Civil society reports show conflicting priorities and trade-offs in SDG implementation

BY ROBERTO BISSIO, SOCIAL WATCH

Speaking at the OECD last May, Ambassador David Donoghue, former UN Co-facilitator of the 2030 Agenda, said: "Much is being emphasized about the synergies between the different SDGs, and rightly so, but not much attention is paid to the trade-offs."[1]

The trade-offs between different priorities competing for scarce budget resources, for the limited attention of policy-makers or the interest of the media rarely emerge in the official debates, but they are permanently highlighted by the independent reports of civil society on implementation of the 2030 Agenda … or lack of it.

Reducing inequality traded off to macroeconomic goals

In **Argentina**, the trade-off is between salaries and labour rights on one side and employment on the other, according to the report by Hernán Medina and Agustina Carpio, of the SDG inititiative of the Citizens Forum for Justice and Human Rights (FOCO).[2]

The government of president Mauricio Macri, inaugurated in December 2015, "supports the idea that workers have to reduce their salaries and labour rights to improve the competitivity of the economy and allow for informal workers to gain formal jobs and social protection." As a result, in an economy with high inflation, average family income lost 15 percent in real terms in 2018 while poverty grew five per cent to reach 33.6 percent at the end of the year, while one third of the workers still have informal jobs.

Income inequality is made worse by gender discrimination, with an income gap of 27 percent between women and men. As more women try to find a job to compensate for diminishing family incomes, unemployment among women is 2 percent higher than for men (11 % to 9 % in total aggregates), and worse for young women (ages 14-29) with an umployment rate of 21.5 percent, while for men of the same age it is 17.3 percent.

In contrast, **Guatemala** has an admirable macroeconomic dashboard, with decades of continuous economic growth, low inflation, small budget deficitst and a total public debt that is less then one quarter of GDP. Yet the alternative SDG report by CONGCOOP (Coordination of NGOs and Cooperatives) shows the coexistence of those enviable figures coexist with "the neglect of the middle class, the poor and indigenous peoples" as a result of a "massive concentration of productive assets, starting with the land". Income inequality has reached a Gini index of 0.53, the highest in Central America and among the worst in the world. While the economy booms, based on agricultural exports and remittances by migrants, poverty affects 59 percent of the population in 2018 (up from 51 % in 2006) and extreme poverty 23 percent.

A popular campaign against corruption and UN assistance to the justice system led in 2015 to the impeachment of the president and vicepresident. But instead of building on that momentum to improve the quality of public spending, the new president, Jimmy Morales, dismantled the prosecution of corruption. Further, "the economic elites have historically refused to collaborate with the State and society",

1 From notes by author, who was rapporteur of that discussion during the event on "Addressing the Hidden Dimensions of Poverty", co-organized by ATD-Fourth World and the Centre for Opportunity and Equality at OECD HQ in Paris, 10 May 2019.

2 All alternative national reports quoted are available at www.socialwatch.org.

refusing to pay taxes, lobbying against any attempt by the government to oblige them to do so and even resorting to closing all business for one day in 1987 and 2001. As a result, taxes in Guatemala are the lowest in the world, according to the World Bank, with public revenue at 12 percent of GDP, less than half of what would be needed to meet the SDGs. “A State thus captured by legal and illegal power elites cannot progress towards any of the 17 SDGs” concludes the report.

Paraguay has a similar history of “very low government revenue, generalized reluctance to pay taxes in a climate of corruption and strong opposition by enterpreneurs and high income earners to any increase in their fiscal contributions”, reports Decidamos, Campaign for Citizens' Expression.

One of the few tax increases that the public accepts are the taxes on tobacco, as they generate revenue but also address a public health problem. Yet, a proposed law to increase taxes on tobacco to 40 percent was vehemently opposed by the producers and by former president Horacio Cartes (2013-2018), who owns the biggest tobacco company in the country. During the parliamentary discussions, the Finance Ministry argued that any tax increase should be part of a wider reform with consensus of all stakeholders” while then Health minister Antonio Barrios minimized the effects, saying: “More people die because of cardiovascular diseases and traffic accidents than due to lung cancer”. Finally, the Senate reduced the tax increase to a mere 5 percent, bringing it from 13 percent to 18 percent and also deleted the provisions to dedicate that revenue to public health.

This is in direct opposition to SDG target 3.a that commits countries to “strengthen the implementation of the WHO Framework Convention on Tobacco Control” and the alternative civil society report wonders: “How long will personal and corporate interests of the powerful prevail over scientific evidence and the funding needs of the country?”

