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Summaries and Key Messages of Papers Produced by the CDP Sub-group on Leaving No One Behind

SUMMARIES AND KEY MESSAGES OF PAPERS PRODUCED BY THE CDP SUB-GROUP ON "LEAVING NO ONE BEHIND"

This document contains summaries of papers on the concept of Leaving No One Behind prepared by members of the Committee for Development Policy (CDP) over the course of 2018 and the first months of 2019. It is presented as a background document for the discussion on the topic at the CDP Plenary meeting in March, 2018. The full papers will subsequently be published in a dedicated volume.

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1. LEAVING NO ONE BEHIND: SOME CONCEPTUAL AND EMPIRICAL ISSUES (Stephan Klasen)

Leaving no one behind has been a central overarching concern of the 2030 Agenda for sustainable development, adopted in 2015, as well as of on-going monitoring activities, including, for example, the 2016 High-Level Political Forum of ECOSOC (ECOSOC, 2016). At the same time, there is a lack of clarity about what exactly is meant by leaving no one behind, what implications this has for the overall 2030 Agenda, and how, for example, difficult trade-offs between the call to leave no one behind and other sustainable development goals (SDGs) can be managed. This chapter provides an overview of the concept of *leaving no one behind* and seeks to provide some clarity on the issues involved. After reviewing some existing documents on the topic, it will propose ways to operationalize *leaving no one behind*, discuss whether to take a country, group- or person-focused approach, examine various (multidimensional) ways to measure those who are left behind, argue for a concern of *leaving no one behind* on intrinsic and instrumental grounds, suggest ways to identify those at risk of being left behind, and discuss difficult trade-offs of an agenda focused on leaving no one behind and committing to the SDGs.

1. LEAVING NO ONE BEHIND IN THE 2030 AGENDA AND RELATED DOCUMENTS

Chapter 2 deals in detail with the evolution of the concept of *leaving no one behind* which we discuss briefly here. In the 2030 Agenda, leaving no one behind is seen as a central cross-cutting focus of the entire agenda. Paragraph 4 states: "As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first." (United Nations, 2015). Further down in the document, the focus on *leaving no one behind* is seen as a way to enhance the previous development agenda and the associated Millennium Development Goals. Paragraph 16 states that "the new Agenda builds on the Millennium Development Goals and seeks to complete what they did not achieve, particularly in reaching the most vulnerable" (United Nations, 2015). This statement implies that the MDGs were not sufficiently focused on *leaving no one behind*.[1] But beyond rhetoric, *leaving no one behind* is more firmly entrenched in the SDGs in two ways.

First, it calls for all targets to be reached by everyone and asks for detailed disaggregation of progress by groups to ensure that progress towards these targets is reached by all. In fact, the United Nations Statistical Commission charged with developing indicators and the overall measurement framework, citing GA Assembly Resolution 68/261), specifically stipulates in paragraph 26 that "Sustainable Development Goal indicators should be disaggregated, where relevant, by income, sex, age, race, ethnicity, migratory status, disability and geographic location, or other characteristics, in accordance with the Fundamental Principles of Official Statistics" (United Nations Statistical Commission, 2016). In

[1] This is only partly true. MDG2, universal primary education could be reached only if all those left behind also were included in education. Other goals which specified a relative rate of reduction (e.g. goal one with targets to halve income poverty rates, underweight rates, and undernourishment rates, or goals 4 and 5 calling for 2/3 and 3/4 reduction in child and maternal mortality rates, respectively) seemingly focused on averages only. But such high rates of progress as called for by the MDG targets could only be achieved if those most deprived were benefiting significantly from improvements.

addition, group-specific averages are mentioned in many indicators to monitor SDG targets, emphasizing the importance of group-based, or so-called horizontal inequalities.[2]

And secondly, a substantial number of goals are directly concerned with those currently left behind. This applies, for example, to the goals to eliminate poverty, hunger, and preventable child mortality. And by incorporating a new goal on (income) inequality, it calls for a reduction in disparities, where improvements in the well-being of those left behind will be an important strategy. Similarly, the strengthened gender goal can be seen as a focus on women who are left behind.

When it comes to defining what *leaving no one behind* means in practice, the relevant United Nations documents do not provide much clarity. In fact, the 2016 Global Sustainable Development Report explicitly mentions different meanings of *leaving no one behind*. "'Ensuring that no one is left behind' encompasses multiple meanings. For some, it will mean focusing action on disadvantaged groups of society, for example, people living in poverty, women, indigenous people, youth, older people, persons with disabilities, migrants, or people in conflict and post-conflicts situations. Others will focus on reducing inequalities between countries, including focusing action on countries at the lowest stages of development or facing challenging circumstances. Still others would propose other views and definitions of who those left behind are. Views may also differ on how society can effectively provide opportunities to those left behind. By implication, how different people foresee the timing and sequencing of necessary actions to ensure that no one is left behind might also vary. This has direct implications for how the 2030 Agenda will be implemented." (United Nations, 2016b:4). Later in the report, it proposes that *leaving no one behind* is related to three key features of the2030 Agenda: poverty, inclusiveness, and inequality (United Nations, 2016b:4). Chapter 2 discusses the use of *leaving no one behind* in United Nations documents in more detail, also showing that it is seen as a very broad concept.

Clearly, it is early days in the implementation of the SDGs and the 2030 Agenda. Thus, it is useful to propose ways in which *leaving no one behind* can be operationalized to which I turn now.

2. LEFT BEHIND COUNTRIES, LEFT-BEHIND GROUPS, OR LEFT BEHIND PEOPLE?

One ambiguity relates to the unit of observation. Should one be focusing on left-behind people or left-behind countries? It appears that the spirit of most SDGs focuses on people and their well-being or whether they are left behind. At the same time, groups are accorded a particularly important role so that *leaving no one behind* could also be seen as a commitment to reduce horizontal inequalities. Third, some SDGs clearly focus on countries, particularly the plight of least developed countries (LDCs). And the inequality goal (goal 10) explicitly mentions both.

Of course, all three issues have great relevance. While (relative) inequality between countries (especially when weighted by population) has been declining in the last few decades (e.g. Bourguignon, 2015; Klasen et al. 2016), it remains very large. Moreover, the absolute and relative gap between the poorest countries

[2] To be sure this disaggregation by groups is less ambitious than a literal interpretation of *leaving no one behind*, as these sub-group averages will average over better and worse performers and might therefore hide the plight of people left behind within a group. An obvious remedy for that would be to also report on the percentage of people who have reached a certain target within a country. This could be done, for example, for the education targets. Instead of measuring average performance by groups (e.g. average enrolment or completion rates or test scores), as proposed now, one could measure the percentage of children that reach the target, by groups. This does not work for some indicators that are inherently aggregate statistics, such as the child mortality rate where the percentage reaching a target cannot be calculated. And also note that some indicators already measure the percentage of people suffering from a particular deprivation, such as the poverty or hunger goals, where group-specific rates immediately provide information on the distance to a target for everyone in that group.

and the world's richest countries has continued to widen. And within-country inequality has been increasing in most parts of the world since the 1980s and now makes up a substantially larger share of global inequality (Klasen et al. 2016). Group-based inequalities (e.g. by race, ethnicity, gender, or social group) are an important aspect of within-country inequality in many countries.

Closely related to this issue is the question of whether one should focus on countries or the world as a whole when examining the plight of the left-behind. It may be important to make a distinction between description and analysis on one hand, and policy action on the other hand. At the level of description and analysis, it is useful to focus on the worst-off individuals at the world level, disregarding borders. The worst-off may be present not only in the poorest countries but also in many middle income or even high-income countries. For example, it is well-known that the majority of the world's extremely income poor live in middle-income countries (Sumner, 2012). Therefore, it is appropriate that the SDGs include indicators that track hardship using a common metric across countries. It is also an important way in which the SDGs can be seen as a global agenda that focuses on deprivation regardless of borders.[3]

When one turns to policies, however, it becomes quite clear that borders matter. Most policy-making is done at the national level, and international efforts in general cannot directly design or influence policy specifically for the left-behind in a particular country. International efforts (e.g. via aid, trade or other policies) can affect within-country inequality, but this influence is often mediated by the policies of each country. Global governance, aid, trade, finance and technology regimes can, however, greatly affect opportunities and constraints for poor countries, including LDCs, and this will constrain options to address poverty within these countries. In this sense, a focus on left-behind countries can indirectly help left-behind people.

But even recognizing that policy is mostly made at the national level, it is still important to track the globally left-behind. Mapping out who the global poor are and where they live, what their disadvantages are, what traps them and keeps them behind, and how best they could be taken out of their predicament, is therefore the preferred focus, even when recognizing the role of borders for policy-making.

An important question to confront, particularly when comparing deprivation across countries, across regions, or over time, is whether an absolute or a relative perspective should be taken. For global monitoring of the SDG agenda, as well as for international action on *leaving no one behind*, there is great merit to take an absolute perspective and focus on those worst off using the same yardstick, regardless of where they happen to live. Common indicators such as those used in the SDGs will be very useful for that.

At the same time, for many countries, including richer countries, it is important to also focus on those left-behind within their own country, regardless of whether they still seem to be deprived or not using a global yardstick. Moreover, as Sen (1999) has argued, many absolute functionings (such as being able to live without shame) depend on relative attributes such as one's rank in the distribution of income or one's level of education relative to the local community. This is important for equity and justice issues. It is also important for political economy reasons, as the recent rise of populism in many industrialized countries has typically relied on support of people who feel left behind economically.

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[3] This is not the usual way the SDGs are framed as a global agenda. In fact, in the SDG agenda, countries are given great leeway in defining their own appropriate targets and on where to set priorities which might, even for a rich country, then be on meeting the SDGs in their own country rather than supporting efforts to help the world's poorest. We see the SDG as a global agenda that should focus efforts on reducing hardship for the worst off globally.

3. INTRINSIC AND INSTRUMENTAL CONCERNS FOR LEAVING NO ONE BEHIND

When making the case for *leaving no one behind*, there are intrinsic and instrumental concerns about *leaving no one behind*. Intrinsically, right-based approaches to development have increasingly emphasized rights to achieve status equality, including rights to education, health, a decent standard of living, among others. Those left behind are denied those rights. Related arguments are made by theorists of justice such as Rawls, Sen or Roemer who argue that there is an inherent unfairness that some are left behind and do not enjoy equal basic capabilities (Sen), primary goods (Rawls),or opportunities (Roemer).[4] Even justice theorists who do not take a global cosmopolitan approach to justice emphasize a global priority for the most deprived, such as Nagel (2005) or also many religiously motivated ethicists (e.g. Mack et a. 2009).

Beyond those important intrinsic concerns for *leaving no one behind*, there are also instrumental reasons for being concerned about *leaving no one behind*. First, and most obviously, progress in many SDGs will only happen, or be much faster, if the most deprived show the biggest improvements. This is, by definition, true for goals such as the poverty or hunger targets where only progress among the poor and hungry matters. But it is also the case for goals such as the maternal mortality target (less than 70/100,000 live births) or the non-communicable disease goals (reduce by 1/3), where progress will largely depend on progress among the worst off. Second, progress in one SDG facilitates progress in others, as there are many synergies and complementarities (LoBue and Klasen, 2015). For example, better education facilitates better health (and vice versa); clean water is closely linked to improved sanitation, both of which promote health. Third, lower inequality through a focus on those left behind also ensures that the impact of economic growth on reducing poverty and deprivation will be larger (Ravallion, 1998; Klasen, 2008). Fourth, a focus on *leaving no one behind* will promote social and political stability and cohesion, which in turn can positively affect the overall speed of development of a country. Lastly, in an increasingly inter-connected world, *leaving no one behind* matter not only for the countries concerned, but can affect nearer and more distant neighbors through conflicts that transcend borders, by creating refugee flows, and by contributing to regional and global instability.

4. INDICATORS FOR THE LEFT BEHIND

Clearly, being left behind is a multidimensional concept that can cover many dimensions of well-being and deprivation. Many lists exist of the dimensions of well-being or deprivation (e.g. Alkire (2002, pp. 78-84), and SDG indicator framework is another very large list. Two broad categories can be identified.

First, health and education are two dimensions of achievement that strongly determine the possibilities for self-realization of the individual and for valuable social interactions with others. Access to health care is one of the most important vital needs. Education is one of the most important "social bases of self-respect" (Rawls) and opens minds to understanding the world and interacting with others in a fruitful way.

Second, social relations are very important for people's well-being, and they can be both a source of disadvantage and the locus where disadvantage originating elsewhere becomes tangible and painful. Two broad dimensions of disadvantage in social relations can be distinguished which lack of freedom and exclusion.

[4] Rawls makes his case for *leaving no one behind* within a country, with much weaker arguments for *leaving no one behind*in his Law of Peoples. Here his views are translated to the global level.

When the dimensions of disadvantage are multiple, the left behind can belong to several categories. One possible taxonomy simply counts the number and/or extent of deprivations, as in measures of multidimensional poverty (such as Alkire and Foster's measure). The more dimensions and the deeper the deprivation in each of them, the more one falls the ladder of the left behind. This taxonomy makes it possible to identify those most in need, though it may not identify those who would benefit most from a given amount of support.

Another possible taxonomy examines the main dimensions of disadvantage. For instance, it may be useful to distinguish between those who suffer from outright rejection (stigmatization and ostracism, unemployment) from those who suffer from harmful inclusion (bad jobs, multiple constraints). One can be left behind by being rejected or by being included in a degrading position.

A third possible taxonomy involves the mechanisms by which people end up in their disadvantageous position. There are those who inherit it from their social background; those who have been struck by bad luck (illness, economic downturn in their trade); those who have been attacked or robbed (victims of war, refugees, raped women); and the victims of policy reforms (cancellation of social support, rising cost of public services).

A related question of measuring deprivation of those left behind concerns objective versus subjective approaches. It is often argued that the voices of the poor should be listened to, and many participatory studies have been launched, such as the series of World Bank reports under the "Voices of the Poor" initiative, or the ATD Fourth World publications (e.g., Breaking the Silence 2013).[5]

One can distinguish three broad approaches, each of which has subcategories. First, there is the purely objective approach that completely ignores subjective aspects. The usual focus on income, wealth or expenditures, or on objective deprivations, can be assimilated to this approach. When it extends to non-monetary attributes, the objective approach struggles in the selection and the weighting of the various attributes. Even the most philosophical and principled efforts at drawing a list, such as Nussbaum's (2000) list of basic capabilities, do rely on extensive discussions and consultations. One can safely conclude that a purely objective approach does not exist and that there is always some degree of intersubjective consensus underlying the objective lists that are considered seriously.

Second, the other extreme is the purely subjective approach that relies on expressions of satisfaction or on observed or reported emotions. A key distinction must be made between the subjective scores that measure a cognitive evaluation, a judgment about one's situation, and the subjective scores that focus on affective mental states, emotions and feelings such as happiness, anger, anxiety. The key hurdle for subjective scores of both types is that interpersonal and intertemporal comparisons require that the scales used do not vary with the situation.

The third set of approaches generalizes on this idea and lies in between the objective and the subjective approaches. It retains the subjective element in the weighting of the attributes of (dis)advantage, but keeps an objective scale for interpersonal comparisons. How can one combine subjective weights with an objective scale? The solution to this problem consists in taking a personal "utility function" that reflects the individual's preferences over the various combinations of life attributes, and rescaling it to avoid any treadmill issue.

As alluded to earlier, another intermediate approach, which is closer to the objective approach, defines uniform weights for all people, but relies on a participatory mechanism for the selection of such weights. This is the approach favored in particular by Sen (1999) and most scholars involved in the capabilities

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[5] Likewise, many academic studies relying on the capabilities approach involve participatory phases (from, e.g., Alkire 2002 to Pogge and Wisor 2016).

approach. Note that this approach does not solve the problem of comparing people's situations across different communities having chosen different weights.

