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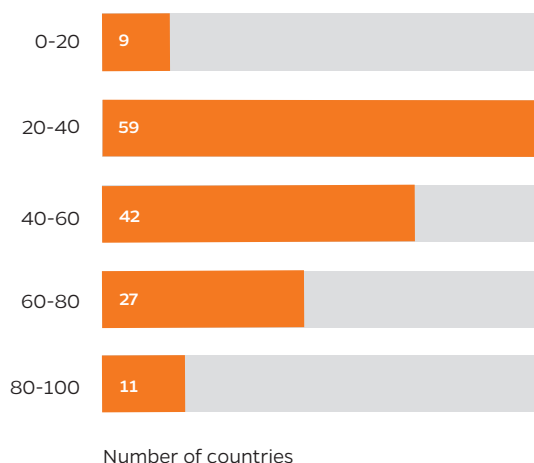
## *In depth*

### 3.1. A CROSS-CUTTING PERSPECTIVE

One of the key strengths of the PCSDI is that it enables us to compare different angles of policy coherence for sustainable development. Such comparison is crucial if we are to gauge any internal contradictions in the development models of a given country and also, from the broader perspective, identify the particular aspect of coherence where most work remains to be done. This applies both to individual countries and globally, when all the scores in each country are taken into account.

One way to study this is by comparing the country distribution in ranking of each component. With this in mind, the five charts that follow reflect the number of countries in each quintile of the component ranking.

Figure 13. Number of countries per segment for the economic component



The PCSDI's economic component shows the extent to which each country's taxation and financial policies are at the service of the people, placing at the heart of the analysis those aspects that most contribute to combining development with internal equity while, at the same time, avoiding practices that do not support or are harmful to global economic development potential. On this basis, in the breakdown by segment, we see relatively low scores for most countries. In fact, only 38 out of 148 countries are in the top two segments, whereas 68 of the countries analysed fail to reach a score of 40. This suggests there is a great deal of work to be done to increase economic coherence in most countries.

The PCSDI's social component evaluates the highest number of policies and includes the most variables in its analysis. In our view, a country that is coherent from the social perspective constructs strong social protection systems which allow citizens to fully develop their lives, with social rights and access to basic services.

In this case, we note certain differences from the economic component. Most countries are in the top two segments (a total of 86, compared to 62 in the other segments). Moreover, most of the remainder are in the middle segment, while a minority are in the lowest spots.

The global component shows us country coherence where this is understood to mean contribution to democratic global governance by building multilateral frameworks and collective security with disarmament and peace-building structures.

Analysis by segment shows a more even distribution: whereas most of the countries analysed fall into the middle segment (40 to 60), there is a similar distribution in the two top and the two bottom segments, with the same number of countries in both. This distribution suggests moderate coherence from the global perspective, with much work still to be done by most countries individually.

Figure 14. Number of countries per segment for the social component

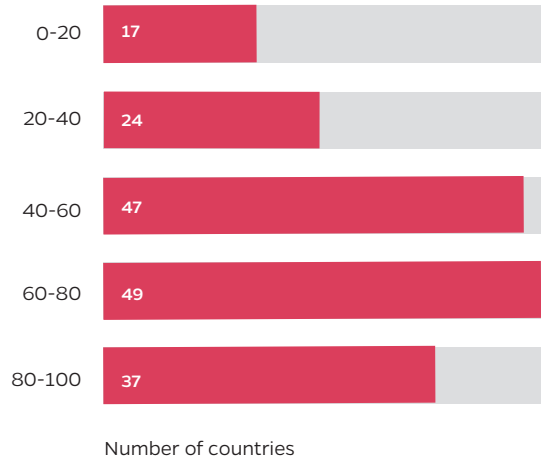
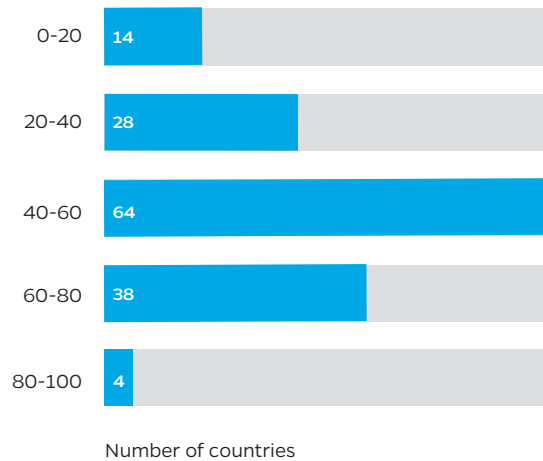


Figure 15. Number of countries per segment for the global component



The environmental component analyses coherence between a country's development and its environmental sustainability, also incorporating issues like pollution or stewarding biodiversity, and, in a more structural sense, with regard to its commitment to the overall sustainability of the planet.

From this perspective, the chart showing the breakdown by tranche provides very clear results. Development in most countries is incoherent from the environmental perspective, with only 9 standing above 60 in the ranking. Most stand in the middle part of the ranking, while 43 stand in the lower segments. This distribution shows, firstly, that from the environmental coherence perspective, all countries should be making substantial changes to their development models. Secondly, and also significant, is that no country is positioned in the upper segments of the ranking, which is proof that no country can act as a role model in this sense or, put another way, no country can currently be considered environmentally sustainable.

Finally, the productive component analyses countries by the extent to which the development of basic infrastructures results in access to basic services for the whole population in an environmentally and socially sustainable manner. It includes variables that qualify the former on the basis of environmental costs, and a legal commitment to equality and social justice.

Here, we note that the lower segments contain a relatively small number of countries compared to the two upper tiers. Most countries fall within the medium and low segments (49 and 43 respectively), and a significant number fall within the high end of the ranking (80-100). These data indicate that the development of the set of countries analysed is moderately coherent in the productive component. Moreover, polarization is not excessive, and most

Figure 16. Number of countries per segment for the environmental component

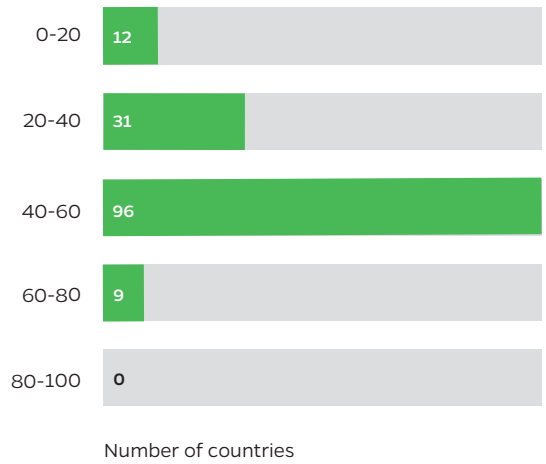
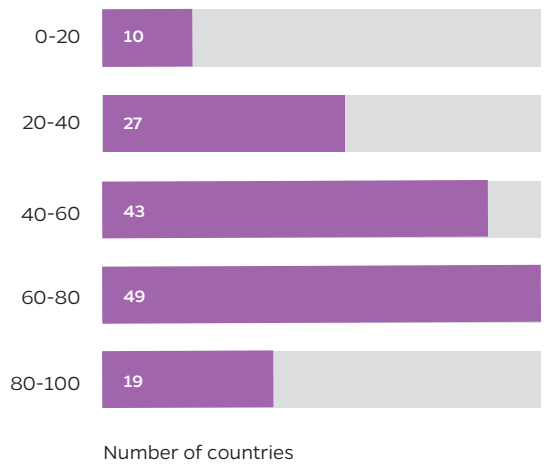


Figure 17. Number of countries per segment for the productive component



countries stand in the middle segments of the ranking while only a relatively small number stand in the bottom segment.

From the cross-cutting angle, by comparing the charts broken down by segment seen so far we can point to clear coherence trends both overall and broken down by component:

- Firstly, the components are considerably heterogenous. Their very diverse results reveal major contradictions in the different development models and their coherence. This contradiction is clear in the economic and environmental components when compared to the productive and social areas.
- Where the first two of these are concerned, it can be concluded that the world is profoundly incoherent from the economic and environmental perspectives. Most countries will have to carry out far-reaching changes in their development models if they are to attain acceptable levels in these two areas. Moreover, no country or example can serve as a role model on the environmental component: there is no country with a truly coherent performance.
- Where the production and social components are concerned, although these perform best, we should still bear in mind that there are major differences worldwide. Some countries are very advanced in social and productive development while others have very low positions in the ranking.

- The performance of the global component shows that there is as yet no clear commitment by States to build democratic global governance structures. Although most countries fall in the middle, this is insufficient to face up to global challenges like the transformation of economic and ecological structures that, as discussed, are necessary.

