



Presentation to the Finnish Development Policy Committee

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## **WIDER KNOWLEDGE AND AGENDA 2030 CHALLENGES**

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# A Presentation Roadmap

- I. Building the knowledge base for development policy
  - UNU-WIDER work relates to all 17 targets in the 2030 Sustainable Development Agenda & the key priorities in Finland's development policy
  - Selected examples from 7 UNU-WIDER research projects
- II. How realistic is the monitoring framework for Agenda 2030?
  - 4 data challenges
  - UNU-WIDER's work to support the capacity to produce and analyse reliable data
- III. Dilemmas and priorities

# UN High-Level Panel report on the post-2015 development agenda

Called for:

- “..A quantum leap forward in economic opportunities and a profound economic transformation to end extreme poverty and improve livelihoods...”

# **I. Building the Knowledge Base for Development Policy**

# 1. Research and Communication on Foreign Aid (ReCom)

- Brought together more than 300 researchers from 59 countries; who produced 247 original studies under 5 core themes, including a much cited position paper on gender equality (+ special issue titled "Aid for gender equality and development")
- Key message: aid is effective, and has had a very respectable rate of return; including in places with weak institutional environments
- Yes, there is also a lot to improve:
  - Fragmentation of the aid effort remains high and very costly; see <https://www.wider.unu.edu/publication/aid-post-2015-world> for 15 succinct ReCom findings/recommendations WIDER produced as an input to the formulation of the SDGs



# 2. Growth and Poverty (GAPP)

- Carried out 16 carefully designed country case studies from the 24 most populous countries in sub-Saharan Africa
  - Covering almost 75% of the African population and 9 of the largest 10 countries
  - Focus on monetary and non-monetary indicators of well-being
- Key message: There is a lot to celebrate in African development; and note: those which succeed have taken food and agriculture as well as economic transformation seriously
- Yet, key challenges remain:
  - By 2013 GDP/capita was only 7.7% higher than in 1974 => so the development job is far from done; growth, job creation and improved livelihoods remain indispensable
  - But foreign aid to LDCs is falling => risk of leaving those most in need behind unless concerted, strategic action is taken



# 3. World Income Inequality Database (WIID)

- WIID, compiled by UNU-WIDER, collects and stores information on income inequality for developed, developing, and transition countries
- The WIID, updated annually, provides the most comprehensive set of income inequality statistics available and can be downloaded for free. Latest data is available for 2013
- This database has been favourably received in academic and policy circles (see Stephen Jenkins' 2015 article in Journal of Economic Inequality)
- Being used widely in academic publications



# 4. Gender and Development

- Gender equity is embedded as one of three primary research focuses in UNU-WIDER's 2014-18 work programme on Transformation, Inclusion and Sustainability. Gender equality is both a human right and good economics [see also the Economist 12-18 March 2016]
- 44 case studies are being carried out by established and early career researchers, with a high share being women from developing countries
- Key themes being addressed: female autonomy; domestic violence; political representation; migration



# 5. The Economics and Politics of Taxation and Social Protection

- “Reducing inequality” and “leaving no one behind” are key aspirational goals on the 2030 SDG agenda; but social protection systems to help the most vulnerable are yet to be established in many countries
- This ongoing project asks: how should this be done? And aims to design much needed analytical tools to help address the many social, political and economic dilemmas and choices faced by policy makers in this area
- Key messages: (i) financing remains a key constraint; so (ii) efforts to make the tax administration work more efficiently and on a sustainable basis is an essential next step in many countries



# 6. Learning to Compete (L2C)

- A four year UNU-WIDER, Brookings and AfDB research programme, which offers a comprehensive, comparative, cross-country analysis of Africa's economic transformation and industrialization experience
- And 3 high profile books are being launched (including contributions by Nobel laureates)
- With 3 key messages: business as usual is not enough; structural transformation is very slow; and employment creation is severely lagging
- So only with a more strategic approach to industrial policy, the role of the state and the private sector, and a strong commitment of the region's political leadership can Africa industrialize and generate the jobs required



# 7. Development Under Climate Change (DUCC)

- UNU-WIDER has carried out a series of comprehensive country level environmental and climate change assessments in parallel with developing cutting edge approaches to evaluating energy policy choices
- The UN selected this project as “one to watch” in its “Big Data Climate Challenge”.
- Key messages:
  - Deliberate long term planning accounting for the many uncertainties in climate change impacts is critically needed for effective **adaptation**; and successful implementation and deepening of the CoP21 agreement is crucial for global **mitigation** efforts
  - At the same time: LDCs have intrinsic advantages in renewable energy production – Africa’s large hydropower potential could be linked with its very substantial wind and solar resources to generate clean reliable power at low cost to underpin sustainable development



