The SDGS at a turning point: Ensuring progress amid recurrent crises
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Crisis of inequality
The SDG agenda is undermined by the crises of climate, pandemic and the war. These crisis come on top of an increasingly unequal world.
In addion to these 3 crises, there is also a crisis: *the crisis of inequality*.

1. **Crisis of Inequality: Interaction between inequality and other crises**
   DESA brief emphasizes between country inequality which increased since 2020. There are other kinds of inequality as well:
   - Non income inequalities - WIR 2022 - finds that the Covid-19 pandemic has exacerbated several forms of health, social, gender and racial inequality within countries;
   - Inequality is a problem of the elites not just the vulnerable and marginalized - WIR 2022 – gap between the extreme rich and the extreme poor widened: billionaire income increased between 2019-21: top 0.001% income grew by 14%.
     Elites have political and economic power. Elite capture of the policy process is a source of inequalities creating more inequalities.
     Note massive increase in corporate profits, e.g. for doubling of profits for Pfizer 2021-2022.

   - WIR 2022 – using WB data – higher rates of income loss in low and middle income countries than in high income countries – linked to informality in labor market, farm vs. non-farm family business dichotomy.

   Policy responses to crises have unequal effects:
   - rising interest rates, a HIC policy response, raises global interest rates and put pressure on debt payments for the LICs: **impending debt crisis.**

2. **Structural drivers of inequality: institutions imbued with power asymmetries and norms. Example of global value chains – analysis of gendered impact of pandemic on workers in electronics, garments and business processing (see article in International Labour Review Journal)**
   - Global value chains – power asymmetries: lead firms, monopsonistic brands, outsourcing to small manufacturing firms.
   - Business model of low margins for low wage, low skill workers, exploitative labor conditions by manufacturing firms. Power asymmetry between worker and employer/manufacturer.
   - Across industries (different types of supply and demand disruption, different levels of worker skills) – the risks and costs were absorbed by the workers:

orders cancelled and not paid for by brands – wage theft, sexual harassment, absence of health precautions etc.
- o Impact is not just on wages but has far reaching consequences: Gender impact leading to the women dropping out of labor force.
- o Pandemic exposed the persistent vulnerability of low-wage workers, raising questions about the viability of the GVC model as a pathway to sustainable development and decent job creation.

3. **Need for a more radical strategy to implement the SDGs: The potential of the SDGs as a transformative agenda cannot be realized without a radical change in the structural arrangements of GVCs, industries, global economy. This needs to confront the power structures that resist change.**
    - o Multiple initiatives to implement the SDGs do not add up to the promise of the SDGs. SDGs are a transformative agenda, a game changer, intended to address key structural conditions that lead to environmental destruction and increasing inequality and poverty. See 2019 Global Sustainable Development Report that concludes some goals going in reverse, and dragging down all others.
      See CDP background paper, forthcoming.
    - o CDP analysis of VNRs show little signs of national agendas addressing structural obstacles to a transformative change. Some examples:
        - ▪ Social protection as a primary policy response to unequal impact of pandemic;
        - ▪ Failure to conclude a meaningful agreement on TRIPS waiver supported by most developing countries but opposed by the EU;
        - ▪ LNOB agenda focusing mostly on gender and age but not on more historically deep rooted identities like race and ethnicity;
        - ▪ Gender inequality agenda rarely mentions unequal wages.