



Khazanah Megatrends Forum 2016

**Geography as Destiny? Reaping the Rewards of Good Stewardship
The Political Economy of Location, Environment and Demographics**

The Sustainable Development Goals and Malaysia

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26th September 2016

A Quick Guide

1. Sustainable Development Goals

- *Threats and Opportunities*

2. Climate Justice

3. Demographic Transition

4. Malnutrition

5. Inequality

Agenda 2030

2030 AGENDA



FOR SUSTAINABLE DEVELOPMENT

Sustainable development
framework guiding
international community
over **2016-2030**



17 Goals, 169 targets
covering 3 SD
dimensions (**economic,**
social, ecological)



THE GLOBAL GOALS
For Sustainable Development
Agenda 2030



**Inter-governmentally
negotiated**, agreed to
by all Member States



Universal in nature:
for all countries

Sustainable Development Goals Agenda of 2030

17 Sustainable Development Goals (SDGs)



1 **End poverty** in all its forms everywhere



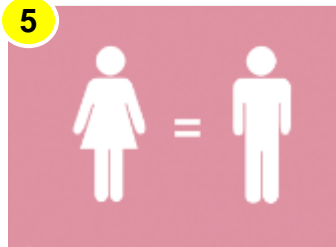
2 **End hunger**, achieve food security and adequate nutrition, and promote sustainable agriculture



3 Attain **healthy lives** for all at all ages



4 Provide inclusive and equitable **quality education** and lifelong learning opportunities for all



5 Achieve **gender equality** and empower all women and girls everywhere



6 Ensure availability and **sustainable management of water** and sanitation for all



7 Ensure access to affordable, **sustainable and modern energy** for all



8 Promote sustained, inclusive, **sustainable economic growth**, full and productive employment and decent work for all

Sustainable Development Goals Agenda of 2030

17 Sustainable Development Goals (SDGs)

9



Build **resilient infrastructure**, promote inclusive and sustainable industrialization and foster innovation

10



Reduce inequality within and among countries

11



Make cities and **human settlements** inclusive, safe, and sustainable

12



Promote **sustainable consumption and production** patterns

13



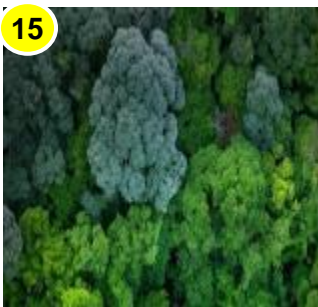
Combat climate change and its impacts

14



Conserve and **sustainably use oceans**, seas and their resources for sustainable development

15



Protect and promote sustainable use of terrestrial ecosystems, **sustainably manage forests**, and halt and reverse **land degradation** and **biodiversity** loss

16



Enable sustainable development by achieving **peaceful and inclusive societies**, promoting rule of law at all levels, providing **justice for all** and building effective and capable institutions nationally and internationally

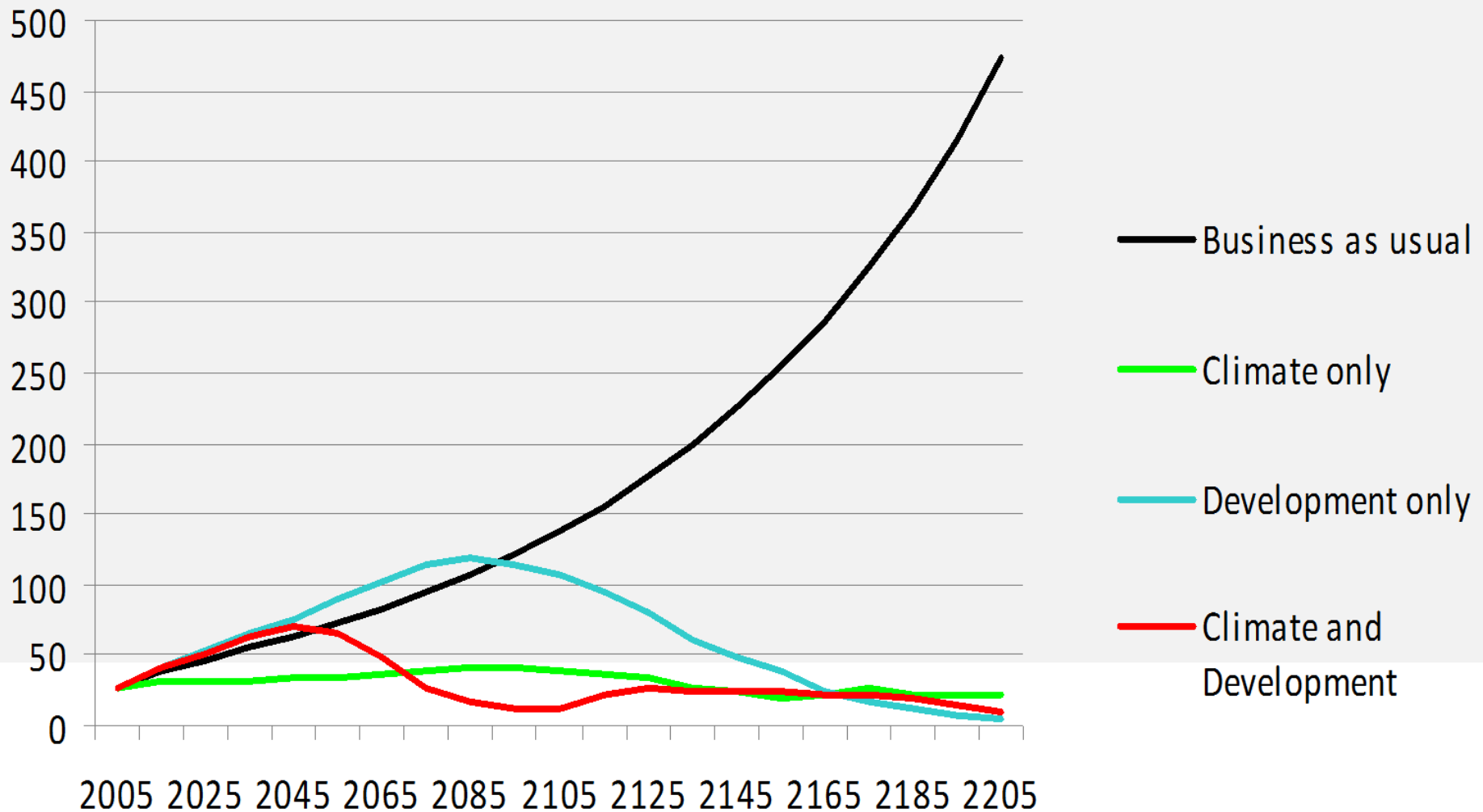
17



Strengthen **means of implementation and global partnership** for sustainable development