Scientific evidence and data are not at all missing in the **United Kingdom**, where inequality continues to rise. “Human rights researchers and practitioners working in and on the UK generally have access to a large amount of relevant and detailed data, at least when compared with other countries” recognizes Just Fair, a group of economic and social rights campaigners. That is why they find it “all the more surprising” that the UK’s Voluntary National Review (VNR) 2019, fails to disaggregate the information. “To ensure that nobody is left behind and to provide a truly meaningful picture, the government must gather and present the evidence based on all the prohibited grounds of discrimination according to both international and domestic human rights law, and this includes income and wealth disparities.”

Just Fair reports that “the UK is a highly unequal society. For example, life expectancy for women born in deprived areas has declined in recent years, something utterly unacceptable in the fifth largest world economy”.

The UK government claims to have “some of the strongest equalities legislation in the world, including the Equality Act 2010”. To be true to this commitment, argues Just Fair, “the government should implement the legislation in its entirety, including the socio-economic duty (section 1 of the Equality Act)”. This duty would require public authorities to actively consider how their strategically important decisions and policies could increase or decrease inequalities of outcome. The alternative report finds out that “regrettably, successive governments have failed to issue the necessary regulation to trigger the socio-economic duty, which means that it is not technically binding on public authorities. It is encouraging that the duty was brought to life in Scotland in 2018 and the Welsh government has announced it will follow suit in 2019. The socio-economic duty is a powerful lever to address the structural causes of material inequalities and their negative effects on human rights and well-being. Enforcing it would be a positive sign of the Government’s determination to reduce income and wealth inequalities and meet SDG 10.”

Inequality is also a major concern for civil society in **Bangladesh**. The report by the Equity and Justice Working Group Bangladesh (EquityBD) quantifies rising inequalities. The Palma ratio (between the income of the richest 10 % and that of the poorest

40 %) grew from 1.68 in 1964 to 2.93 in 2016. Inequalities are addressed in the official plans but EquityBD considers that implementing them “will be a tough job for the Bangladesh government due to lack of good governance in some cases. The financial sector is still in a need of special attention since illicit financiale flows and huge amounts of non-performing bank loans are still in force. Decentralization of development is another crucial issue.”

Short-term advantage trumps long-term implementation

In **Finland**, the civil society report of Fingo, the association of Finnish development NGOs, concludes that “conflicts of interest between actors lead to decisions where a short-term economic advantage eclipses long-term sustainability.”

Finland claims to be “among the first to draft a national implementation plan, to initiate sustainable development budgeting, to establish an inclusive monitoring system and a citizens’ panel, and commission an external evaluation of the world's first national 2030 Agenda policy, the PATH2030 report published in March 2019”. Yet, the alternative report shows that Finland is not consistently committed to the human rights-based approach of the 2030 Agenda, to ensure that “no one is left behind”. Further, “the 2030 Agenda is widely known about in Finland, but there is no consistent understanding of its interpretation and political significance”.

Finland also has trade-offs between domestic consumption and environmental obligations. The country “consumes more than our fair share environmentally, and this has significant impacts, including beyond our borders. For example, it is estimated that almost half of our water footprint is made up of production chains that take place elsewhere”.

The report also finds “a mismatch between Finland’s rhetoric on global responsibility and its funding commitments. The almost 40 percent cut in development funding by the government of Juha Sipilä and the redirection of the income from emissions trading to private investments eroded our international credibility and demoted Finland from the Nordic reference group”. Financing of NGO development cooperation was cut back even more (43 %), even though it is precisely these organizations that are able to reach the most vulnerable in a cost-effective manner.

Cyprus similarly undergoes a trade-off between urgent responses to the economic and financial crisis and its sustainable development commitments. As a member of the EU, Cyprus should be implementing the concepts of Policy Coherence for Development (PCD) and Policy Coherence for Sustainable Development (PCSD), yet neither of these is mentioned in the country’s official Voluntary National Review, which in fact omits the whole of SDG 17 (on implementation).

According to the alternative report by Charalambos Stergiou, Yolanda Frangou and Charalambos Vrasidas, from CARDET/University of Nicosia, “as a result of the strict austerity measures implemented since March 2013, the Cyprus Aid's Development Cooperation Agency was suspended” and “Cyprus does not have coordination mechanisms on PCD within the national administration and there is no involvement in PCD by the Cyprus Parliament, civil society or the private sector”.

