



# Ireland's Shadow Report on the Sustainable Development Goals

*Submission by Social Justice Ireland to Coalition 2030*



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## Submission to Coalition 2030 on Ireland's progress under the Sustainable Development Goals.

*Social Justice Ireland* is delighted to be part of Coalition 2030, working together to deliver the Sustainable Development Goals (SDGs). Coalition 2030 is currently in the process of developing a shadow report for Ireland, detailing Ireland's progress under each of the SDGs and providing a series of policy recommendations for Government on how to improve Ireland's performance. The Coalition has called upon all members to make submissions on up to six SDGs detailing Ireland's performance, its impact and policy recommendations for the future in order to produce its report on Ireland's performance under the Sustainable Development Goals.

For the past two years, *Social Justice Ireland* has produced just such a report in the form of our Sustainable Progress Index (the 'Index'). This Index monitors Ireland's performance under each of the 17 Sustainable Development Goals, using data collected on 53 indicators, and ranks that performance against the EU15 countries. We then provide a list of policy recommendations and considerations for Government based on the evidence gathered. While we provide a brief synopsis of some of the findings within this document, *Social Justice Ireland* submits the Index in its entirety to the Coalition by way of our formal contribution to the shadow report.

### *Social Justice Ireland's Sustainable Development Index*

In February 2018, *Social Justice Ireland* published our second Sustainable Progress Index, entitled '*Measuring Progress: Economy, Society and Environment in Ireland*'. In order to rank the EU15 countries, data was collated and aligned for comparative purposes. Ireland was then 'benchmarked' against the EU15 to provide a ranking system.

In terms of placement within our EU15 peers, Ireland ranks 11<sup>th</sup> overall in its performance under the SDGs. The Index groups the SDGs into three interdependent and interlinked dimensions of progress – Environment, Society and the Economy (Fig.1).

**Fig.1: SDGs used in the 3 Dimensional Indexes**

SDG Index	SDGs Included
<b>Economy</b>	8, 9
<b>Society</b>	1, 2, 3, 4, 5, 10, 16, 17,
<b>Environment</b>	6, 7, 11, 12, 13, 14, 15

Source: *Measuring Progress: Economy, Society and Environment, Sustainable Development Goals 2018* (Clark et al, 2018:13)

### Economy Index – SDG 8 and 9

It is acknowledged that GDP is not an ideal, or even accurate, measure of progress. The problem with using GDP as a measure of progress was particularly evident in the spike in GDP growth in 2015, caused by multinational corporations shifting profits to Ireland to take advantage of our low corporate tax rate. It is, however, an important tool for public policy, as it allows for comparative analysis of market activity. The Economy Index looks at household consumption as a more accurate reflection of economic growth which, when considered as a percentage of GDP, shows a continuous decline since 2008, to 33.9 per cent in 2016.

The Index also looks at unemployment and long-term unemployment. The trend for both has been a decrease since 2012, having risen significantly since 2008, however the move towards higher employment rates must be viewed alongside the increasing instance of low pay and wage stagnation.

In looking at ‘industry, innovation and infrastructure’ (SDG9), the Index considers expenditure on R&D and internet access and notes a decline in the rate of expenditure on R&D, which may be attributed at least in part to the issues with GDP mentioned earlier. The Index notes that the rate of households with internet access has risen steadily since 2005, with almost 86 per cent now having some access .

Overall, the Index ranks Ireland 10th out of the EU15 on Economy.

#### Society Index – SDG 1, 2, 3, 4, 5, 10, 16, 17

In considering SDG 1, the elimination of poverty, the Index points out that Ireland has a ‘structural poverty problem that will not be fixed by economic growth alone’ (Clark et al, 2018:27), and again underlines the point made earlier about the inadequacy of GDP as a measure of progress, where even the GDP spike in 2015 did not significantly reduce the poverty level. Ireland does better on the goal of ending hunger, though with an obesity rate 4.1 per cent higher than the EU average , this remains a concern. Ireland’s performance in respect of health and well-being is also good, with longer life expectancy and better levels of health perception than previous years.