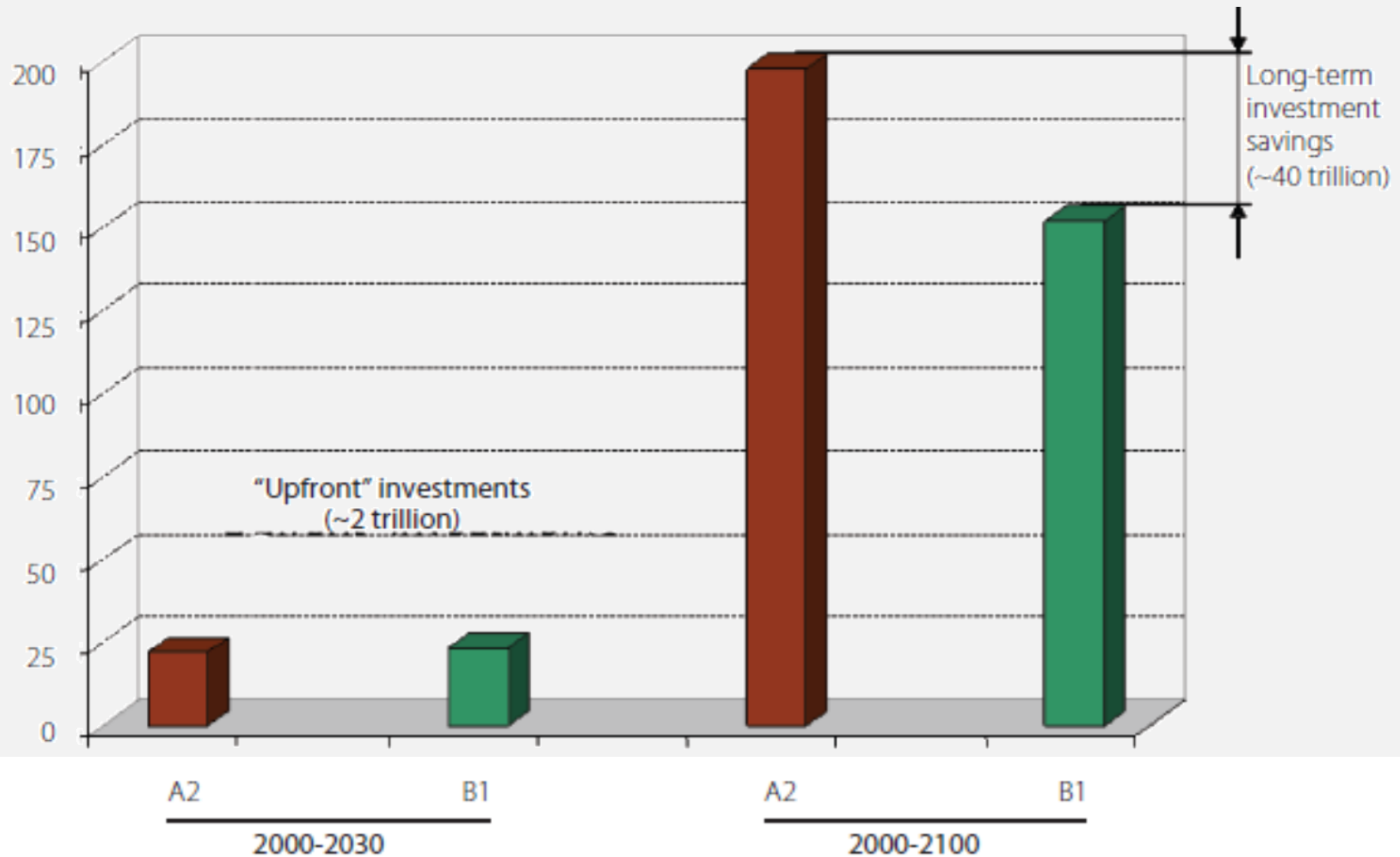
CO2e emissions scenarios

Global CO2e Emissions (Gtc)



Upfront Investments and Investment Savings

More upfront investments → long-term investment savings



Climate Change and Development

1



Need to reduce emissions in rich countries, **slow (+eventually reduce) them in developing countries**

2



Investment-led approach to address both climate change + development goals

3



Investments must be **front-loaded**, given danger of lock-in and importance of **scale, scope and learning economies for technology leapfrogging**

4



Public investment to crowd-in private investment to sustain new development pathway

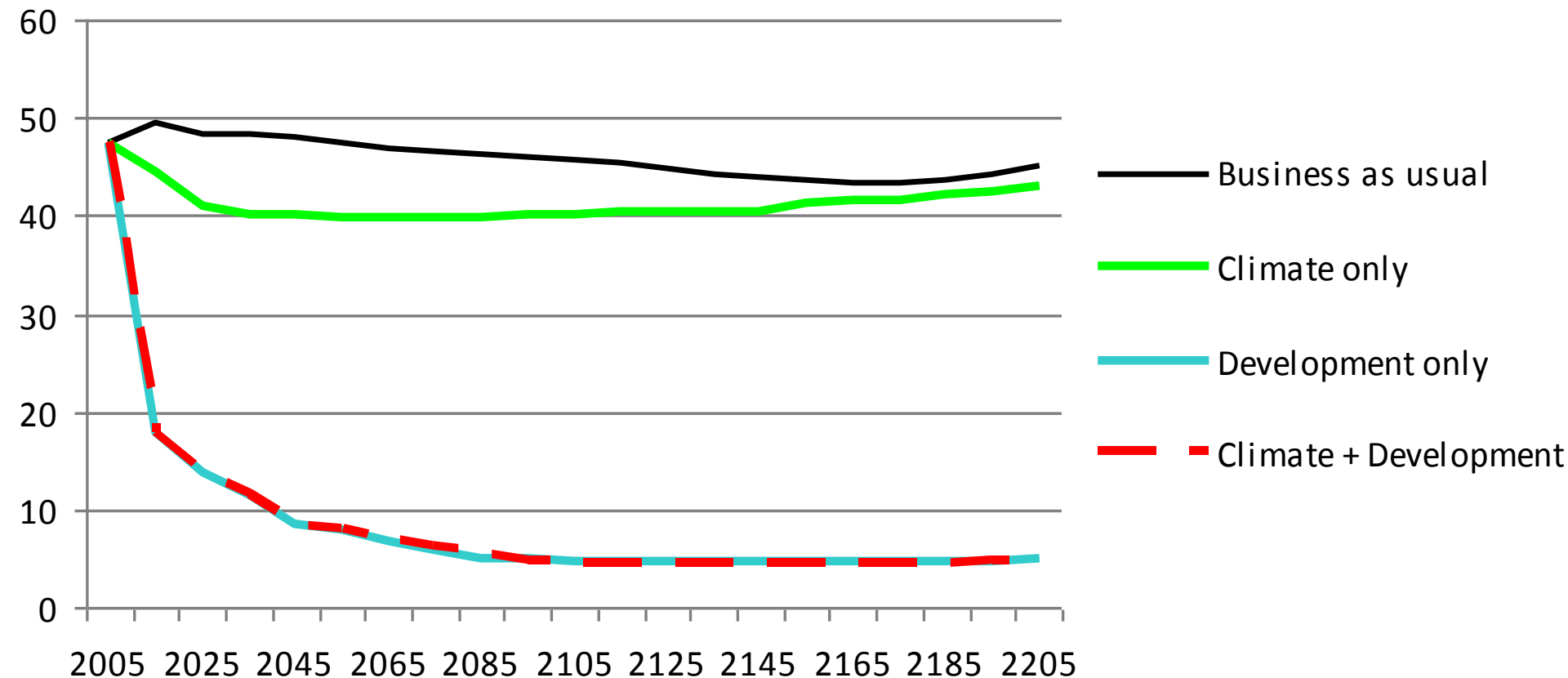
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Significant transfers **(finance + technology)** required for big push

