



Save the Children's Submission to the Fifth Session of the General Assembly Open Working Group on Sustainable Development Goals: 25-27 November 2013

SUMMARY

Save the Children promotes a holistic post-2015 development agenda that has poverty eradication at its core and is guided by universal, equitable and human rights-based approaches to sustainable development. This briefing provides an overview of Save the Children's proposals for standalone goals in three critical, interconnected areas that we consider are relevant to the themes of sustained and inclusive economic growth, infrastructure development and industrialization.

1. Poverty eradication through inclusive growth;
2. Environmental sustainability; and
3. Sustainable energy for all.

These recommendations are based on the 10-goal framework proposed in our *Ending Poverty In Our Generation* report.

SUSTAINED AND INCLUSIVE GROWTH

Economic growth can be a powerful vehicle for tackling poverty, helping to expand livelihood opportunities and generate resources for investment in health, education, infrastructure, and other public goods and services. A number of low and middle-income countries have achieved remarkable rates of economic growth in recent years, helping to lift millions out of poverty.

However, economic growth does not automatically translate into poverty reduction. It is the nature of growth and the distribution of its benefits across society that matters, rather than growth rates alone. In many countries around the world, poor and marginalized people are being excluded from contributing to, and sharing in, economic growth.

In many cases, economic growth has come at a great environmental cost, resulting in irreversible environmental changes including climate change, biodiversity loss and resource depletion. This damage has undermined prospects for long-term economic growth, poverty reduction, and human wellbeing.

The unprecedented rates of poverty reduction witnessed over the past two decades suggest that an end to multiple forms of extreme poverty is within our reach. However, to eradicate extreme poverty for good, it is imperative that both advanced and developing economies shift their growth pathways onto more inclusive and environmentally sustainable tracks.

The post-2015 development framework should contain goals and targets to encourage economic growth that is socially, economically and environmentally inclusive and sustainable. Furthermore all targets and indicators underpinning any proposed goals should track progress across all social and economic groups, including by age, gender, disability, ethno-religious group, region and income. No target or goal should be considered achieved until it is reached in all social and economic groups.

1. Poverty eradication through inclusive growth

While economic growth has helped to lift millions of people out of poverty over the MDG period, too often the benefits of growth have not been shared equally in society. For example, Nigeria's per capita GDP has grown by over 50% since 2000, but this has been accompanied by an 8% rise in the number of people living in extreme

income poverty and an average rise in the Gini coefficient measure of inequality of 0.6% a year¹. Other fast growing economies have also seen substantial rises in inequality over the past two decades, including an average increase of 1.7% a year in India, 1.3% in Ghana and 1.4% in Indonesia. The same trend is playing out in advanced economies, with the United Kingdom recording an average annual increase in inequality of 0.8%, and Canada of 0.4%².

Proposed goal to eradicate extreme poverty:

Goal	Targets
Eradicate extreme poverty and reduce relative poverty through inclusive growth and decent work.	1. Eradicate extreme poverty
	2. Pursue growth that is inclusive and sustainable, and that provides opportunities for all (with targets or indicators to measure reductions in the gap between the incomes of the top 10% and bottom 40% and targets to raise tax revenue for investment in poor communities through domestic resource mobilisation – see <i>Ending Poverty</i> report for more detail)
	3. Provide decent work for all
	4. Establish a global social protection floor

The impact of inequality

High levels of economic inequality reduce the impact of growth on poverty reduction, undermine the long-term sustainability of growth, reduce social cohesion and, in some cases, contribute to conflict. Economic inequality is both a driver and an outcome of inequities in opportunities for children, with poorer households less able to access quality education, healthcare and livelihoods, and more likely to be vulnerable to environmental disasters. Such inequalities result in significant differences in education and health outcomes between children of poor and wealthy households – a situation that is not only unjust and violates basic human rights, but one that is also economically inefficient, undermining the skills and health of the future workforce.

There is nothing inevitable about greater economic growth resulting in greater economic inequality. Since 2000, Brazil's GDP per capita growth of 30% has been accompanied by a 48% decrease in the number of people living in absolute poverty, an average annual decrease in inequality of 0.2% a year³. The diverse experience of different countries suggests there is a strong role for economic and social policy to play to ensure that economic growth contributes to shared prosperity and poverty reduction and counters rising income gaps between the rich and poor.

Targets to support policies for inclusive growth include:

i. Provide decent work for all

Productive, safe, adequately paid and supported jobs across a range of skill levels are a critical component of inclusive and sustainable growth. Decent jobs allow poor people to lift themselves out of poverty and contribute to overall economic growth. Labour market policies that increase the share of national income that goes to workers through wages can help reduce economic inequality. For example, rising minimum wages played an important role in reducing inequality in both Brazil and the United Kingdom⁴.

While all people should have access to decent work, the policies required to achieve this will vary according to the national context.

Policies should aim to:

¹ Measured by the change in Gini coefficient between the earliest and latest available figures. See Save the Children (2012) *Born Equal: How reducing inequality could give our children a better future*, p. 23. http://www.savethechildren.org.uk/sites/default/files/images/Born_Equal.pdf

² Save the Children (2012) Op. Cit.

³ See footnote 1.

⁴ Save the Children (2012), *Born Equal*, p. 32.