The key question is whether the poor's preferences should be taken into account, when they are different from the average preferences of the community, or whether the community's preferences are more legitimate after a deliberation process seeking consensus. There are arguments on both sides. One may worry that the poor's preferences are tainted by their disadvantage and reflect the pressure of disadvantage and some adaptation processes. For instance, they may undervalue education for lack of familiarity with it and because of the traditional need to mobilize as much workforce as possible in the family. Or they may undervalue women's rights. On the other hand, they may have different degrees of urgency for different attributes than the average person, and imposing on them the relative weights that suit a more affluent situation can be really harmful (see Alkire 2016 and Fleurbaey 2016 for a debate about these issues).

5. THINKING ABOUT POLICIES FOR *LEAVING NO ONE BEHIND*: SOME DIFFICULTIES AND ISSUES

General issues and difficulties exist when designing policies directed at leaving no one behind.

The first challenge is how to translate a profile of those left behind in a country into a policy framework. One approach, taken also by the UN's Sustainable Development Report, and similar to United Nations work on the MDGs, is to use such a profile of those left-behind as a tool for targeting interventions specifically at these individuals or groups. While this might be useful in some cases, we argue that it is in general problematic to primarily address *leaving no one behind* with targeted interventions. Instead, the focus should be on an overall development strategy that will be particularly conducive to include those left-behind. For example, high labor intensive-growth or growth that is particularly high for small-holder farmers can do much more to include those left behind than targeted interventions for those groups. Thus *leaving no one behind* should be a guide to an overall development strategy, not a guide for specific targeted interventions. Of course, it may be the case that even the best development strategy will leave out some individuals and groups. For them targeted interventions may be required. But these targeted interventions come as a result of insufficiencies in the overall strategy, not as a replacement of a strategy.

A second difficult issue involves trade-offs. In many settings it may be the case that a focus on *leaving no one behind* can be very costly, administratively as well as politically difficult, and may come at the cost of promoting efficient use of resources. For example, should infrastructure be focused on backward areas as part of *leaving no one behind*, even if this means that economic development of the country as a whole slows down as a result? Similarly, should one focus on improving the lives of those left-behind where they live which may be costly, or increase their opportunities to move to economically more dynamic regions? Should a focus on improving the lives of those left-behind take precedence over other goals, such as environmental sustainability? Clearly these are difficult issues and require detailed country-specific analysis and policy responses. One clear guide for such analysis has to be that the long-term well-being of those left-behind is considered a priority. That might then, for example, involve policies that improve their mobility and integration with more dynamic parts of the economy rather than targeted support for their current situation.

2. LEAVE NO ONE BEHIND AS A SITE OF CONTESTATION (Sakiko Fukuda-Parr)

1. INTRODUCTION

'Leave no one behind' has emerged as a mobilizing slogan for the Sustainable Development Goals (SDGs) and the 2030 Agenda. This paper focuses on the competition over competing ideas in negotiating and implementing the SDGs. Ideas that drive the discourse of development do not appear from nowhere. Dominant ideas emerge through a process of contestation in the marketplace of competing ideas. The process of contestation over the SDGs can thus be thought of as a battle over the control of the discourse of international development. I argue in this paper that 'Leave no one behind' was promoted by those who promoted the SDGs as a poverty agenda ("MDG+"), and in order to frame the SDG inequality agenda as inclusive development, focusing on the exclusion of marginalized and vulnerable groups from social opportunities, deflecting attention from the core issues of distribution of income and wealth, and the challenge of 'extreme inequality'.

2. LEAVE NO ONE BEHIND AND INEQUALITY IN THE 2030 AGENDA

At face value, the 2030 Agenda would appear to contain a strong commitment to reducing inequality. While 'leave no one behind' is a central theme of the entire Agenda, one of the 17 Goals (goal 10) is to "Reduce inequality within and among countries". However, as many commentators remarked as soon as the SDGs were adopted in 2015, the inequality goal in fact has no target to reduce the unequal distribution of income and wealth, and it does not include an indicator that would show whether a country's level of economic inequality declined over the period 2015-2030 (see for example Anderson 2015, McNaughton 2017). There is also no target or indicator on reducing income inequality amongst countries.

Goal 10 includes 10 targets and 11 indicators. The leading target on economic inequality (target 10.1) is worded as follows: "by 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average". The accompanying indicator is the income growth of the lowest 40% of population and that of total population. This is essentially a target for inclusive growth, and it originates from the World Bank's "shared prosperity" agenda, the organization's flagship mission. As a rationale for the use of this indicator of shared prosperity in the SDGs, the World Bank and the Statistics Division of the United Nation's Department of Economics and Social Affairs note that it, "recognizes that while growth is necessary for improving economic welfare in a society, progress is measured by how those gains are shared with its poorest members".[6]. This indicator is defined as one that is unbounded, in the sense that there is no specific target (or limit) for what the growth rate of the bottom 40 percent ought to be. The absence in this framework of other more used distributional indicators - such as the Gini coefficient or the share of top and bottom percentile income groups in the national income and wealth distribution – is striking. The only indicator that comes close to monitoring economic inequality is the wage share of the national income.

On the other hand, the target and indicator list contain two clear targets for addressing horizontal inequality – exclusion of groups based on "sex, disability, ethnicity, origin, religion or economic and other status" - with respect to socio-economic opportunities and political voice, and strengthening social protection (targets 10.2, 10.3, 10.4). However, these are also open-ended and broadly worded. Curiously the indicator narrows down this target to only economic inclusion, with attention to exclusion by sex, age

[6] See the metadata note: https://unstats.un.org/sdgs/metadata/files/Metadata-10-01-01.pdf

and persons with disabilities, thus ignoring social and political inclusion, and exclusion by race, ethnicity, origin, religion.

With respect to inequality amongst countries, there is no target that directly addresses disparities in income nor indicators such as GDP per capita that are conventionally used to track North-South 'convergence'. However, there are six targets that address global issues that are important for developing countries relating to migration, ODA, technology, trade, and voice of developing countries in global economic institutions. But these are very weak and incomplete targets that are vaguely worded and are open-ended, lacking any quantitative milestones to be achieved by 2030. Moreover, several targets point to reforms in national policy, not in global agreements. For example, while access to technology is a major constraint for developing countries, targets address access to the internet and national policies to support industrial diversification. The indicators to monitor the target are on internet access.

In brief, the set of 10 targets and 11 indicators create an agenda around 'leaving no one behind', that focuses on exclusion of the marginalized groups from social, economic, and political participation. The problem of between country inequalities is marginalized while within country distribution of income and wealth is off the agenda. Somehow, the goal to reduce inequality within and between countries has evolved into an agenda for ending poverty through the reinterpretation of the goal to targets and to indicators. While the indicators and targets focus on inclusive development, 'leave no one behind' plays a central role in articulating the narrative. How did this come about?

3. CONTESTATIONS OVER INEQUALITY IN SDG FORMULATION

THE FORMULATION PROCESS

The 2030 Agenda was elaborated through two parallel United Nations processes. The first was the "Open Working Group" of the General Assembly (GA) that was mandated by the Rio+20 Conference on Environment and Sustainable Development to elaborate the SDGs including social, economic, and environmental dimensions of sustainable development. This process met 13 times from March 2013 to July 2014 and elaborated a list of 17 goals and 169 targets that was adopted by the GA in September 2015. The second was the 'Post-2015' process set up by the United Nations Secretary General (SG) to elaborate a development agenda to follow the expiry of the MDGs, and that involved a wide range of consultations and a High-Level Panel of Eminent Persons (HLPEP) appointed by the SG to craft a proposal which was submitted in May 2013. Their report as well as reports of multiple other consultations and processes served as inputs to the OWG process.

The two processes were very distinct in their politics; the OWG was state led and saw its mission as the continuation of the Rio process while the Post 2015 process was more technocratic, orchestrated by the SG with the support of United Nations technocrats. They were also very different in their thinking: the Rio+20 promoted sustainable development, a non-mainstream vision of development that would change the present course and address exclusion, inequality, and environmental destruction. The Post-2015 process was a follow up to the MDGs, an aid agenda driven by aid donors. The HLPEP in particular set out to continue the MDG poverty agenda with some adjustments, addressing the criticisms by removing some redundant elements and adding neglected ones.

While the goals and targets were negotiated in the OWG, the indicators were left to a 'technocratic process', the Inter-agency and Expert Group on SDGs (IAEG-SDG) created by the Statistical Commission. This group is comprised of national statistical offices, supported by the United Nations Statistical Division, while other agencies, civil society, businesses, and academia are invited for consultations. The indicator framework was approved in March 2017.

DISAGREEMENTS ABOUT THE INEQUALITY GOAL, TARGETS AND INDICATORS

One of the major tensions in the formulation of the new agenda centered around inequality. While there was no question that inequality had to be in the agenda, the disagreements were about how to incorporate it. The key negotiating point was whether there would be a stand-alone goal. Most developing countries supported a stand-alone goal, and in the final stages, the G-77 and China unified behind it, and most developed countries opposed it. The argument was redundancy and the need to reduce the number of goals in the SDG framework; the main objective was to achieve zero in reaching the poverty targets and this could be reflected in goals for income poverty, education, health, and others. For the developing countries, reducing inequality between countries was a core objective that could not be abandoned. Civil society groups including prominent academics also argued in favor of an inequality goal. Some focused on social exclusion and horizontal inequality which responded to their poverty and identity-based inclusion mandates. But many were also concerned with extreme inequality as both morally objectionable as well as corrosive to economic growth, social stability, and democracy (see for example Women's Major Group interventions in the Open Working Group and publication by Stiglitz and Doyle 2014).

By the time the process started, it was clear that inequality had to be part of the Post-2015 agenda and included in the SDG framework. Inequality could not be avoided since its omission from the MDGs had been highly criticized, and as it was a major issue of the times. Inequality was on the increase and 'extreme inequality' gained attention amongst academics as well as policy makers. Social movements across the world protested the capture of the economy by the 1%. Even the World Economic Forum suggested that inequality ranked first as a major threat to social peace and economic stability. The question was therefore about how to include it in the SDG framework – as a stand-alone goal or as a theme spread across the goals, and on how to interpret inequality.

The Post-2015 processes revealed diverse views. The thematic consultations on inequality, led by UNICEF and UN Women and involved multiple stakeholders from governments and civil society, recommended a stand-alone goal on reducing inequality. However, the HLPEP did not include an inequality goal, but 'Leave no one behind' was a prominent theme. The argument for a poverty focused inequality agenda can be understood in the context of the vision of developed countries that saw the SDGs as an aid agenda. A goal on inequality for donors would be a distraction, raising issues domestically, related to rising extreme inequality and critique of the prevailing economic system.

'Leave no one behind' emerged from a report from the UK based charity Save the Children, 'Ending Poverty within Our Generation: Save the Children's vision for a post-2015 framework'[7], that proposed ten goals each of which would be achieved universally. This was to extend the MDG targets which were set not to eliminate but to reduce poverty, hunger, and other deprivations. It soon got picked up into the HLPEP and Post-2015 debates as part of an agenda pushed by David Cameron: 'to go to zero' by setting targets for universal achievement.

As explained, the poverty focused vision was not what the Rio+20 process was pursuing. The OWG process, meeting after the HLPEP had submitted its report, carried on without much regard for it. In fact, there was a push back to that report on the part of many delegations, in part for the process that produced it that was not owned by the states, and in part for the narrow poverty agenda that it promoted.

While the inequality goal was in and out of the several drafts of the proposed SDG list, it was included in the final list, largely due to the support from the developing countries. But from early on, the World Bank

[7] http://www.savethechildren.org/atf/cf/%7B9def2ebe-10ae-432c-9bd0-df91d2eba74a%7D/ENDING_POVERTY_IN_OUR_GENERATION_AFRICA_LOW_RES_US_VERSION.PDF

proposed and vigorously defended its shared prosperity target, backed by most of the developed countries. While many of the UN Secretariat inputs, and some agencies (UNOHCHR in particular), promoted a target for vertical inequality of income and wealth, they did not get traction.

The indicators were another terrain of contestation. During this period, there was considerable debate amongst think tanks and academics about the appropriate measurement. The 'Palma index' – the ratio of the top 10% of population's share of gross national income (GNI), divided by the corresponding share of the poorest 40% - as coined by Cobham and Sumner (2013a; 2013b) gained traction as the most appropriate measure. The ratio is based on Palma's observation that data across a wide range of countries show about half of national income captured by the middle five deciles (5-9) and the other half split between the lowest deciles (1-4) and the top decile (10) (Cobham and Sumner, 2013a). It is thus more sensitive to changes in the top and bottom of the distribution, in contrast to the Gini coefficient which is driven by shifts in the middle.

There was considerable push back to the shared prosperity indicator during the IAEG consultations. Several delegations, the Office of the United Nations High Commisioner for Human Rights (OHCHR), and many civil society groups made counter proposals, most often for the Palma index. Yet there was no real debate and the indicator remained, as it was directly relevant to the target set. No consideration was given to the fact that the indicator does not respond to the core objective of the goal, which is to reduce inequality. Technically, this is clearly recognized. In its background paper for the Expert Group Meeting on the indicator framework for the post-2015 development agenda, the World Bank (2015) recognizes that this indicator of "shared prosperity" is not one of inequality in and of itself: "Measuring the income growth of the bottom 40 percent of the population provides no information on how that compares with the income growth of the rest of the population".[8] They argue that despite these limitations, "an impression of inequality can easily be obtained by comparing the shared prosperity indicator with mean income growth (or income growth of the top 60 percent of the population)" (ibid.). They conclude their background paper by noting that, "the shared prosperity measure implicitly places emphasis on changes in inequality in society" (ibid.).

4. MEANING OF 'LEAVE NO ONE BEHIND'

Though there is strong consensus on 'Leave no one behind' as a principle, there are multiple ways in which this term can be interpreted. Perhaps it gained traction and achieved consensus only because it is broad and vague and can accommodate multiple perspectives. United Nations norms refer to 'the most marginalized and vulnerable', a broad concept in the human rights perspective of the most marginalized and vulnerable, referring to individuals, groups and countries, concerned with exclusion from both benefits and voice and development, and requires priority to the furthest behind. The United Nations Chief Executives Board, that includes the heads of 31 agencies, submitted a joint action plan that emphasizes the following elements:

"equality (the imperative of moving towards substantive equality of opportunity and outcomes for all groups), non-discrimination (the prohibition of discrimination against individuals and groups on the grounds identified in international human rights treaties) and the broader concept of equity (understood as fairness in the distribution of costs, benefits and opportunities). It addresses both horizontal inequalities (between social groups) and vertical inequalities (in income, etc.) and inequalities of both

[8] See the technical note: https://unstats.un.org/unsd/post-2015/activities/egm-on-indicator-framework/docs/Background%20note%20by%20The%20World%20Bank%20on%20Shared%20Prosperity-EGM_Feb2015.pdf

opportunities and outcomes. Intergenerational equity is addressed, as are inequalities among countries. (UN Chief Executives Board 2016).

Countries are implementing the SDGs in various ways, and periodically submit reports – Voluntary National Reports (VNRs) to the annual meeting of the United Nations High-level Political Forum (HLPF). A review of the 22 VNRs submitted in 2016 shows that 17 countries mentioned 'Leave no one behind' in their reports but only 8 countries had strategies. Most of the strategies focused on lagging regions within countries, and 'vulnerable groups' specifically identified in the 2030 Agenda, and on inequality in access to social services. There was little mention of inequality of income and wealth, and only China mentioned inequality amongst countries.