Ireland has made moderate progress in the areas of education quality, reducing inequalities (within the country, our progress on reducing global inequality is stated as being ‘minimal’) and improvements to our score on the Social Justice Index. There is more to be done within each area, however, with falling rates of adult literacy, persistent household debt compensating for income inequality, and much ground to be made in respect of Ireland’s ranking on the Social Justice Index with comparison to its placement in 2008.

Ireland’s performance under SDG 16, peace, justice and strong institutions, is mixed, with fluctuations in homicide rates from 2000 to 2014 and the slight reversal of the upward trend in Ireland’s Corruption Perception Index in 2016.

Finally, under the Society Index, our progress under SDG 17, partnership for the goals, is declining with decreases in official development assistance and financing to developing countries.

Overall, the Index ranks Ireland 10th out of the EU15 on Society.

#### Environment Index – SDG 6, 7, 11, 12, 13, 14, 15

Ireland has performed well on some of the indicators under this index, with Irish water and sanitation being among the best in Europe, good air quality relative to other European countries and a reduction, albeit small in the context of the rate of increase between 1960 and 2001, in CO2 emissions. However, Ireland still has work to do to increase the proportion of renewable energy consumed and forestry coverage, reduce the amount of municipal waste generated, and meet the requirements of the EU Habitats Directive to meet the challenges of marine conservation.

Overall, the Index ranks Ireland 13th out of the EU15 on Environment.

#### Policy Recommendations and Conclusion

Attempting an evidence-based approach to public policy is not without its challenges. The most recent analyses of the SDGs are attempts to generate the type of evidence required to make the best ‘rational’ decisions to support the central aim of the 2030 Agenda: to make the world a better place for humanity.

Several difficulties arise with gathering evidence in the social sciences. First, evidence is not as 'objective' as we believe it is in the natural sciences. Economic and social statistics are social constructions, and they are all informed and shaped by social theories. Social 'facts' only actually become so when they are categorized, which must be underpinned by a theory. For example, the system of national income accounts appears to fit quite neatly with Keynesian macroeconomic theory.

Second, reality is complicated. The recent development in poverty research reflects this complexity: multidimensional poverty measures are now replacing income thresholds in the definition of poverty used in analyses. Prior to this, poverty was measured by either setting an income threshold (often a % of median household income) or by defining a basket of commodities necessary for basic existence and setting the price of this basket of goods as the poverty line. Of course, poverty is a relative reality, based on a person's relative position. But also, poverty is an absolute reality independent of social or historical context. Amartya Sen has attempted to reconcile these two approaches with his capabilities approach. He argues that money or commodities do not provide for an individual's well-being, but instead they provide the capabilities for satisfying their needs:

Complexity and context is apparent in our analysis. Our estimate of SDG 1 is a useful example (measured at the 50% line). The results show that poverty has displayed a downward trend in recent years, falling from 30.3% in 2012 to 24.2 in 2016 (a decline of 20.1%). If we look at the trend over a longer time frame however, we see that Ireland's poverty rate is still over 20% during the period when Ireland experienced high growth rates and near full employment (two macroeconomic factors that should lead to significantly reduced poverty rates). Ireland's poverty rate is ranked 11th of the EU15, and is higher than the Euro zone average. The Social Justice Index shows a year to year improvement but remains below its 2008 score and at the lower end of EU15 rankings (11th).

The complexity (multidimensional aspect) of poverty is apparent in a recent ESRI analysis of poverty rates in Europe. The report focuses on high-risk groups and examines their outcomes over an extended time period (before, during and after the recent recession). Further, countries are grouped by the type of economic/social regimes (Social Democratic; Corporatist; Liberal; and Southern) to explore if different approaches to economic policy led to different outcomes. The results indicate that people in poverty are not homogenous; some groups face more barriers than others, and different government policy regimes also lead to different outcomes. Ireland follows a Liberal regime, which relies more on markets forces, and means-tested and targeted programs. The results indicate that the more universalist approach (social democratic) tends to have better outcomes. Two high-risk groups (lone parents and disabled adults) face significant barriers to employment, and thus require greater support (such as access to affordable childcare and flexible work arrangements for lone parents).