## 3.2. ANALYSIS OF THE COMPONENTS

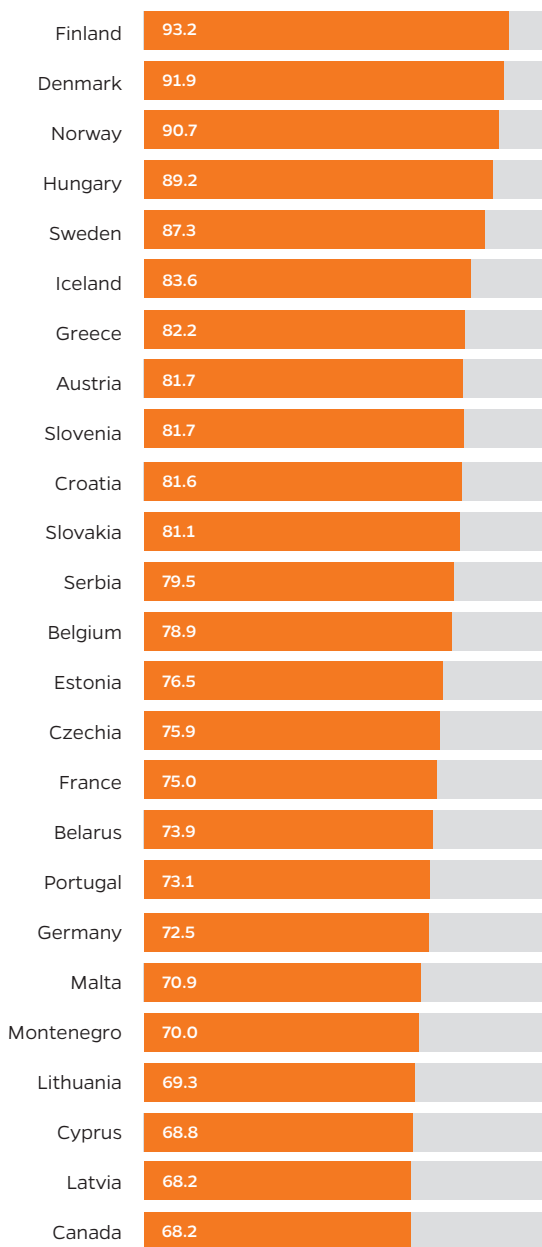
### The economic component

Figure 18 shows the 25 best-performing countries on the economic component where, as we can see, there is considerable disparity. Finland, best placed in the ranking, obtains 93.2 whereas Canada, at number 25, earns only 68.2. This 25-point difference (1/4 of the total possible score) indicates that there are very few countries with high levels of coherence on this component.

As for the geopolitical makeup of the ranking, domination by European and Western countries can be observed, with Scandinavian countries in very high positions. Importantly, however, of the countries considered world powers<sup>4</sup>, only Germany and France are among the 25 best-positioned countries, although they perform relatively discreetly. This data shows us that economic power status entails certain limitations from the perspective of compatibility with sustainable development.

To explore this further, figure 19 analyses the performance of two countries in the economic ranking, Finland and Germany. As we can see, both obtain similar results on the variables indicating the degree of equity in public spending and fiscal capacity, which is common among States with consolidated fiscal systems and advanced levels of economic development. However, when we turn to the penalizing

Figure 18. The 25 best-performing countries in the economic component



<sup>4</sup> For instance, of the countries in the G20 (the informal group of industrialized and emerging countries) only three occupy the top 25 positions and none stand in the ranking's highest segment.

variables which show spotlight factors such as gender parity in financial services and the level of financialization of the economy and financial opacity, considerable differences come to light, with Germany being the most heavily penalized.

Indeed, it cannot be asserted that a country's development is coherent with the principles of sustainable development if it contributes to the financialization process of the global economy and secondly, as is the case with Germany, it has a high degree of financial secrecy. Of the countries analysed, Germany has the fifth highest level of financial secrecy globally<sup>5</sup>, which means that its economic development, though advanced and equitable internally, is preventing the fair economic development of much of the planet.

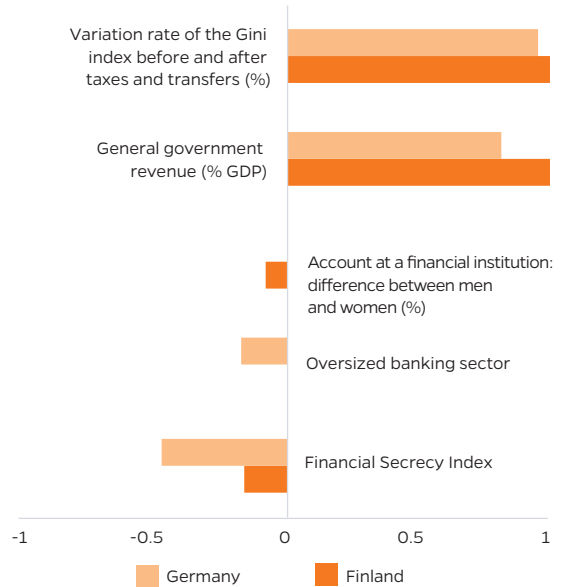
Figure 20 shows the ranking of the economic component from the perspective of the worst-performing countries. Of the 25 countries, 20 are in the range from 17 to 27 points, with very minor variations (fewer than in the case of the 25 best-performing countries). This points to greater similarities in their very low level of coherence.

Insofar as the geopolitical context of the countries analysed, we essentially find countries whose economies are focused on exporting raw materials (such as oil producers) or whose economies are very weak. Only Singapore and India depart from this pattern, the former being a high-income country central to international trade and the latter an emerging power.

Exploring incoherence in the economic component in more detail, figure 21 compares three countries: Singapore, India and Lebanon.

As we can see, all three countries show performances that, while discreet, are not poor. However, they are heavily penalized

Figure 19. Economic component, Finland and Germany



5. Germany is seventh on the Financial Secrecy Index, preceded by Switzerland, USA, Luxembourg, Singapore and two tax havens not analysed in the PCSDI: Hong Kong and the Cayman Islands.

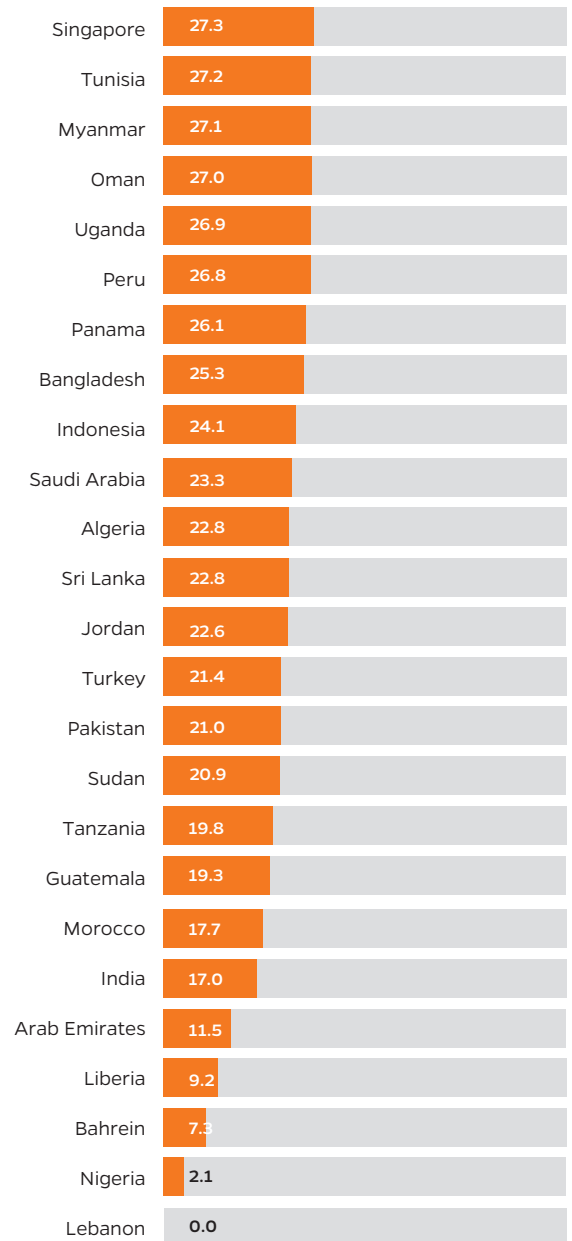
by three variables that attest to the incoherence of their development models. Indeed, on Gini variation pre and post taxes and transfers, they rank 61st, 87th and 100th, respectively.

Singapore's high position on the Financial Secrecy Index places it very low in coherence terms. Indeed, its economic specialization in exporting services in international trade, as it is largely linked to financial opacity, proves extremely detrimental to the economic development chances for the planet as a whole.

India's low position in the ranking is accounted for, above all, the patriarchal structure of its economy, reflected in the vast gap between male and female holders of bank accounts: roughly 20%.

It cannot be asserted that a country's development is coherent with the principles of sustainable development if it contributes to the financialization process of the global economy and it has a high degree of financial secrecy

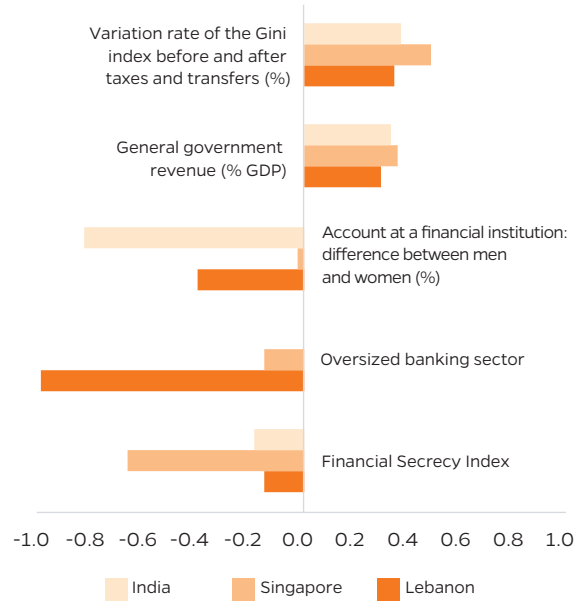
Figure 20. The 25 worst-performing countries in the economic component



Finally, Lebanon is heavily penalized for the disproportionate size of its banking sector, which accounts for 2.4 times the weight of its real economy.

Where, then, does the difference lie? As analysis of the component reveals, the key factors for coherent development from the economic perspective lie in a concerted tax collection and revenue generation effort combined with active engagement in the economy to mitigate socio-economic and gender inequalities and reduce exposure to financialization and financial opacity.

Figure 21. Economic component, Singapore, India and Lebanon



The key factors for coherent development from the economic perspective lie in a concerted tax collection and revenue generation effort combined with active engagement in the economy to mitigate socio-economic and gender inequalities and reduce exposure to financialization and financial opacity



## El componente social

Figure 22 shows the 25 countries with the highest coherence on the social component.

As we can see, all 25 countries perform in similarly, with just a 13 point gap between first and last. The highest, Iceland with 88.1 points, shows a very advanced social development system, with high social protection in inclusive economies that are relatively sustainable in social terms. With the odd exception to be analysed below, the same applies to most of the countries in this segment of the ranking.