A review of 38 VNRs submitted in 2017 shows most (34) countries mentioned 'Leave no one behind' and most had a strategy, though most of those did not use the term 'Leave no one behind'. These strategies address both social inclusion and economic disparity. Regarding groups, almost all of them referred to women and disabled, and many to children, refugees, and elderly while fewer mentioned race/ethnicity/religion, and indigenous groups.

'Leave no one behind' is consistently addressed in most but not all national reports, and interpreted in multiple ways, often with respect to regions and vulnerable groups identified in Agenda 2030 but not with respect to indigenous groups, racial and ethnic groups. Civil society forcefully advocate for 'Leave no one behind', mostly adopting the human rights perspective, emphasizing voice of the excluded groups and the principle of priority to the furthest behind.

5. CONCLUDING REMARKS

Global goals are first and foremost an effective communications device. They exert influence through their epistemic effects, not by direct control of resources or policy choices (Fukuda-Parr 2017). They shape the discourse of development and frame debates. Framing is a powerful mechanism for powerful actors to exert hegemonic influence over the development field by shaping a common understanding of how its purpose should be defined and the best way to promote it (Boas and McNeill 2003). It is a way of creating global norms in a field based on shared concepts and values, and it can be particularly effective in a field of competing theories or paradigms. By creating a narrative, framing defines a social problem in a particular way, and keeps competing ideas out of the frame. The issues and solutions that are within the frame then seems obvious and everything else irrelevant. Framing then guides public debates focused on the favored goals and solutions, while keeping out competing priorities and policy issues off the table. 'Leave no one behind' has been a successful mechanism used to keep out concerns with extreme inequality out of the 2030 Agenda and the SDG framework.

ATTACHMENT 1: REVIEW OF 38 VNRS SUBMITTED TO THE 2017 HLPF

	LNOB mentioned	
	Yes	No
Developing countries	24	2
High income/OECD	10	2
Total	34	4

	Strategy				
	Directly connected to LNOB	Social inclusion	Social protection/social security	Addresses economic disparity	None
Developing countries	5	6	6	17	
High Income/OECD	3	4	3	11	3
Total	8	10	7	28	3

	Strategy for putting the last first	
	Yes	No
Developing countries	3	23
High income/OECD	6	6
Total	9	29

	Aid donors focus	
	On country	Aid priority
Developing Countries	19	
High income/OECD countries	5	5

	Groups excluded								
	Gender	Disability	Children/ Youth	Refugees/ migrants	Elderly	Geog./ admin. region	Race/ ethnicity/ religion	Indigenous	Other (mentioned in more than one country report)
Developing countries	25	22	19	13	15	15	9	7	Widows, PLHIVs, Unemployed
High income/ OECD	10	11	6	10	8	7	8	3	LGBT people, people with mental health problems, Roma people
Total	35	33	25	23	23	22	17	10	

3. WHO MIGHT BE LEFT BEHIND? A PERSPECTIVE ON AGENDA 2030´S VISION OF INCLUSIVE DEVELOPMENT (Onalenna Selolwane)

1. INTRODUCTION

The 2030 Agenda for Sustainable Development implicates past production and consumption patterns on two fronts that now form the pillars of the new development vision that is intended to leave no one behind: 1) damaging the planet and compromising its capacity to regenerate and sustain human life and 2) providing abundantly for a few while excluding millions from meeting their needs with dignity and in security, thus leaving a trail of various degrees of poverty and deprivation.

The 2016 flagship report of the United Nations Research Institute for Social Development (UNRISD) blames past development practices and policy-making agendas for creating a vicious cycle of poverty, inequality and environmental destruction that needs to be broken. It posits that these past visions and practices have enabled elites to amass economic and political power while locking a large majority of other people in patterns of stratification (class, gender, ethnicity, religion or location) that disadvantage them and constrain their choices and agency. The 2030 Agenda calls for an integration of social and ecological objectives with the economic in order to enhance sustainable betterment on all fronts and excluding no one.

But can the offer of an alternative vision of development in fact deliver on its promise and undertaking not to leave anyone behind? Who does it intend NOT to leave behind? Who is vulnerable to being left behind in this ambitious agenda that seeks to balance and synergise social, economic and environmental objectives more than its predecessors have done? Where is the take-off point that would enhance the potential to reduce exclusion of people and groups of people while driving economic capability and safe guarding the natural environment on which people and economies depend?

There is already a rich tapestry of metrics that give us head counts of individuals, groups and countries that are blighted by poverty, marginalization and exclusion. So here we highlight the magnitude of the problem by focusing on two sustainable development goals as entry points into understanding and identifying who might be left behind and the size of the challenge NOT to leave them behind. These entry points are 1) Quality Education (Goal 4: ensure inclusive and quality education for all and promote life-long learning) and 2) Adequate Housing as in Goal 11: make cities inclusive, safe, resilient and sustainable. These two goals are selected for focus because of the role they play in highlighting both the nature and size of exclusion as well as the potential to transform for inclusive development.

2. EDUCATION FOR ALL: WHO IS IN DANGER OF BEING LEFT BEHIND IN AGENDA 2030?

Education and skills development are critical to a country's human resource base and its capacity to create employment and build competitiveness in the global economy. With the challenges of global warming and the imperative of changing to eco-friendly production and consumption patterns, the capacity to innovate new technologies is not evenly distributed across countries with vastly different levels of human resource skills.

When the United Nations launched its first development decade in 1961, most citizens of working age from 15 years had never received formal schooling in Africa as well as other developing regions of the world. In Bolivia and Brazil, for instance, more than 50% of the population aged 15 years and above did not have any formal education. For Mexico and Colombia zero education affected between a third and 40 per cent of the population in that age range. But for Argentina, Chile, Costa Rica and even Colombia, the vast proportion of this age group had attained primary education. In Africa, on the other hand, zero education was the predominant state affecting more than 80% of the working age national populations from North Africa to southern Africa. But five decades after 1961, many regions of the world had made tremendous effort in the educational skills of their working populations. In Latin America, more than half of the working age population had received secondary or tertiary education by 2010. In contrast most African countries have not progressed beyond primary education. And for those who have increased secondary school attainment, tertiary education is still beyond reach compared to other regions of the world.

There is a huge backlog of working age populations with lower than secondary education and this has serious implications for both the productive capacity of the affected countries (and thus their ability to generate employment creating sustainable income) and the potential for people and their households to improve their welfare. It is also a negative comment on the effectiveness of the international community and concerned national governments to build meaningful human resources that should have been driving economic and social change.

Many of the poor performing countries have been on the United Nations LDC list since 1971. Others have been adding onto that list every decade. The low level of educational attainment in their workforce means that there is a huge backlog of people who have been left behind but will still be in the labour force beyond the life span of Agenda 2030. For both the LDCs and non-LDCs, leaving no one behind thus means clearing a backlog of millions to increase human resource quality and improve social development. For the most disadvantaged countries such as Niger, Mozambique, Senegal, Burundi, Sudan, South Sudan, Tanzania, Mali, Rwanda, Mauritania, and Central African Republic, this would require slashing the backlog by 60 percentage points to improve the education and skill level of their working age population toward secondary and tertiary levels. If interventions only focus on children under 15 who have either attained or are in line to attain primary education, millions of young Africans will likely remain marginalised their entire working lives like their predecessors. But for these countries, the intervention of the MDGs notwithstanding, even the under 15s are still largely excluded from access to education: a factor that compounds the magnitude of the problem where under 15s account for 40% or more of the national population.

The sheer backlog of exclusion compounded by other aspects of historical inequality like gender, locality, disability, etc., as well as associated social and physical infrastructure challenges, present an enormous challenge that is unlikely to facilitate desired outcomes in the time frame of the 2030 Agenda and the SDGs. The backlog plus rapidly increasing population, present a mammoth challenge that suggests that the majority of African citizens will continue to be left behind in their millions unless there are major fast track strategies in place that recognize that there is a huge backlog to reduce while also catering for children under 15 years of age. As already noted above for many of the countries lagging behind, a 60 percentage point reduction of the backlog would be ideal. But even a modest 30% in both the reduction of the backlog and broadening access for children in danger of being left behind would add tremendously to the quality of human resource capacity across the continent as well as reducing inequality and exclusion.

3. ADEQUATE AND AFFORDABLE HOUSING FOR ALL?

Slums, slum-like conditions, street living, and homelessness are facets of housing poverty and gross inequality. These conditions are found in various regions of the world to varying degrees and characteristics. In the 2012 report on the State of Latin American and Caribbean Cities, for instance, UN Habitat estimated that 25% of the population in this region of the world lived in slums and slum-like conditions due to inadequate quantity and quality of housing stock. For the Asian and Pacific region, the

2015 UN Habitat report on the state of cities noted that the region was home to the largest urban slum population and the largest number of people living below the poverty datum line. Similar problems have been noted with regards to countries that used to form the Soviet Union. Among these countries the UN Habitat (2013 report) observed vertical slums consisting of deteriorating and poorly serviced high-rise estates no longer managed and maintained by government. It noted that deprivation, inequality and exclusion have come to characterise cities with these dilapidated housing estates.

In the USA it is estimated that more than half a million people, approximating 0.06% of the national population, are homeless. Some of these homeless people have temporary shelter provided for various agencies. But about a third of the homeless sleep in streets, parks, and various other locations not meant for human shelter. The OECD database on homelessness among member states suggests that the problem affects less than 1% of national populations. But when the homeless population in these countries are added together they suggest at least million and a half people.

In the context of Africa, housing poverty, and the gross income inequality it epitomises, affects an estimated 62% of the total population and is most visibly represented by slums. The 2013 yearbook on Housing Finance in Africa shows that less than 5% of people in most African countries command enough income to afford the cheapest house provided in their formal sector. In Benin and Burundi, for instance only 5% earn enough income to afford the cheapest house, while in Cameroon, only 2% have the viable income [Center for Affordable Housing Finance in Africa, 2013]. By 2017, more than half the African countries still has less than 5% of their populations who can afford houses provided on their national markets by the formal sector, according to the 2017 Yearbook on Housing Finance in Africa. So the poorest citizens populate informal settlements and slums that fall way below basic standards for decent accommodation. A major defining characteristic about African slums is that while not the largest in the world in terms of population (East Asia tops the league here), the population they hold is uniquely large as a proportion of the national urban settlements. For example, slums account for 90% of Chad's urban housing stock, 79% of Ethiopia's, 82% of Niger's and 80% of Mozambique's.

Practically all African countries have need for large extra stocks of decent housing units that meet the United Nations definition of the right to affordable housing which includes, among other things, habitability, legal security of tenure as well as availability of services and facilities such as: sustainable access to natural and common resources; safe drinking water; energy for cooking, heating and lighting; sanitation and washing facilities; means of food storage; refuse disposal; site drainage and emergency services.

Given the huge numbers of people suffering from extreme housing poverty as reflected by the slum populations of a billion around the world as well as both the number of homeless in shelters and on the streets, the critical question is whether and to what extent the promise of Agenda 2030 can actually deliver on NOT leaving these people behind within its timeframe.

An upgrading of large tracts of slum areas for countries such as Kenya, Angola, Ethiopia, Mali, Sudan and Tanzania would reduce the pressure. And UN Habitat has initiated programs to facilitate with the upgrading of many of these slums. In North Africa, Egypt, Morocco, and Tunisia dealt with the problem of slums much earlier in that they had accumulated large populations of slum dwellers by the 1990s before they developed housing strategies to reduce them: thus reducing slums by half within two decades.

4. PRIORITY TO THE FURTHEST BEHIND (Marc Fleurbaey)

1. WHY FOCUS ON THE WORST OFF?

There has always been a tradition of paying special attention to the poorest people in popular wisdom, especially in connection with religion. Most religions recommend helping the poor, being inclusive. Many civil society organizations devote their work to helping the most deprived populations, either locally or internationally. While many such movements were initially paternalist and top-down, there has been a trend toward more participatory approaches in which the voice of the aid recipients is better taken into account and their own participation is key to the organization. There is now a blurry line between organizations that try to help the poorest and movements that seek to organize them.

Scholarly traditions have developed that also argue for giving special priority to the worst-off. The most famous is John Rawls' (1971) theory of justice. The priority to the worst-off, in Rawls' approach, is not absolute in the sense that it only comes after two principles are satisfied, which have a higher rank: the guarantee of basic liberties to all, and the provision of fair and equal opportunities to all. Once these two principles are fulfilled, though, the distribution of socio-economic resources is to be guided by the goal of maximizing the life perspectives of the most disadvantaged populations.

An important development in political philosophy, after Rawls, has involved incorporating a concern for individual responsibility (Arneson, Cohen, Roemer). The idea is to take account of the degree of responsibility individuals have in bringing about their advantaged or disadvantaged situation. There has been substantial resistance to this school of thought and to the emphasis on personal responsibility, due to its potential harshness toward the disadvantaged.

There are approaches, such as Sen's, in which the prime concern is freedom, not responsibility. It cannot be denied that allowing individuals to pursue their personal goals in life, and letting them decide on important life issues, necessarily produces substantial variations in individual achievements. But an approach relying on freedom and respecting life plans should never condone severe deprivations.

In summary, there is a strong philosophical tradition of giving a strong priority to the worst off. It has recently branched into approaches that would justify restricting such priority to the "deserving poor" out of a concern for personal responsibility, and approaches that, bringing related but more positive autonomy and freedom considerations to the fore, would instead focus on seeking to empower the most deprived.

Another approach which is powerful in making the case for the special urgency of the most deprived invokes the notions of human rights. In the last decades, and especially since the end of the cold war, human rights scholars and activists have turned their attention to poverty. This is not just about economic and social rights and "positive" rights but all rights, and understanding poverty as a set of inter-related deprivations including power and political and civil rights, as well as cultural denigration. Various authors have questioned the distinction between positive and negative rights (Shue), defined human rights as ethical rights (Sen), defended the relevance of rights in the case of poverty and gender inequalities (Beitz) as well as development and labor (Alston), and argued that the architecture of global and national institutions is actually an active attack on the poor's rights (Pogge). Heintz et al. (2016) argue that the human rights angle can help reshape many policy debates in the socio-economic domain and give momentum to social activism, especially by contributing to making policy goals more focused on human consequences and less on monetary indicators of development and growth.

In the economic academic literature, there are actually many formal arguments in favor of giving absolute priority to the worst off. They usually involve positing that the worse off deserve at least as much priority as the better off, which is quite uncontroversial, and then proceed to show that ultimately the very worst off should get all the priority once additional requirements, which seem innocuous, are added to the analysis. These theoretical arguments appear more successful than Rawls in actually proving that priority for the worst off should be absolute.

In one such argument, the starting point is that among people having identical life plans (the term of the art in economics is "preferences"), when someone has more than another in all relevant dimensions of consumption or functionings, a reduction of the inequality in any dimension is a desirable thing, even if it may not be actually feasible (a reduction of inequality consists in an equal variation for the two involved individuals, a positive one for the worse off, a negative one for the better off). This is a minimal priority condition that is indeed rather uncontroversial. If one adds to this the requirement that individual preferences should be respected (meaning that it should be considered desirable to implement changes that better fulfill individuals' life plans), again another appealing principle, and the requirement that the assessment of a particular situation should only depend on how individuals partition other situations into better, worse, or indifferent, and not on a more detailed classification of the other situations, then one can prove that the worst off should have absolute priority.

Another example of such an argument relies on the equity requirement that a substantial sacrifice for a badly-off person cannot be justified by a negligible gain to well-off people, no matter how numerous they are. For instance, one could argue that bringing a person from $5,000 a year to $300 a year for all his life cannot be justified by the possibility to give one cent, only once, to all the people above $50,000, even if there are many of them.

