboration.

Note: targets labels are the numerals which refer to them in the report of the Open Working Group on SDGs.

Source: Le Blanc, 2015

Table 1
Links between the SDGs through targets: an aggregated picture

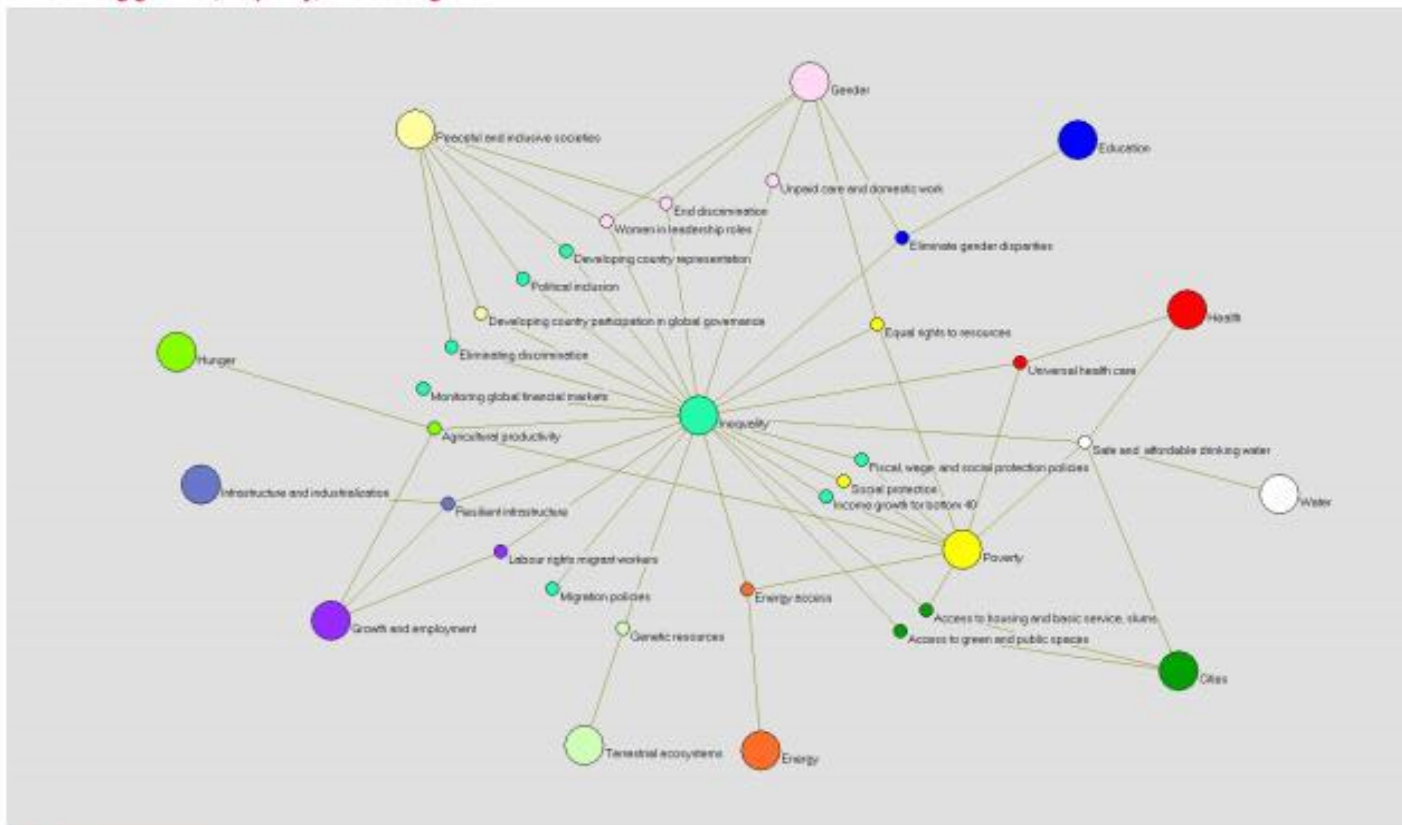
Rank	Sustainable development goal	Number of other goals to which the goal is connected
1	12 – Ensure sustainable consumption and production patterns	14
2	10 - Reduce inequality within and among countries	12
3	1. End poverty in all its forms everywhere	10
4	8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	10
5	2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture	8
6	3 - Ensure healthy lives and promote well-being for all at all ages	8
7	5 - Achieve gender equality and empower all women and girls	8
8	4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	7
9	6 - Ensure availability and sustainable management of water and sanitation for all	7