Geopolitically, the 25 countries analysed (except Belarus) are all advanced economies at the heart of the global economy. It is the countries which built welfare systems in the twentieth century which perform best in social coherence terms.

Exploring this in more detail, figure 23 analyses the performance, variable by variable, of two countries with very different development models, namely Iceland and the United States. The chart shows two differentiated models of social welfare with comparable results for social protection. On the one hand, Iceland, which leads the ranking in the social component, combines very high levels of protection, as shown by variables reflecting coverage level for social rights, with effective positionings on equality between men and women. In particular it provides extensive maternity and paternity leave, which indicates an advanced welfare model coherent with development from the gender equality perspective.

In contrast to Iceland, the United States has a different model based more on market freedom in the provision of goods than on guaranteeing public and universal access to them. Nevertheless, its scores

Figure 22. The 25 best-performing countries in the social component

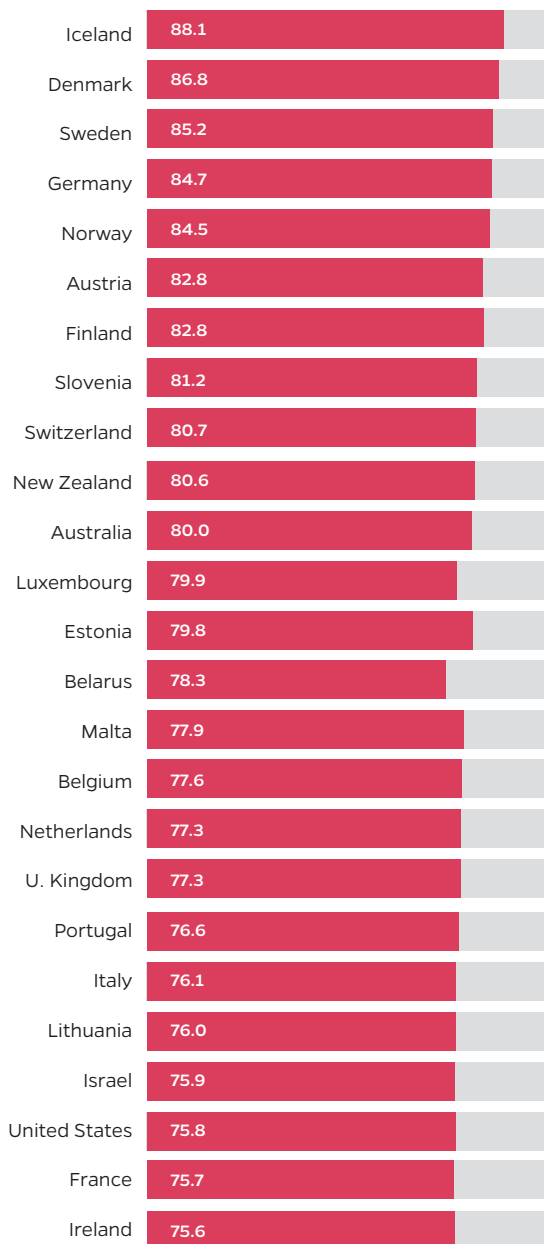
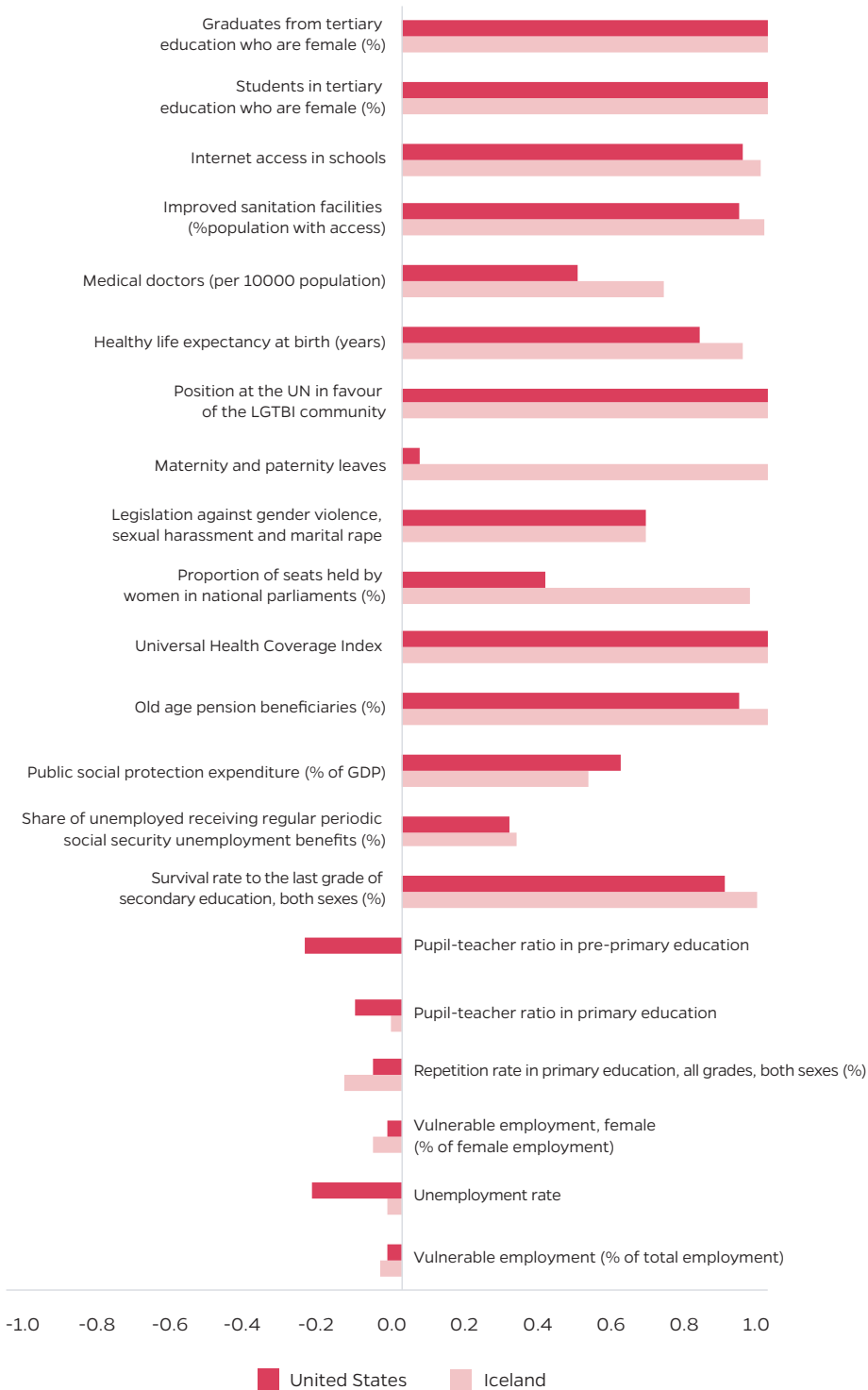


Figure 23. Social component, Iceland and United States



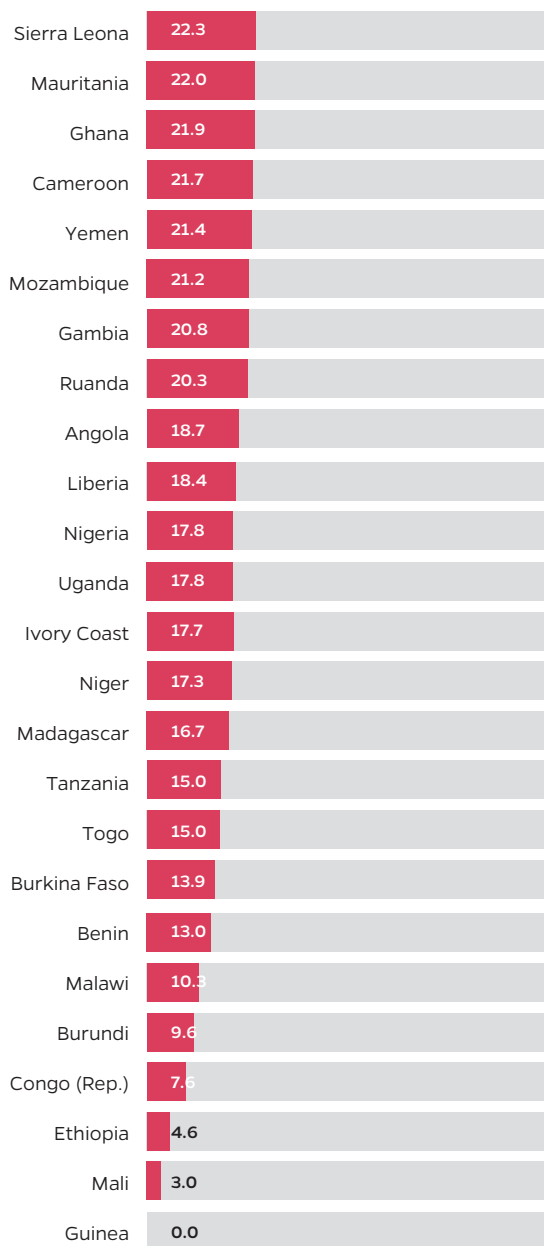
are equivalent to those of Iceland except on aspects such as the number of doctors per 10,000 inhabitants and healthy life expectancy, which may be a result of the absence of a public health system. Moreover, the lack of commitment from US institutions on equality between men and women as translated into specific legislation and initiatives places USA at a lower position.

With regard to the 25 countries that perform the worst on the social component, figure 24 provides two very clear pieces of evidence. On the one hand, regarding overall performance, minimum scores are very low, with most countries obtaining under 20, but in a very narrow range.

Geopolitically, this group is very homogeneous because, with the exception of Yemen, 24 countries are in Africa, on the periphery of the international economic system. In this respect, we can see that social coherence is linked to longstanding development problems. However, it is worth noting that no clear relationship emerges between low coherence on the economic and low the social components. Of the 25 worst-performing countries on the social component, only five appear in the ranking shown above.