In conclusion of this section, there are many arguments in favor of giving a strong priority to the furthest behind, coming from millennial traditions and from recent philosophical and economic reasoning. Such arguments echo the compelling case made by the social actors who defend the cause of the poor and argue not only that their plight deserves special attention, but that respecting their own path toward empowerment is essential.

2. POLICIES FOR THE WORST OFF

Assuming that a strong priority for the worst off is endorsed, what follows for policy? Such a strong priority may require a serious overhaul of priorities, generate puzzling questions about the fight against poverty, the relative priority of the rest of the population, and make certain classical issues about redistribution more vivid.

Chambers (1983), dealing with rural development, emphasized that "putting the last first" requires a reversal in many values and practices. In this light, the human rights approach has been effective in elevating the moral standing of issues concerning the most deprived populations. It has led to an overhaul in the United Nations efforts to link poverty and human rights much more closely in its approach to development issues. The UNDP World Development Report 2000 played an important role in this wave. Focused on human rights, it articulated them to basic freedoms in a way foreshadowing Sen's approach, and considered a list of basic freedoms including "freedom from want." One aspect of this transformation of approaches has been a change from a set of policy goals aimed at *reducing* social ills to a set of *eradication* goals.

Fighting poverty may seem like the natural implication of making the worst off the main focus of policy. However, this is not necessarily the case because it may depend on how poverty is measured. The most common measure of poverty is the headcount ratio, which simply records the fraction of the population that falls below the poverty line. Trying to reduce poverty measured in this way may actually require putting the priority on the people who are just below the poverty line and are therefore easier to move up above the threshold. In other words, prioritizing the worst off cannot be equated with fighting poverty any more than it can be identified with reducing inequality.

There are several ways of making anti-poverty policy avoid this bias against the very worst off. First, the poverty line can be put low enough so as to increase the probability that the worst off benefiting from the policy will get above the threshold. Second, a policy focused on the "poverty gap" instead of the poverty headcount ratio will give priority to the populations who stand to benefit most from the policy. Third, the poverty gap can be modified to raise the weight of the poorer populations, as in the Foster-Greer-Thorbecke poverty index.

Another paradoxical feature of prioritizing the worst off is that it may potentially benefit the best off as well. This paradox comes from the fact that the distribution of weights allotted to the various members of the population must feature an equality of weights for those who are not among the worst off—namely, their weights are all equal to zero. This means that the middle-class and the best-off are then treated with equal (lack of) priority. Compare this with a less extreme degree of priority for the worse off, such that all members of the population have a positive weight but declining as one goes up their ranking in the distribution. In such a scheme, the best off have a lower weight than the middle class. Therefore, a shift of priority to the worst-off may, under certain conditions, induce a redistribution from the middle class to the best off (as well as to the worst off, of course).

A similar but broader convergence of interests can occur for a different set of reasons. It has to do with the relative effectiveness of targeted versus universal social policies. If one wants to lift the poor out of poverty, the most economical policy targets their needs and does not spend resources on the non-poor. This is a very strong argument in favor of targeted policies, and it has often been used in policy debates. However, targeted policies have several drawbacks. First, they may create a stigma effect which is burdensome for the beneficiaries, and hinders their opportunities for social inclusion. This effect may discourage many of them from applying for support.

Universal programs have the advantage of avoiding these effects. Typical examples of such programs are a universal basic income, public schools and health care, universal childcare or eldercare provision. Such programs have a take up rate of almost 100%, and they do not exclude the beneficiaries from the circle of "normal" members of society. Moreover, there is another argument in favor of such policies. They garner greater support, since most people in the electorate belong to the category of beneficiaries or probable beneficiaries. In summary, the conclusion here is that, in spite of targeted social programs appearing superficially to be the most suited to express a strong priority to the worst off, the most effective programs from the point of view of the worst off may turn out to be universal programs that do not express any explicit priority toward them and benefit almost everyone.

In the perspective of empowering the worst off, it is worth revisiting some important distinctions in the field of social policy. One such distinction is about redistribution and predistribution, or, even more precisely, about the difference between -market, pre-market, and in-market redistribution. Post-market redistribution may be considered less effective for the worst-off than pre-market action, because it makes the poor dependent on the continuity of the social policy and is more likely to generate the perverse stigmatization and discouragement effects mentioned earlier. However, one should not ignore that post-market redistribution can also make the poor stronger in their market interactions. Similarly, in-market policies can also substantially shift the balance of power, and in some cases more effectively than any other policy. For instance, no pre-market or post-market redistribution can produce the outcome that private firms are governed in the interest of stakeholders and not just shareholders as well as a regulation that imposes governance bodies representing the relevant parties. Taxes and transfers can also contribute to in-market transformation, incentivizing good practices and curbing harmful ones.

In this section, most of the analysis so far has been about national policies aimed at supporting the worst off in a country of any level of development. It is sometimes argued that developing countries are in a very different situation and cannot afford most of the social programs that are commonplace in developed economies. This is often exaggerated, since, in particular, pre-market investment policies tend to repay themselves in greater productivity of the workforce. And many developing countries fail to impose taxes on revenues which could easily be taxed, such as profits from the exploitation of natural resources which are left to transnational companies under leonine contracts.

But the question remains whether a strong priority for the worst off has different implications when one considers national and international development programs seeking to raise the least developed countries. The triage problem is obviously very relevant in this context as well. Much foreign aid is denied to the most deprived nations because their structures do not enable them to benefit from external support as much as other countries which are closer to passing the threshold. In the international context, the paradoxical pattern of a convergence of interests between the poorest countries and the more affluent ones can also occur when cooperation programs can benefit many countries. To some extent, the traditional egoism of countries when they bargain on the international scene makes universality almost a requirement of successful programs. The distinction between post-, pre- and in-market redistribution is also very relevant for international development considerations. Post-market transfers that support consumption appear imperfectly empowering, and sometimes harmful, while transfers that aim at building up human capital are less criticized, and so are in-market policies that curb anti-competitive practices, corruption, and harmful trade restrictions.

5. ERADICATING POVERTY BY 2030: IMPLICATIONS FOR INCOME INEQUALITY, POPULATION POLICIES, FOOD PRICES (AND FASTER GROWTH?) (Giovanni Andrea Cornia)

1. INTRODUCTION, THE MODEL AND MAIN RESULTS

The Sustainable Development Goals (SDGs) strategy is committed to 'leave no one behind' (LNOB) and to reaching 17 social and economic goals that rely on the successful implementation of a large number of development measures. Such a strategy does not examine, however, how compatible such measures are with the recent and plausibly expected trends in a number of 'immediately relevant factors' – such as GDP and population growth, income inequality and food prices – that affect poverty eradication with no delays. During the 1980s and 1990s, for instance, adverse changes in these areas and related policies raised in many cases income inequality and retarded improvements in poverty alleviation, health and education. In contrast, the adoption of the MDG/SDG paradigms and of distribution-sensitive structuralist macroeconomic policies in some regions - like parts of Latin America - generated positive effects on the eradication of poverty. Recent history shows, therefore, that the achievement of SDGs depends also essentially on the congruence between social objectives and global economic policies.

In our paper we explore whether the plausibly-projected values of these economic variables for 78 developing countries with PHR < 0 in 2013 are compatible with the objective of eradicating poverty (proxied by a PHR =0 or 3%) by 2030. To do so we first derive from the literature a simple pedagogical 'comparative-static, poverty-accounting' model that allows to simulate the impact on SDG1 of improvements in the level of inequality, population growth, food prices relative to the CPI, and GDP growth. The results of such model (the number of countries not meeting the SDG1 target by 2030) aim at alerting the national and global policy makers about the maximum achievable realistic (but not ideal) improvements in terms of reaching SDG1 by 2030, and about the policy measures that ought to be introduced or strengthened to achieve such objective. Part 3 of the paper discusses the data sources, the evolution over the last 20-30 years of the main variables, and the 'best practices' (most favorable values) observed for them in real life. Poverty is measured by means of a poverty line of 1.90$ 2011/person/day.

Such 'best practices' correspond to:

- a decline of the Gini coefficient of 12 points (similar to that observed in Brazil over 1998-2012)

- a 13% slower increase of population by 2030 in relation to the medium variant of the United Nations Population Division;

- the absence of food crises, as indicated by the coincidence of the values of the Food Price Index (FPI) and CPI;

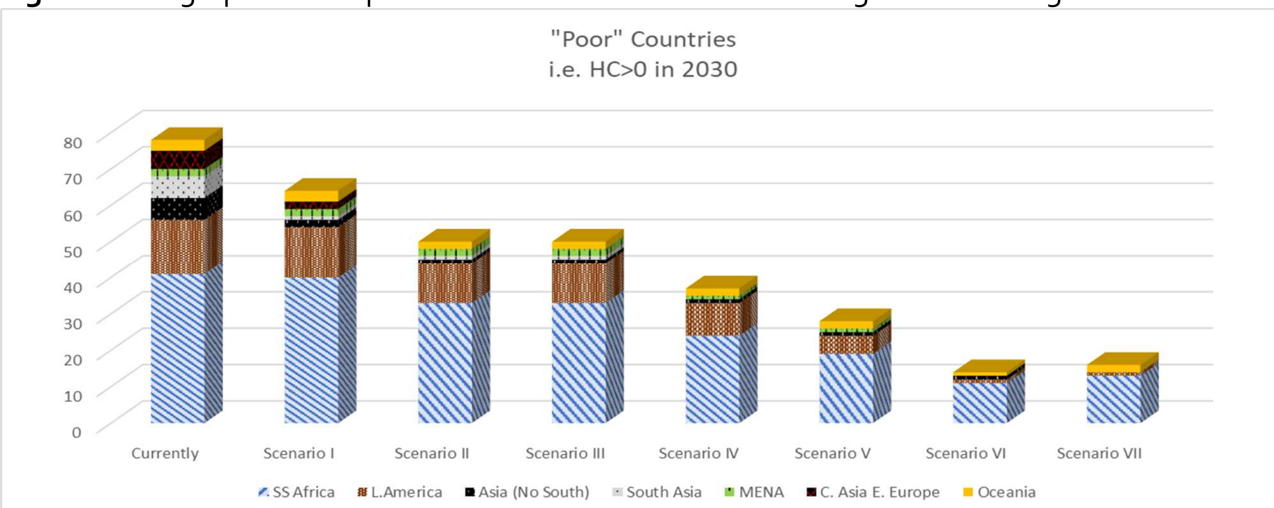
- an additional 1% growth of GDP over the value projected in 2016 by the IMF to 2022, that we extended to 2030.

Part 4 of the paper presents the results of numerical simulations, in which we introduce in a stepwise mode the following poverty-reducing improvements to the year 2030: the IMF projected GDP growth, the 13% slower growth rate of the population, a 12% lower Gini index than in 2013, the indirect (endogenous) effects of fall in Gini and increase in GDP, the absence of food crises, and an additional 1% GDP growth.

For each of these scenarios we compute the number of the 78 countries with PHR >0 in 2013 that exit poverty by 2030 and that of those that do not. The simulations shows that – given the parameters used in our model - the simulated decline in income inequality has a slightly higher positive impact on SDG1 than GDP growth; that the simulated 13% slowdown in population growth by 2030 has a limited poverty alleviation effect in countries with a very high initial population growth, suggesting population policies should be kept in place for longer; that the endogenous effect of falling Gini and rising GDP/c has an effect on poverty reduction similar to that of the decline in Gini; and that the absence of food crises also has a perceptible effect.

Table 7 (Panel A) in Part 4 presents the results of the numerical simulations. It shows that, following the introduction of these 'best practice' poverty-alleviation measures, the PHR declines gradually from 78 in 2013 to 28 (or 36% of the initial countries). If we simulate an additional 1% GDP growth over that projected by the IMF to start with, such number falls to 14, though the likelihood that such additional growth will occur is uncertain. The simulations also show that most of the countries not making it come from Sub-Saharan Africa and, to a lower degree, Latin America.

Figure 1. Geographical composition of the countries not achieving the SDG1 target



Source: own calculations.

The simulations seem therefore to produce two key messages: (i) not all countries will reach SDG1 by 2030 even assuming favorable policy changes aiming at pursuing the morally laudable SDG1 objective; (ii) there remains – in relation to the IMF projections - a need to accelerate in a sustainable and equitable way GDP growth - though there is no agreement on the strategies and macroeconomic policies needed to achieve it. The paper suggests therefore to re-open the debate about the 'nature of a growth process' consistent with the achievement of SDG1 and able to guide the world economy over the 15 years and beyond. In practice, there is a risk that the moral exhortations of Presidents and Foreign Ministers during the 2015 General Assembly may collide with the political economy of domestic policy difficulties and of a long series of binding international treaties on trade and financial liberalization, WTO, TRIPS, national treatment of foreign investments, labor policies and movements, approaches to macroeconomic stabilization, and so on) that – if they remain as they are – may delay a broad-based achievement of SDG1.

2. POLICIES THAT CAN HELP ACHIEVE SDG1

REDUCING INEQUALITY

(i) Pre-market changes in path-dependent 'social and religious norms' that affect the access of women and other marginal groups to land, education, certain professions, credit, public employment, social transfers and so on. This can be attempted through the election of inclusive political regimes, the promotion of new political coalitions (e.g. between industrial workers and industrialists against the agrarians), affirmative action, cultural policies (as universal, compulsory and free education for all), Peace and Reconciliation Commissions, International initiatives such as the MDGs, SDGs, and Human Rights Conventions.

(ii) Changes in the primary distribution of income, via market policies. The first task is to correct an unequal distribution of assets, i.e. land, physical, financial and human capital. A second way to improve inequality is to improve the functioning of the factors market. These are often highly dualistic, and this affects the level of skilled and unskilled wages, land rents, and interest rates. These 'returns' often differ from their actual contribution to value creation, due to asset market imperfections, inadequate investments in education, the impact of changes in technology and demographic trends, and so on. In case of chronic 'surplus labor', the policy maker should intervene by means of active/passive policies to soak up the excess supply by means of public works, and subsidies for the creation of Small and Medium Enterprises. Third, distribution-sensitive macro-policies can help reduce inequality. A countercyclical fiscal and monetary policy is key, together with an active tax policy allowing adequate levels of public expenditure on growth-promoting items. The choice of the exchange rate is also key as it affects massively the distribution of income. More complex is the choice of the trade regime. Export liberalization improved income distribution in South East Asia in the 1960s but it likely worsened it in Sub-Saharan Africa during the last 20 years. Finally, prudential regulation of domestic banks and in international financing policy, entailing some control of the capital account, a lowering of external indebtedness, and reserves accumulation) are needed to avoid the highly-disequalizing effects of unregulated finance. Economic policy should deal also with the impact of technological and demographic change that raise the skill premium, displaces labor and raise the capital share in total income. In developing countries, the import of capital/skill intensive equipment increases inequality but is often promoted to obtain 'state of the art technology' and long term efficiency. A way to deal with such impact is to increase the supply of skilled labor (to avoid scarcity rents) via greater investments in technical and higher education. Finally, economic policies may try to influence the pattern of growth (its sectoral structure and rural-urban ad its geographical distribution) that in many cases deeply contributes to rising inequality.

iii) Redistributive policies. Such policies redistribute human capital, ensure against shocks (disease, old age, injury) and reduce poverty/inequality. To be effective they should count on an adequate revenue generation to fund their costs. While during the last decade tax/GDP ratios have risen on average by 2-3 points of GDP in Sub-Saharan Africa and Latin America, there still are several countries with a tax/GDP ratio below an econometrically determined 'global tax norm'. Once sufficient revenue is available, the policy maker should focus on increasing the volume of public expenditure on education, health, nutrition targeted to the poor, to avoid that public transfers further skew the distribution of total income. It should also extend the coverage of social insurance, and introducing non-contributory pensions, progessive CCT, CT, targeted anti-poverty programs that are very common now. The distributional effects of taxation and – much more so – of social expenditure - can be substantial also in highly unequal countries such as South Africa.

