

ETUC Workshop for a stronger Social Europe: Assessing the EPSR's

What Can we learn from the 2021 SDG's Voluntary National Review (VNR) reports ?

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**United
Nations**

Committee for
Development
Policy



Context

"We can't lose more ground. It's time to rescue the SDGs [Sustainable Development Goals] and give sustainable development a fighting chance. For people. For planet. For our common future."

- António Guterres in statement to Group of Friends Event
on 2030 Agenda, May 2022

"With the climate crisis, unequal distribution of vaccines, increase in income inequality, food and energy crises and continued denial of basic human rights, it is clear that the whole agenda is at risk if an urgent change in course is not made."

- CDP Background Paper No. 54



Key Messages

Annual CDP reviews of VNRs - 2017-2022: What do they (not) reveal?

- Content analysis of all reports presented at HLPF.
- How do they report on transformative ambition of Agenda 2030: leave no one behind, partnerships, inequality, gender equality, environment, pandemic preparedness
- Goals and targets: favourites and orphans.

Recommendations:

- Promote more substantive, reflective analysis for learning lessons.
- Process: space to consider diverse perspectives and grapple with trade offs.
- MS should link findings from earlier reviews to show how these have accelerated implementation.
- Civil society: space for shadow reports

Findings

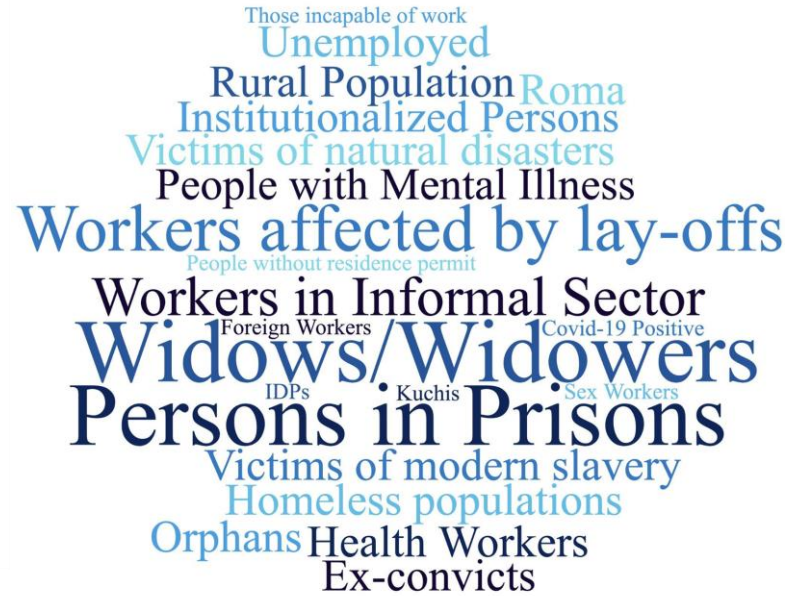
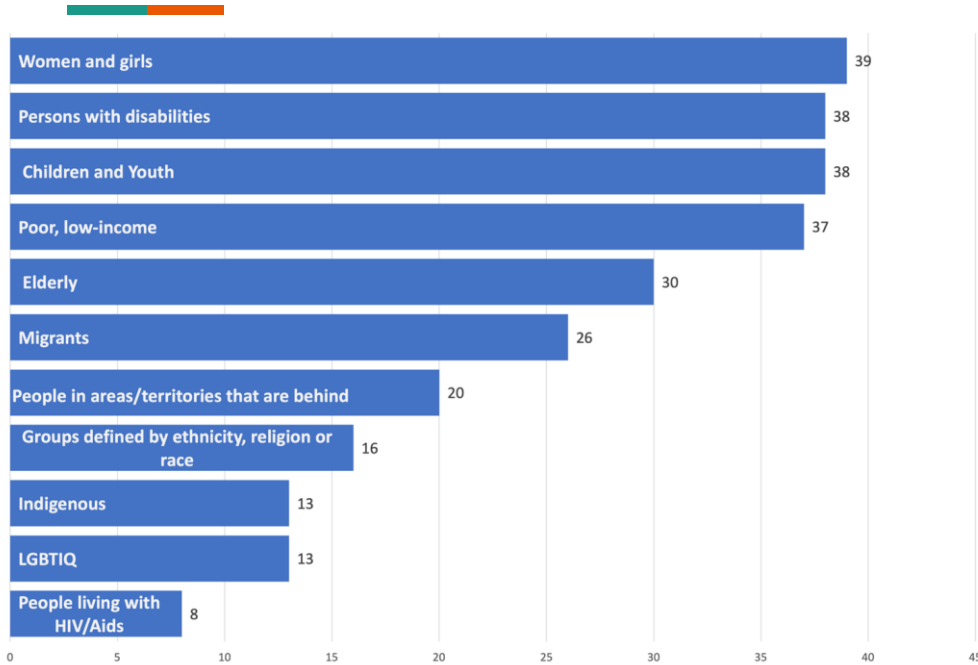
- Reports are largely descriptive and lack substantive assessments
- Increasing attention given to income inequality but underreporting remains in regards to targets in SDG 10.
- Most do not reflect strategies for structural transformation of productive capacities of economies
- Increased attention given to climate action, but attention to individual targets are modest.
- A lower share than previous years have a dedicated section on gender equality and the reporting is superficial in most VNRs.
- Leave no one behind: improvement over the years but still used rhetorically or with target driven rather than transformative strategies.