CARDET hopes that “the reinvigoration of the discussion on PCD/PCSD would be a key element leading potentially to long-term positive outcomes in sectors such as migration and climate change”.

In some places, the plans are good but just not implemented. In **Jordan**, the submission of the Voluntary National Review in 2017 was an opportunity "to further strengthen national ownership of the 2030 Agenda, build a proactive momentum around it, and accelerate its realization”. The preparation of the VNR “ensured the widest participation of all major groups and organizations” according to the report by the Phenix Center for Economic and Informatics Studies. This report was “a remarkable step forward in creating an inclusive strategy to achieve the SDGs” but “the lack of concrete and effective implementation of this strategy, as well as the failure in implementing an effective monitoring system, dramatically affected its effectiveness as a tool for integrating the SDGs in the national agenda”.

In less than two years since the submission of the VNR, three different ministers of Planning and International Cooperation were appointed by the Prime Minister who, in turn, has also changed. Lack of implementation is attributed by the civil society report to "the ongoing economic slowdown, as well as in the absence of cooperation between the central and local administrations on one hand, and, on the other, between the government and civil society".

Approving good plans and failing to implement them is also true in **Canada**. With the release of *Opportunity for All* in August 2018, followed by the introduction of the *Poverty Reduction Act* in November 2018, the federal government has for the first time set targets for reducing poverty in Canada, defined an official poverty line, and established a framework and a process for reporting publicly on progress – in keeping with its commitment to "end poverty in all of its forms everywhere" set out in the 2030 Agenda. The report by the Canadian Centre for Policy Alternatives praises this "significant policy win", which provides "an architecture and different mechanisms for holding governments to account for creating a society where everyone's basic needs are assured and their active participation in community life supported". But, at the same time, it adds, the report "does not include any new investments in the programmes needed to achieve the strategy's stated goals". The targets to reduce poverty by 20 percent by 2020 and by 50 percent by 2030 "lack ambition and sense of urgency". The report values the new plan "more as a framework than a strategy to accelerate poverty reduction. A strategy implies a plan to get from where we are to where we seek to go – and, crucially, the resources to back it up. On this score, low income Canadians are still waiting."

"Another generation of children will grow up in poverty and millions more will continue to struggle." The government should have taken more decisive action to address the immediate needs of those living in deepest poverty and to strengthen Canada's social safety net through investments in universally accessible childcare, national pharmacare and training and educational programmes tailored to those in need. "In the end," concludes the report, "policy-making, like budgets, is about choices and values. And the choices we make today will determine the long-term sustainability of our society and our economy for generations to come."

In **Lebanon** too, implementation has trailed commitments. The official Lebanese VNR report of 2018 blames the Syria crisis for the economic deficits that increased the debt, as well as for economic stagnation, the doubling of unemployment and worsening poverty rates. Yet, according to the alternative civil society report by the Arab NGO Network for Development (ANND), "this exclusively negative narrative about Syrian refugees does not distinguish between the huge impact of the Syrian crisis/war on the economy and political situation in Lebanon, and the diversified impact of the presence of the Syrian refugees in Lebanon. This latter allowed financial flow of aids to increase, as well as the domestic consumption that produced around 1-1.5 percent of GDP growth, and provided a cheap labour force that prevented the bankruptcy of many small businesses."

Thus "the Syrian crisis cannot overshadow the negative impacts of the long-implemented economic and social policies as well as the loopholes created by the lack of transparency and accountability. Focusing on rentier economies, delaying redistribution mechanisms to address inequalities, lacking a universal social protection system and with the continuous gap between the education-employment policies Lebanon has been already cultivating negative development outcomes from its policy choices".

The Lebanese VNR report has been evaluated by civil society as "a good but minor step; for it should be complemented with a systematic and holistic approach at national level, both for implementation and monitoring". Instead, the government "adopted a sectoral approach and a fragmented methodology". Instead of integrating the pillars of sustainable human development, it was limited to accumulating the respective Ministries' strategies and plans. The National Committee for SDGs should have strived for integrating economic, social, environmental, political, and cultural dimensions of development into the development discourse but it "continues with a tick-box exercise of cross-reading various short-term and targeted strategies/ plans/programs and 17 SDGs. This does not reflect the required national ownership, nor does it provide a step forward to address the lack of an overarching and nationally-owned rights-based sustainable development strategy in consultation with the different stakeholders including CS0s".