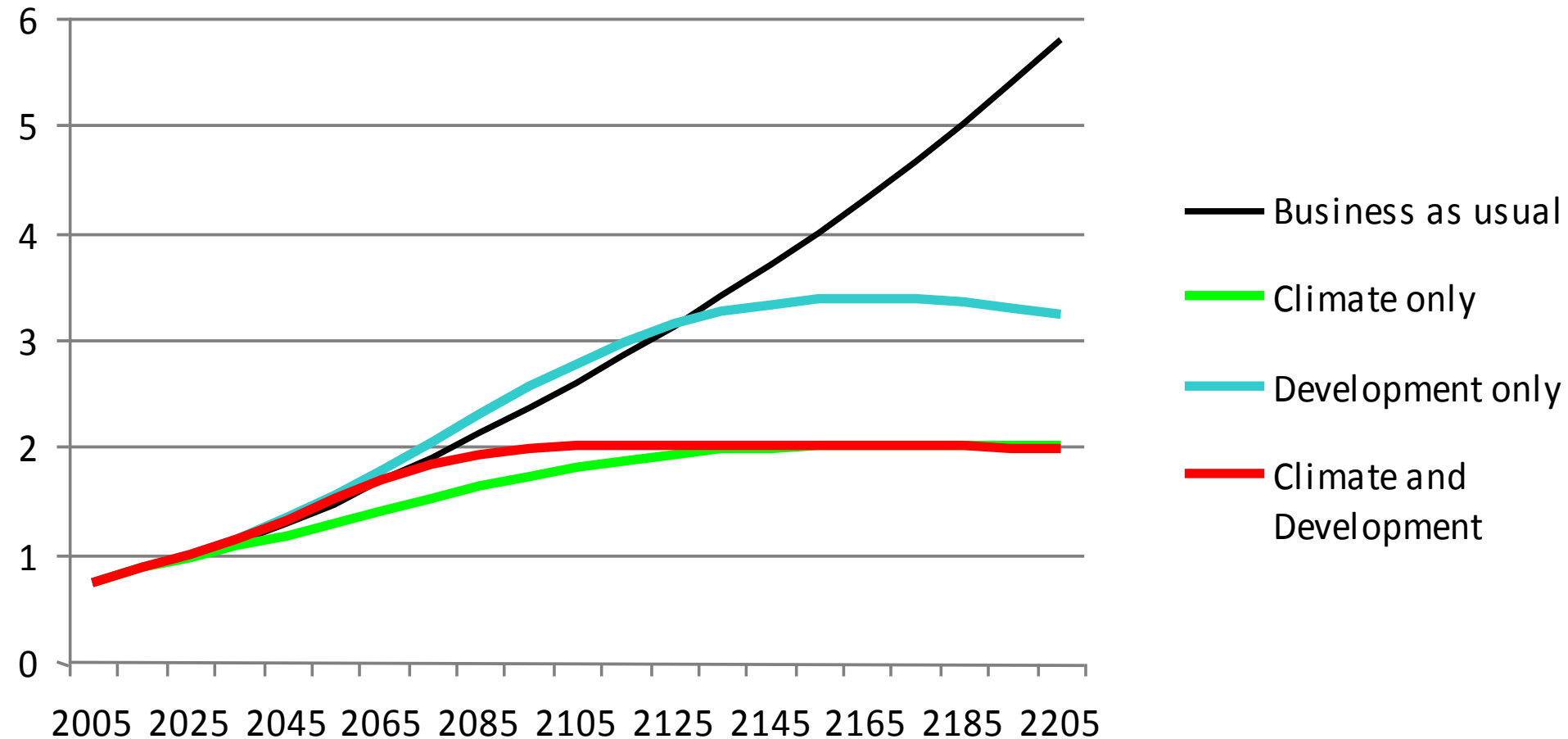
Different development outcome scenarios

Per capita consumption:
ratio USA / Africa



Different temperature increase scenarios

Temperature Increase (degrees C)



Global Green New Deal

1



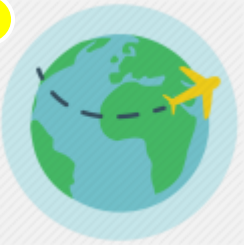
New Deal for recovery, social protection, jobs, infrastructure, development

2



Green for more job creation from renewable energy (compared to fossil fuel energy)

3



Global for cross-subsidization (e.g., regional feed-in tariffs, scale economies)

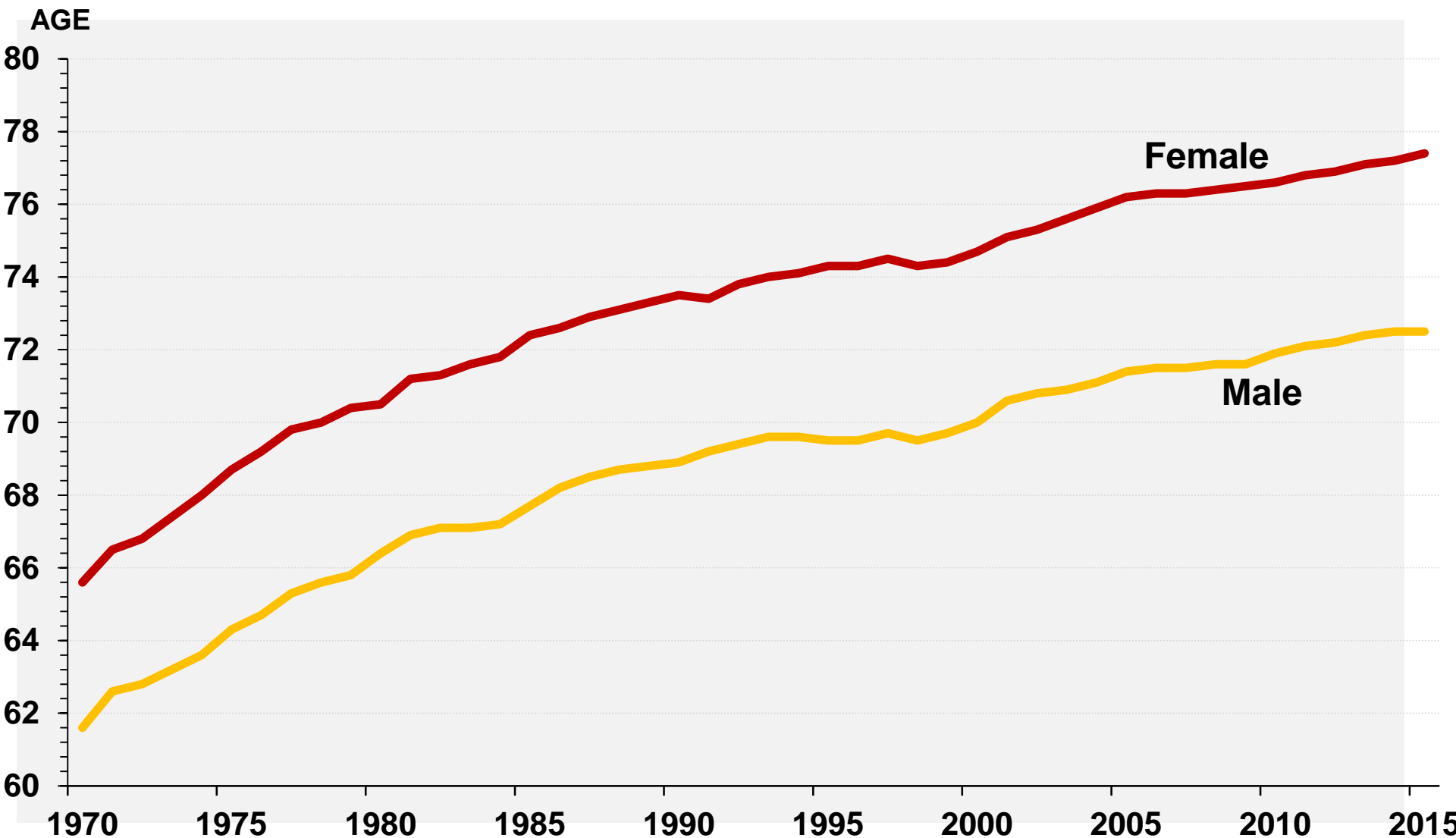
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Public Investment to Induce Private Investment Cheap Credit → Over-investment → Under-utilized capacity → Private Investor Reluctance → Public Investment In Renewables

