

Chapter 2 | Economics Development, and Sustainability

Comic idea: Sustainable development counts all the costs, shares the benefits fairly, and protects the future. Or “Growth looks different when every receipt is counted.”

Scarcity requires individuals and societies to make choices about how limited resources will be used. Some choices address immediate needs, while others shape the future direction of an economy. Governments decide whether to invest in roads, hospitals, schools, energy systems, agriculture, or environmental protection. Businesses decide what technologies to adopt and what resources to use. Communities decide how land, water, forests, and coastal areas should be managed.

These choices raise a central economic question:

How can a society improve people’s lives without exhausting the resources and environmental systems on which future well-being depends?

Economic growth can expand production, employment, and income. Yet growth does not automatically eliminate poverty, reduce inequality, protect the environment, or improve public services. A country may produce more while large parts of its population remain excluded from the gains. It may also expand industries in ways that damage forests, rivers, agricultural land, public health, or community livelihoods.

This chapter examines the difference between **economic growth**, **economic development**, and **sustainable development**. It also explores how societies manage renewable and non-renewable resources, how economic activity creates environmental and social trade-offs, and how institutions influence who benefits from development and who bears its costs.

A. Economic Growth and Economic Development

Economic growth can expand the resources and opportunities available to a society, although it does not eliminate scarcity. Consider an improvement in rice-farming technology that allows farmers to produce more rice from the same amount of land, water, labor, and time. This increase in productivity may raise the quantity of rice available in the market. Farmers may sell a larger harvest, food processors may obtain more raw material, transport services may carry more goods, and wholesalers and retailers may handle a greater volume of rice.

The benefits may spread beyond agriculture. Farmers who earn additional income may purchase equipment, improve their homes, pay for education or healthcare, or spend more in local businesses. Suppliers of seeds, machinery, irrigation services, transport, storage, and food processing may also expand their activities.

When the value of the additional final goods and services produced in the country is included in national accounts, it contributes to an increase in **gross domestic product**, or GDP. This increase in production is called **economic growth**.

However, several questions remain:

- Did small farmers receive a fair share of the additional income?
- Did consumers benefit from lower or more stable rice prices?
- Was the technology affordable and accessible?
- Did increased production reduce water availability or damage soil quality?
- Were workers paid fairly?
- Did the gains remain in rural communities or become concentrated among large firms?

These questions move the analysis from economic growth to economic development.

Let’s differentiate between nominal GDP and real GDP:

Nominal GDP measures the value of goods and services using current prices, so it can rise because production increased, prices increased, or both.

Real GDP adjusts for inflation and measures changes in the actual quantity of goods and services produced.

The main difference between the two is that nominal GDP reflects current money values; real GDP shows

Economic growth is an increase in the quantity or value of goods and services produced by an economy over time. It is commonly measured through changes in real GDP. **Economic development** is a broader process involving sustained improvements in people's material conditions, capabilities, opportunities, security, and quality of life.

Development can include reducing poverty and hunger; improving health and education; expanding decent employment; Increasing access to housing, transportation, water, sanitation, and energy; reducing inequality and exclusion; strengthening institutions and public services; and protecting the environment on which present and future livelihoods depend.

Economic growth is not the same as economic development. Growth refers mainly to an increase in the production of goods and services, while development concerns broader improvements in people's quality of life. Development includes reducing poverty, expanding access to health and education, improving access to clean water and other basic services, creating decent work, and protecting the environment.

A country may experience economic growth without achieving meaningful development. Production and income may increase, but the gains may be concentrated among a small part of the population. At the same time, many people may remain poor, public services may remain inadequate, and environmental damage may worsen. Growth, therefore, should not be judged only by how much an economy produces, but also by who benefits, who bears the costs, and whether living conditions actually improve.

This is where **sustainable development** becomes important. Sustainable development seeks to meet present needs without weakening the ability of future generations to meet their own. It brings together three closely connected dimensions:

1. **Economic prosperity** – expanding production, employment, income, and opportunities;
2. **Social inclusion** – ensuring that the benefits of development are widely shared, especially with poor and marginalized groups; and
3. **Environmental sustainability** – protecting natural resources and ecological systems such as forests, rivers, coastal areas, land, and clean air.