Human rights traded off for electoral success

In **Brazil** the government of Captain Jair Bolsonaro does not make a secret of its disdain for policies and institutions aimed at supporting the people living in poverty. In its first day in office, on 1 January 2019, president Bolsonaro, dissolved the institutions responsible for the Zero Hunger policies (see Special Contribution 0.2 on the temporary extinction of CONSEA), an initiative that inspired anti-poverty policies around the world. The report by INESC documents the reduction, in the following weeks of policy spaces with civil society participation from 500 to 70. The affected monitoring bodies include the Council for Drug Policies, Council on the Rights of Persons with Disabilities, Council for the Eradication of Forced Labour, Commission for Biodiversity, and many more. Land-right defenders, trade unionist and NGO activists are being threatened and the Pastoral Commission on Land, a body of the Catholic Church, reported a dramatic increase in the first months of 2019 of murders related to land conflicts.

Internationally, Brazil withdrew from the UN Global Compact for Safe, Orderly and Regular Migration that it helped create a few months before, refused to host the COP-25 of the Climate Convention and left UNASUR, the Union of South American Countries.

The civil society report finds that the Bolsonaro administration by "acting as if human rights were linked to party politics or to a certain ideology and investing in hate speech, is also deepening the divide in our society". Therefore "there is no path to the 2030 Agenda fulfilment, and instead civil society needs to go back to fighting for very simple assumptions that were taken for granted: that human rights are inherent to all human beings – regardless of race, sex, nationality, ethnicity, language, religion, or any other status, and that we are all seen as humans and not only as enemies".

In **Hungary** the target setting for 2030 is not so much determined by the SDGs as by the much more simpler goal proposition of catching up with Austria by that date, as proposed by the Central Bank of Hungary (MNB). When Austria-Hungary split up, a century ago the Hungarian national income per capita reached 85 percent of Austria's. By 2015, according to World Bank data Hungary's per capita income, measured in purchasing power parity, was approximately half of that of its neighbour.

The optimistic projections of the MNB are based on the assumption that present high growth rates over 4 percent a year continue, doubling nominal wages and ensuring full employment.

More realistically, the Social Report published by the TÁRKI social research institute looks at education, life expectancy and economic figures to conclude that Hungary could reach Portugal (the poorest nation in Western Europe) in ten years. TÁRKI forecasts a "future shock" due to the many failures of its educational system, based on vocational training to satisfy the immediate needs of the job market but discouraging innovation, curiosity and flexibility.

While the continuation of high economic growth is uncertain, emigration, particularly of skilled youth, is unlikely to slow down, as Hungarian salaries are less than half of the Western European average. Ten percent of the approximately 4 million Hungarians in the labour market are working or studying in other countries and the proportion of emigration with tertiary education is the highest in Europe.

Meanwhile, Prime Minister Viktor Orbán exploits the fear of migration "as an effective tool in mobilizing less educated voters, primarily in rural areas and in cities other than Budapest". According to the Hungarian Social Watch Report 2019 by Matyas Benyik, after the land-slide electoral victory of Fidesz, the party of Prime Minister Viktor Orbán, in power since 2010, "democracy in Hungary will continue to erode, pervasive corruption will undermine both democracy and economic growth, societal polarization will continue, the rift between liberal Budapest and the more traditional countryside will grow, qualified young people will continue to emigrate in high numbers and the conflicts within the European Union will increase."

Since "the Hungarian institutions meant to counterbalance the power of the government – such as the Constitutional Court, the media and the president of Hungary – have failed to fulfil their mandates, the EU is the last remaining accountability mechanism."

Gains vs losses in Mexico

In **Mexico**, by contrast, the federal election of 2018 brought Andrés Manuel López Obrador (known as AMLO) to the presidency with a clear mandate to what he calls the Fourth Transformation (after Independence in 1810, liberal Reform in 1858 and Revolution in 1910). In March 2019, summarizing his first hundred days in government, AMLO emphasized that "we are protecting the environment with concrete actions, we have not approved transgenic maize, we will not extract oil or gas through fracking, we cancelled the licence for open pit mining in Los Cardones (Baja California) and we guarantee that water will not be privatized, new natural reserves will be created and flora and fauna will be protected".

While recognizing these achievements, the alternative report by Areli Sandoval Terán, from Espacio DESCA, argues that more needs to be done, as the economic model is still based in extractivism, mainly of fossil fuels, the creation of a National Guard "reproduces a security model based on the participation of the army in domestic public security issues" and "continmues to promote mega-projects like the Maya Train or huge thermoelectric power plants in Morelos" approved without the prior informed consent of local communities and indigenous peoples.