Given that the performance structures here are similar for all 25 countries, our analysis focuses on Guinea Conakry, the least coherent country from the social perspective. Figure 25 shows that, in addition to scoring very low on most of the variables contributing to development, Guinea is also heavily penalized on issues of employment structure and the quality of its education system.

Figure 24. The 25 worst-performing countries in the social component



Where does the difference lie? Coherence on the social component is determined by a State's ability to combine high levels of social protection, based on significant levels of public spending, with rules and regulations

ensuring the effective enjoyment of social rights. Within this framework, for social systems to be more coherent, feminist policies which address the differences between men and women must be incorporated.

Figure 25. Social component, Guinea Conakry

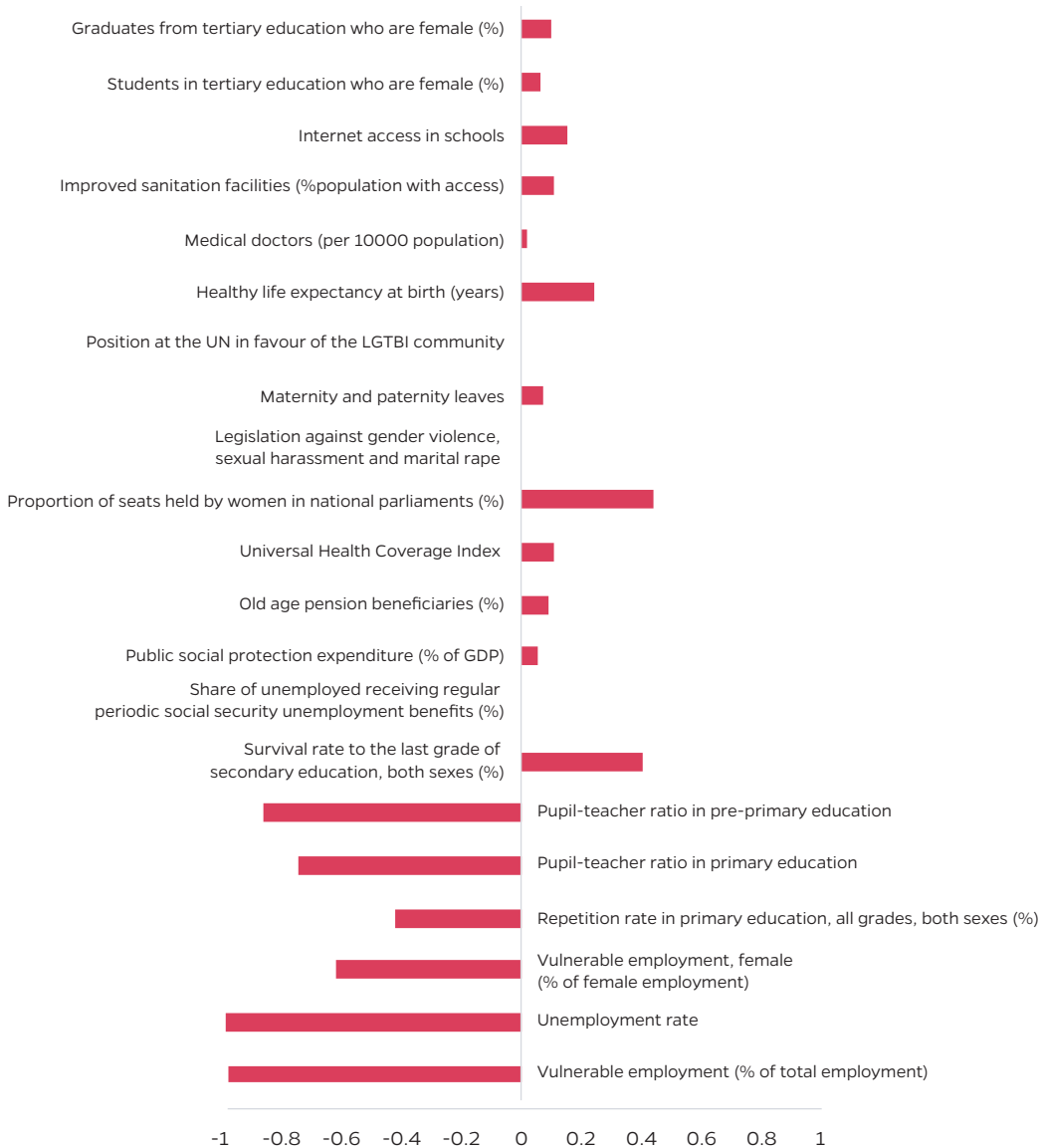


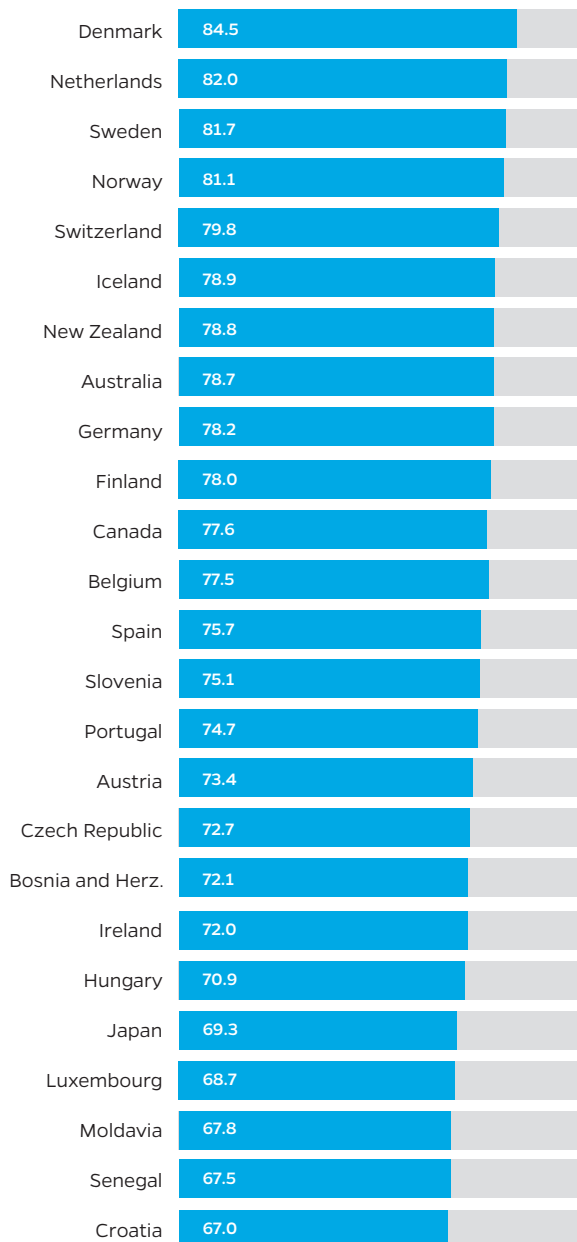
Figure 26 shows the 25 best-scoring countries on the global component. From the performance perspective, the ranking shows that level of coherence on this component is moderate. Only four countries score higher than 80 points, whereas the rest are in the 60 to 80 segment.

Geographically, the ranking here is heterogeneous, although most are Western countries. This is normal for an indicator built from available data reflecting a liberal governance structure, as it has been built historically by European countries.

Figure 27 shows three examples of global coherence with a similar performance structure but certain significant differences. Denmark, for instance, combines a strong commitment to progress on human rights and international legality in global governance frameworks, including on issues related to gender equality, with low levels of militarization and military capabilities. This makes it the country with the highest global coherence.

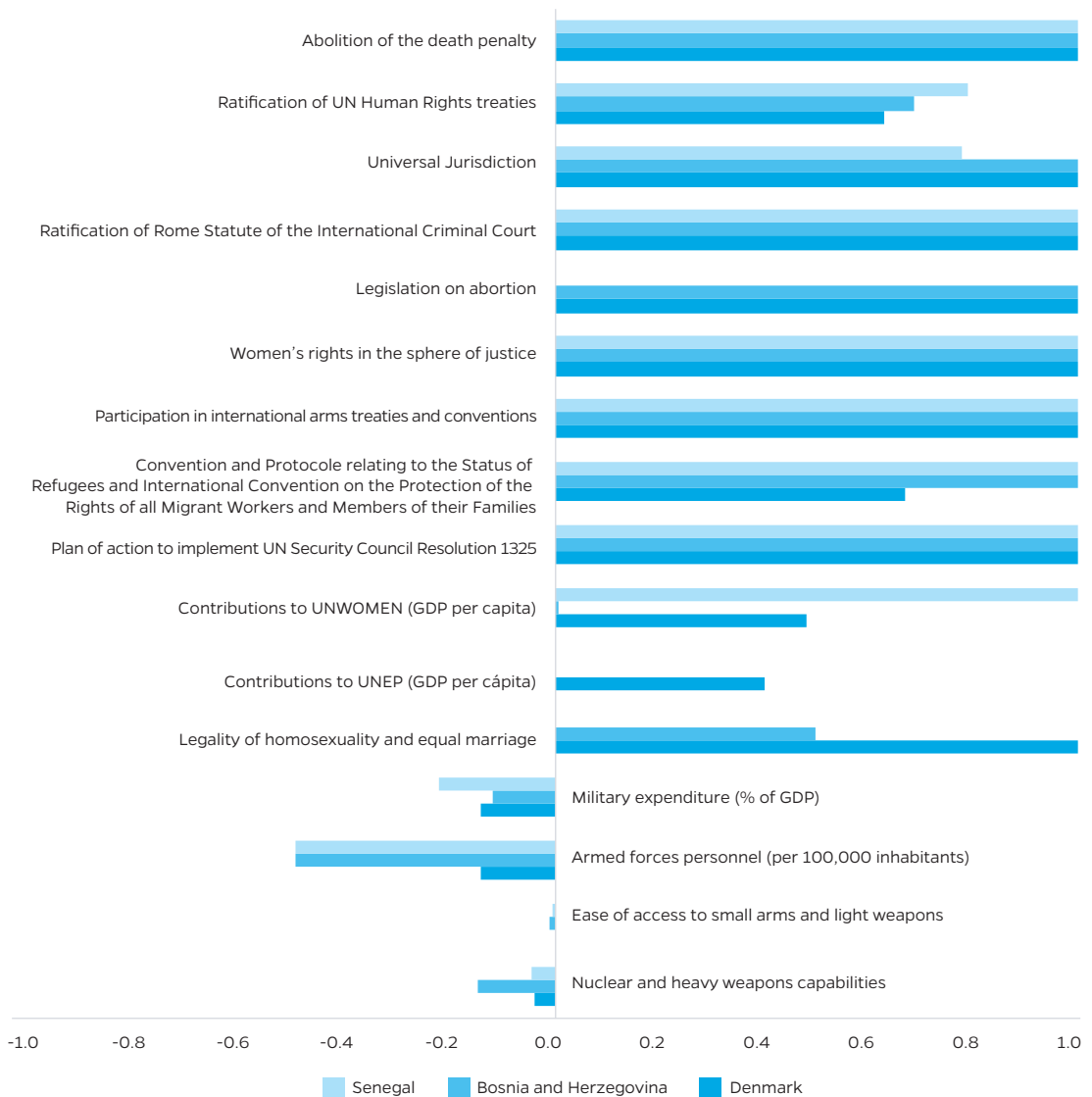
By comparison, a more moderate degree of coherence can be found in Bosnia-Herzegovina and Senegal. Both countries are firmly committed to global governance structures as signatories to different instruments of international law and—indeed more so than Denmark—as signatories to instruments of international human rights law and the ratification of the convention on the right to asylum. However, both countries' global coherence is limited with regard to their protection of women's rights (Senegal) and their material contribution to key United Nations institutions from the sustainable development perspective. Both also have higher than desirable levels of militarization from the coherence perspective.