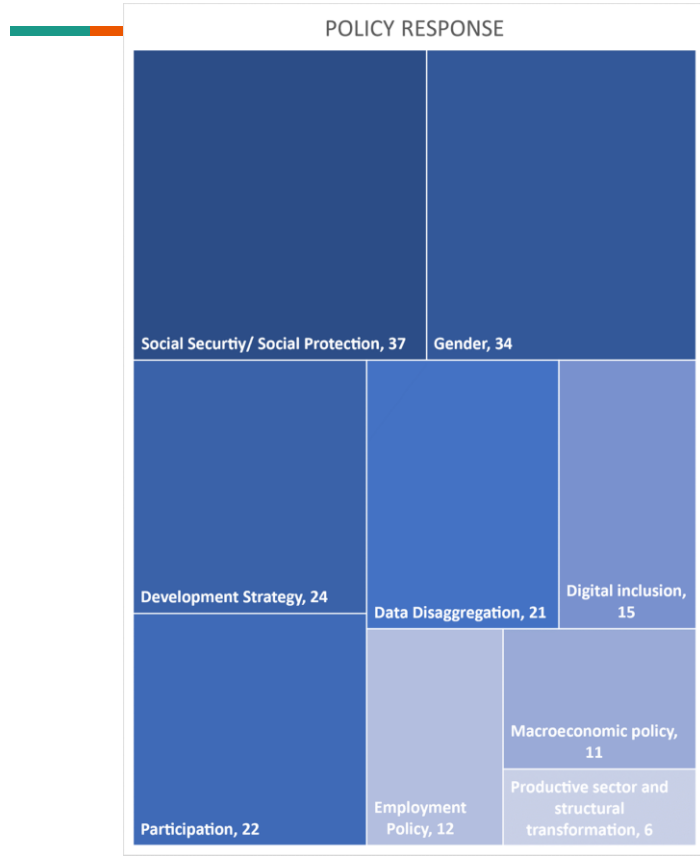
LEAVE NOBODY BEHIND

SAKIKO FUKUDA PARR

VICE CHAIR CDP
Professor **INTERNATIONAL AFFAIRS,**
NEW SCHOOL, NEW YORK



What?



What's missing?

- Systemic causes of exclusion
- Reaching the furthest behind first
- Pushing no one behind
- Digital inclusion as a way of leaving no one behind
- Acknowledging and acting on the link between production structure and exclusion



Reducing inequality should be our top priority during the COVID-19 pandemic—but it isn't

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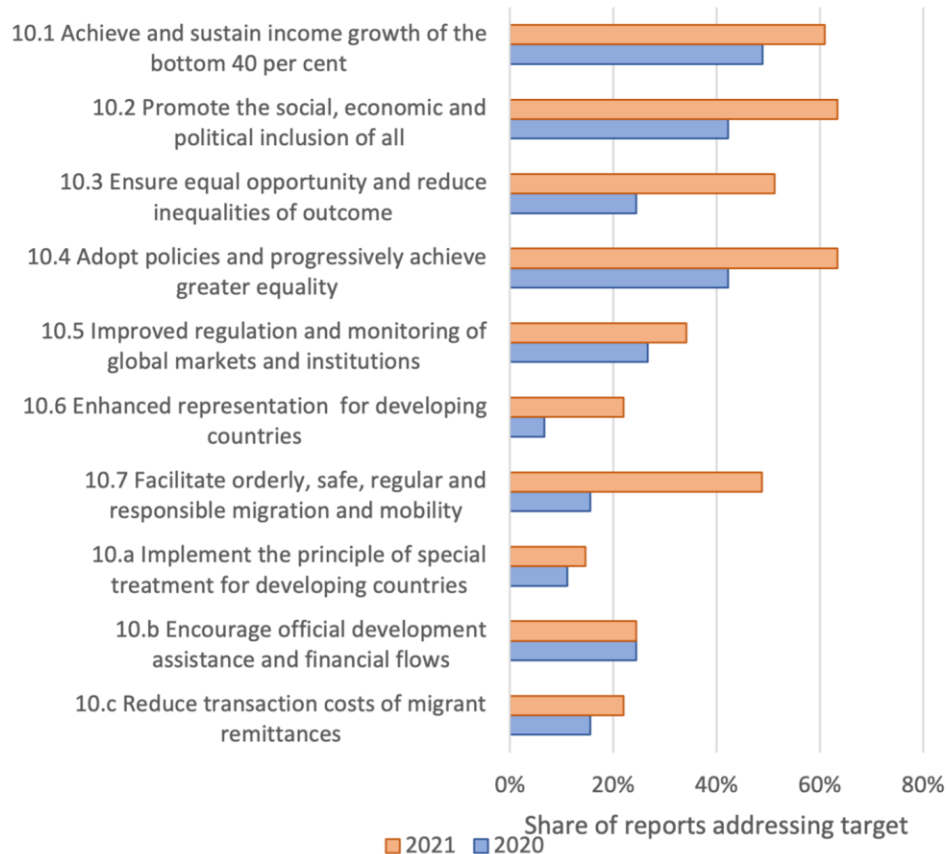
Pandemic of inequality

