



Do we really need a Sustainable Development Goal on inequality?

Bernd Steinmann, March 2013

The global debate on what should come after 2015 and the [UN Millennium Development Goals](#) (MDGs) continues to absorb considerable brainpower. Meanwhile, the UN has closed most of the eleven online consultations on selected themes related to global development (1). Some critics bemoan that the selection of topics from growth and employment to population dynamics, governance and energy – has been arbitrary and non-coherent. Yet the consultations have produced considerable food for thought, and have helped to shed light on some of the most obvious blind spots of the MDGs – such as inequality.

The MDGs have repeatedly been criticised for their strong focus on income poverty and their reliance on national averages for measuring progress. In fact, in many countries where official reports have referred to an increased GDP per capita to prove a change for the better, disparities between the rich and the poor have worsened. Unfortunately, inequality measures such as the Gini index have never made it on the list of MDG indicators.

This may change soon. As inequalities are on the rise both between and within different countries, many policy makers have realised that peace and stability can be put at risk by excessive inequalities, and that this challenge goes beyond the fight against absolute poverty. Today, even previously rather stubborn multilateral institutions such as the World Bank and the IMF have put inequality on their agenda and have come to understand that its reduction should be at the core of any new development framework (2). However, the question remains which type of inequality needs to be addressed in the first instance, what would be the most effective way to do so, and how exactly this would help to reduce poverty.

Some of these issues have recently been discussed at a [two-day conference in Copenhagen](#) in February 2013, held to assess the outcome of the thematic consultation on inequality (3). Here are some of the main insights of this conference:

1. Equality features prominently in the [Universal Declaration of Human Rights](#) (UDHR) as well as in the Millennium Declaration. Unfortunately, the MDGs do not reflect the holistic approach of these important and widely acknowledged documents, but instead focus on absolute poverty.
2. Inequality is a global challenge, harming not only the poor but also the rich. It slows down overall economic growth, curtails prosperity, fosters fragility and vulnerability of whole societies and nation states and may even lead to violent conflict.
3. Current politics target symptoms of inequality rather than its structural causes. Future interventions must therefore be more holistic and coherent at all levels, and must address the economic, social, environmental and political domains.
4. Any future development framework must recognise that every human being has rights, and must incorporate the internationally accepted human rights principles. (Reading between the lines, it seems however that the conference reached no full consensus on whether future development goals should explicitly build on the UDHR or just refer to it.)
5. Future development goals that take human rights seriously must be 'zero goals', i.e. must not settle for halving poverty, but instead seek to eradicate it completely.

Consequently, the Copenhagen conference proposes a self-standing goal on inequality which is not limited to economic inequality but also entails gender inequality and other forms of discrimination. In addition, inequality should be a leading perspective throughout the post-2015 framework, i.e. for any other Sustainable Development Goal (SDG).

Not everyone shares this opinion. Charles Gore, former head of research on Africa and Least Developed Countries (LDCs) at [UNCTAD](#), acknowledges that equality was an important global public good, but that it was primarily income inequality

which the international community should focus on (4). Gore argues that focusing on domestic income inequality in LDCs does not suffice anymore. Instead, it was up to developed countries and multilateral institutions to change the rules of the game and allow for more global income equality. Only this would force those in power *“to promote not simply dignity, but also equality and equity at the global level.”* Otherwise, the well-intentioned SDGs would soon be overrun again by multi- and bilateral trade agreements.

Other observers such as Göttingen economist Stephan Klasen (5) ask what exactly a global equality goal should aim at. In view of the above formulated demand that any new goals should be 'zero goals', he wonders what the optimal level of inequality would be. *“While we can easily agree that the optimal level of poverty and child or maternal mortality is 0, it is unclear that the optimal Gini coefficient is 0.”*

In fact, one may ask whether it would not be more effective to advocate for an explicit link between the SDGs and the UDHR. This would not only allow a holistic approach to human development and wellbeing, but also ensure that inequality would be addressed in all its dimensions and for everyone. Finally, it would perhaps allow for a more integrated and coherent framework than the laborious bricolage of self-standing goals and transversal criteria that looms on the horizon these days.

References

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