Figure 26. The 25 best-performing countries in the global component



Performance on the global component is more diverse at the lower part of the ranking. Firstly, it is interesting to note that the range here is broader than on the other components. Thailand, the country closing the list, scores over 32.3 points (more than for the previous components).

Figure 27. Global component, Denmark, Bosnia-Herzegovina and Senegal



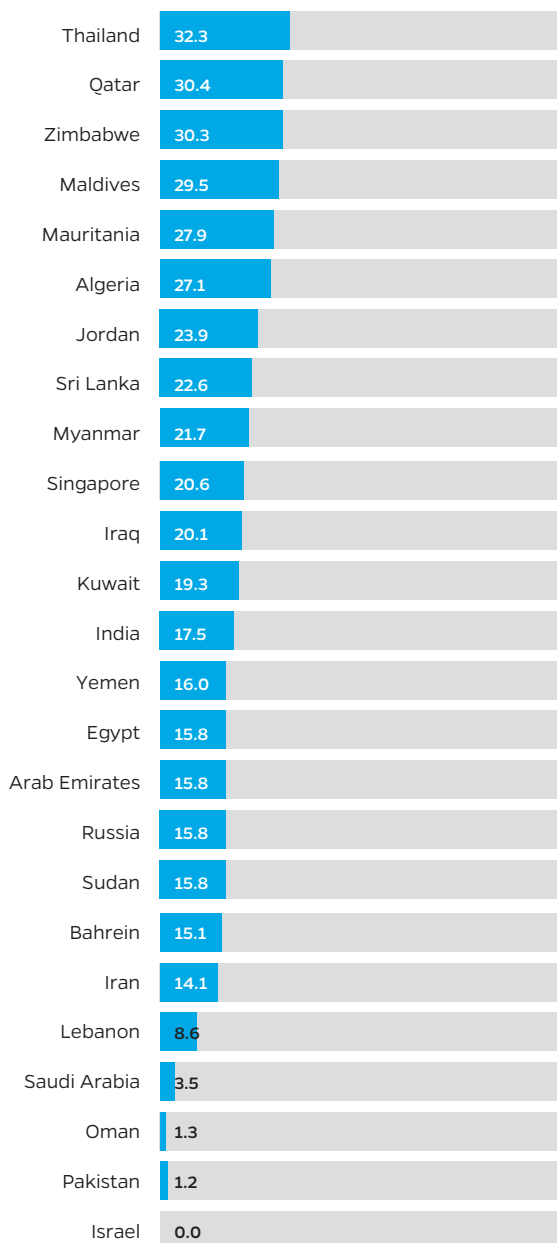
Geopolitically, this segment of the ranking features several elements of interest. Firstly, all the countries belong to non-Western cultural contexts. Again, this provides an indication of the Western bias of global governance structures that has historically made it easier for Western countries to join (and not always democratically). Two further aspects enable us to trace two different global incoherence paths. First, most of the countries concerned find themselves in situations of conflict or are experiencing high levels of regional tension. Also, they retain social structures with deep-rooted discrimination against women.

A comparison of two very low-scoring countries, Saudi Arabia and Israel, allows us to analyse this in more detail. As we can see, both contribute very little to building global governance structures. In the case of Israel, except on universal jurisdiction and the existence of legislation supporting formal equality between men and women, none of the other elements which contribute to global coherence obtain noteworthy scores, at least in comparison to the degree of consolidation of its democratic structures.

Saudi Arabia, on the other hand, is a good example to analyse the other global incoherence path taken by those countries which retain structures with deeply-ingrained discrimination against women.

Given their high levels of militarization, both countries also represent a collective security risk. Of the countries analysed, Saudi Arabia allocates the highest percentage of its GDP to military expenditure, whereas Israel has the highest level of armed forces personnel in proportion to the population.

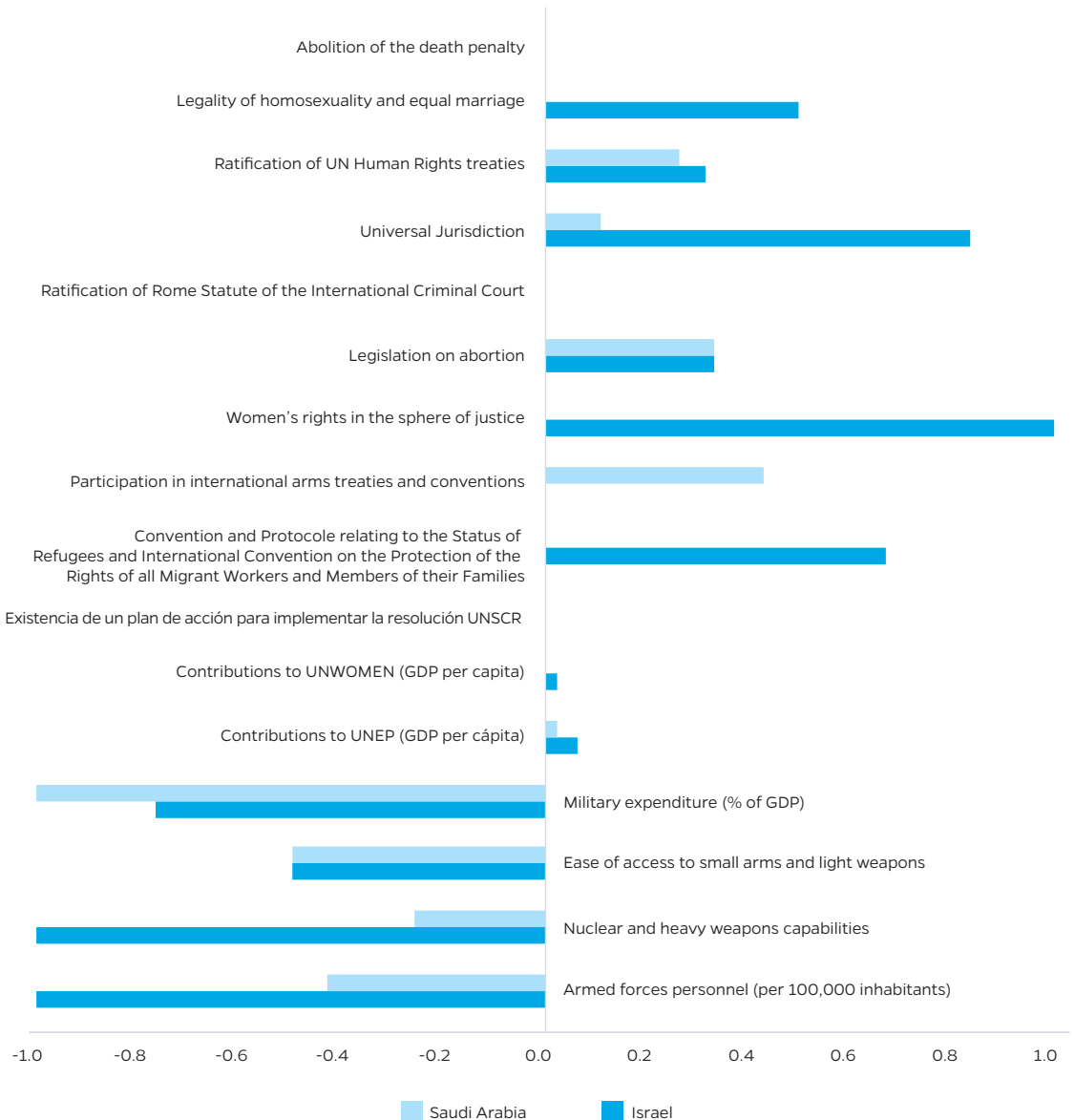
Figure 28. The 25 worst-performing countries in the global component



Where does the difference lie? The most globally coherent countries are those committed to participation in global governance structures while maintaining low levels of military structures. In this respect, it is important to underline the

importance of commitment to building instruments of international law in areas such as human rights and equality between men and women as factors making a clear difference to progress on this component.