10	11 - Make cities and human settlements inclusive, safe, resilient and sustainable	6
11	13 - Take urgent action to combat climate change and its impacts	6
12	15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	6
13	16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	6
14	7 - Ensure access to affordable, reliable, sustainable and modern energy for all	3
15	9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	3
16	14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development	2

Source: Author's elaboration.

Source: Le Blanc, 2015

Figure 4
Links among goal 10 (inequality) and other goals



Source: Author's elaboration.

Source: Le Blanc, 2015

Goals and Targets:

- ❑ As common benchmark of development performance
 - ❑ Have to take into account targets that refer to other goals
 - ❑ Look at multiple goals
 - ❑ Framework for policies
 - ❑ Basis for Comprehensive Policy Responses
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- Similar analysis at the National and Local Levels
 - Different emphasis for different countries

4. Asia Pacific Unfinished Development Agenda

- ❑ Economic growth in the Asia Pacific for the past 2 decades has transformed the economy, increased welfare
- ❑ Indicators of increased welfare. e.g.: Total number and percentage of extreme poverty has rapidly declined (people lived under USD1.25 a day)
- ❑ Depth of poverty has declined
- ❑ However, vulnerability to poverty (the near poor) has increased (people lived under USD2 a day)

Economic Insecurity and Vulnerabilities*

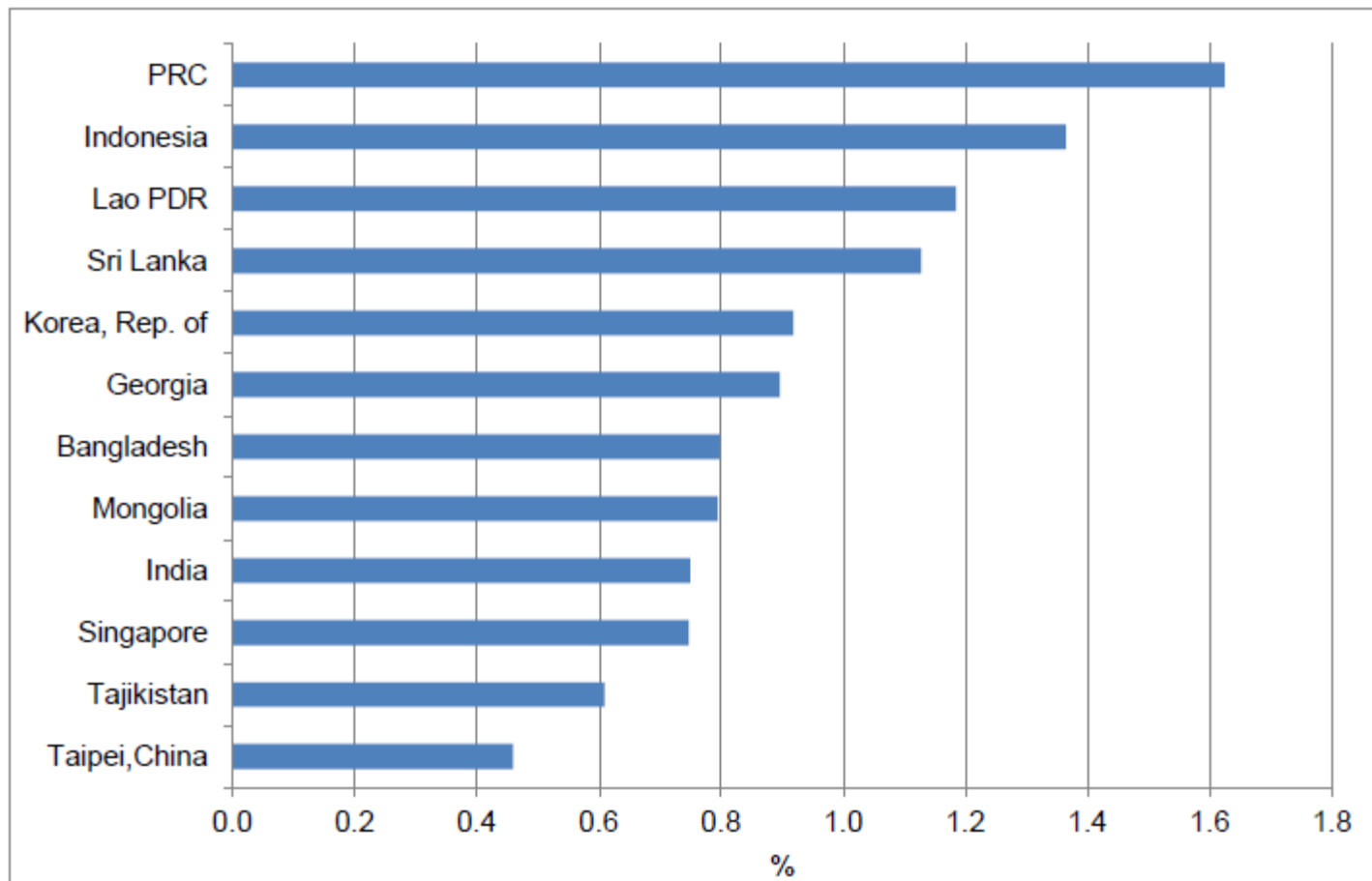
Despite economic growth and increased welfare, there is a tendency of growing economic insecurity and vulnerabilities:

- Decreased job growth, increased economic insecurity and vulnerabilities
 - High incidence of informal sector jobs
 - Nearly **1.1 billion** of the region's workforce remain trapped in low quality, more pervasive among women and youth than men
- Youth unemployment (usually about 2 to 3 times national unemployment rate)
 - Youth unemployment is forecast to edge slightly upwards in 2013
 - **13.4%** in South-East Asia and the Pacific, **10%** in South Asia and 9.8% in East Asia
- Low social security
 - Less than **2%** of GDP in many countries

*Based on UN ESCAP, 2014

Increasing Income Inequality

Income inequality (Gini ratio) in Asia Pacific increased from 0.335 in the 1990s to **0.375** in the latest available year.