CONTROLLING POPULATION GROWTH

In some regions there is a need to intensify and sustain population policies for the next few decades. The contrasting experiences of countries in Sub-Saharan Africa during the last 20 years provide useful suggestions on policies that help reduce TFR and population growth and facilitate the long term achievement of SDG1. These include increasing the demand for family planning through awareness campaigns generating a spontaneous fall of the desired family size, a strong increase in female education and the elimination of gender bias in all economic, social and political areas. workshops with the beneficiaries of reproductive services to inform them of the advantages of responsible motherhood; an increase of the minimum age of marriage from 15 to 18 years, the compulsory registration of births, increased school enrolment of girls and women, reduction of their school drop-out.

At the same time, the supply of contraceptive services must increase together with the creation of a community-level health insurance facilitating the access to medical care and birth control. Adequate public and aid funds may be allocated to the purchase of contraceptives whose use correlates closely with the TFR, while the collection and research of demographic data must be promoted.

CONTROLLING FOOD PRICES

Food prices depend on a host of factors, and their control requires actions on various fronts, including - global interventions: including to regulate the global financial markets, including restrictions on speculative investments and hedge and future contracts based on food items, agreements to limit on the production of bio-fuels, and a new overall emphasis on investing in agriculture; - greater emphasis on agriculture at the national level. To achieve long-term food self-reliance, governments should increase their medium- and long-term investments in agricultural research and extension, rural infrastructure, and market access for small farmers. - Macro measures such as setting caps on food prices and reducing restrictions on food imports. In the African context, an increase in the incomes of the rural poor may mean higher food prices accompanied by subsidies to shelter the urban poor and food-deficient farmers. While useful in the short term, such policies may backfire in the medium term. - Targeted food subsidies are also essential in chronic poverty situations.

ACCELERATING GDP GROWTH AND RETHINKING THE DEVELOPMENT PARADIGM?

The basic conclusions of our 'comparative-static poverty accounting model' are that - given the IMF growth projections – about 36 % of the 78 initial developing countries analyzed, will not meet SDG1 even assuming 'best practice' gains in income inequality and total fertility rates, and no food price crises. Barring exceptional events, further improvements in PHR due to these factors seem implausible.

Thus, if these countries are not to be left behind, meeting SDG1 by 2030 requires an acceleration of GDP growth in relation to the IMF projections 2016-2030. This is somewhat justified by the very anemic values projected by the IMF for 2016-2030 for LA (2%) and SSA (3.3%). So, poverty eradication to 2030 seems to require going back to the controversial and complex task to promote also a somewhat faster if sustainable GDP growth in poor countries and away from the present 'foreign-financed, commodity export-lead' development model dominating these two regions. Yet, the trend of the last decade has been towards a 'reprimarization of output and exports', rather than more balanced growth pattern.

6. TO SUPPORT SUSTAINABLE AND RESILIENT SOCIETIES IN URBAN AND RURAL COMMUNITIES, IT IS VITAL THAT NO ONE SHOULD BE PUSHED BEHIND – NOTE FOR THE CDP SECRETARIAT (Diane Elson)

1. DESTRUCTIVE DEVELOPMENT

Development is a disruptive process. It changes people's lives, often for the better, though it sometimes bypasses them, leaving them behind. But for too many, the kind of development that prevails today pushes them behind, reducing their standard of living, reducing their economic and social rights, depriving them of their livelihoods, and in the worse cases, depriving them of their lives.

There are examples of people being pushed behind in all parts of the world. Food insecurity, large food import bills, rapid rural-urban migration and high rates of youth unemployment, are among the pressures that have led many African governments to give, on preferential terms, large tracts of land to foreign governments, corporations and individuals. However, research has shown that people who were already marginalised lost access to land and water:

> such losses are often incalculable and represent a ratcheting down of livelihood assets for poor communities. After losing the resources on which they survive, they may simply not be able to recover. This is because livelihood strategies involve multiple activities dependent on social and economic relationships and ecosystems that, once disrupted by land deals, cannot be revived and are seldom if ever adequately compensated for (Hall, Scoones and Tsikata 2015:15)

A different problem has been experienced in some countries where agricultural development has encouraged small farmers to shift from low-risk/low-inputs subsistence crops to high-risk/high-cost export crops. Faced with volatile international prices and high costs of credit, farmers can become increasingly indebted, and desperation can lead to a surge in suicide rates. For instance, this occurred in the semi-arid and backward Warangal district of Andra Pradesh, India, that experienced a surge in suicides among small cotton farmers over 1998-2000 (Sudhakumari 2002).

High rates of suicide following destruction of their way of life is also to be found among many indigenous communities. Military conquest, appropriation of land, forced relocation, exposure to disease, and forced assimilation have led to some groups dying out completely, while others have survived but suffer very poor physical and mental health, with high rates of alcoholism and suicide, in response to the destruction of their way of life. This prevails in rich countries like USA, Canada and Australia as well as in developing countries (Samson and Gigoux 2017).

Death and destruction are also being exacerbated by development-induced climate change. The IMF has noted the ways in which climate change is pushing low income countries behind in a chapter of the World Economic Outlook 2017. It estimates that by 2100 income per head in a typical low-income country would be 9% lower than it would be in absence of temperature increases.

Agricultural output will be lower, productivity will be lower, investment lower and health poorer. The IMF calls for a global effort, concluding that:

> Domestic policies alone cannot fully insulate low-income countries from the consequences of climate change, as higher temperatures push the biophysical limits of ecosystems, potentially triggering more frequent epidemics, famines and other natural disasters, fuelling migration pressures and conflict risk.

Pollution of air, water, soil and workplaces is responsible for diseases that kill at least 9 million people a year, one in every six people, mainly in developing countries, which suffer from 92% of pollution-related deaths (Commission on Pollution and Health 2017). This is more than three times as large as deaths from aids, malaria and TB, together responsible for 3 million deaths (Commission on Pollution and Health 2017). While some forms of pollution, such as from sewage-contaminated water and wood and dung indoor cooking stoves, is reduced by development, new forms, such as outdoor air pollution, are produced by industrialization and motor transport. It is estimated that indoor air pollution from wood and dung stoves caused 2.9 million deaths in 2015, but outdoor pollution from vehicles and industry caused 4.5 million deaths (Commission on Pollution and Health 2017). The deaths from outdoor air pollution are set to rise rapidly in many countries unless effective measures are taken.

Trade liberalization destroys employment in import-competing sectors, though it can improve employment opportunities in export industries. The case for trade liberalization is that the losses suffered in import-competing sectors are outweighed by the gains in export sectors, such that the losers can be compensated by transfer to new jobs, or by income transfers through a social protection system. However, in reality, compensation rarely works smoothly, even when safeguards are supposedly built into the trade agreement, and many of those who lose their livelihoods are not just left behind, but pushed behind, suffering a deterioration in their living standards. Research, summarised by Aydiner-Avsar and Elson (2011), has found this to be true of the North America Free Trade Agreement between Mexico, USA and Canada, that came into force in 1994.For example, many manufacturing workers became worse off in the USA, while many small farmers became worse off in Mexico.

New employment opportunities in export industries can also have a destructive side. All too many have had adverse impacts on the health of workers, because of excessively long hours, exposure to hazardous materials, and unsafe factories and workshops. The Rana Plaza building collapse, in the Dhaka, Bangladesh in April 2013, claimed the lives of over 1,100 garment factory workers and injured many more.

As noted by the Human Development Report 2015 in a global assessment :

> Millions work under abusive and exploitative conditions that violate their basic human rights and destroy their dignity, such as child labourers, forced labourers and trafficked workers…And millions of domestic, migrant, sex and hazardous-industry workers make their living in ways that are dangerous. (p. 40)

Even in countries where a considerable number of workers belong to trade unions, the coverage of collective bargaining agreements has declined during the past two decades (World Bank 2014:63). In addition, while there has always been a large informal economy, especially in developing countries, there has been a rapid growth of insecure informal work characterized by poor employment conditions, low wages and lack of protection against non-payment of wages, layoffs without notice or compensation, compulsory overtime, unsafe and unhealthy working conditions, and the absence of social benefits such as health insurance, sick leave, pensions or social security (Kiai 2016). It is not surprising that the share of national income going to labour has fallen in both developed and developing countries (ILO 2013).

Financial liberalisation was supposed to improve the efficiency of financial systems and mobilise more funds for development. Instead it has led to economic fragility, volatility and financial crisis, such as the Latin American debt crisis (early 1980s), the Asian Financial Crisis (1997-8) and the 'Global' Financial crisis (2008-9). The adverse impacts of financial crises were intensified by the fiscal policies that were adopted in response, which emphasised cuts to public expenditure to reduce budget deficits that had ballooned as a result of the crises (UN DESA 2017 :59-72, 83-84, 101-105). There is a wealth of evidence showing that these austerity responses reduced living standards of many of those who already had least.

For example, UNICEF Office of Research (2014) found that the number of children living in severe material deprivation in 30 high income countries for which data was available was 11.1 million in 2012 – 1.6 million more than in 2008. Nutrition standards have fallen and use of food banks increased dramatically. Since 2008, the position of the poorest children has worsened in most of the countries studied. In addition, the numbers of young people aged 15-24 who are not in education, employment or training- NEET) had risen dramatically in many countries. A UN Women report suggests that the 2008/9 crisis and subsequent austerity measures have intensified unpaid care work burdens for women and found that when critical public investments and decent jobs and income opportunities are not forth coming, human capacities can become depleted through undernutrition, school dropouts, family break-ups and rising levels of violence and intolerance (UN Women 2014).

Moreover, following the 2008/9 crisis, some people lost not only income and employment but also their lives. A study of 54 countries estimated that there were 4884 excess suicides in 2009 (Chang et al. 2013). This effect was particularly stark among men in countries where job losses were the greatest, and levels of despair and loss of hope were high. In the EU, suicide among men aged 15–24, a group with very high levels of unemployment, increased by 11.7 percent in 2009 compared to expected trends based on 2000–2007 data (Chang et al. 2013).

Destructive development weakens the sustainability and resilience of societies. There is no possible compensation that will make good some kinds of damage (such as premature avoidable death, permanent ill-health, and destruction of a way of life): such damage has to be prevented from happening in the first place. Where compensation would be possible (such as for loss of income and employment), all too often it does not materialise.

2. POLICY RESPONSE

To support sustainable and resilient societies, development policies need to be re-oriented so that they are driven from the bottom up by the needs of those who are deprived and disadvantaged. Such people do want to see change, but they want to be able to participate in designing development and to be able to hold governments to account for the implementation of development policies. The guidance that conventional economic analysis provides to governments focuses on the maximisation of output, not the avoidance of harm. It rests on flawed concepts of efficiency as minimization of monetised costs, ignoring non-monetised costs that are transferred to people, especially low income and marginalised people. It ignores questions of how costs and benefits are distributed, and how policy processes are organized. This is a particularly important failure in the context of very high inequality of wealth, income, and social and political power.

The guidance that the international human rights system provides to governments that is particularly relevant to economic policy focuses on the obligations of governments to respect, protect, and fulfil the economic, social and cultural rights (including labour rights) set out in the Universal Declaration of Human Rights and in the International Covenant on Economic, Social and Cultural Rights. Balakrishnan, Heintz and Elson (2016) identify six key human rights principles that are particularly relevant for policy to support sustainable and resilient societies: progressive realization of economic, social and cultural rights over time; non-retrogression in enjoyment of these rights, so that there is no deterioration in the enjoyment of these rights ; satisfaction of minimum essential levels of these rights; non-discrimination and equality in the enjoyment of these rights; accountability, transparency and participation in policy processes; and use of maximum available resources for fulfilment of rights. If economic policy complied with these human rights obligations and principles, the process of people being pushed behind would be ended and support would be given to building sustainability and resilience.

Human rights treaties, principles and procedures are also important for empowering people to build sustainability and resilience from the bottom up. People who have been pushed behind are already mobilizing to claim rights that would enable them to build their resilience and the sustainability of their societies. For instance, some groups of peasants resisting appropriation of their land are making use of the *Voluntary Guidelines for Responsible Governance of Land, Fisheries and Forests in the Context of National Food Security*, which are based on existing binding international law and human rights norms, and constitute the most definitive global framework regarding land and related natural resource rights. Indigenous people are mobilizing around the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP*), adopted in 2007 by the United Nations General Assembly. Some informal workers are organizing internationally around the implementation of internationally agree ILO Conventions on workers' rights. For instance, paid domestic workers have formed the International Domestic Workers Federation campaigning for implementation of ILO Convention 189 on rights of domestic workers. Groups contesting austerity policies are using the procedures of the International Covenant on Economic, Social and Cultural Rights.

Governments that are serious about supporting sustainable and resilient societies should welcome the mobilisation of disadvantaged people to claim their human rights, and should strengthen national laws and procedures and policies that give reality to these rights. Measures that can contribute include strengthening the land rights of peasants and indigenous people; ending subsidies for industries that produce harmful emissions; regulations to reduce pollution on an equitable basis; subsidies for clean technologies; ending the drive for trade liberalisation and financial liberalisation and instead instituting economically, socially and environmentally sustainable trade and financial system; strengthening the rights of workers, both employees and the self-employed, to organize for a safe and healthy workplace and living wages; and institution of effective systems of employment creation and social protection.

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7. MIGRATION, DIASPORAS, THE LEAST DEVELOPED COUNTRIES AND THE SUSTAINABLE DEVELOPMENT GOALS (Keith Nurse)

1. INTRODUCTION

It is estimated that in 2015, 244 million people, or 3.3 per cent of the world's population, lived outside their country of origin, the majority of whom are migrants living in diasporic communities in search of better economic and social opportunities.[9] This group also includes refugees and displaced persons. Migrants are often subject to xenophobia, stigmatization, violence, exploitative work conditions and social marginalization and so are amongst the most vulnerable social groups globally and thus key to achieving the SDGs and "leaving no one behind".

The literature and the perspectives on migration are dominated by the immigration concerns of the main receiving territories in the OECD where the focus has largely been on issues of political and social integration, managing labour markets and border controls. The issue of migration has become increasingly securitized and consequently has become highly political and vulnerable to populist rhetoric amid fears about economic stagnation particularly since the global financial crisis of 2008–2009. This is clearly evident in recent political developments on both sides of the North Atlantic (i.e. Brexit and the election of President Trump) and in many economies around the world where migration has been blamed for the loss of jobs to nationals.

The developmental impact of emigration on sending countries and the rising role of south-south migration have generated much less debate but they are nonetheless critical areas of change in contemporary global dynamics.[10] Other key issues are the demographic transitions and the ageing of the population and the need for replacement labour in the developed and high-income economies. From this standpoint, international migration needs to be viewed as a global development issue taking into account the context and needs of the migrants along with the interest of the receiving and sending countries.

2. MIGRATION AND THE SDGS

The question that arises is how can the development discourse embedded in the SDGs redress the challenges associated with migration as well as give further impetus to the transformative potential of migration. So, for example, how could the diasporic economy enhance production capabilities, boost economic diversification and promote new higher value-added exports as well as redress the depletion of valuable human resources. From this standpoint, the paper argues that migration is a transversal issue in the SDGs and that tapping into the migration and development nexus is critical to further reduce poverty and global inequality within and across nations. Maximizing on the migration and development nexus requires a broader conceptualization of the role of diasporas in the development equation.