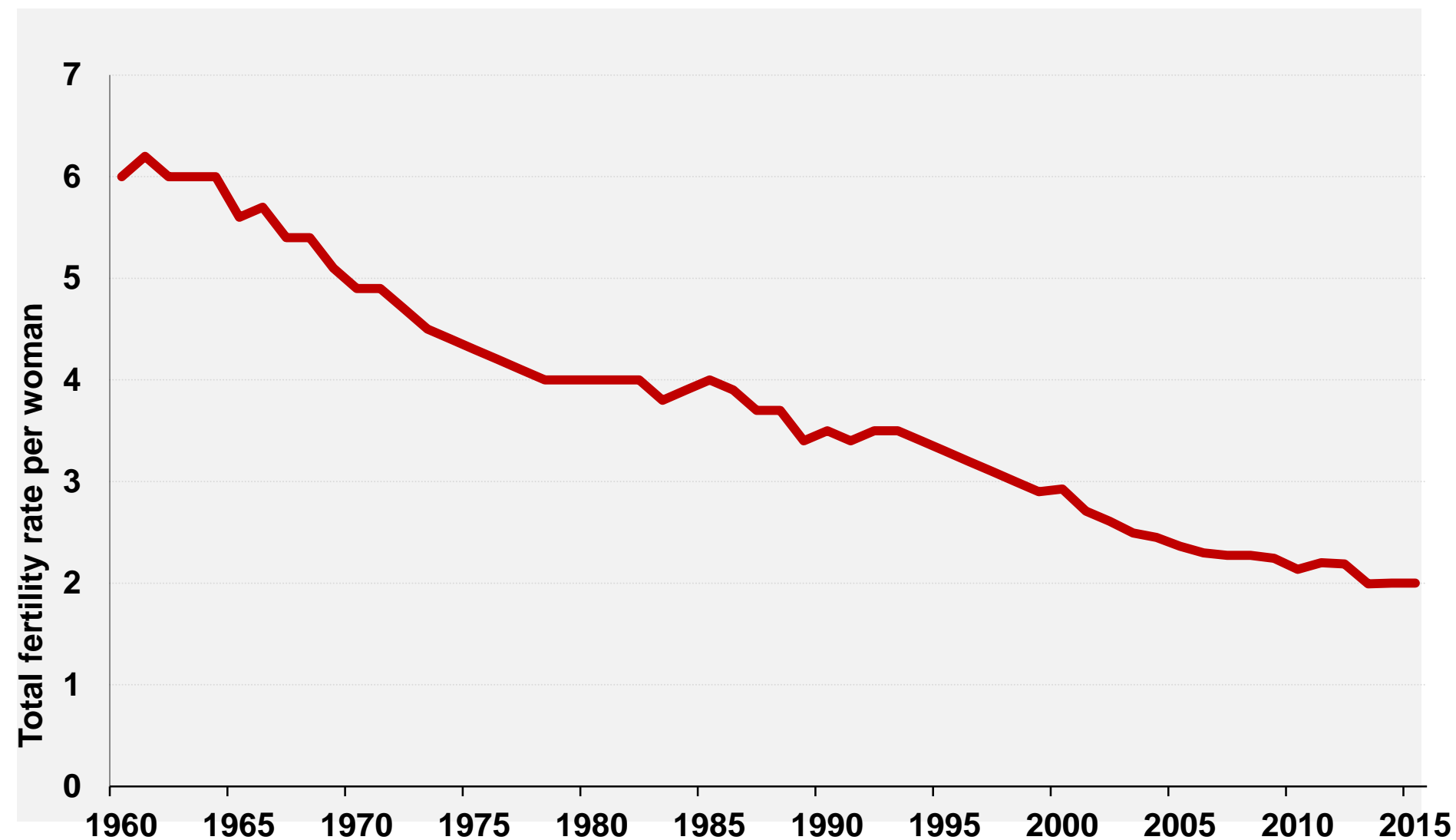
Malaysians living longer

Life expectancy at birth by gender, 1970-2015



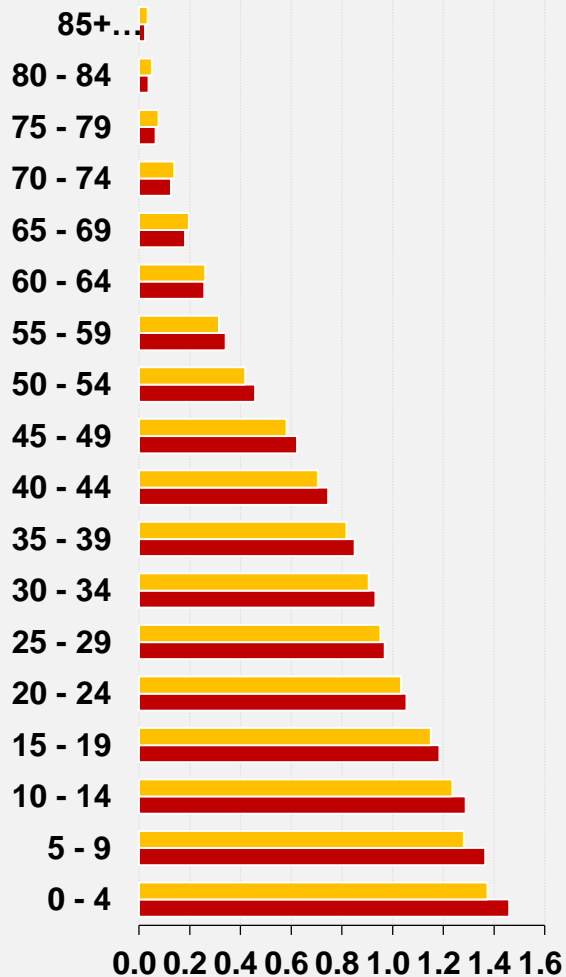
Malaysians having fewer children

Total fertility rate, 1960-2015

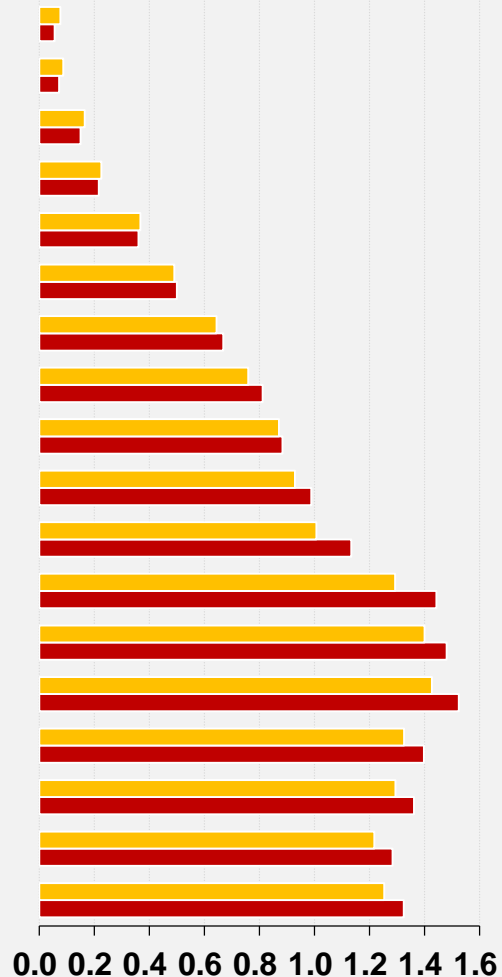


Malaysia's changing population profile

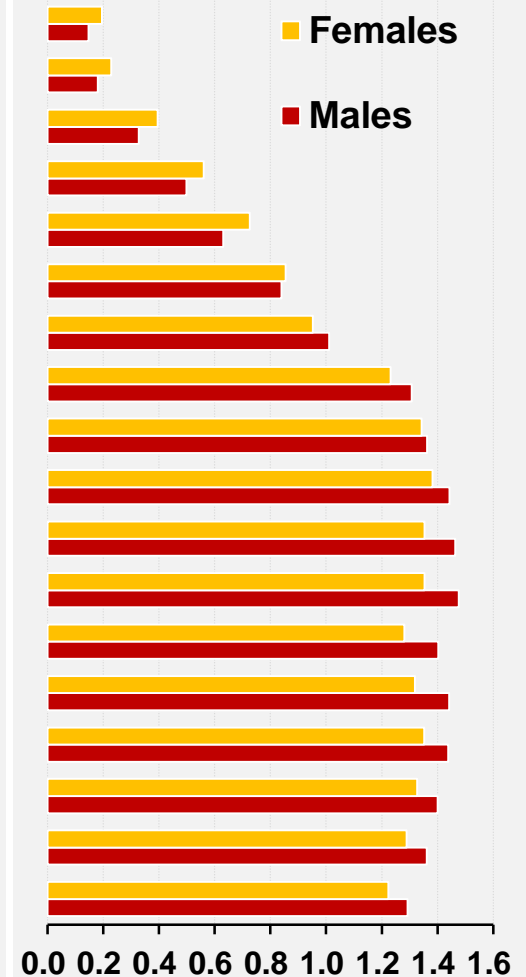
2000



2015



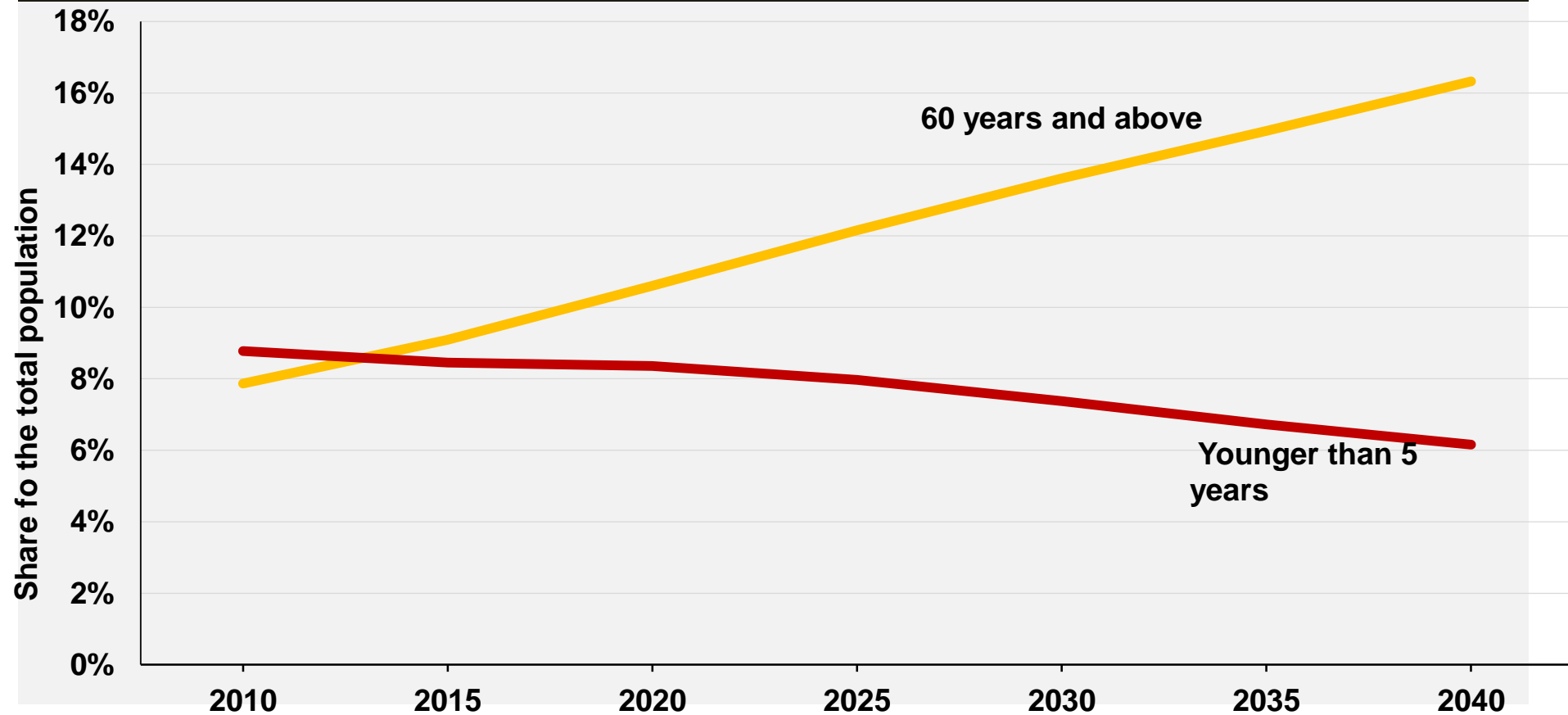
2035



Population size (million)

Changing dependency ratios

Percentage of Malaysian population aged 60 years old and above compared to population younger than five years old, 2010–2040



An ageing society increases fiscal and financial pressures on healthcare system due to growing share of chronic medical treatment for the aged

Life expectancies at selected ages by gender in 2015

Age	Male	Female
0	72.5	77.9
50	76.2	79.5
55	77.2	80.1
60	78.4	80.9
65	79.9	81.9
70	81.5	83.0
75	83.7	84.8
≥80	86.1	87.0



**Can Malaysians
afford to
live longer?**

