

**Gap between Sustainable Development
Goals and Circumstances in China
“Can China Achieve the 2030 Agenda?”**

A Working Paper

Kamakura Fellowship Foundation

2017, TOKYO



1. 2015 UN Sustainable Development Summit and Agenda 2030

with 17 Proposals

This paper will discuss the Gap between SDGs and circumstances in China as at the year 2017. Following the outcome of MDGs (the millennium development goals) agreed in 2000, 193 UN members participated in the UN Sustainable Development Summit at UN headquarters in September, 2015 to formally adopt a new sustainable development agenda. The final 2030 agenda text for adoption proposed 17 SDGs (Figure 1.) with 169 targets to stop poverty, inequality and environmental destruction for a sustainable future. The agenda was meant to serve as the launch pad for action by the international community and by national governments for all over the next 15 years. The UN Secretary-General Ban Ki-moon said, "The true test of commitment to Agenda 2030 will be implementation. Seventeen Sustainable Development Goals are our guide." Thus, China, as the world's largest developing country, faced both opportunities and challenges in auctioning SDGs.



Figure 1. 17 SDGs (Source: UNCTAD Website)

2. China's Achievement

China clearly improved agricultural productivity. China's population living in poverty dropped from 689 million in 1990 to 57 million in 2015, making a great contribution to the global cause of poverty reduction. The nine-year free compulsory education has been universalized and illiteracy rate had dropped from 6.7 per cent in 2000 to 4.1 per cent in 2014. Steady job growth had been achieved with altogether 137 million new jobs created in urban areas from 2003 to 2014.

Thus, the Chinese government and people have deepened their understanding of the nature of development. Under the Hu Jintao's Scientific Outlook on Development, they have made a great shift to goals

featuring innovative, open, environmental friendly and shared development. For example, Figure 2 represents the decrease of GINI coefficient in China in the past 15 years, which reflects the progress in making such an inclusive growth.

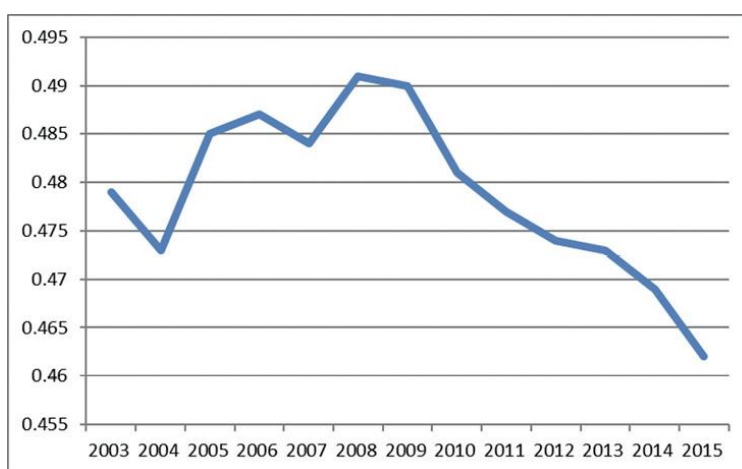


Figure 2. GINI coefficient in China (Source: NBS, respective years)

3. The Gap

However, China is facing multiple challenges. Those include economic slow-down, failure in transformation of industrial structure. In addition, the globalization may well cast more complicated matters such as refugee crisis, terrorism and public health crisis.

3-1. Challenges from the New Normal

The GDP growth rate of 6.7% in 2016 was the lowest rate since 1990.

Among the many signs of weakness, unskilled wages rose more slowly (Figure 3). Therefore, it is obvious that to maintain the New Normal, the structural reform is inevitable, but it is still achieved at a lower level.

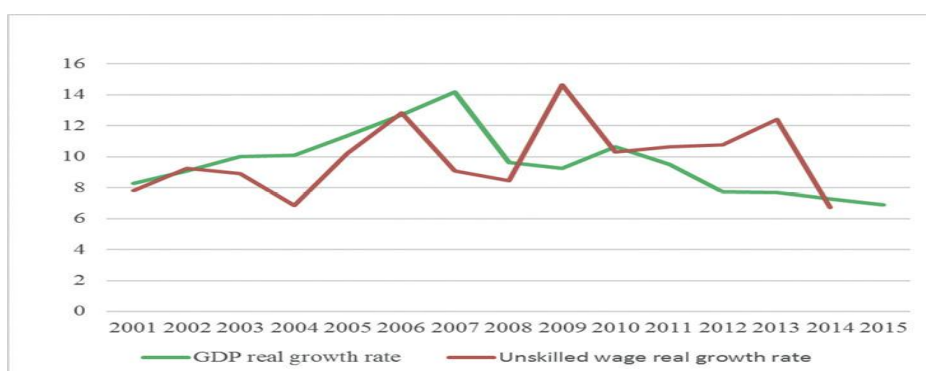


Figure 3. Real Growth Rates of GDP and Unskilled Wage (Source: World Bank, various years)

3-2. Lower TFP Growth

The following Figure 2 shows the contribution components of GDP growth.

TFP growth stands for the total factor productivity (TFP), which accounts for effects in total output growth relative to the growth in traditionally measured inputs of labor and capital. To adjust to the new normal, TFP growth should be expanded. However, it appears that the monetary easing and fiscal expansion since 2008 has not improved TFP. The growth

is only from increases in the capital stock. TFP remains well below rates during the past 15 years.

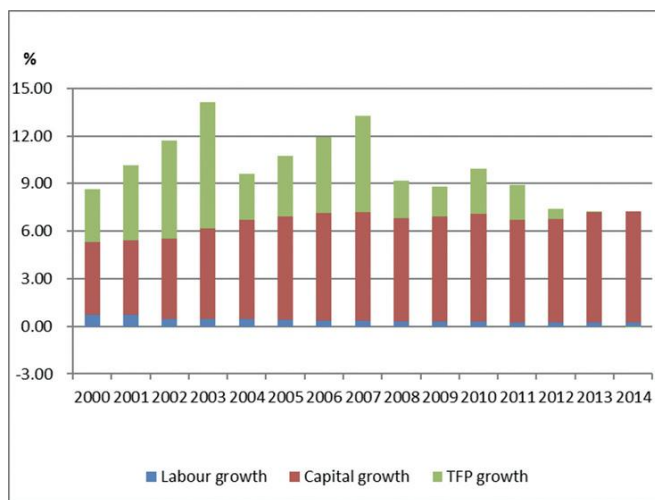


Figure 4. TFP Growth (Source: The Conference Board Total Economy Database, 2015)

3-3. Environment

China is one of the biggest CO2 emitter in the world. The electricity generation and steel production are heavily dependent on the coal consumption. Air pollution with PM2.5 in the big cities are at hazardous level. China contributed all of the growth in global coal consumption from 2000 to 2012. Although it contributed the full share of a decline in coal use since 2012, it must go a long way to affect the absolute value of the global GHG emission continuously.

4. Conclusion

The 2030 Agenda gives China both opportunities and challenges. As the World's second largest and the biggest developing economy, China takes a great role in the implementation of Agenda 2030. China's plan for the implementation of the 2030 Agenda released by Premier Li Keqiang states that the major challenges for China was how to eradicate poverty, improve people's livelihood, defuse social problems, achieve common prosperity, improve national governance system and capability, and achieve coordinated development among different regions at all levels and in all fields (Chinese Foreign Ministry, 2016). China has been very successful in reducing domestic poverty and improving people's well-being to accommodate the globalization and development of information technology. However, challenges are obvious in the industrial transformation to more productive economy with more openness, diversity, wage and social security.

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