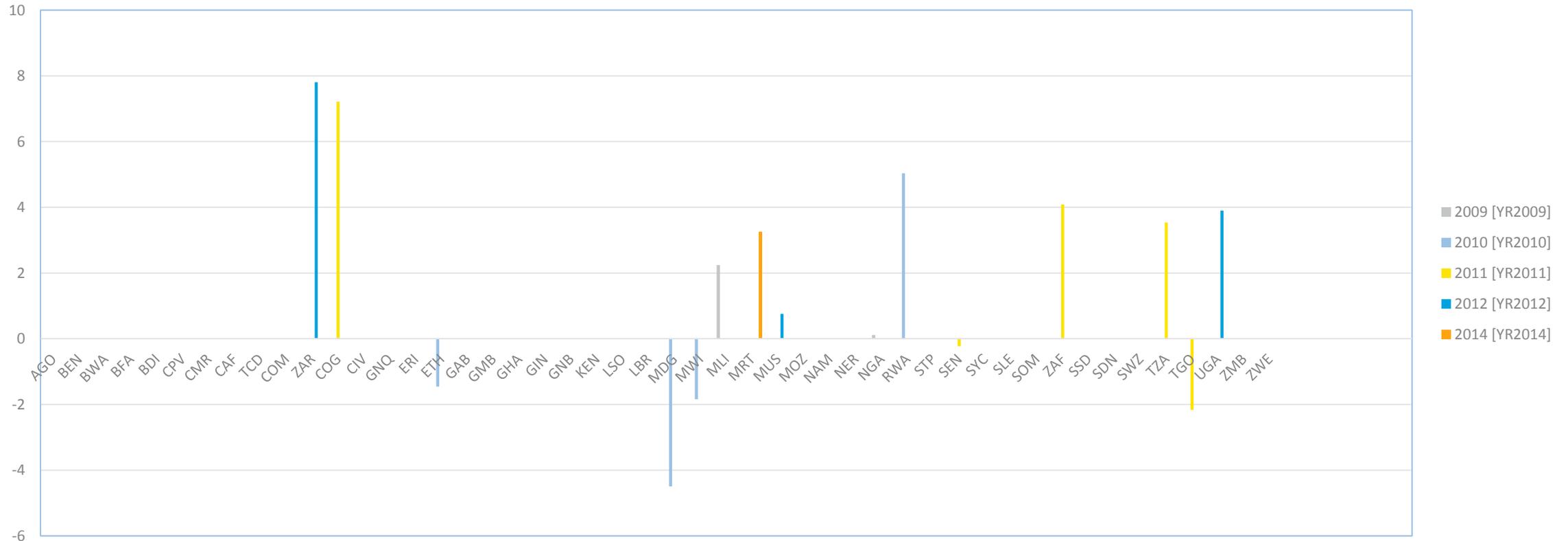
## **II. Data and the Monitoring Framework for Agenda 2030**

# 1. An enormous amount of missing data – especially for the poorest countries

## Goal 10, Target 1:

Growth rate in per capita real mean consumption or income, bottom 40% of population (%)  
In African countries

(Source: WDI. No data available from 1990-2008. No data in 2013 or 2015.)



## 2. Data by gender are especially poor

- When data is collected at individual level, disaggregation by gender is possible.
- However, data are often collected only at household level. In such cases, gender specificity is not always straightforward. For example:
  - Asset or land ownership
  - Consumption
  - Individual-level poverty

# 3. Filling gaps can be (deceptively) difficult for technical reasons

Some instances where targets appear simple but measurement of indicators is difficult:

- Violent injuries and deaths per 100,000 population: official crimes data usually under-reported.
- Percentage of women of reproductive age (15-49) with anaemia.
- Proportion of persons with severe mental disorder who are using services.
- Percentage of girls and boys who achieve proficiency across a broad range of 'learning outcomes'.
- Percentage of children (36-59 months) receiving at least one year of 'quality' pre-primary education program.

