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ACHIEVING REDUCED INEQUALITIES AS A SUSTAINABLE DEVELOPMENT GOAL DURING COVID-19 PANDEMIC

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Abstract

Due to economic and technological progress, sustainable development became the goal for the humanity to aspire as a way to get a better quality of life considering limited natural resources. As a result, the United Nations General Assembly confirmed the 17 Sustainable Development Goals (SDGs) in 2015, for the purpose of fostering sustainability of the economic development by balancing the economic, social, and environmental needs. One of those goals (Goal 10) was to reduce inequality inside the countries and between them. Before the pandemic the world economy was well on its way to achieve it and showed steady even if a little slow progress. The pandemic has changed that trend as it led to the exposition and intensification of the inequalities within and among countries. The reason for that is the poorest citizens and countries are the least protected against the virus, and the economic fallout for them is the greatest. The crisis has been especially unforgivable for those employed in the informal economy. The shutdown of the international tourism crushed small developing countries dependent on the services sector.

Keywords: Sustainable Development Goals, reduced inequalities, COVID-19 pandemic.

Introduction

In 2015, the United Nations approved 17 Sustainable Development Goals (SDGs) for the period up until 2030 to make people's lives better. Considering that the world economy was on the rise and most of the developed countries had sufficient financial resources, they agreed and signed rather ambitious treaties, among them the Sendai

framework on disaster risk reduction, the Paris climate agreement and the Addis Ababa plan for financing development. Sadly, the implementation of those agreements was rather lackluster. Even before the outbreak of the COVID-19 pandemic, the progress in achieving the Sustainable Development Goals (SDGs) was rather slow, but there was a certain hope that at least some of the 169 target goals would be reached by 2030. The pandemic made this possibility almost non-existing. Surprisingly, some researchers concluded that achieving some of the targets under the Pandemic could even worsen the world economy situation. More so, at least two-thirds of the above-mentioned 169 targets became very difficult to reach or it is apparent that they were formulated not in the best way so there is a threat that they might amplify existing problems. As a result, it took only 5 years to reassess the projected impact of the SDGs.

The aim of the study is to determine the impact of the COVID-19 pandemic on the progress towards achieving Sustainable Development Goals and the reduced inequality in particular.

Research Results

The main precondition for the SDGs are globalization and sustained economic growth. As we can see, the results of the COVID-19 pandemic were devastating for both. It is expected that the global economy will not have a significant growth in the near future, so sustainable growth is expected to recover no earlier than several years from now. The developed countries have limited resources to support their own citizens, so they are not able to financially support the developing world. It means that the development aid will continue to decrease. More so, some researchers think that the reason for the COVID-19 pandemic is the increasing scale of human activity that opens the sources of new diseases once hidden in the wild. The major issue is to ensure global food security, because season workers became restricted to harvest crops; as a result, the prices of food are rising. The exports of the luxury goods are slowing and the tourism has collapsed in most cases. The global slowdown caused the oil prices to fluctuate and drop so oil-rich developing countries in Africa, Latin America and Middle East have serious problems as their national income experienced a steep decline.

Another stressor is the climate changes and their consequences in the form of the natural disasters, the steady degradation of the ecosystems, and the geopolitical

unrest as a result of that. They require resources to combat that could be used to promote the SDGs.

The COVID-19 pandemic clearly demonstrated that the SDGs in their existing form are not viable, so they require serious adjustments. The most important task is to decrease the number of target goals, determine priorities and select the most achievable of them under the sluggish global economy and slowing globalization.

One of the goals most severely affected was reduced inequality and its sub targets. Before the COVID-19 pandemic started, there was a certain progress in combating an inequality as its various measures demonstrated. For example, income inequality inside some countries started to improve and several low-income countries managed to use preferential trade status to their advantage. The transaction costs of remittances were decreasing. Even migration crises started to lose its edge as the host states managed to find the middle ground to organize more or less orderly, safe and responsible migration. Sure, the progress was somewhat hindered by multiple forms of discrimination regards opportunities, wealth and income but it was manageable. The pandemic changed it all. The poorest countries were hit the hardest, but inequality began to rise even inside the developed states as it targeted the most vulnerable group. Inequality increased vulnerability to health and other emergencies so it became one of the priorities.

One of the widely used measures to represent the income inequality is the Gini index. Its range is between 0 and 100, meaning that income is shared equally if it's 0, and 100 represents a theoretical extreme situation where all income is received by one person. Prior to the start of the COVID-19 pandemic, the average Gini index for developing countries was slowly decreasing. But the estimates, made by the International Monetary Fund in October 2020, show that However, the World Economic Outlook, October 2020 of the estimates that the average Gini index for developing countries as a group is expected to increase by 2.6 points to 42.7 in the nearest future. It will return its value to the level of 2008. The estimates for low-income countries are even worse.

Another target indicator was the transaction cost of remittances that was to be reduced to facilitate the legal movement of those cash flows. For example, in 2011 the global average cost to send an international transfer of \$200 was 9.3 per cent. Surprisingly, the pandemic had almost no negative impact on this target as the average cost of

sending money internationally was even reduced to 6.5 per cent in 2020. There were rather large discrepancies between different regions. For example, the transaction costs for international money transfers to Oceania (small island states) and sub-Saharan region were the highest (9.1 per cent and 8.5 per cent, respectively). On the other hand, Central and Southern Asia region managed to reach the indicator below the estimated 5 per cent threshold. Still, it's a long way to achieve the declared target of a global average cost of 3 per cent by 2030.

Discussion and Conclusions

The SDGs were a promising achievement by the global community approved in 2015 at the height of the period of economic growth and an abundance of resources that developed countries were ready to spend on improving the global level and quality of life. Sadly, the COVID-19 pandemic put a serious obstacle on the way to reach those goals. The funding became scarce and it was redirected towards combating the pandemic. One of goals that experienced the most set back was reduced inequality as the official international aid all but dried up. The Gini index started rising again, the inequality between countries increased as the prices of oil fell but the prices of food skyrocketed. The low-income and the poorest countries were the worst affected. To solve the issue the aid of the developed countries is required but at the moment their resources are limited.

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