Figure 29. Global component, Saudi Arabia and Israel





## Teenometer Report

The ranking of the environmental component is defined by the poorest performance of all five components. Indeed, on the basis of these results, it can be said that even Kenya, the most coherent country, obtains a very modest score here.

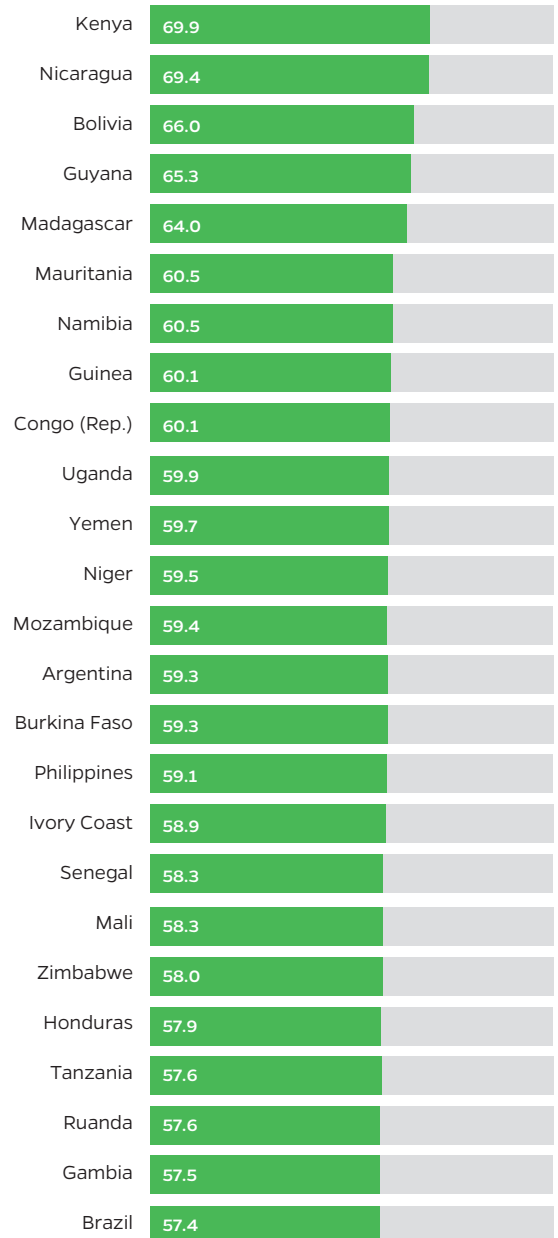
Figure 30 shows the 25 best-performing countries on this component. As we can see, these all fall within a 12-point range, suggesting similar results.

Geopolitically, the ranking shows some diversity. On the one hand, we find African countries with lower-impact development models, partly as a result of their low income and consumption levels. On the other, countries like Bolivia, Argentina and Brazil, with middle to high development levels and very high levels of wealth in biodiversity, are high up in the ranking. It is important to note that none of the 25 environmentally most coherent countries are European or Western, owing to the unsustainability of their development models.

Analysing this further in depth, figure 31 shows how Kenya and Argentina scored for each variable of the environmental component.

As we can see, the component structure is similar in both cases. Kenya combines a lower ecological impact on the environment, from the global sustainability perspective, and it is engaged in international environmental protection and electricity production from renewable sources. However—and this is relevant to and illustrative of the difficulties in general of scoring high in this area—its scores for clean water and biocapacity are relatively low.

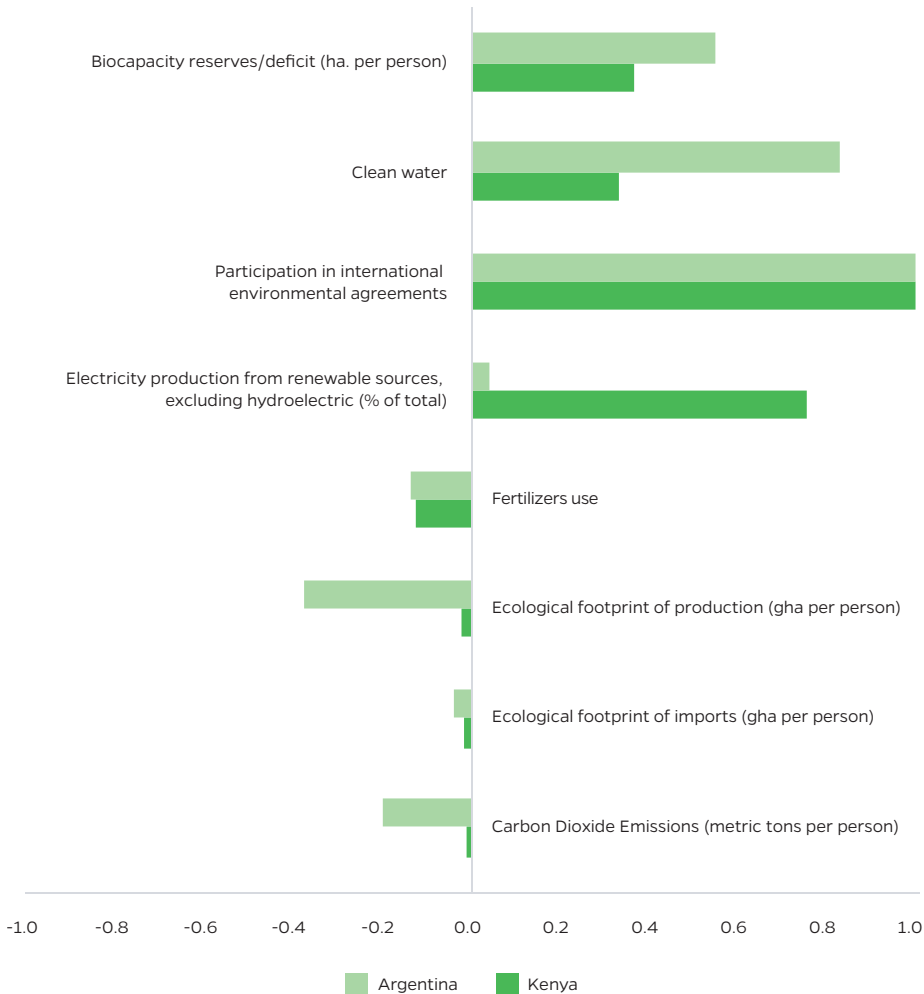
Figure 30. The 25 best-performing countries in the environmental component



For its part, Argentina faces similar problems. Whereas it performs well on clean water and biocapacity reserve, this is not adequately combined with renewable energy production, where it scores very low. Particularly noteworthy regarding Argentina is how its

development seems to adversely impact its ecological footprint due to its production and air pollution. This would appear to indicate that per capita income differences often come hand in hand with higher levels of environmental incoherence.

Figure 31. Environmental component, Kenya and Argentina



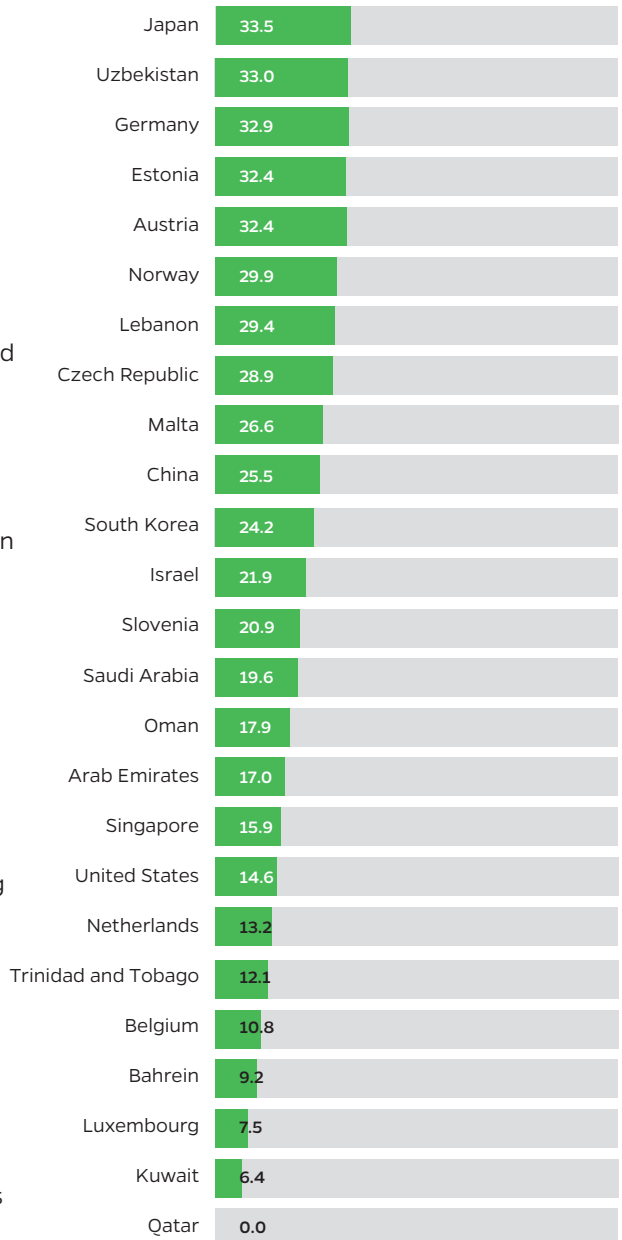
The range for the 25 worst-performing countries on the environmental component is relatively broad, with quite a few differences in internal scores giving rise to a certain degree of polarization. The lowest-scoring group of countries show substantial environmental impact.

From the geopolitical perspective, the link between per capita income and environmental incoherence appears to be confirmed. Of the 25 worst-performing countries, most have a high level of income. Here, two types of environmental incoherence patterns emerge. On one hand there are Western countries which score high on the social and economic components, but are structurally unsustainable. Secondly, there are oil producers in the Persian Gulf, which are highly polluting in terms of both production and consumption.

