

d·i·e

Deutsches Institut für
Entwicklungspolitik



Years | 1964 – 2014

German Development
Institute

Stop distributional injustice now!

By Nicole Rippin,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)*

The Current Column

of 30 September 2014

Stop distributional injustice now!

Bonn, 30 September 2014. Today sees the end of the debate of the United Nations (UN) General Assembly in New York on the future form of international development co-operation. The basis for the debate are the Sustainable Development Goals (SDGs) drawn up by 70 UN ambassadors in the scope of the post-2015 agenda, to replace the Millennium Development Goals from 2016 onwards. For the first time, these goals also include targets for tackling inequality. Over an extended period of time the rich and powerful of this world have succeeded in keeping distributional injustice largely under wraps. Branko Milanovic, former lead economist at the World Bank, puts it in a nutshell: by tackling poverty a lot of egos are boosted and many ethical points earned. But inequality is different; every mention of it raises the issue of the legitimacy of one's own income. A question that is highly unpopular with those who have much to lose. However, calls for justice have recently become so loud that they can no longer be ignored. The international development organisation Oxfam caused headlines with the report that the 85 richest people in the world own as much as the poorest 3.5 billion. In Germany, too, the situation is not so different: the five richest Germans have as much as the poorest 30 million. This unparalleled injustice has served to mobilise numerous activists. And their work is bearing fruit. In the draft for the Sustainable Development Goals there is a whole catalogue of goals dedicated to combating inequality. This seems impressive, but the appearance is deceptive.

Goals of little efficacy

In total, ten goals have been proposed for the reduction of inequality within and between countries. This appears promising at first glance. However, on closer inspection it becomes apparent that most of the ten goals proposed merely consist of vague calls to "improve" existing policies and regulations. Only one target has the potential to actually have an effect, as it stipulates a clear bar that can be used to measure the performance of any government worldwide. It reads: "By 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average." However, three considerable weaknesses are also apparent here. Firstly, the goal is one of a

total of 169 Sustainable Development Goals. With such a large number of goals it is easy for governments to simply ignore unpopular ones. Secondly, the goal stipulates that an above average rate of income growth of the bottom 40% need only be achieved by 2030. In practice, this would mean that income inequalities may continue to increase over the next 15 years, before the trend is finally reversed. In view of the massive degree of distributional injustice that already exists, we cannot avoid a further deterioration of the situation over such a long period. Thirdly, the goal is solely focused on distributional injustice with regard to income. Distributional injustice in all other areas remains unaddressed. For example, in Nigeria the percentage of children who are vaccinated against measles fell slightly from 47% to 43% between 1990 and 2008. However, this masks the fact that the vaccination rate rose for the richer 60% of the population, whilst it halved for the lowest 20% in the same period.

The decisive requirement is lacking

On 30 May 2013 an international committee appointed by UN Secretary General Ban Ki-moon – the *High Level Panel of Eminent Persons* (HLP) – presented its report for the post-2015 agenda. This report contains a decisive demand that could represent a milestone on the path to more distributive justice. This requirement states that "a target should only be considered achieved if it is met for relevant income and social groups" – meaning, the poorest and most socially disadvantaged population parts as well as the richest ones. In other words, no-one's access to key institutions such as education system, labour market or healthcare system should be denied or restricted on the basis of social origin, gender, race, religion or similar. This is a call for equal opportunities. The draft for the Sustainable Development Goals requests the collection of data and statistics disaggregated by income and social groups. However, the central requirement of the HLP report is missing. If the reduction of inequalities is truly to represent a central element of future international development co-operation, then this requirement needs to be taken into account. Just as it is necessary to include a goal that requires a much earlier beginning for the reduction of the massive inequalities in income distribution than 2030.