- Create jobs in sectors that will benefit the poorest and most vulnerable people and contribute to economic transformation, such as manufacturing and agriculture.
- Achieve equity in employment, including tackling unequal pay and conditions, and improving opportunities for women and young people.
- Ensure that no child is engaged in work that is harmful to their health, safety and development, or disrupts their education.
- Establish social protection schemes so that all people have basic income security and access to essential social services.
- Ensure all young people have the necessary technical and life skills to access decent employment.

ii. Pursue growth that is inclusive and sustainable, and that provides opportunities for all

Inclusive and sustainable economic growth will require investment in the diversification and upgrading of economies so that they are capable of creating the high productivity jobs and sustainable increases in wages that are needed to combat child poverty and inequality. This target should be tailored to national contexts, with policies aimed to:

- Diversify economies and pursue proactive industrial policies to drive structural transformation and productivity.
- Advance rural and regional development to reduce spatial inequalities, including increasing access to credit and markets for small producers, and boosting non-farm opportunities.
- Decouple resource-use from economic growth, including through investment in renewable energy and climate-resilient infrastructure, particularly energy, transportation, food, water and construction.
- Support small and medium-sized enterprises and harness their potential to contribute to economic growth and job creation.
- Integrate environmental, economic and social policy, for example, through incentives and investment for job creation in renewable energy and climate-resilient infrastructure.
- Reduce economic, social and political inequality through pro-poor tax policy, comprehensive social protection and equitable approaches to strengthening public services.

iii. Establish a global social protection floor

If we are to eradicate poverty, people who do not have work, or are unable to work, need a safety net. Those who do have work can also benefit from knowing that such a safety net exists. It reduces the uncertainty that comes from living on an income near the poverty line; it gives people the opportunity to take a risk and start, or grow, a business; and it supports an escape route from destitution (for example, after a crisis such as a drought).

At the same time, it must be clear that the presence of effective social protection does not ameliorate the human costs of being, and of becoming, unemployed; it does not lessen the importance of protecting jobs.

2. Environmental sustainability

Environmental sustainability is a critical link in the relationship between growth, equity and poverty reduction. Not only have the world's wealthy benefited disproportionately from the exploitation of natural resources at the expense of the poor, but impoverished and marginalized people, and children in particular, have become the most vulnerable to the effects of climate change and other forms of environmental degradation. Biodiversity loss, resource depletion and climate change are undermining economic growth and poverty reduction efforts - trends that are set to continue unless production and consumption processes are transformed so as to reduce their resource intensity and environmental impacts.

Proposed goal for a sustainable environment for all:

Goal	Targets
Sustainable, healthy and resilient environment for all	1. Human health impacts due to environmental pollution are significantly reduced
	2. Greenhouse gas emissions have peaked globally by 2030 and the number of people exposed to climate-related events is significantly reduced
	3. 30% of terrestrial, inland water and marine ecosystems are restored and safeguarded, and biodiversity protected
	4. Sustainable Production and Consumption Principles are embedded across all sectors within all countries

The cost of climate change

Climate change has cost the global economy an estimated \$1 trillion over the past 50 years⁵, and poses the biggest global health threat to children in the 21st century⁶. To stand a decent chance at keeping global warming within two degrees, thereby avoiding dangerous climate change, emissions need to peak sooner rather than later, ideally by 2015-2020, and decline rapidly thereafter. This is an enormous challenge, but also an opportunity, particularly for countries that are not yet locked into carbon-intensive development pathways. With the right kind of planning to ensure that the needs of the poorest and most vulnerable are met, infrastructure investment can deliver human development objectives as well as environmentally sustainable, low-carbon economic growth. However these investments, like all development investments must be protected from future climate change and weather related disasters. Furthermore, concerted action focused on those living in poverty is needed to reduce the loss of lives and livelihoods from climate related disasters. Disaster risk reduction strategies and programming should therefore be central to the next development framework. (see *Ending Poverty in Our Generation* for further details.)

3. Sustainable energy for all

Energy powers opportunity and growth. It is also essential for improved health and education outcomes. However, inefficient, poorly used and badly distributed energy supplies are the cause of 3.3 million deaths annually⁷ and the energy sector is the largest and fastest contributor to global greenhouse emissions, responsible for 35% of all emissions in 2010⁸. There is considerable potential for investment in renewable energy to play a major role in global emission reductions, and to become a driver of inclusive and sustainable growth in developing countries. Investment in renewable energy can reduce the health burden associated with unsustainable energy production and consumption, and create jobs in renewable energy industries. Most significantly, improved energy supply would yield multiple benefits for households (through education, health, transportation) and the private sector through ensuring companies have reliable electricity to support business activities⁹.

Proposed goal to deliver sustainable energy to all:

Goal	Targets
Sustainable energy for all	1. Universal access to modern energy services.
	2. Eradicate preventable deaths from cook stoves and open fires
	3. Double the share of renewable energy sources in global energy mix
	4. Double the rate of improvements in energy efficiency

⁵ Economics of Climate Change Adaptation Working Group (2009) Shaping Climate-resilient Development: A Framework for Decision-Making.

⁶ Save the Children (2009) Feeling the Heat: Child Survival in a Changing Climate.

⁷ WHO (2012) Health indicators of sustainable energy.

⁸ Save the Children (2013) Breaking the Mould: Transforming the Economic Development Paradigm.

⁹ UNEP (2011) Decoupling Natural Resource Use and Environmental Impacts from Economic Growth.