Figure 33 shows the breakdown of variables for two of these countries: Norway and Qatar. As we can see, Norway combines discreet results on variables contributing to and most indicative of the implementation of environmental policies, such as the percentage of clean water or global commitment to environmental protection. Yet it scores high on penalizing components, showing that, despite these policies, the impact of its development model is incompatible with planetary sustainability.

Qatar, for its part, hardly obtains any positive scores on contributory variables and its environmental impact is highly unsustainable. It is interesting to note, however, that its ecological footprint owes mainly to production whereas Norway's owes to the ecological footprint of imports which is higher due to consumption models that are highly dependent on external production. The key to understanding the direction of change required for each of these countries lies here.

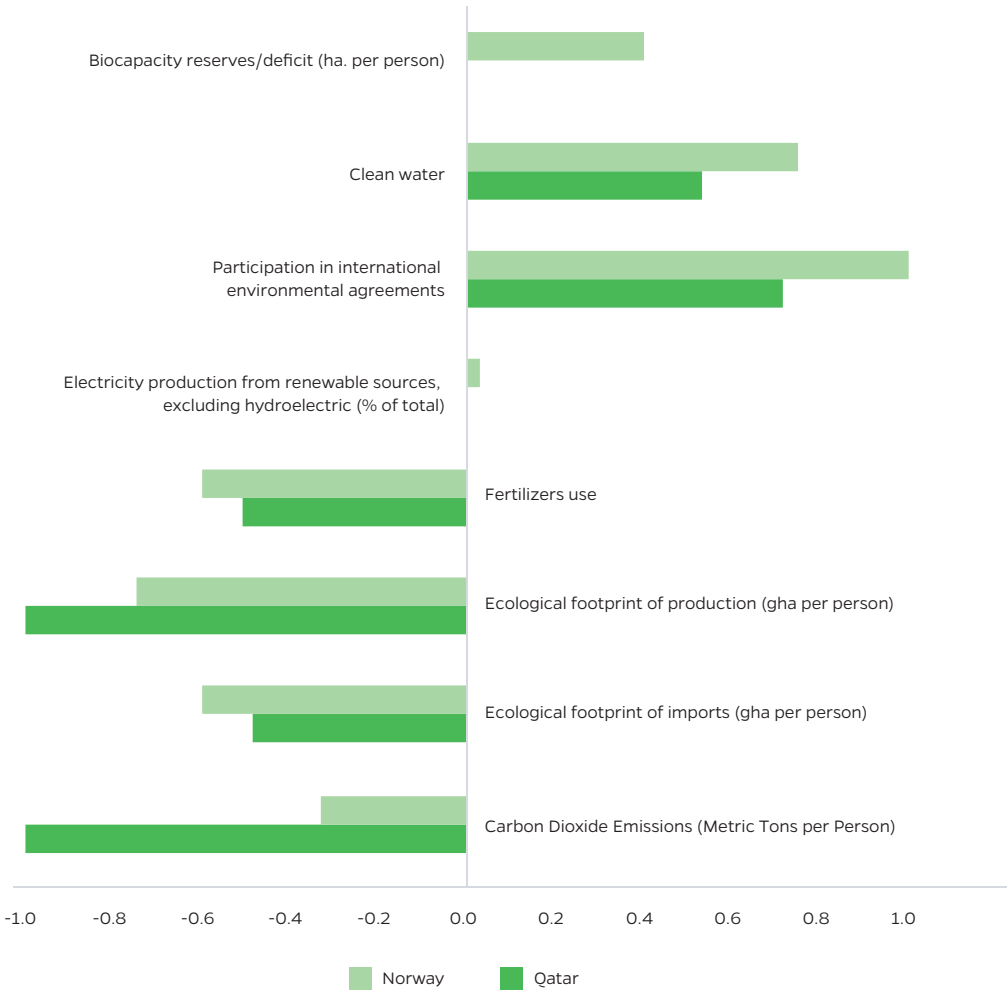
Figure 32. The 25 worst-performing countries in the environmental component



Where does the difference lie? The environmental component is the one that shows greatest incoherence for all countries. It is difficult to point to a specific type of behaviour that can serve as a role model for other States. Rather, it would appear that all countries need to undertake structural

changes enabling them to build sustainable development models. Drastic ecological impact reduction, in terms of both production and consumption, is key to this transformation and means that the richest countries bear the greatest responsibility for leading this change.

Figure 33. Environmental component, Norway and Qatar



## The productive component

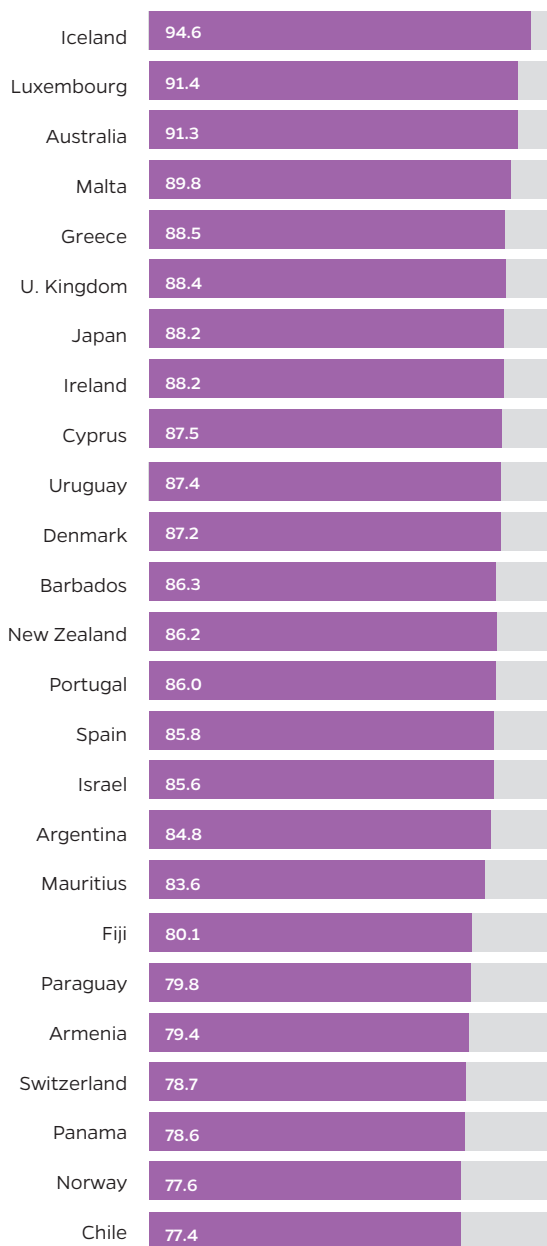
Figure 34 shows the 25 best-performing countries on the productive component. As we can see, they vary very little. Iceland leads the ranking with 94.6 points, a very high score (the highest on any component). Here, up to 19th position, all countries score higher than 80.

Geopolitically, coherence in the productive component is mainly led by European countries with high levels of income. Interestingly, five Latin American countries stand alongside them, show us two types of pattern.

Figure 35 shows the breakdown by variable for Iceland and Uruguay. As we can see in the chart, while Iceland scores very high levels for development in basic infrastructure, where it obtains its highest score for most variables, it is hardly penalized for the two component variables pointing to production model unsustainability: freshwater withdrawals for industry and air pollution.

Uruguay, ranking 10th, is penalized by in the lack of Internet access for the whole population. This variable contributes to coherence in production development as it shows the extent to which the benefits of productive force development are passed on to the population. However, on other variables penalising coherence, Uruguay has more sustainable levels of freshwater withdrawals for industry than Iceland, albeit air pollution is an area for improvement.

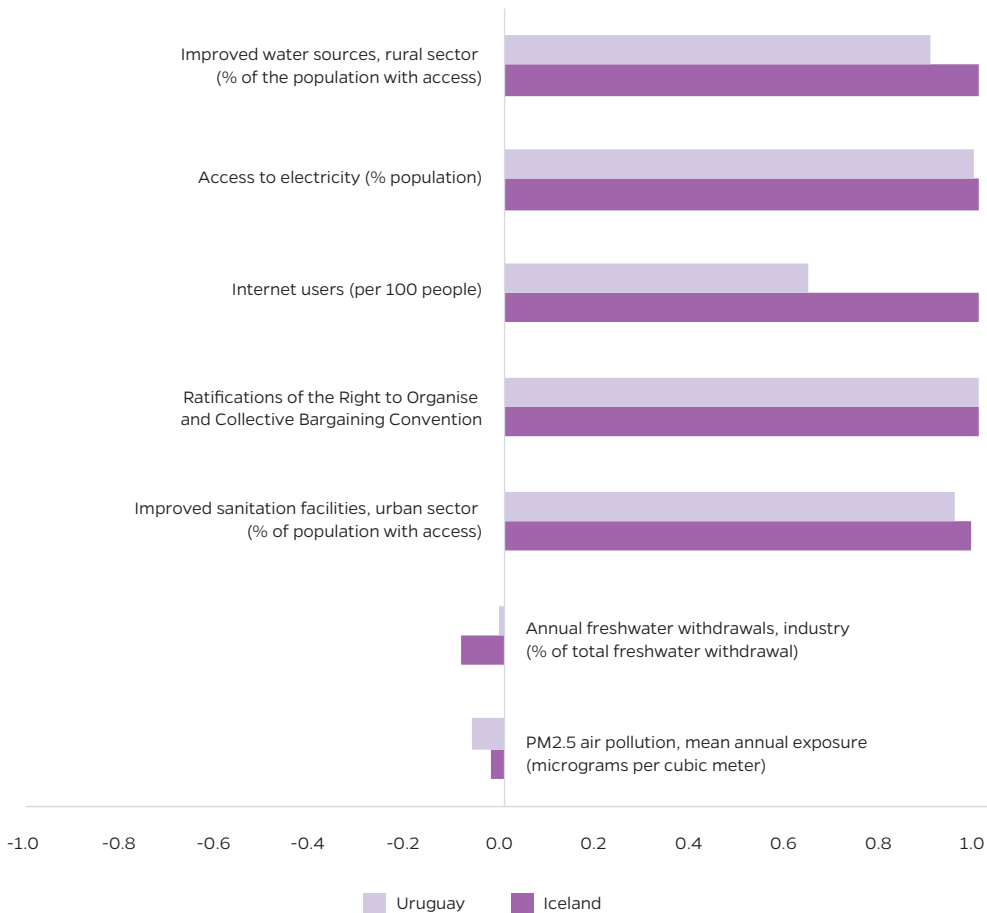
Figure 34. The 25 best-performing countries in the productive component



As for the 25 worst-performing countries, relatively low scores can be observed for most countries, although less so than on other components. Moreover, the scores are relatively evenly spread from 29.7 for China, the best in the group, to the most incoherent in the ranking, the Democratic Republic of the Congo.