## 4. Filling gaps can also be difficult for political reasons – a point that is often overlooked

Example:

- 10.2: ‘by 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status’

- To collect data on indigenous peoples, they need to be recognized as such.
- ILO 169 – Indigenous and Tribal Peoples Convention (1989) – is ratified by 22 countries:



# Supporting the Capacity to Produce Reliable Data

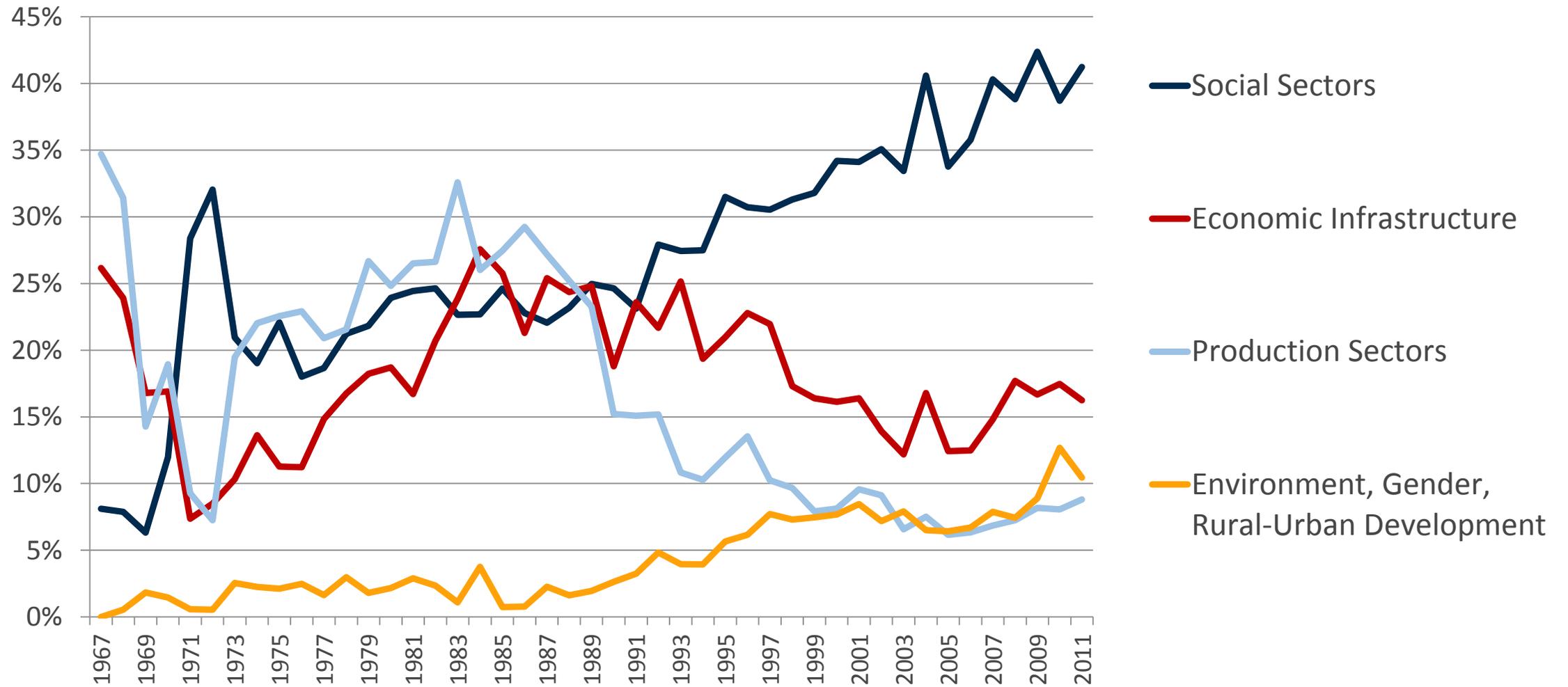
- UNU-WIDER's experience with data on private sector development:
- **Structural Transformation and Inclusive Growth in Vietnam:** Data collection in collaboration with Vietnamese partners (ILSSA and CIEM).
- **Inclusive Growth in Mozambique:** undertaken in collaboration with Mozambican Ministry of Economics & Finance and the University Eduardo Mondlane.
- **SOUTHMOD:** tax-benefit micro-simulation for African countries.
- **Government Revenue Dataset:** Cross-country tax and revenue data, in collaboration with ICTD.

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# But What Will Happen to Development Finance Post-2015?



# Dilemmas and Priorities

- Where do growth, jobs, improved livelihoods, poverty reduction, and reduced inequality – including gender equity – come from?
- Private sector development is crucial for self-sufficiency, but the roles of the state and of international assistance remain important.
- In the years to come it will in international development be critical to pursue work on:
  - Creating a conducive policy environment and effective public finance and social systems
  - Mobilising the necessary resources – private and public – for expanding investments in infrastructure, agriculture and action on climate change and sustainable energy production
  - Generating new ideas and knowledge about our changing world [where continuing crises (poverty) are regularly swept aside by unexpected challenges (refugees) while future crises (population) fall out of sight]
  - Building local capacity to pursue development objectives and data revolution in a realistic way
- Scaling up as suggested here is indispensable for success of the the 2030 SDG agenda; and I hope it is clear that such action will require both that strategic choices are taken by national governments and the international development community, and that they are followed up in practice



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