- Covid-19 deaths and illness - Social determinants of health and disproportionate incidence among marginalized groups.
- Socio-economic consequences of lockdown - income, access to services, unpaid care work.....
- Global recession - LDCs hard hit, lack of resources for fiscal stimulus/social protection
- Most VNRs focussed on economic effects, and public health responses, less on inequality and socio-economic issues.

Insufficient reporting

- *Reporting on the specific targets of SDG 10 remains grossly insufficient.*
- Only 5 of the 2021 VNRs report on all 11 targets, another 6 on 8-10 targets.
- The share of VNR's reporting on target 10.1 in 2021 was similar to the reporting in 2020, while the share reporting on domestic (10.4 and 10.5) and international targets (targets 10.5, 10.a and 10.b) increased slightly.

Underlying causes of inequality in most cases not reported on.



This continued *deficit on specific targets of SDG 10* and the frequent absence of relevant policy discussions is *especially deplorable in the context of the COVID19 pandemic*,

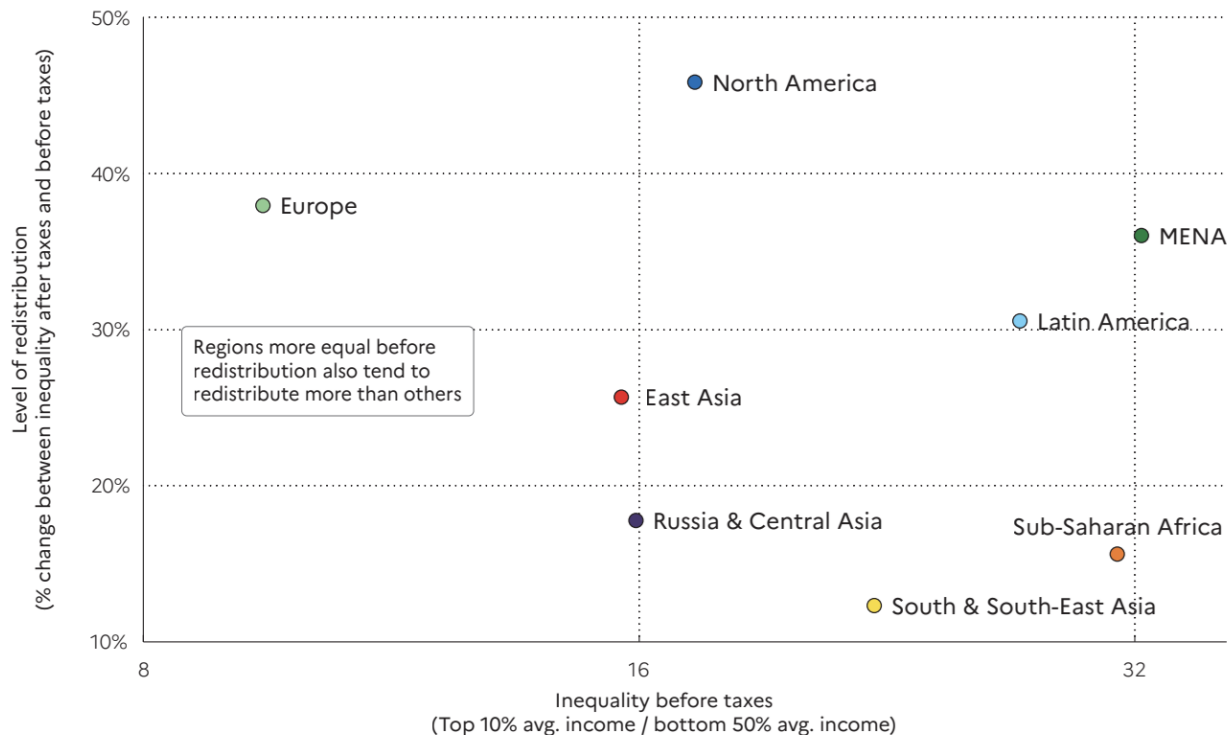
The pandemic is likely to reverse progress made in reducing income inequality since the financial crisis.