The average **Employees Provident Fund** savings of a 51-55 year old of **RM159,952** would, at current rates of interest and inflation, only last **15.6 years** if he/she draws a poverty line income every month.

Malnutrition: The Problem

Malnutrition: Major Challenges



Macronutrients (hunger)



*Hunger estimates
narrow, conservative*

Micronutrients (minerals, vitamins)



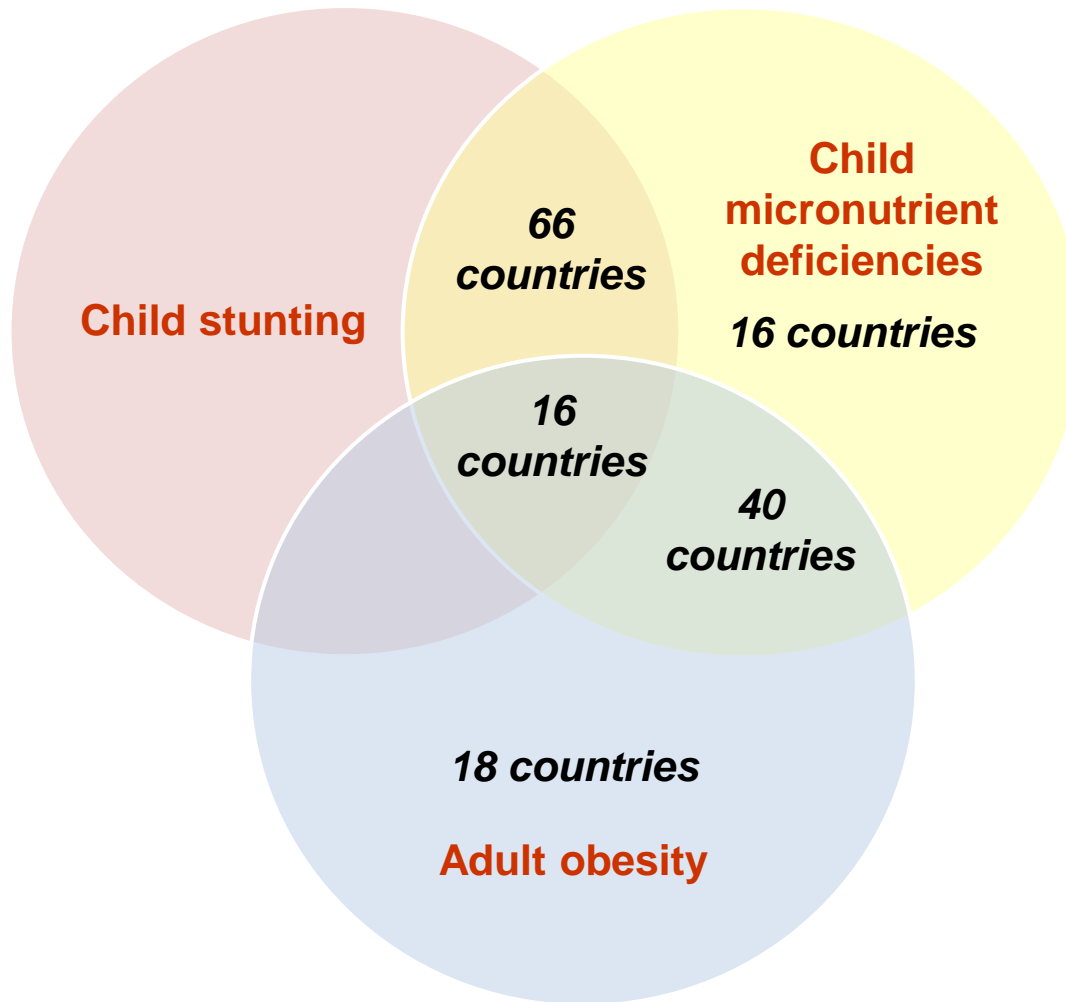
*Deficiencies ('hidden
hunger')*

Obesity, non-communicable diseases



*Malnutrition
widespread, costly*

Overlapping Burdens of Malnutrition



No significant malnutrition problems: 15 countries

Economic Costs of Malnutrition

Unacceptably high at 5% of GDP

**2-3% of
global GDP**

Under nutrition, micronutrient deficiencies cost **2-3% of global GDP**

**USD47
trillion**

Total output loss, healthcare costs due to NCDs for which obesity is a key risk factor – **USD47 trillion over next 2 decades**

**USD3.5
trillion**

Total costs of malnutrition may be as high as high as 5% of global output, equivalent to **USD3.5 trillion or USD500/person yearly**