Geopolitically, it is interesting to see that most countries in the ranking are African states whose productive structure is barely developed and which specialise in extracting resources and raw materials for export. The fact that the country with the highest reserves of what has become the most

Figure 35. Productive component, Iceland and Uruguay



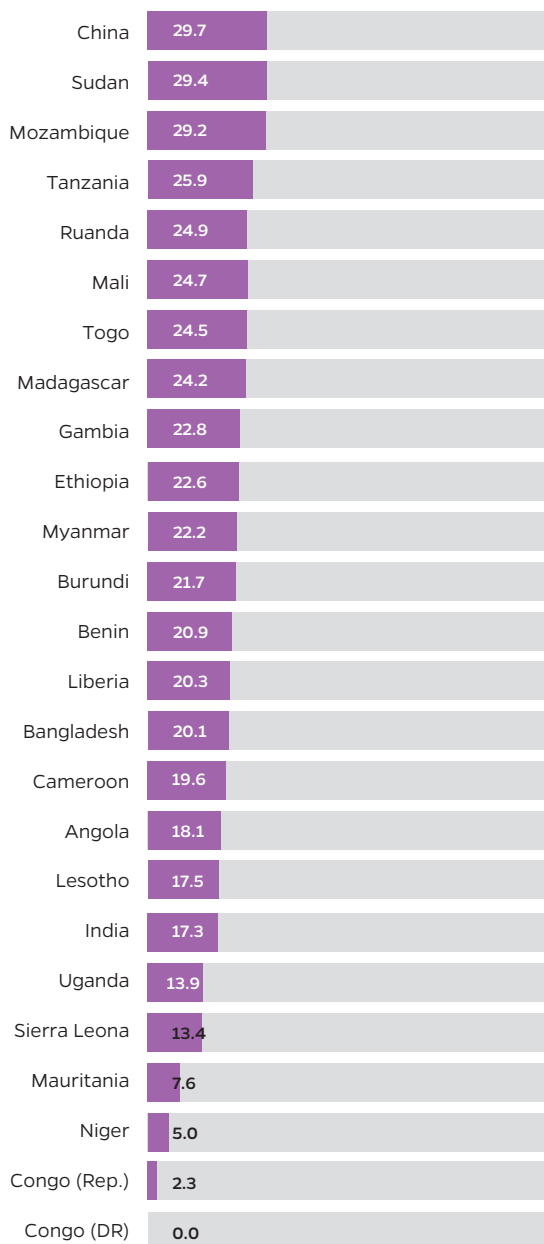
important mineral for technological change in the last two decades is also the country with the most incoherent productive development is indicative of how domestic development potential is limited by the role these countries play in the global economy.

This probably does not hold for two of the countries in the ranking that are two of the world's great industrial powers: China and India. These countries, which have experienced rapid growth since the 1990s by specializing in exporting manufactured goods and services, appear to have been unable to combine this growth with greater internal coherence in their production models.

Figure 37 allows us to analyse this in more detail. Here we can see two clearly differentiated patterns. On the one hand, the Democratic Republic of the Congo obtains a very low score in all the component variables that contribute to coherence (except ratification of the ILO Collective Bargaining Convention), whereas it is moderately penalized for pollution and the sustainability of the water used for industry. In this case, incoherence is primarily due to the country's low production level, which means it is unable to meet its population's most basic needs.

By contrast, both China and India reach significant levels in most of the indicators contributing to coherence, such as access to electricity and the Internet. However, neither have ratified the ILO Collective Bargaining Convention, which may be indicative of highly repressive labour relations. Moreover, and this is the main reason why these two countries score low on coherence, both China and India have ecologically unsustainable models of industrial development, due, in both cases, to their extremely high levels of air pollution and, where China is concerned, the considerable weight of its freshwater withdrawals for industry.

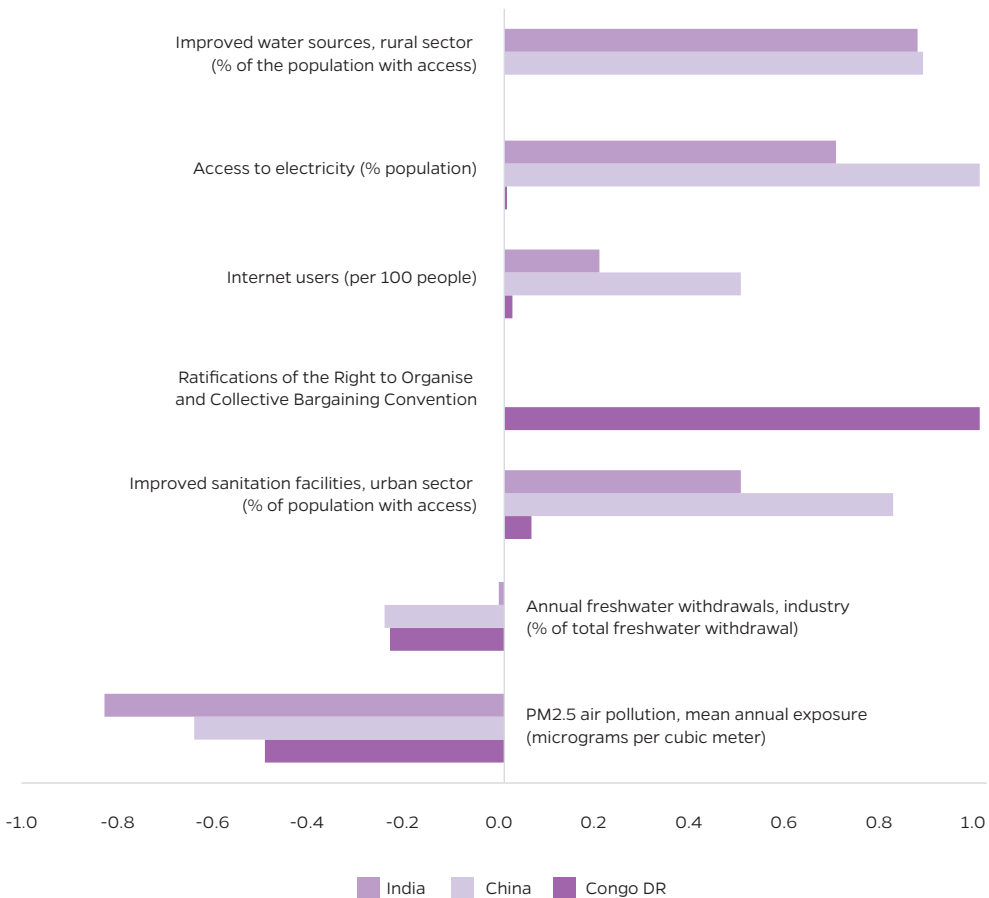
Figure 36. The 25 worst-performing countries in the productive component



Where does the difference lie? The productive component reflects the development of basic infrastructure and whether it is used to meet the needs of the population or for alternative productive purposes. It also measures countries' productive robustness and sustainability. Here it seems clear that the two key

factors to improve coherence from the productive perspective are reducing environmental impact caused by rapid industrialization of emerging countries, and, in the case of less industrialized countries, a policy designed to satisfy domestic requirements rather than international market demand.

Figure 37. Productive component, DR Congo, China and India





### 3.3. WHICH ROLE MODEL?

In this analysis, we have examined the five components of the 2019 PCSDI, considering which countries performed best in each. Although not on all components, initial evidence shows a certain uniformity in the type of country that is most coherent with development. Iceland leads in two of the five components (social and productive), Finland in one (economic), and Denmark another (global). At first glance, we might think that Scandinavian and European countries, which also occupy the top position on these components, might be role models for policy coherence for sustainable development. However, additional factors require us to qualify that thesis: the environmental component and, to a lesser extent, certain evidence in the economic component.

Firstly, as we have seen, the environmental component follows a different pattern from the rest. Here, Scandinavian and other European countries appear to be the most incoherent countries, largely due to the high impact of their production and consumption on the planet. This impact crucially highlights the unsustainability of the European model and the need to make structural changes. Moreover, this component is led by Kenya, a country whose low ecological impact is based on highly incoherent social and productive development indicators. Neither is Kenya, then, an appropriate development model choice.

Secondly, when analysing the economic component, an in-depth analysis of Germany points to a country whose taxation structure places it high up in the ranking, but whose Financial Secrecy Index largely penalizes it. This economic development model, repeated elsewhere, where a developed country uses practices that harm other countries' possibilities for development, is incoherent and its potential as a role model is also limited.

In short, in the light of the main conclusions of our analysis by PCSDI component, we cannot venture to say that any one country can serve as a development model for the rest to appropriately imitate. Adopting an analogy that is often used in public debate in Spain: not only is it impossible for every country to be like Denmark, in fact no country should be like Denmark.

The analysis of policy coherence for sustainable development shows us that no country has developed correctly and that we need new models right across the planet. These new models should be "a little bit" like every country. They should ensure social and productive coherence, gearing their system to people's needs and national laws to protect all social groups fairly. At the same time, they should render this compatible with responsible behaviour towards the planet and other people, and use democratic economic practices to thus make an effective contribution to a just world order and achieving the environmental sustainability to safeguard the future.