It is estimated that *the average Gini ratio in emerging and developing countries increased by 6 per cent since the beginning of the COVID19 pandemic*.

Increased Income Inequality	Income inequality unchanged	Decreased Income Inequality	Unclear income inequality trend	Total VNRs	Clear policy proposals to reduce income inequality	Unclear policy proposals to reduce income inequality
17	10	6	8	41	17	24

Inequality differences after taxes and transfers are mainly driven by inequality differences before taxes and transfers. Pre-tax inequality explains most of the variations in post-tax inequality levels. In other words, *redistribution matters to reduce inequality but does not significantly change country rankings*. Hence important to tackle root causes of inequality

Figure 1.9b Inequality before and after taxes, 2018-2021: Top 10/Bottom 50 income gap



Source: World Inequality Report 2022



VNRs of

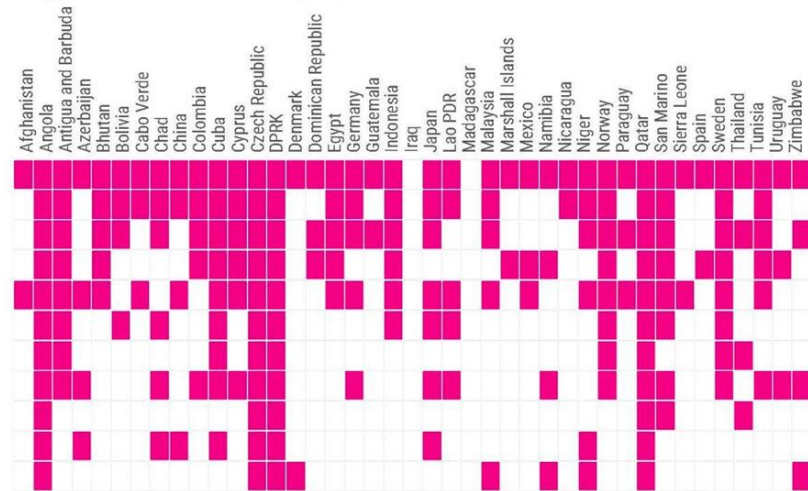
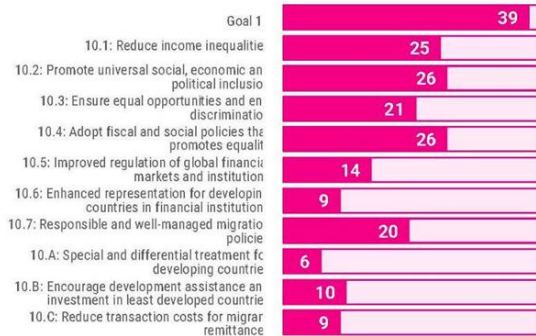


Is SDG 10 adequately covered in the VNRs?



Overview of references to SDG 10 and its targets or indicators by number

Attention to SDG 10 increased slightly, but insufficient reporting on relevant policies to reduce income inequality in the context of COVID-19 pandemic and its aftermath



Minimum Income and Income Inequality In Europe

- Lower and less educated workers mostly affected
- Companies that survive the pandemic (most!) did profit from accommodating monetary and fiscal policies
- Wage share in National Income has decreased
- Many economists (e.g. the President of the Central Bank as well as the Director of Central Planning Bureau in the Netherlands) are putting forward sound reasons to increase wages
- The shortage of (manual) labour in many branches calls for an increase in minimum wages
- The German example has shown, when there is political will, it can be done!

PRINCIPLE 14 Minimum income

Actions aimed at setting a minimum floor of rights in the EU, a level playing field in the Single Market	Actions aimed at establishing upward convergence in living and working conditions
<p>1. Investigate characteristics and performance of national systems in order to define the characteristics of a European Framework Directive on an adequate minimum income to combat poverty and social exclusion embedded within a broader EU; national policy response to active inclusion, social cohesion and equality.</p> <p>2. An instrument to define and design the functions of a minimum income. This includes defining a basket of goods that should serve as a parameter for setting living income levels in order to complement or replace other sources of income or ensure a subsistence income.</p>	<p>1. In connection with SDG 1 and, as part of the European Semester, Anti-Poverty Action Plan as in Principle 11.</p> <p>2. Elaborate a Social Dialogue framework for social partners and governments to assess coverage, adequacy and effectiveness of Minimum Income Schemes in combination with social benefit (in cash and kind) and activation policies; focus on conditionality.</p>