A key factor is the social position of the migrants in the new host societies. Addressing workers' rights (especially women migrants) and eliminating discrimination of migrants' access to housing, healthcare and education are considered as key issues to redress the problems faced by immigrants. The evidence suggests that there is real cause for concern. An EU report on migrants and social conditions published in 2010 points out that:

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[9] United Nations, Department of Economic and Social Affairs, Population Division (2016). International Migration Report 2015: Highlights (ST/ESA/SER.A/375).

[10] Timothy J. Hatton and Jeffrey G. Williamson, "What fundamentals drive world migration?" NBER Working Paper Series, 2002.

> Migrants are more likely to be socially excluded [than] the local population. The share of migrants at risk of exclusion or poverty is relatively high. On average, 26% of non-EU migrants and 19% of EU migrants are at risk of poverty, compared to 17% of the "local" population.[11]

Migration and issues affecting migrants are referenced in several of the SDGs. The situation of migrant workers is highlighted in SDG 8 on economic growth and decent work; the issue of trafficking is mentioned in several SDGs for instance SDG 16 on peaceful societies; and migration status is mentioned specifically as a factor for disaggregation during the follow-up and review in SDG 17. SDG target 10.7 calls for "well-managed migration policies", and 10C refers to reducing the transaction costs for migrant remittances. Overall, it can be argued that the SDGs recognize migration's critical contribution to achieving sustainable development and consequently migration has for the first time been inserted into mainstream global development policy.

3. THE GLOBAL POLITICAL ECONOMY OF MIGRATION

Most receiving countries, particularly the developed market economies, have an ageing population and face an impending labour shortage owing to demographic shifts and consequently needs an influx of immigrants to fill the gaps in the labour market to maintain adequate working population levels to help finance an otherwise looming deficit in social security and pension schemes. For example, the demographic challenge for the EU is such that the old-age dependency ratio (the share of persons ages 65 and older relative to the working age population (ages 15-64)) is estimated to increase from 17 per cent in 2010 to 30 per cent by 2060. In this context it is expected that immigrant labour will be the fastest growing source of replacement labour. Indeed, according to OECD projections, without migration the EU's working-age population will decline by 15 million in 2020 and by 84 million by 2050, with significant implications for the region's competitiveness,[12] and create labour shortages in key technical skills and areas such as agriculture, science, information technology, and health, education and personal services.[13]

From the perspective of the sending countries, the developmental impact of emigration remains a somewhat contested area as well.[14] On one hand, emigration creates a culture of dependency on remittances, generates social inequality between families that receive remittances and those that don't and allows for the brain drain of the tertiary educated from developing countries to the EU and other OECD countries. The latter is particularly problematic for LDCs and small developing and island states. On the other hand, emigration tends to ease pressure on labour markets and helps to reduce unemployment and poverty, through remittances and the export of surplus labour. Return and circular migrants are also an important source of skills, expertise, and ideas ("brain gain") that can serve national and regional development objectives.

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[11] Orsolya Lelkes and Eszter Zolyomi, *Detailed analysis of the relative position of migrants*. Research Note 1/2010. European Centre for the European Centre for Social Welfare Policy and Research November 2010: 8.

[12] J. Gagnon, "Demographic Change and the Future of the Labour Force in the EU27, Other OECD Countries and Selected Large Emerging Economies", in OECD/European Union, *Matching Economic Migration with Labour Market Needs* (Paris: OECD Publishing, 2014).

[13] OECD, *The Looming Crisis in the Health Workforce: How Can OECD Countries Respond?* (Paris: OECD, 2008).

[14] Dilip Ratha and Sonia Plaza, "Harnessing Diasporas: Africa Can Tap Some of Its Millions of Emigrants to Help Development Efforts", *Finance & Development* 48, no. 3 (September 2011), pp. 48-51; Jon Swanson, *Emigration and Economic Development: The Case of the Yemen Arab Republic* (Boulder, CO: Westview Press, 1979).

4. LDCS, LABOUR MOBILITY AND BRAIN DRAIN/GAIN

One of the key challenges associated with the growth of migration, diasporas and labour mobility is the problem of brain drain, or the migration of the tertiary educated. For many LDCs, the emigration rate of the highly-skilled exceeds the total emigration rate reflecting the selectivity of migration by educational attainment. In 2010/11, Burundi, Lesotho, Malawi, Mozambique, Namibia, Niger, Papua New Guinea, the United Republic of Tanzania, and Zambia had emigration rates of the highly-skilled which were more than 20 times the total emigration rates. The fact that migration rates of the highly-skilled exceed total emigration rates for most countries of origin reflects the selective nature of migration.[15]

The exact impact of brain drain is difficult to determine given the limited data available. What is known is that "the bulk of the African brain drain is almost evenly split between Europe and the Americas, with less than 10 percent going to Asia/Oceania."[16] The highest emigration rates are generally recorded for small countries, notably small island states for example, recently graduated countries Cabo Verde (67.5%), Samoa (76.4%), but it is also critical in more populous countries like Angola (33%), Rwanda (26%), Zimbabwe (43%), the Republic of the Congo (36%).[17]

Brain drain is also gendered and it is more pronounced for women than for men. In many countries of origin, the share of tertiary educated women who were living outside their country of birth was higher than for men. This difference reached 10 percentage points in 2010/11 for the Republic of the Congo, Sierra Leone and Togo.[18] It is estimated that "in about two-thirds of origin countries, the emigration rate of highly educated women is higher than the emigration rate of highly educated men".[19]

The problem of brain drain is particularly significant in key sectors like health, education and science and technology. The emigration factor for physicians from small ACP islands is at an alarmingly high rate. In Africa, Cape Verde has an emigration rate of 51.1 per cent for physicians born in the country, Comoros 32.4 per cent. This compares with Haiti (35.4%) that is considered to be among the highest emigration countries for physicians.[20]

5. REMITTANCES, FINANCING AND DIASPORA INCOME/SAVINGS

Remittances, personal money transfers and compensation of employees, has become one of the main source of external financing for developing countries. Remittances have proven to be a critical resource for many developing countries surpassing official development assistance since the mid-1990s and have become three times larger.[21] Flows to developing countries accounts for seventy-five percent of total remittance flows in 2015. Low and middle-income economies are the key beneficiaries of remittance

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[15] OECD-UNDESA, "Key Statistics on migration in OECD countries" in *International migration policies and data*, (2013), <http://www.oecd.org/els/mig/keystat.htm> accessed 19 November 2014.

[16] Wiliam Easterly and Yaw Nyarko, "Is The Brain Drain Good For Africa?" Brookings Global Economy and Development Working Paper 19, March 2008: p. 6.

[17] OECD-UNDESA, *World Migration in Figures,* October 2013, p.4, <http://www.oecd.org/els/mig/World-Migration-in-Figures.pdf> accessed 19 November 2014.

[18] OECD-UNDESA, *World Migration in Figures,* October 2013, <http://www.oecd.org/els/mig/World-Migration-in-Figures.pdf> accessed 19 November 2014.

[19] OECD, *Connecting with Emigrants: A Global Profile of Diasporas*. OECD, Paris, (2012), p. 27, <-6t7'> accessed 10 December 2014.

[20] Mullan Fitzhugh., "The Metrics of the Physician Brain Drain". *New England Journal of Medicine* (2005); 353: 1810-8.

[21] World Bank (2013) "Migration and Remittance Flows: Recent Trends and Outlook, 2013-2016" *Migration and Development Brief* 21: 1-2.

flows with East Asia and the Pacific as the number one recipient followed by South Asia, Latin America and the Caribbean, Middle East and North Africa, Europe and Central Asia and lastly Sub-Saharan Africa.

For the LDCs what is evident is that the top ten receiving countries in 2015 are broadly distributed among African (i.e. Senegal, Uganda, Ethiopia, Mali, Liberia) and Asian (i.e. Bangladesh, Nepal, Yemen and Myannmar) economies along with Haiti, the only LDC in the Americas. The top ten receivers (US$ 35.7 billion) accounts for close to ninety percent of the total remittances received in LDCs (US$ 40.5 billion) (see Figure 1). There is an equally high level of concentration among the top ten remittance senders (US$ 31.4 billion) to LDCs which accounts for close to eighty percent of total remittances. As Figure 2 shows the top ten senders are spread among high-income (i.e. US, UK, France), Middle East (Saudi Arabia, Qatar, Kuwait, United Arab Emirates), and Asian economies (India and Thailand) along with Cote D'Ivoire. South-South remittances among LDCs is relatively small amounting to approximately US$ 2 billion in 2015.

It is critical to note that remittances are also used to fund small businesses and so the issue of entrepreneurship needs to be considered when talking about finance and investment. Moreover, the diasporic economy and market can be considered as strategic resources in that firms that are able to tap into these markets are able to transcend the limitations of small size, which is a structural constraint in many developing economies. In this sense, the diasporic economy offers a bridge into wider markets thus incentivizing investment by entrepreneurs.[22] From this standpoint financial remittances along with social remittances (i.e. the flow of ideas, skills, social capital and networks) are key aspects of the transnational relationship that diasporas have with their countries of emigration.[23] Another key area of potential investment funds for LDCs is from diaspora savings which is a component of diaspora income. Diaspora income for developing regions totals $2,484 billion. Diaspora savings for the developing world amounts to US$497 billion in 2013 compared to remittances of $418 billion.

6. CONCLUSION

The paper provides an analysis of the migration, diaspora and development nexus. From a development standpoint this paper argues that migration and the growth of diasporas are best understood through an appreciation of long-term trends and patterns in the global economy. The paper suggests that there are significant challenges and opportunities with the growth of global migration patterns and the rise of the diasporic economy. This calls for a strategic approach to improve the development potential for sending or labour-exporting countries of which the SDGs can play a significant role. The key recommendations are as follows:

Global and International Institutional Initiatives	Policies that LDC Governments can implement
• Sending, receiving and transit states should aim to facilitate orderly, safe and regular migration (e.g. The Global Forum on Migration and Development promotion of the United Nations' Global Compact on Migration).	• "Know your diaspora" – LDC governments should document and map the geographic and social dimension of diasporic communities. • Measure the size of the diasporic economy and develop strategic trade mechanisms. • Lobby for reduced restrictions on the mobility of natural persons (WTO GATS mode 4)

[22] Kuznetsov, Y ed. Diaspora Networks and the International Migration of Skills: How Countries Can Draw on Their Talent Abroad. The International Bank for Reconstruction and Development: World Bank Publications, 2006.
[23] Newland, K. and Tanaka, H. (2010). *Mobilizing diaspora entrepreneurship for development*. Washington, DC: Migration Policy Institute. Retrieved from http://www.migrationpolicy.org/pubs/diasporas-entrepreneurship.pdf

• Secure the rights of migrants and expand their negotiating power (e.g. ILO conventions). • Strengthen migration or mobility partnerships to facilitate the integration of migrants, pre-employment training and pre-departure orientation. • Establish bilateral migration agreements that alleviate the root causes of migration, retaining skills and reintegrating return migrants.	• Reduce transaction cost of remittances (especially South-South) and facilitate remitters and recipients to use banking system and expand savings (i.e. banking the unbanked). • Collateralize remittances and establish diaspora bonds. • Promote diasporic investment and entrepreneurship.

Figure 1: Remittance Flows to LDCs, Top Ten Receiving Countries

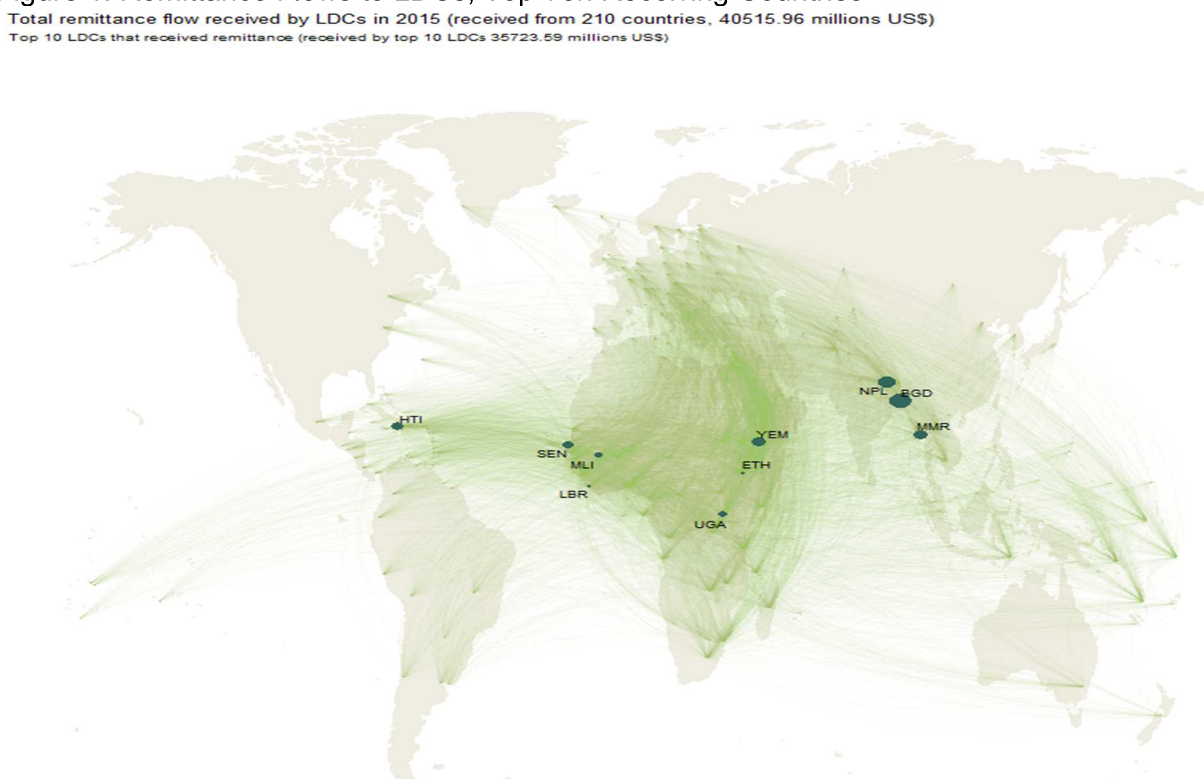
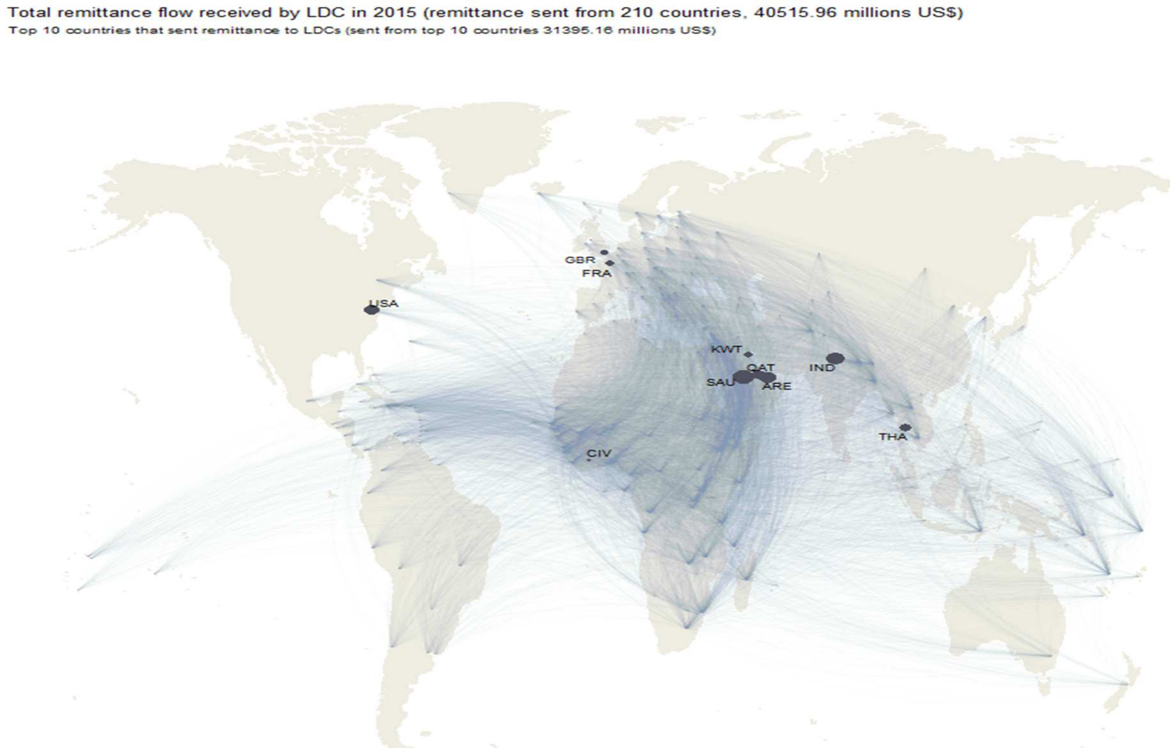