Our motivation in this study has been to use the SDGs to analyse Ireland's performance in way that highlights the complexity and context of 'progress' and align in so far as possible with the official process of the United Nations. There is merit in each country monitoring its own progress on the SDGs. In commenting on the Sachs et al (2017) SDG Index, Klaus Schwab, Chairperson of the World Economic Forum noted, "we must continually measure progress on the ground, at local, national and international levels" (Sachs et al, 2017, p. 4). Good data and analysis are critical to ensuring the SDGs become useful tools to support policy-making.

The goal of our composite SPI is not to name and shame. It is to provide an indication of the state of play, help raise awareness of the 2030 Agenda and encourage policy action. We provide a report card that track Ireland's performance: (1) over time; and (2) compared to its EU15 peers. Our results indicate that Ireland's overall position on the SDGs relative to its peers is not impressive.

One aspect underpinning Ireland's performance is the recession which was a factor in eroding years of progress. This should remind us that most social outcomes are flow variables. These flows either add to or subtract from the stock of capital (financial, manufactured, social and human) and it is the stock of capital that largely determines a country's capacity to produce outcomes. Transportation is a good example. A strong economy needs efficient transportation to move people and goods around (roads, bridges, railways, etc.). If sufficient resources are not invested in maintaining these assets, they will start to breakdown, causing disruptions in the movement of people and goods, which will eventually lower the flow of output. The interaction between 'stocks' and 'flows' creates a slow process of improvement or decline. Often, society must invest in people for many years before the positive effects of these investments affect the indicators (increased participation in the economy and society). The large stock of greenhouse gases, built up over two centuries of increasing flows of CO2 and other greenhouse gases, will take decades of reduced flows to reduce, if the stock is to return to levels which will not harm the planet. The slow return to prerecession levels suggests that Ireland needs to invest more, especially in human and social capital.

### Data Limitations

Part of the commitment to improving social, economic and environmental outcomes is a commitment to the collection and collation of data so that progress can be identified and tracked. While data on health and education ensures we can use at least 4 indicators per goal, data for some SDGs is covered in a very limited way. This is particularly so for SDGs relating to the environment, some of which have not been updated or have insufficient coverage for every country. While some of the SDG indicators will never be produced as regularly, as for example, labour market statistics (which are often produced monthly), Ireland should be able to match other EU countries in this regard. Ireland is not alone among the developed countries in struggling with implementing the full range of SDG indicators. The number of indicators can be a bit overwhelming, especially if breakdowns by gender and age need to be considered. All countries face challenges, even the best ranked performers in the SPI. Yet, as we argued at the beginning of this report: if it counts, we must count it.

### Policy Considerations

If the moral arc of history is bent towards justice, then a good part of the gravitational force is provided by values based on the common-good and evidence-based public policy. An accurate understanding of the current reality and a vision of how to improve reality by making it more inclusive is crucial. Evidence without a vision would be pointless and depressing, for there would be no hope or direction; and a vision without evidence becomes merely a harmless day-dream or a lived nightmare. The 2030 Agenda for Sustainable Development attempts to bring together both forces: a vision of a sustainable banquet where everyone has a seat at the table and evidence-based recipes so that there is sufficient food for all. In this context, we believe the following proposals should be considered.

1. The measurement of Ireland's economic growth by GDP and other traditional measures is seriously problematic and provides a false picture of Ireland's reality. The economic-only approach only works if environmental costs can be ignored (or shifted elsewhere), and those who are excluded are ignored. Of course, measuring economic activity (and the National Accounts) accurately is necessary for effective macroeconomic policy-making. The CSO has recently developed a 'modified GNI' measure which sets out to correct some of the deficiencies in current measures that are particular to Ireland. However, the general issues with the National Income Accounts (not accounting for non-paid work, environmental costs, benefits of leisure, etc.) are still not addressed.