Further, relations with civil society organizations are tense, following the decision to cut public funding to NGOs and foundations in order to "eliminate intermediaries".

Increased inquality the price of economic growth in India

In **India** the official VNR's main point is that rapid economic growth has sharply reduced poverty. A 2018 study backs this claim saying extreme poverty is declining in India at rate of 44 people per minute as a result of which, since May 2018, India claims to no longer have the largest number of poor people. Despite this dramatic poverty reduction, over 73 million Indians still live below the international poverty line. Most of these people subsisting on less than US$1.90 a day are in rural areas. Even as the absolute numbers of poor fall there is rapid rise in inequality. A 2018 Oxfam report says India's richest one percent garnered 73 percent of national wealth generated in 2017.

Fairer taxation and public spending policies can help reduce inequality. In 2017 the finance minister accepted that India's tax policy was not socially just and made assurances that the tax net would be widened. There has been some success as direct tax receipts rose 19 percent in a year, mostly from increased personal income tax collection. However, corporate income tax cuts continue, leading to an estimated revenue loss of US$ 1.1 billion (Rs 7,000 crore) for 2018-2019.

Meanwhile, the Mahatma Gandhi National Rural Employment Guarantee Scheme that has lifted millions out of poverty since 2005 has seen slowing budgetary support, with allocations unchanged between 2017-2018 and 2018-2019, a fall in real terms. This has resulted in delays in wage payments, non-payment of compensation for these delays, rationing of available work (to levels far lower than the guaranteed 100 days paid work), and non-payment of minimum wages. The magnitude of this denial of entitlements to India's poorest can be gauged from the fact that accumulated unpaid wages alone add up to around US$ 700 million (Rs 4,786 crore) as of January 2018.

Rising inequality in India not only causes poverty of income or assets but also leads to unequal access to basic needs – food, livelihood, water and sanitation, health and education. These disparities disproportionately affect historically marginalized groups such as *Dalits*, tribals and Muslims, with women in each group worse off.

Infrastructure vs reigning in inequality in the Philippines

In the **Philippines**, the preparation of the country's VNR report 2019 catalysed a multi-stakeholder consultation process to which some CSOs, like Social Watch Philippines (SWP) were invited. SWP, in turn, convened a broader consultation process that will result both in inputs to the VNR as well as in an independent civil society report.

The Philippines is currently one of the fastest growing economies of the world, with GDP hovering around 6 to 7 percent in 2018 and growing at an average of almost 5 percent a year in the last decade, but those figures coexist with a high poverty rate, a paradox situation called 'jobless growth'.

SWP comments that "there seems to be an unspoken yet dominant perspective on wealth, that as long as poverty is minimized, there should be no objection to the unbridled gains of the rich. It is assumed that wealth will trickle down to the poorest. Trickle-down economics asserts that high growth rates increase employment, income, and standards of living. However, that is not the case at all. In fact, economic inequality or the gap between the poorest and the richest continues to widen, with the poor comprising the majority and coexisting with an elite few. As such, it is of utmost importance to realize that it is not about the rate of economic growth, but the kind of economic growth that the country is experiencing".

Filipino growth is largely based on the 'Build Build Build' (BBB) programme, an ambitious infrastructure initiative with 75 flagship projects planned, funded by the government, ODA (mainly from China) and Public-Private Partnerships (PPPs).

BBB is judged by civil society as as debt-generating, too urban-centric, concentrating on developed areas and neglecting the rural areas. Its progress has been uneven, because of the lack of capacity and funding, deficiencies in design, and poor coordination.

Trade-offs have yet to be evaluated. "The negative impact of this massive infrastructure programme, specifically conversion to other land uses of already diminishing farmlands, is still to be determined. But one emerging impact has been the movement of the rural poor from agriculture to the construction industry and the disruption of agricultural value chain development initiatives of small producers that have been neglected by the state for a long time. All told, spending in agriculture, where most of the poorest derive their livelihood is disappointing for a country wishing to achieve green industrialization. One could also foresee that the fossil-intensive infrastructure and power programs and projects could reverse modest gains achieved in environmental protection and rehabilitation."

In his welcoming address, the late Isagani Serrano, convenor of Social Watch Philippines and president of Philippine Rural Reconstruction Movement (PRRM), summarized his advice to Filipino civil society colleagues that is also a message to citizens of the world: "Many good things are happening within society as a whole. But we really need to engage government more, not only to make a "whole government approach," but a "whole of society approach" to work towards bringing us closer to our dream of fairness in a fragile world."

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