Figure 2: Remittance Flows, Key Sending Countries to LDCs



8. INEQUALITY AND SUSTAINABILITY. AN EMERGENT ANALYTICAL AND POLICY PERSPECTIVE (Leticia Merino and Ayari Pasquier)

1. INEQUALITY AND THE ENVIRONMENTAL, COMPLEX RELATIONS.

Inequality in the world has reached unprecedented levels[24], the discussion of inequality, absent for many decades in development discourses, has achieved increasing visibility, in 2015 it was included as one of the United Nations Sustainable Development Goals. Up to now increasing inequality and richness and income concertation have been a constant feature of the current capitalist globalized economy[25]. Already in 2007 the top richest 5% of the world´s population concentrated 83% of the global income[26], while the bottom 20% got only 1%[27]. After the 2008 economic crisis, global inequailty and inequality within counties worsened. Middle-income countries tend to be the most unequal. Even if inequality has slightly declined since 2008[28], at the current pace it will take 800 years for the one billion poorest people of the world to achieve 10% of the global income[29]. Middle-income countries tend to be more unequal, but the recent reduction of inequality during periods of high economic growth in Brazil, Malawi and Malaysia shows that the reduction of inequality largely depends on the political will to lower social gaps. Latin America - the region with the longest colonial history- is the most unequal region of the world, followed by Sub-Saharan Africa. The richest countries are -by and large- the most equal ones[30], and many of them -particularly in Western and Northern Europe- have achieved high environmental standards.

Together with a justice dimension, inequality is increasingly recognized as a "public bad" taking into account its pervasive negative impacts for diverse dimensions of social and public life, from economic growth, democracy and governance, to public health, violence and trust.[31] These challenges demand a wide recognition of the urgent need to place equity at the core of the development agenda, searching for policies that ensure that growth and development have equal outcomes for all. This perspective provides a framework for the analysis of the various implications of inequality; this work focuses on the impacts of for sustainability and environmental justice.

Economic inequality goes together with procedural inequality[32] resulting in unequal access to power and decision-making capacities. The richest groups tend to have a disproportionate access to power, imposing their interests, visions and values in international and national arenas[33]. Procedural inequalities permit global and local elites to maximize short term benefits by over-exploiting people, natural resources and ecosystems, transferring environmental and social externalities to local societies, especially when elites can distance themselves from environmental deterioration[34]. Many toxic waste dumps and other sites of high environmental risks in many countries are located close to poor neighborhoods or rural territories inhabited by ethnic minorities. Mining transnational corporations cause irreversible environmental damages in poor countries where extraction takes place. Growing inequality also poses serious risks to democratic governments[35], as it implies expulsions of great numbers

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[24] United Nations 2005, UNDP 2005, World Bank 2016, International Monetary Fund 2007, UNICEF 2007, UNU-WIDER 2008.
[25] Cornia 2003, Milanovic 2009, Picketty, 2013, Sassen 2014.
[26] Using market adjusted rates, where income in dollars is adjusted to the local purchasing power in each country.
[27] Ortiz and Cummins, 2012.
[28] Moving form 0.7 in 2008 to 0.65 in 2013(Berry & Serieux, 2006; World Bank, 2013).
[29] Ortiz, Cummins 2012.
[30] World Income Inequality Database (SWIID), Solt 2009.
[31] Wilkinson & Pickett, 2009, Berdegué et.al. 2017.
[32] Aksoy, Weesie 2009.
[33] Bowels & Foley, 2006.
[34] Martínez Allier, 2005; Boyce, Narain, Stanton, 2007, Berdagué, Bebbington 2017.
[35] Picketty, 2014.

of people from the access to basic goods and public services, in favor of transnational corporations and financial capital. The role of the states as stewards of the public good, and their legitimacy is importantly weakened[36] creating social unrest and eventually violence.

Inequality favors unsustainable consumption and production while more equity favors reduced consumption with a lower ecological footprint. It also lessens the need of the poor to engage in livelihoods with high environmental impacts[37]. Eight out of the 17 mega-diverse countries[38], which host more than the 70% of ecological diversity are some of the top 25 most unequal countries[39], and three of them are placed among the top most unequal 15.[40] *Our analysis aims to consider the impacts of inequality in the access to environmental goods and services, on environmental vulnerability and on the collective action required to protect eco-systemic goods and services*[41], The analysis of inequality is also relevant for the governance of the so called "global commons"[42] key for the world´ s sustainability, beyond the high environmental quality that some countries have achieved.

2. INEQUALITY AND ACCESS TO NATURAL RESOURCES AND ECOSYSTEMS.

Inequality is a central dimension for the analysis of natural resources management and use; rights and capacities of access and benefit from these resources largely reflect the patterns of social exclusion affecting the livelihoods of the most vulnerable within societies (Newell, 2006). The analysis of the impacts of inequity in the access to natural goods have followed following four general themes: (i) the importance of natural resources for different social groups, (ii) the impacts of inequality on natural resource management within local communities, (iii) the importance of macro-level inequality in the access and governance of natural resources, and (iv) the impact of micro- and macro-inequities in the governance and use of global commons.

(i) In spite of the reduction of the dependency of rural households on the use of natural goods during the last decades, their contribution remains relevant for rural livelihoods particularly for the poorest groups in the developing world, especially in contexts of scarcity and/or crisis[43]. This analysis has promoted a positive association between poverty alleviation and conservation programs[44].

(ii) Local decision-making processes enable or hinder environmental governance. The exclusion of the most vulnerable users from decision-making processes weakens institutions[45], undermining their

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[36] Sassen, 2014.

[37] More equal rich countries produce less waste per capita than equally rich countries with high inequity. More unequal rich countries have larger consumption of meat and water, excessive use of motor vehicles and larger green-house emissions than their more equal counterparts (Dauvergne, 2016).

[38]The term mega-diverse country refers to any one of a group of nations that harbor the majority of Earth's species and high numbers of endemic species. Conservation International identified 17 mega-diverse countries in 1998. Many of them are located in, or partially in, tropical or subtropical regions.

[39] These countries are: Colombia, Ecuador, South Africa, China, Malaysia, Peru, Papua New Guiney, Mexico. The United States, a mega-diverse country is also the 29th most unequal country in world terms.

[40] *OECD 2015 and CONABIO-Mexico.*

[41] Ecosystem services are the benefits that humans gain from the natural environment and functioning ecosystems. The In the early 2000 the Millennium Ecosystem Assessment popularized the concept, classifying ES into four broad categories: provisioning, such as the production of food and water; regulating, such as the control of climate and disease; supporting, such as nutrient cycles and crop pollination; and cultural, such as spiritual and recreational benefits. (Díaz, et. al. 2014; Millenium Ecosystems Assesment, 2005.)

[42] As the atmosphere, the Antarctica and the Arctic Ocean, the deep ocean, and genetic information of living species.

[43] Melnyk & Pretty, 1992; Byron & Arnold, 1999; Cavendish, 2000; Angelsen & Wunder, 2003; Kaimowitz, 2003; Vedeld et al., 2004; Sunderlin et al., 2005; Belcher & Schreckenberg, 2007, FAO, 2008; de Sherbinin et al., 2008; Shackleton, Shackleton y Shanley, 2011; World Bank, 2004; Scoones, Melnyk & Pretty, 1992; McSweeney, 2004; Baland & Francois, 2005.

[44] Shen et al., 2015, Merino 2015; Muench, Merino forthcoming.

[45] For natural resources management.

pertinence and legitimacy[46]. Unequal distribution of the benefits from natural systems diminishes social participation in governance and provision activities[47], exposing eco-systems to further deterioration, leading eventually to decreased local benefits [48]. Inequalities also promote impunity, weakening institutions for natural resource management that seek to limit abusive behaviors, and increasing monitoring costs[49]

(iii) There are increasing impacts of inequality among global and local actors for the management of local natural systems and access to resources. Vulnerability of local governance increases due to the influence of trans-national actors in local contexts.

Land-grabbing and privatization of natural assets has largely taken place in community and public lands used by indigenous and local communities. This is the case of open pit mining, land-grabbing related with large-scale production of cereals, bio-fuels and cattle, the increasing appropriation of the oceans by industrial fisheries[50], the privatization of coastal areas for elite touristic developments and the massive expulsion of local populations when protected areas are imposed on and lately devoted to elite tourism. Privatization of lands and natural resources has seriously harmed local governance and local livelihoods including the loss of food security and traditional knowledge[51]. In many cases national legal frameworks have been modified to facilitate their installation and functioning.

Inequality has deepened in many developing countries where structural reforms have taken place and political elite capture is rampant. Structural adjustment reforms have led to the dismantling of governmental institutions that supported small rural producers. In many developing countries with high corruption and elite capture, and agro-industries are enabled to make wasteful uses of water and energy and high use of agrochemicals, they also benefit from regressive subsidies, fiscal exemptions and soft credits and permits.

Global commons´ governance characterized by profound power asymmetries and mistrust poses tremendous challenges, often leading to continuous degradation. The benefits and costs of global commons are markedly unequal but also of the consequences of their degradation. These are the cases of unfair distribution of fishing quotas[52] and privatization of forests and genetic resources. In the arena of climate not only is the contribution to the emissions of greenhouse gases unequal between different world regions, but the costs of the mitigation agenda, tends to be imposed to countries in the global South rather than the North.

The understanding of the dynamics through which inequality affects environmental quality requires multi-causal frameworks, among the various themes and factors present in these relations. Complex relations relevant to underline are: the larger environmental vulnerability of the poor and the corrosive impacts of inequality in collective action required to maintain, restore and preserve environmental goods and services on different scales (Nazrum Islam, 2015). In this context the need for robust institutions and reduced inequality are key means to reduce environmental deterioration in poor and middle-income countries (Andersson & Agrawal, 2011; Boyce, 2007; Martin et al., 2014).

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[46] Agarwal, 2010.
[47] Provision activities are those needed for the protection and maintenance of natural systems.
[48] Janssen, et al., 2012.
[49] Visser y Burns, 2015, De Cremer & Van Dijk ,2009; Reuben & Riedl, 2013; Visser & Burns, 2015; Masclet, Noussair, Tucker & Villeval, 2003.
[50] Moenieba, Mafanisa, Raakjaer, 2015; Moenieba, 2006; Hauck & Kroese, 2006.
[51] Anseeuw & Boche, 2013; Claeys, 2013; Davis, D'Odorico, & Rulli, 2014; De Schutter, 2011; D'Odorico & Rulli, 2014; Robertson & Pinstrup-Andersen, 2010.
[52] Kampas, 2015.

Advance towards a more equal world is understood in the 2030 Agenda in a broad sense, including together with income distribution, critical issues such as: distribution of power, social inclusion, equality of opportunity, social protection, financial regulation and equal participation in international financial institutions as well as equality of conditions in international trade and development aid. The achievement of these goals will certainly strengthen the perspectives for a more sustainable world.

9 (TITLE) (Lindiwe Sibanda - FORTHCOMING)

10. DEVELOPMENT COOPERATION TO ENSURE THAT NONE BE LEFT BEHIND (Jose Antonio Alonso)

1. RESHAPING THE DEVELOPMENT COOPERATION SYSTEM

Given its ambition and comprehensiveness, the 2030 Agenda for Sustainable Development obliges the international community to move towards a radically new Financing for Development framework. The Addis Ababa Action Agenda, approved at the Third International Conference on Financing for Development, stated that achievement of the Agenda "will require an equally ambitious, comprehensive, holistic and transformative approach with respect to the means of implementation".[53]

In this holistic approach, development cooperation policy (a concept broader than and distinct from official development assistance, ODA) is expected to play a modest but significant role. Its contribution could be significant, particularly if resources and policies are to address the demand of those social sectors and countries most in need, to guarantee that "no one is left behind". But in order to do that, the development cooperation system will have to undergo a radical change, given the new levels of complexity and interdependency in the world.

The realm of "donors and recipients", unilateral transfers of concessional funds under conditionality, and vertical decision-making structures (all characteristic of ODA) seems to have come to an end. The emergence of new official providers from the South, the more active involvement of private actors in development activities, the advent of new instruments in fields heretofore insufficiently considered (such as environmental finance), and the shrinking weight of official funds for development financing are all factors in the tectonic process of change that system for development cooperation is currently undergoing. In the presence of emerging actors, new priorities, procedures, and narratives have won traction in development cooperation policy, challenging the traditional discourse and practices of ODA.

The aforementioned changes offer a valuable opportunity for building a more open, inclusive, and complex system of development cooperation that embraces all providers across more horizontal and cooperative relations, aligning resources and efforts around a set of shared goals. Thus, the first step in driving international support to serve the 2030 Agenda would be to "upsize and democratize" the development cooperation system; that is, to transform it into a system that belongs to all countries (providers, recipients, and dual countries), rather than an exclusive domain of developed countries. That is what the 17th Goal of the 2030 Agenda proclaims when it seeks to "revitalize the global partnership for sustainable development". It should be an inclusive system oriented to incentivize collective action in favor of sustainable developmental prospects.

If ODA was seen as a temporary support to countries trapped in poverty, development cooperation policy must be conceived as a permanent mechanism of global governance, able to address the distributive asymmetries and market failures that constrain development progress. Going beyond the important goal of fighting poverty, the purpose of development cooperation should develop along three main lines. Firstly, *guaranteeing minimum social standards* for all people, wherever they live: this would be a way to reduce poverty and vulnerability, promoting social justice and realizing human rights; secondly, *reducing international inequality*, encouraging the process of convergence in terms of living conditions across countries, which not only implies transfers of income between countries (such as ODA traditionally promotes), but also the promotion of an international framework (rules and incentives) that contributes to better distribution of development opportunities among countries; finally, *providing international public goods*, particularly those related to development achievements.

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[53] http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf (par. 11)

However, making this change a reality will further imply tensions and challenges for the current development cooperation system. As the number of involved agents and instruments increase, the process of international coordination will become more difficult, and the definition of common standards and rules for shaping individual actions more arduous. Additionally, severe trade-offs can emerge between the objectives of enlarging the development cooperation system and preserving the "quality" of resources transferred to developing countries and its focus on people and countries most in need.