2. Sustainable development starts with a sustainable environment. There is always a temptation to be a free-rider when it comes to public goods like clean air and water, and this is more so in terms of averting climate change. Although, Ireland's share of renewable energy has increased, it remains well below the EU-15 average. Steps need to be taken to bridge this gap. Further, Ireland's CO<sub>2</sub> emissions (per capita) rose by approx. 300% from 1960 to 2001 but have fallen by approx. 35% since. Moderate progress has been made on this indicator made but substantially more needs to be done to reach global commitments in this area.
3. Families and communities are an important part of a sustainable society. Ireland needs to recognise that it has a structural poverty problem which will not be fixed by economic growth alone. Ireland's anti-poverty initiatives and strategies should be firmly based on this fact.
4. A society and economy cannot reach 100% of its potential if it excludes 50% of its population for full participation solely based on their gender, or which excludes other groups. While Ireland's gender equality has been improving, there are still many aspects of this issue where Ireland falls well below the EU average. Eliminating the gender pay-gap should be a priority.
5. A balance on regional development is necessary; protection of rural communities is important and this issue must be given more consideration at policy level.
6. The education indicators paint Ireland in a positive light relative to the EU15. However, youths not in employment, education or training (NEET), while falling, is still a cause of concern and requires additional action.
7. Ireland's Corruption Perception Index score has improved slightly, falling to a score of 73 in the most recent assessment. We believe that a country like Ireland should strive to be a leader on this indicator.
8. If the MDGs were the world's biggest promise, the SDGs are its biggest commitment. It is a commitment that goes beyond borders and national self-interest. One very public aspect of this is SDG17. However, Ireland seems to be moving away from its commitment on 'partnership for the goals'. Significantly increasing official development assistance and committing to reaching the UN target of 0.7% by 2025 would be a strong sign that this commitment was real and central to Government policy.
9. Along with raising the level of assistance, Ireland is in a unique position to partner with developing countries, having experienced a long period of colonialism, survived a major famine, felt the real economic effects of migration flows and struggled to build peace through reconciliation and inclusion. Ireland has the opportunity to enter into real partnerships with developing countries, based on shared experiences and common values.
10. The SDGs underlying the 2030 Agenda require a major change in the way we view development. Developed countries need to change their behaviour as much as the poor countries, and maybe even more so. We strongly argue that Ireland needs to continue to gather evidence and track progress on policies that drive outcomes in order to implement the Agenda.

11. Sustainable development also means a sustainable economy. Ireland, like many countries in the world, has experienced many economic downturns. Yet we don't often learn the lessons that such experiences can teach us. One major lesson is to ensure countries impose strict regulations on banks and financial institutions. History teaches us that without tight supervision and control, banks and financial companies will quickly use strategies to promote their own self interests. Stricter regulation is required.
12. Political leaders and citizens need to seriously take the SDGs on board and devise practical plans on how they can be achieved. This means being able to plan for now, and for the future; both short term and long term. Ireland should integrate the 17 SDGs into all policy-making processes and give them the priority they require if they are to be achieved in Ireland by the target date. While initial work has been done and is welcome, mechanisms and structures to ensure this work is prioritised and sustained should be agreed by Government.

In our view, it is now unlikely that the world will achieve the limitation of temperature rises stated in the Paris Climate Accord. The world has taken too much time to take meaningful action. Many of the SDG targets will have to be adjusted and we will have to quicken the pace of change. The longer we delay in responding to these challenges, the more dramatic and painful the changes will be. As John Maynard Keynes noted, the difficulty is not in learning or accepting new ideas, but in escaping from the old ideas. We argue that escaping from the market/GDP/economic growth mindset that prevents us from seeing social well-being in its totality is critical to make significant progress on the 2030 Agenda. We hope this report promote a broader understanding of the issues Ireland (and the world) faces, and we hope it will facilitate a more open and honest discourse on these issues.



*Appendix – Measuring Progress: Economy, Society and Environment  
in Ireland, Sustainable Development Index 2018*

See pdf attachment.