Economic Costs of Obesity

By McKinsey Global Institute (2014)



About **1.9 ~ 2.1 billion** people are overweight (including about 1/3 [BMI] obese), i.e. **30% of global population**

Comparative Economic Burden



Armed conflicts
\$2.1 trillion

Smoking
\$2.1 trillion



Obesity
\$2.0 trillion

Liberalization's discontents



Trade



Finance



**Foreign direct
investment**



**Inequality:
geography
vs class**



**IPRs &
technology**

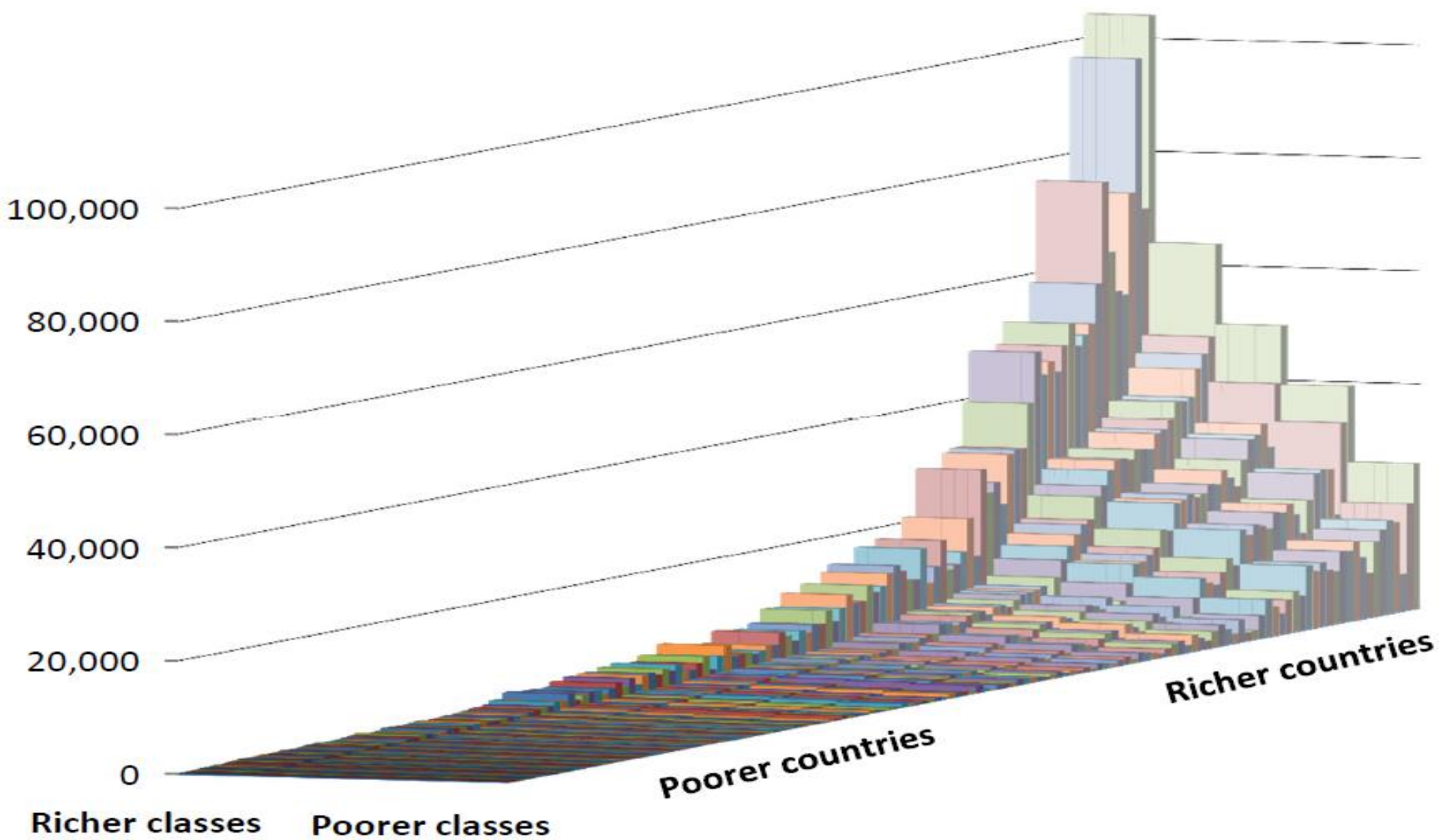


**SOEs &
privatization**

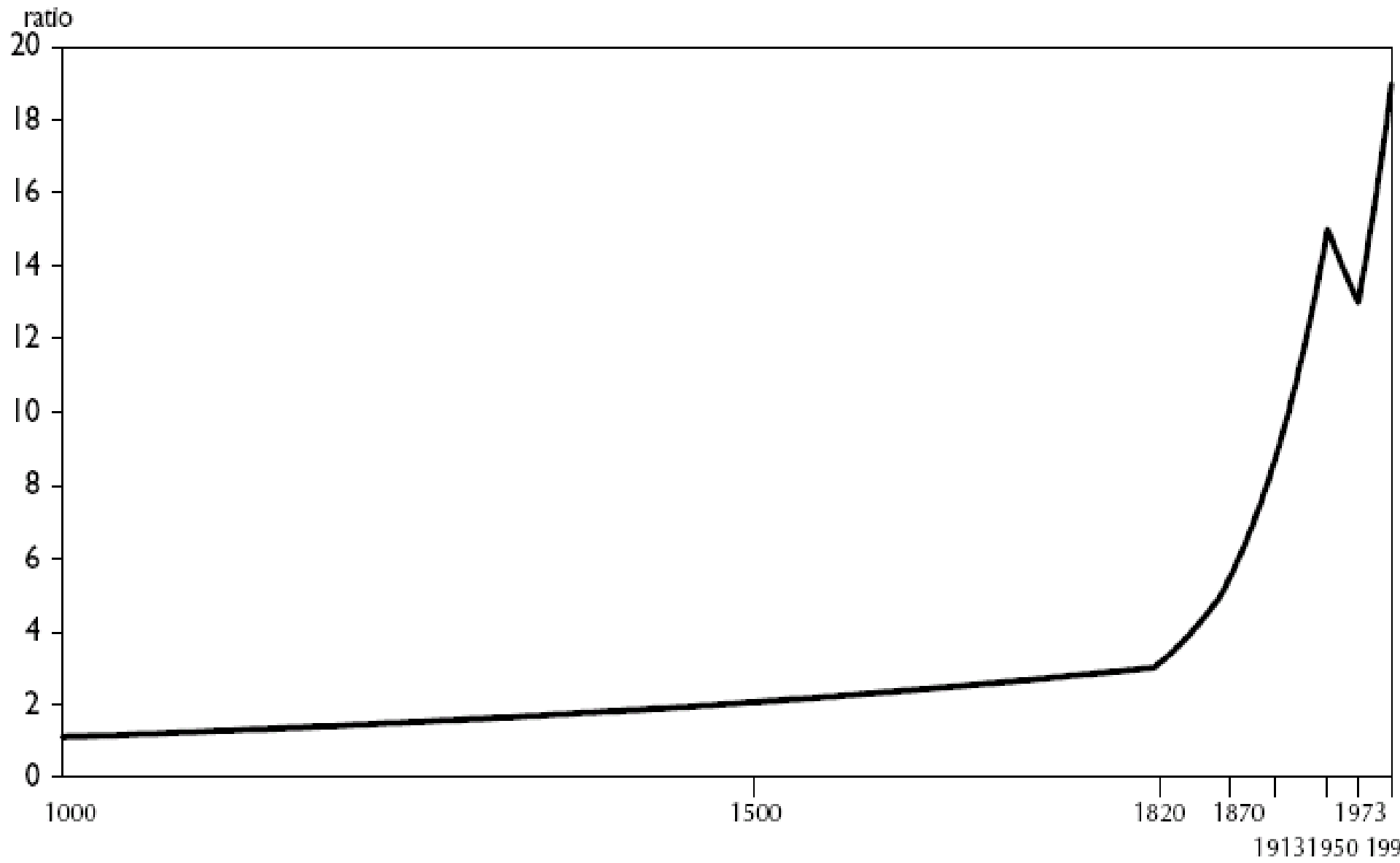


TPP vs SDGs

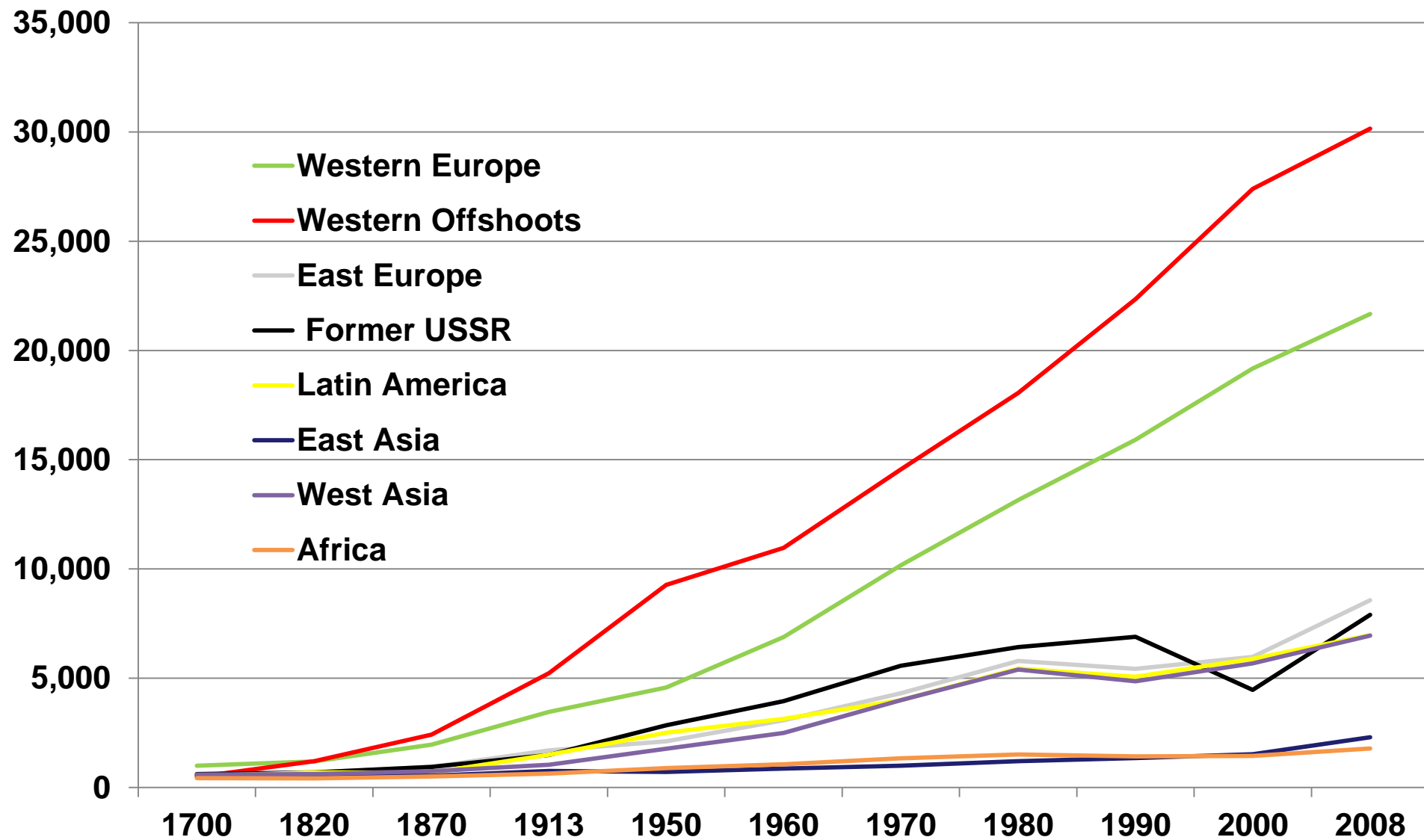
70% of world inequality due to international inequalities



