The post-2015 global development agenda: reducing inequality, promoting local development.

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Head of Policy - United Nations Capital Development Fund

Bonn, November, 2013
Being 9-years-old in a ‘top-performing’ country
Post-2015 agenda and inequality

- MDGs (Millennium Development Goals) are ‘expiring’
- Consultations on what should replace them are on-going
  - Global, country-level, High-Level Panel, Secretary General > GA 2013
- Inequality emerging as a key topic.
Should and could the post-2015 development goals address inequality?
MDGs: how are we doing?

Figure 1: Progress on the proportion of the population living on less than $1.25 (PPP) a day (various years)

Source: UN MDG database, ReSAKSS.
The world is on track on many MDGs
How is progress shared?
Beyond aggregate figures...

**Income disparities**: Global Gini coefficient
Beyond aggregate figures...

Income disparities and **access to education**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of most recent survey</th>
<th>Quintile 1 (%)</th>
<th>Quintile 2 (%)</th>
<th>Quintile 3 (%)</th>
<th>Quintile 4 (%)</th>
<th>Quintile 5 (%)</th>
<th>Equity indicator (%)</th>
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<tr>
<td>Guinea</td>
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<td>45</td>
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<td>Mozambique</td>
<td>2003</td>
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<td>91</td>
<td>88</td>
<td>71</td>
<td>34</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>18.8</td>
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<tr>
<td>Mali</td>
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<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>34.1</td>
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<tr>
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<td>2004</td>
<td>29</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Kazakhstan</td>
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<td>0</td>
<td>1</td>
<td>0</td>
<td>25.0</td>
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<tr>
<td>Nicaragua</td>
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<td>12</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>32.6</td>
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<tr>
<td>Tajikistan</td>
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<td>83</td>
<td>64</td>
<td>51</td>
<td>29</td>
<td>11.5</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2005</td>
<td>25</td>
<td>13</td>
<td>12</td>
<td>13</td>
<td>11</td>
<td>9.5</td>
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<tr>
<td>Belize</td>
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<td>51</td>
<td>37</td>
<td>24</td>
<td>9</td>
<td>4</td>
<td>24.4</td>
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</table>
Territorial disparities: rural-urban gap

Figure 3. Children in rural areas are twice as likely to be undernourished as children in urban areas.

Ratio between the proportion of children who are undernourished in rural areas and urban areas, 1:

- Southern Asia: 1.3, 1.4
- South-Eastern Asia: 1.2, 1.2
- Sub-Saharan Africa: 1.5, 1.4
- Northern Africa: 1.7, 1.5
- Latin America & the Caribbean: 2.0, 2.4
- Western Asia: 2.1, 2.5
- Eastern Asia: 2.1
- Developing regions: 1.7, 1.9

Rural children disadvantaged

Figure 4. Only one in three rural women in developing regions receives the recommended care during pregnancy.

Proportion of women attended four or more times during pregnancy by area of residence, 2003/2008 (Percentage):

- Northern Africa: Rural 49, Urban 70
- Sub-Saharan Africa: Rural 37, Urban 63
- Latin America & the Caribbean: Rural 63, Urban 84
- Southern Asia: Rural 25, Urban 58
- South-Eastern Asia: Rural 68, Urban 84
- Developing regions: Rural 34, Urban 67

Inequalities in urban and rural sanitation remain daunting.

Proportion of women using an improved sanitation in urban and rural areas, 2008 (Percentage):

- Rural areas: 45, 57
- Urban areas: 81, 53
- Rural areas: 60, 55
- Urban areas: 86, 55
Gender disparities...
Uneven progress, disparities persist/widen

✓ between the rich and the poor
✓ between leading and lagging regions
✓ between men and women

...not only in developing countries.
Income inequality up in most OECD countries...

Gini coefficients of income inequality, mid-1990s and late 2008/10
...and associated with lower intergenerational mobility

The ‘Great Gatsby’ Curve: equality of opportunity?

Source: Corak (2011), OECD, CEA estimates
Could the post-2015 development framework address inequality?
Post-2105 development goals: options

(1) Stand-alone ‘iGoal’

(2) Mainstreaming inequality *across* goals

(3) Inclusive growth as a ‘guiding principle’

> whatever option, *local* level will be key
## Localizing the MDGs: a new development paradigm

<table>
<thead>
<tr>
<th></th>
<th>CURRENT</th>
<th>POST-2015</th>
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</thead>
<tbody>
<tr>
<td><strong>Objective re. inequality</strong></td>
<td>unclear</td>
<td>Inclusive growth</td>
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<tr>
<td><strong>Approach</strong></td>
<td>- top down, sectoral</td>
<td>- bottom-up, integrated policies</td>
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<tr>
<td></td>
<td>- spatially/income/gender-blind</td>
<td>- focus on people and places</td>
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<tr>
<td></td>
<td></td>
<td>- focus on outcomes (not inputs)</td>
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<td><strong>Financing</strong></td>
<td>piecemeal subsidies,</td>
<td>- targeted services, public goods</td>
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<tr>
<td></td>
<td>equalization</td>
<td>- redistributive fiscal policy</td>
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<tr>
<td></td>
<td></td>
<td>- social protection</td>
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<tr>
<td></td>
<td></td>
<td>- decentralization and local dev.</td>
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<tr>
<td><strong>Actors</strong></td>
<td>central government</td>
<td>- Local / multi-level arrangements</td>
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<tr>
<td></td>
<td></td>
<td>- PPPs, financial institutions</td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td>developing countries</td>
<td>global</td>
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</tbody>
</table>
Summing up

(1) Inequality **should** be addressed by the post-2015 goals
   ➢ For ethical, economic, and political reasons

(2) Inclusive growth **could** be fostered by the post-2015 goals:
   ➢ but there are significant technical and political challenges

Post-2015 =

a (rather obsolete) list of sectoral goals
**or**
a global framework for local (inclusive) growth
Thank you!

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Bonn, November 2013