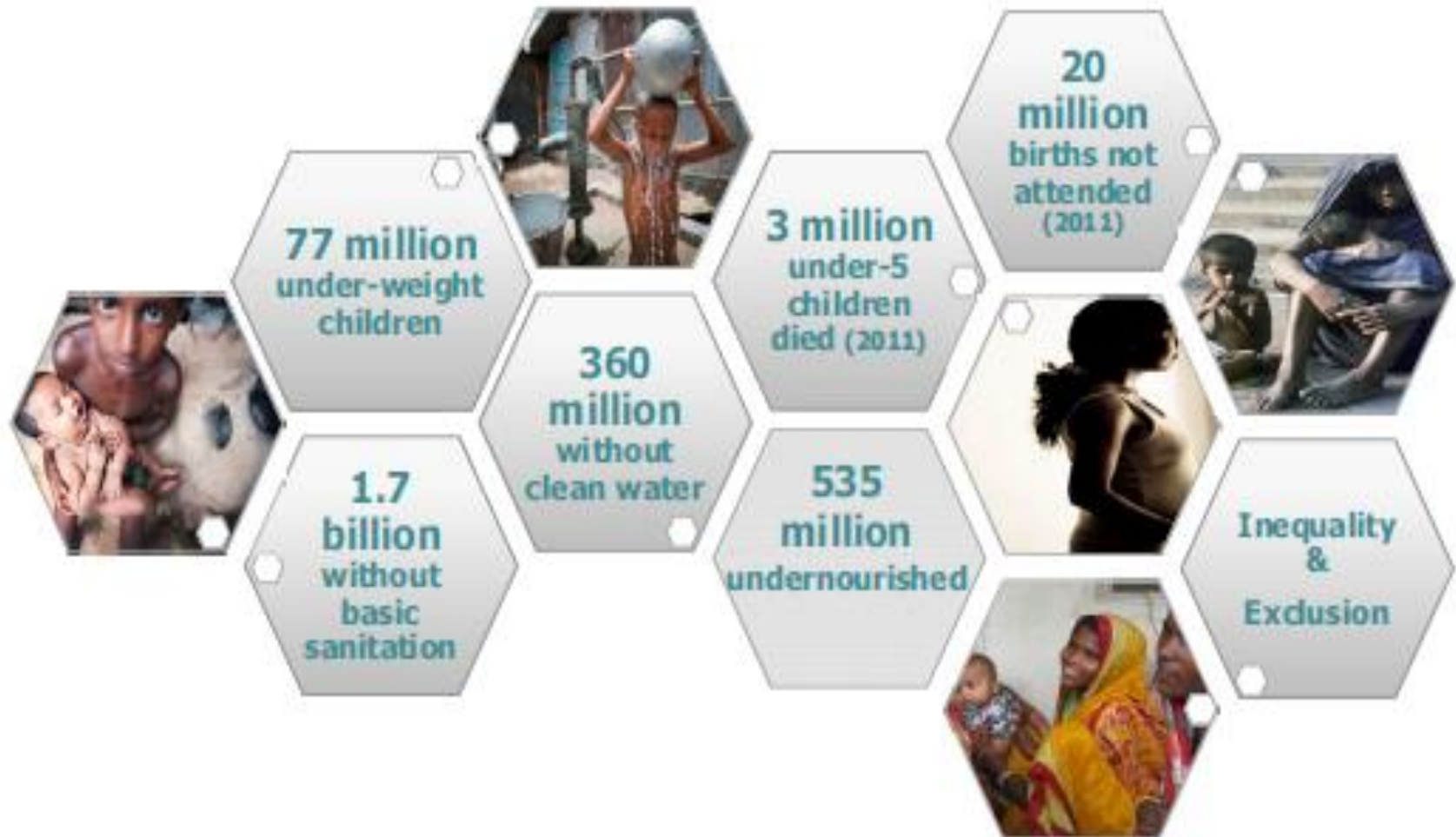


Source: Asian Development Outlook 2012

Notes: Especially after 2000 or mid-2000 (China factor) and global financial crisis (2008) and QE afterwards

- ▣ Nature of growth was driven by non-tradable sectors and raw materials exports
- ▣ There was no mechanism in place to ensure inclusive and equitable development in terms of:
 - Fiscal policy (including taxation policy)
 - Financial sector policy (financial sector deepening and financial inclusion)
 - Social sector and social security
 - Poverty alleviation policies