2. IS ODA STILL NEEDED?

Even if the resources mobilized by ODA are limited, its impact need not be irrelevant. For many poorer countries, international aid will remain among the most significant and reliable sources of international financing, at least in the time frame addressed by Agenda 2030. This is particularly true for the case of the Least Developed Countries (LDCs) and other low-income countries (LICs) where such flows make up more than 70% of international financing received. Even in middle-income countries (MICs), aid may play a significant role, not so much for what it finances directly but because of the role it can play in incentivising change and mobilizing additional resources for development.

There are other qualitative factors that make international aid particularly useful: i) it is a highly concessional source, which could be appropriate for financing investments with limited returns; ii) it mobilizes not just financial resources but also technical capacities and experiences; and iii) it channels resources that are official in nature, which means that they can be oriented toward ends with higher social returns or on which universal access is required.

In spite of its potential significance, data confirm that ODA has been basically a stagnant flow, particularly if it is compared with other private resources (such as remittances). The amounts mobilized by other official funds have followed similar trend than ODA, while the resources provided by the new donors, even if more expansive, are still moving for most of South providers (with the exception of China) in modest magnitudes. Therefore, if development cooperation is to play a more active and significant role in supporting Agenda 2030, ODA will need to grow much more dynamically. In this vein, it is important that donors meet their commitments in terms of resources channelled as ODA (only six donors over 29 fulfilled the commitment of dedicating 0.7 % of their GNI to ODA in 2016).

Additionally, the distribution of ODA among countries show that: i) there is a high level of dispersion in donors´ behaviour, which reflect the lack of consolidated and shared criteria for allocating resources at international level; and ii) that the purpose of fighting poverty and vulnerability play limited role in these models of distribution. Both aspects should be corrected. Donors should revise their allocation models, setting out criteria based on the severity of the development problems that people suffer and on the country´s capacities for tackling them. In this vein, donors should fulfil the commitment of dedicating 0.15/0.20% of their GNI to ODA oriented to LDCs (only seven countries fulfilled this commitment in 2016).

SOME ALLOCATIVE DILEMMAS

As mentioned above, in the past two decades, the development cooperation system has been transformed by the presence of new actors, instruments, and fields of work. While the widening of development cooperation may be in keeping with the content of the SDGs, it remains unclear whether that process serves the principle of "leaving no one behind", the inspiration for the agenda.

In a context of severe restrictions on public expenditures, traditional donors seem to be particularly concerned with using official funds for engaging the private sector in development activities. Given the ambitious nature of the 2030 Agenda, it is clearly desirable to direct as many resources as possible to support of the SDGs, including those coming from the private sector. However, transforming ODA in a means for mobilizing private resources in development cooperation activities would be undesirable, due to the perverse distributive effect that might result. One of the main added values of official funds is that they can be oriented to investments with higher social returns, even if their private returns are low. If development cooperation is to maintain its redistributive purpose, this will require that marginalized and excluded sectors are placed at the highest level of priority.

The new geography of global poverty shows that an important segment of poor people is located now in middle-income countries (MICs). This fact underlines: i) that poverty is not an exclusive problem of the poorest countries; and ii) fighting national inequalities is a crucial component of any strategy for reducing poverty (not only in developing countries). The purpose of development cooperation is to attend to people´s vulnerabilities and poverty in developing countries wherever they live, but the process of resources allocation necessarily has to consider country´s capacities for tackling their own development shortages. As a consequence, even if preserving development cooperation with MICs is justified, LDCs, LICs and other countries in need should be the main recipients of international support. Additionally, if the principle of "leaving no one behind" is to be applied, donors should go beyond national averages, and use variables and indicators with information disaggregated by groups and regions. Moreover, development cooperation providers should work to ensure a better distribution of resources, in line with needs of groups and regions across the country.

11. INTERNATIONAL TAX COOPERATION AND SOVEREIGN DEBT CRISIS RESOLUTION: REFORMING GLOBAL GOVERNANCE TO ENSURE NO ONE IS LEFT BEHIND (Jose Antonio Alonso)

1. REFORMING GLOBAL ECONOMIC RULES AND GOVERNANCE

The principles that inspire the 2030 Agenda for Sustainable Development, "leaving no-one Behind", should be understood as an approach that requires the assessment of public policies in terms of their distributive effects, in order to ensure that they meet the needs of the most vulnerable social groups. That principle should not only be applied at the national level, where public policy is primarily defined, but also internationally, in order to guarantee that global regulatory frameworks and norms are in keeping with the aim of building more inclusive and sustainable societies.

However, shortcomings and inconsistencies in global rules are ubiquitous. Most of these rules have been developed in ways that are hardly compatible with a fair distribution of development opportunities among countries and people (CDP, Alonso and Ocampo, 2015). In order to address these shortcomings, major reforms to global rules are needed in very different areas. We focus here on two crucial issues that hinder states´ fiscal space in terms of their ability to raise enough tax resources, to manage macroeconomic stability and to fund those public policies demanded by their societies: that is the lack of international tax cooperation and the absence of a suitable mechanism for sovereign debt crisis resolution. Even if these two problems affect all countries, they are particularly harmful for the poorest countries.

2. INTERNATIONAL TAX COOPERATION

The greater mobility of taxpayers and of taxable income, more complex structures for organising transactions beyond borders (including within companies), more sophisticated payment methods and differences in regulatory frameworks and national institutions, in a context of limited international cooperation, affect the possibilities countries have of designing a tax system that is both sound and equitable. Having a tax system with those characteristics, however, is an essential element to ensure that poor countries can draw as fully as possible on their domestic resources, dispose of sufficient means for funding public policies with redistributive purposes, and reduce their dependency on international aid.

Building sound and fair national tax systems is also important for making the SDGs a reality. While MDGs emphasized the role of foreign aid, the 2030 Agenda has largely been subsumed by a focus on domestic taxation. But, in a context of liberalized markets and mobile capital, the lack of appropriate international coordination favours tax competition among countries, encourages aggressive tax avoidance strategies by multinational corporations and facilitates illicit flows. They are all factors that push down statutory income tax rates, erode national tax bases, alter countries´ taxation structures, and hamper the redistributive fiscal purposes of states (OECD, 1998). Although their effects are global, immobile factors, impoverished people and poor countries are affected the most by these shortcomings in international rules. Prudent estimates counted resources lost by developing countries due to tax avoidance and tax evasion in magnitudes that double that channelled through ODA.

The 2030 Development Agenda incorporates this purpose when, in sustainable development goal 17, it proclaims the need for improving "domestic capacity for tax and other revenu collection" and, in goal 16, underlines the purpose of "significantly reduce illicit financial (…) flows". On the other hand, the Addis Ababa Action Agenda (AAAA) dedicates seven paragraphs (from 23 to 29) to these aspects, insisting on the need for "scaling up international tax cooperation" and reaffirming that international tax cooperation "should be universal in approach and scope and should fully take into account the different needs and capacities of all countries".

Stopping international tax avoidance and abusive tax avoidance requires a cooperative response at the global level. Despite recent advances, international agreements in this field are far from what would be needed. Under the G20 and OECD leadership, the international community advanced mainly on setting more demanding standards of transparency and on combating tax avoidance practices by international companies (through the Base Erosion and Profit Shifting (BEPS) initiative).

In the field of *transparency*, the creation, by the OECD, of the Global Forum on Transparency and Exchange of Information has been crucial. The Global Forum is open to non-OECD countries that have signed the Agreement on Exchange of Information in Tax Matters, which included, in 2018, 147 countries and tax jurisdictions. The Global Forum monitors the implementation of standards on transparency and exchange of information through peer-review mechanisms, country reports and compliance rating. In the same line, the Convention on Mutual Administrative Assistance in Tax Matters, created by the OECD and the Council of Europe, was amended in 2010 and is now open to all countries. It now includes 116 tax jurisdictions. This is the most comprehensive international mechanism for tax cooperation in order to tackle tax evasion and avoidance. Under article 6 of the Convention, the Multilateral Competent Authority Agreement was created, defining a multilateral framework for facilitating automatic exchange of information in accordance with the Standards of Automatic Exchange of Financial Information in Tax Matters. It is worth mentioning that although this is a multilateral mechanism, the actual exchange of information occurs bilaterally, in a voluntary way and only between competent authorities which agree to the exchange. This limits the effectiveness of this mechanism.

The other important step in this area is related to the G20/OECD´s initiative on Tax Base Erosion and Profit Shifting (BEPS). This initiative pursues "to better align rights to tax with economic activities" (OECD 2013), by ensuring that corporations do not shift profits to low tax jurisdictions and that they pay taxes where the economic activity took place. Actions include the harmonization of domestic legislation to prevent hybrid mismatches (that may cause double non-taxation), additional safeguards in tax treaties to prevent profit shifting practices, and sounder transparency requirements through automatic information exchange. In 2015, 15 areas of action were defined related to various aspects of international fiscal cooperation, a process was begun to monitor progress made through annual reports, the first of which was presented in 2017[54], and *peer reviews* among those involved were scheduled. Among the main results of the BEPS is an agreement on standardized requirementa by country-by-country reporting (CBCR) of tax information on revenue, profits and assets of each entity in a multinational group. Currently the BEPS initiative is supported by 96 countries. Nevertheless, the backing of the initiative is not unanimous and some developing countries have reservations about whether the agreements are suited to their interests or conditions. In addition, the BEPS agenda, while extensive, does not address important issues and is based on voluntary action. More robust monitoring, dispute settlement and enforcement mechanisms seem needed in this area.

Effectiveness would also require an inclusive and representative global fiscal authority. Unfortunately, such an organisation does not exist. During the development of the Addis Ababa Action Agenda, an option was considered which would have enabled the United Nations to lead efforts in international fiscal cooperation, transforming its Committee of Experts on International Cooperation in Tax Matters into a specialized body. Both the United States and various European countries opposed that possibility, preferring to maintain the leadership of the OECD in this field.

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[54] http://www.oecd.org/tax/beps/inclusive-framework-on-BEPS-progress-report-july-2016-june-2017.pdf

3. RESOLVING SOVEREIGN DEBT CRISES

Developing countries frequently go through periods of intense capital inflows and external debt accumulation. Even though many national factors may activate these processes (i.e., macroeconomic imbalances, temporary upsurges in investment opportunities or simply speculative bubbles), conditions in international capital markets, generally associated with periods of excess of liquidity, are crucial for encouraging the dynamic of debt accumulation. When international conditions change, countries may fall in a situation of debt overhang, making it difficult for them to honour international financial liabilities. After sovereign debt default, any new international financial support or agreement on debt restructuring is subject to the acceptance by the affected countries of the policy conditions that lenders agree to in an informal and exclusive organization (the Paris Club). As a result, indebted countries lose the autonomy to define policies, and lenders´ conditions are imposed with limited respect to national sovereignty and democratic demands of the indebted country, which frequently implies high social and human rights costs (Bohoslavsky and Raffer, 2017). This procedure of sovereign debt resolution is not only unfair, generating an unequal distribution of costs to the detriment of the debtors and poor social sectors, but it is also inefficient, as negotiation processes tend to be long and open to discriminatory treatments among lenders.

The search for an alternative procedure of sovereign debt crisis resolution was a matter subject of extensive debate in the mid-1990s, after the difficulties associated with tackling the debt crisis of the previous decade; it was again discussed in the early 2000s, at the initiative of the IMF; and, finally, it returned to international debate as a result of the most recent crisis at the end of the last decade. The required support to produce a satisfactory solution was not, however, achieved on any of these occasions. It wasn't achieved despite sovereign debt crises being a repeated phenomenon in the international economy and the fact that restructuring mechanisms, if well designed, could benefit both creditors (who would recover part of their assets in the event of a *default)* and debtors (who would see their debt costs scaled down and find renewed country support).

The 2030 Agenda tackles this problem in a rather vague language. One of the targets of sustainable development goal 17 refers to the need for "coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate". The Addis Ababa Action Agenda dedicates a section (paragraphs 93 to 102) to external debt issues. The declaration reiterates that "debtors and creditors must work together to prevent and resolve unsustainable debt situations", and reaffirms "the importance of debt restructuring being timely, orderly, effective, fair, and negotiated in good faith". It even acknowledges the improvements in enhancing the processes for cooperative restructuring of sovereign obligations" through collective action clauses, and underlines that "there is scope for improvements the arrangements for coordination between public and private sectors and between debtors and creditors" in order to minimize problems of moral hazards, facilitate fair burden-sharing and a timely, orderly and efficient restructuring.

There would seem to be three preferable alternatives to improve the cooperative responses to a debt crisis (Ocampo, 2015; Schenider, 2014). The first is the use of the contractual and decentralised formula of the collective action clauses (CAC), which means generalising collective action clauses in bond contracts. If that is the formula chosen, it is essential to find alternatives for the transition towards a more generalized use of the CAC.

The second option would be to use a statutory type of regime, based on the creation of a debt court or of some kind of agreed arbitration formula. This would be a way to guarantee that the interest of both, creditors and debtors, as well as the protection of the citizens' rights are taken into account in a balanced manner. An initial proposal in this line was suggested by Raffer (1990), based on the provisions of the

Chapter 9 of the US Bankruptcy Code[55]; under a different approach by the Stiglitz Commission in its report, *Reforming the international monetary and financial system in the wake of the global crisis*; and by Gianviti et al., (2010) for the Eurozone (the European Mechanism for Sovereign Debt Crisis Resolution, ECRM).

Lastly, the third alternative combines the two previous options, seeking a combination of voluntary action and judicial response, in the same way that the WTO operates in the field of commercial disputes (Ocampo, 2015). The proposal would entail the existence of the option, within a set time limit, for an agreement to be reached through a process of voluntary negotiation; and, once the deadline has run out, the response to the excess-debt crisis would be with the arbiter. Although the most reasonable location for the arbitration court would be the United Nations, it might be pragmatic to base it within the IMF through an amendment to its foundational letter.

4.FINAL CONSIDERATIONS

If the principle of "leaving no one behind" is to be made effective, it is not enough that national policies take into account the needs of the most impoverished, marginalised and vulnerable sectors of society: it is also necessary for global rules to promote a fair distribution of development opportunities at the international level in order to ensure that countries have the capacities and resources required for implementing of the necessary policies. This last purpose would require, at least:

- firstly, that countries have the ability to build sound, efficient and fair tax systems, in order to collect the resources required for managing the economy and to properly fund their public policies;
- second, that countries have the capacity to define and implement their own policies in accordance with social preferences and the priorities of their citizens; and,
- finally, that an international mechanism of income redistribution exists, in order to correct asymmetries between countries, assure minimum standards of social protection universally and provide global public goods.

The two first conditions try to guarantee the principles of economic allegiance and fiscal self-determination of countries, which are basic components of any approach to global justice. But in a world of deep inequalities that is not enough, because fiscal capacities are highly correlated with countries´ income levels. Therefore, it is necessary to implement a mechanisms of redistribution at the international level (the third requirement). Development cooperation should be part of these mechanisms, even if it would be more efficient and effective to have more binding and centralized procedures of international redistribution.

The insufficiency of tax cooperation at the international level harms the two first requirements, because it limits countries´ capacity for raising tax resources and for funding public policies. In the last five years the international community has improved significantly in some of these areas, but the situation is far from satisfactory. The first two criteria are also harmed by the absence of a mechanism for an orderly, timely and fair procedure for sovereign debt crisis resolution, because this obliges debtor countries to follow procedures clearly controlled by creditors, of limited efficiency and highly asymmetric in the distribution of costs among the parties involved. In spite of some attempts, the international community has been unable to build an appropriate alternative to this problem. However, to give appropriate responses to these two international problems would have benefits, in terms of efficiency and welfare,

[55] This is one of the few formal mechanisms to deal with sovereign debtors, in this case oriented to municipalities.

at the global level, and would establish fundamental conditions for countries to fully take advantage of their resources for funding policies that do not leave (or push) anyone behind.