World inequality increase



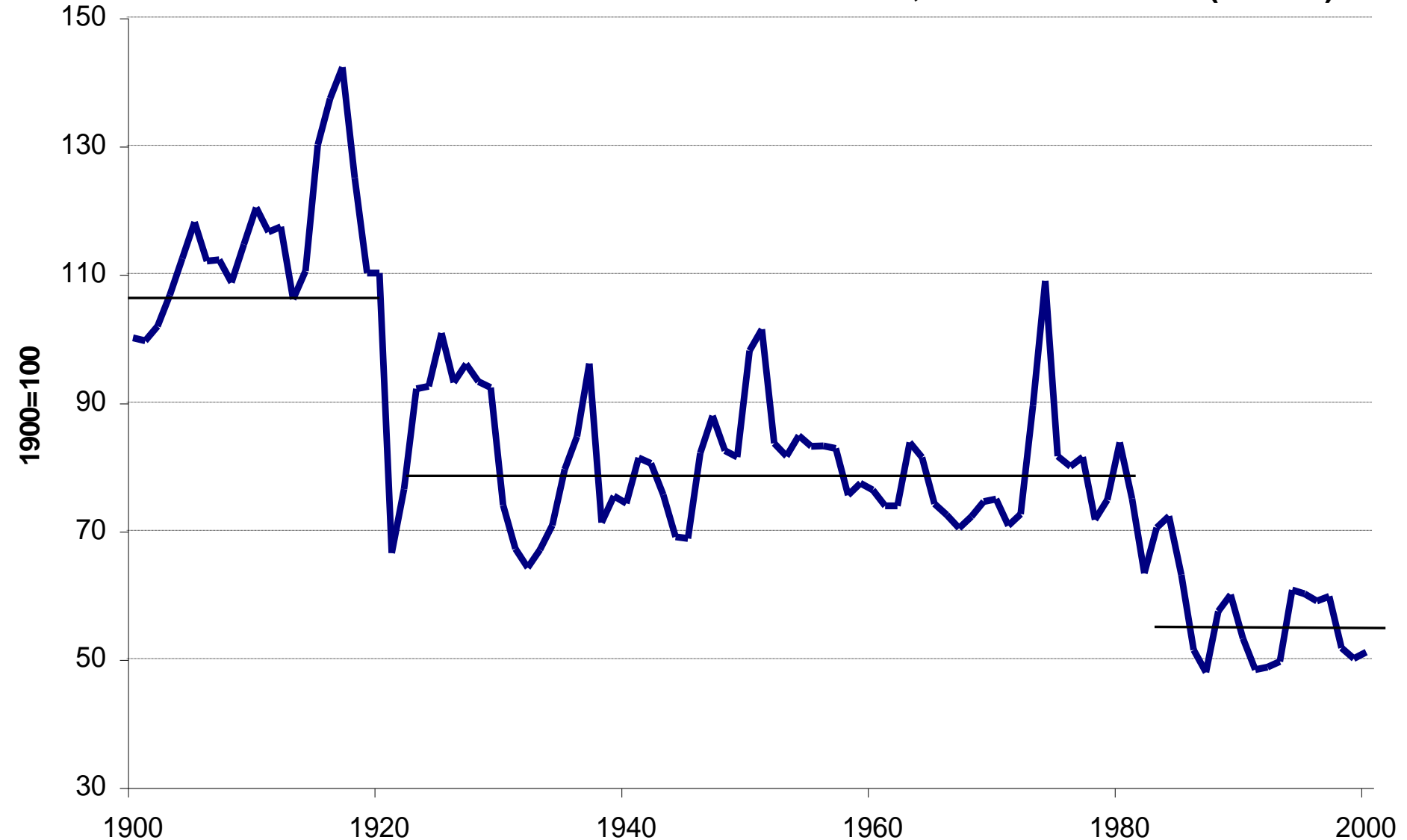
Great divergence, 1700-2008



Commodity prices declined by half

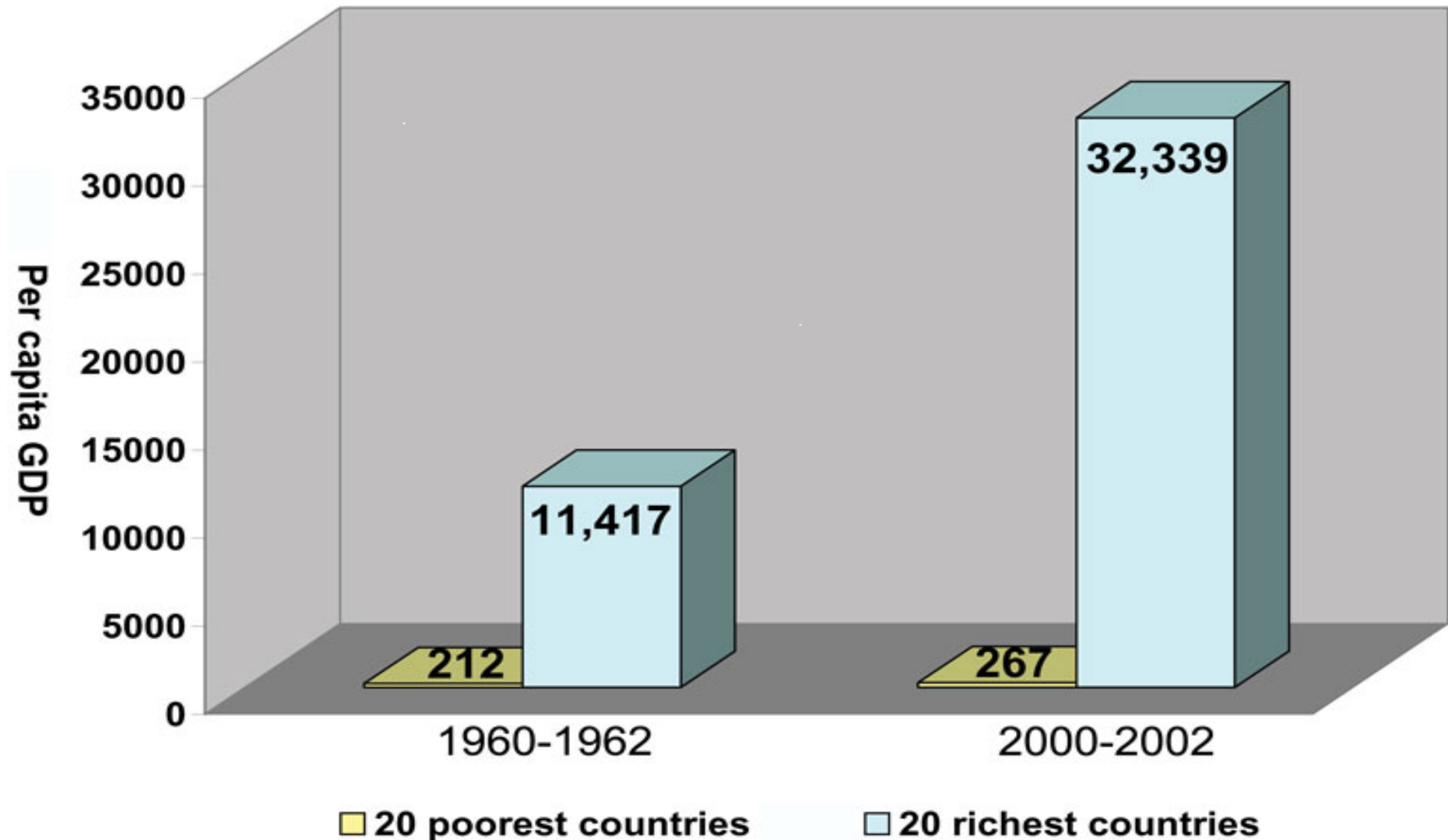
Figure 1

AGGREGATE REAL COMMODITY PRICE INDEX, EXCLUDING OIL (GYCPI)



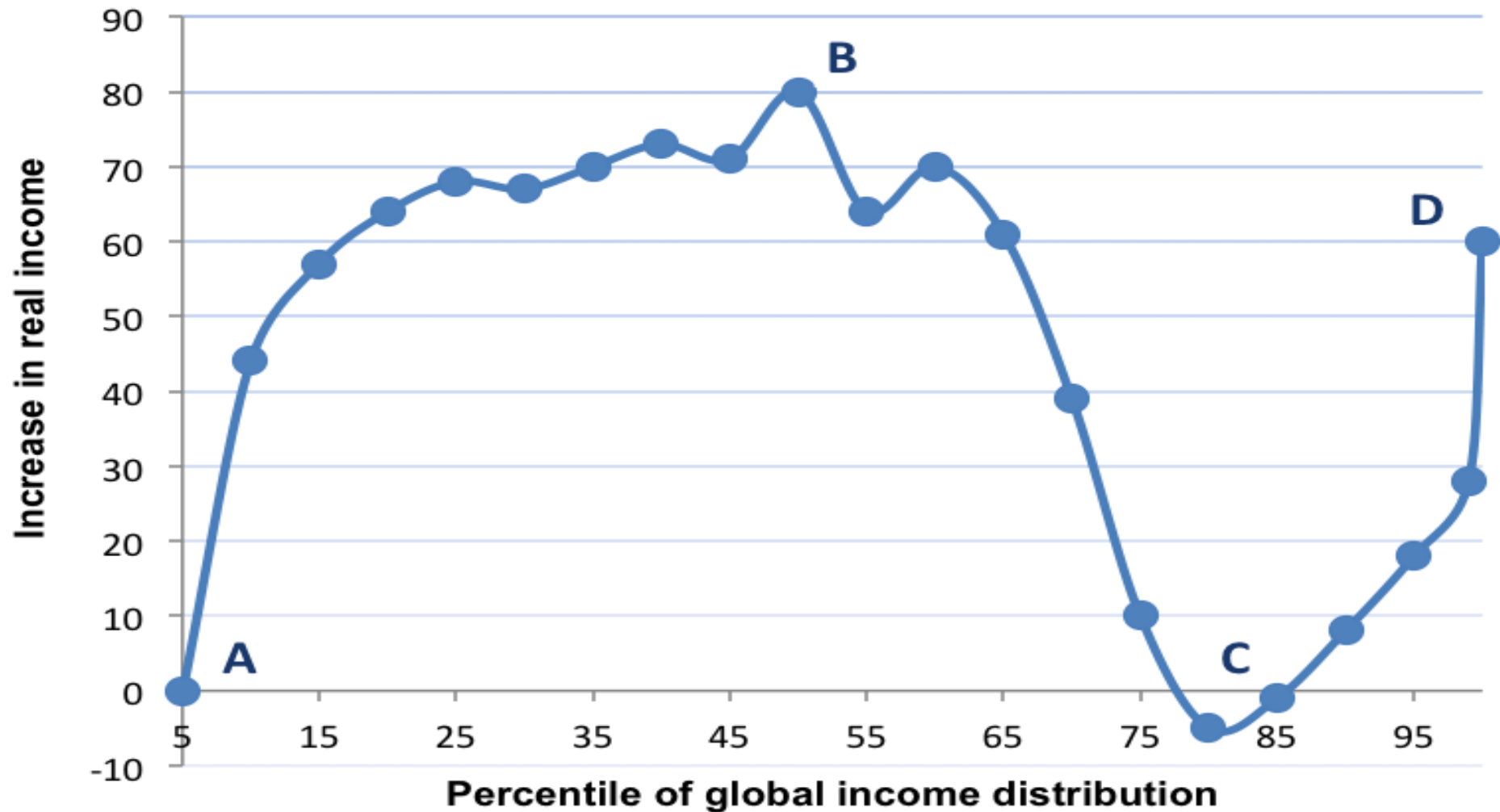
1960-2002: Huge inequalities > x2

>x55 to >x120 20 richest/20 poorest countries



Rising tide, but not all boats

Change in real income between 1988 and 2008 at various percentiles of global income distribution (in 2005 international dollars)



An aerial photograph of the Kuala Lumpur skyline. The Petronas Twin Towers are the most prominent feature on the right side of the image. The city is densely packed with various high-rise buildings and skyscrapers. In the foreground, there are green spaces, including a large park area with a winding path and some smaller structures. The sky is bright blue with scattered white clouds.

Thank you!

www.sustainabledevelopment.un.org

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