High Level of Deprivation

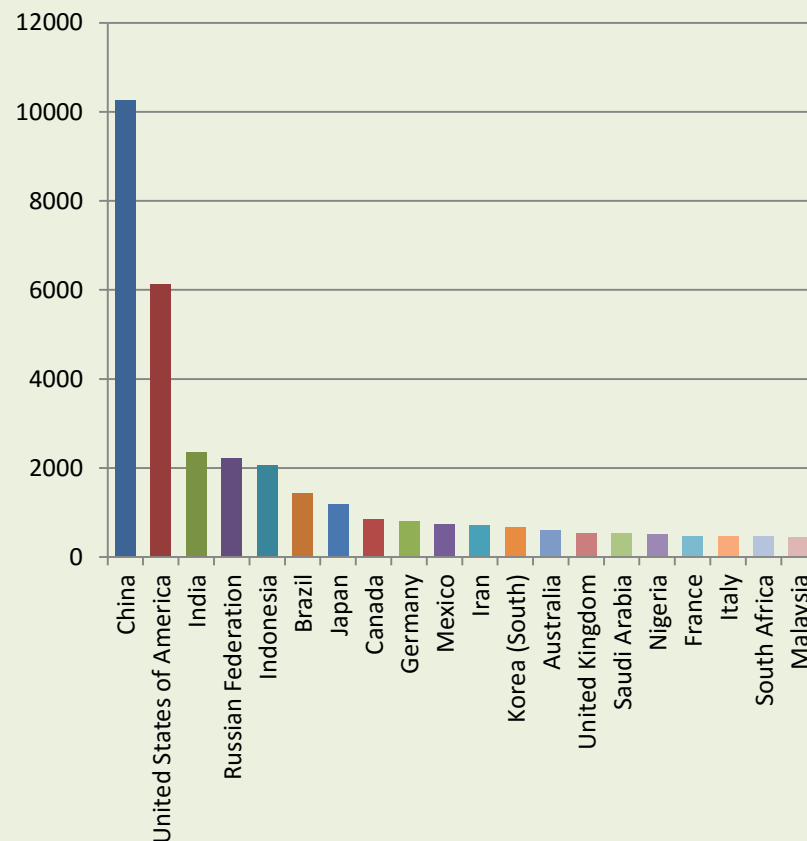


Source: UN ESCAP, 2014

- Asia-Pacific economy, including Indonesia is requiring more resources to produce one dollar of GDP as the economy grows
- Future growth of resource use in several countries, including Indonesia holds significant implications for overall resource demand
- Vulnerability to natural disasters (Indonesia prone to natural disasters):
 - 42% of the global economic losses due to natural disasters
 - Disaster losses since 1980 have increased by 16 times in Asia while GDP per capita has grown by only 13 times

□ Source: UN ESCAP, 2014

GHG emission in 2011 (MTCO₂e)



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Source: UN ESCAP, 2014

Priority Policies and Strategies

On the onset of Current Global Economic Situation*:

(At higher risks of growth slowdown transmitted directly and indirectly through the strength of their links to China)

- Subdued euro zone economy, decelerating China growth and Policy uncertainty in US

Impact on Asia-Pacific

- Decreased economic activity through the trade and finance channel
- Estimated regional GDP loss of 3% since the onset of the global crisis five years ago - **\$870 billion**
- Loose monetary policies, quantitative easing (QE), of the developed world including in US and the end of QE starting in 2014

Impact on Asia-Pacific

- Short-term capital flows volatility
- Rapid short-term currency appreciation turned into depreciation
- Food and fuel price volatility (increase during the commodity boom period of 2000s until 2011 and now food and fuel price decrease, currency appreciation/depreciation and volatility and end of oil subsidy for certain countries)

Impact on Asia-Pacific

- Poverty and inflation

*Modified from UN ESCAP, 2014

Implication to the region's economy:

- ❑ Higher wage economy, complementary economy with China (Singapore, Malaysia, Thailand) will be better-off if promote free trade.

- ❑ Resource rich countries (Indonesia, Laos, Cambodia, Vietnam, Myanmar), the impact of commodity boom is:
 - Less incentive for their manufacturing sector (middle income trap).
 - Need better institution and management of natural resources.
Specialize in selected skill intensive and highly differentiated products
 - Needs in investment in human capital and technology transfer

- ❑ Macroeconomic stability is a must, and can not be taken for granted (e.g. the case of Indonesia)