The connection to scarcity is clear. Natural resources are limited, and even renewable resources can be depleted when they are used faster than they can recover. If an economy pursues rapid growth by overusing forests, polluting rivers, degrading farmland, or exhausting mineral deposits, it may create greater scarcity and higher costs in the future.

For example, a mining project may generate exports, jobs, and government revenue, but it may also damage forests, contaminate water, and disrupt local livelihoods. If these costs are ignored, the project may increase economic output while weakening the long-term well-being of nearby communities. Such growth cannot be considered sustainable.

Economic growth can support sustainable development when it is guided by effective institutions and responsible policies. Investments in renewable energy, sustainable agriculture, public transportation, ecosystem protection, and well-managed fisheries can create income and employment while reducing environmental harm. Strong regulation, transparency, community participation, and fair distribution of benefits are also essential.

From an efficiency perspective, economic analysis asks how resources can be used productively and with minimal waste. A broader development perspective asks additional questions: Are the benefits fairly distributed? Are communities protected? Are environmental costs recognized? Will future generations still have access to the resources and opportunities they need?

Sustainable development therefore goes beyond producing more. It is also about improving lives in ways that are inclusive, environmentally responsible, and capable of lasting over time.

B. Sustainable Development

You've probably come across the words "**sustainable**" or "**sustainability**" in different situations. For example, many food establishments now use paper straws or wooden utensils as part of their shift to **sustainable packaging**. When you hear about **sustainable tourism**, the goal is often to protect the environment while supporting local communities and showcasing the natural beauty of places like Palawan or Bohol. Some fashion brands promote **sustainable clothing**, using recycled materials like plastic bottles to reduce waste and carbon emissions. The call for **sustainable transportation** has also grown louder in the Philippines, especially in cities where traffic, pollution, and unreliable public transport affect millions of commuters.

Sustainable Development Defined

Sustainable development is development that meets present needs without undermining the ability of future generations to meet their own needs.

Sustainable development adds a long-term dimension to economic development. The primary concern is whether we can continue growing without exhausting natural resources, damaging ecosystems, or transferring excessive costs to future generations.

Sustainable development does not mean that we stop using our natural resources. But to be sustainable, society must consider how quickly resources are being used; whether ecosystems can recover; whether environmental damage can be prevented or repaired; whether the benefits of development are widely shared; whether affected communities participate in decisions; and whether future generations will retain meaningful economic and environmental options.

The concept also emphasizes **intergenerational equity**. Present generations make decisions about forests, minerals, water systems, climate, biodiversity, infrastructure, and public debt. Present consumption affects the future generations even if they did not participate in those decisions. Intergenerational equity demands us to consider the future generations in our current decisions.

Renewable and Non-Renewable Resources

Natural resources support nearly every form of economic activity. Agriculture depends on land, soil, water, and climate. Industry depends on energy and raw materials. Fisheries depend on healthy aquatic ecosystems. Housing and infrastructure require land, timber, minerals, cement, steel, and energy.

Economists commonly distinguish between **renewable** and **non-renewable** resources. **Renewable resources** can regenerate through natural processes within a period relevant to human use. Examples include forests, freshwater, soils, and fish populations. Sunlight, wind, and flowing water can also provide renewable energy.

Renewability does not guarantee unlimited availability. A forest may regenerate, but not if trees are removed faster than they can grow. Fish populations may recover, but not if harvesting exceeds reproduction. Groundwater may be replenished, but extraction can still exceed recharge. Renewable resources can therefore become depleted or degraded through overuse, pollution, poor regulation, or climate change.

Non-renewable resources exist in finite stocks or form so slowly that they cannot be replaced within a human timescale. Fossil fuels and minerals such as gold, copper, nickel, cobalt, and lithium fall into this category. Once extracted and used, the original deposit cannot be restored.

The economic challenge differs for each type. Renewable resources must be managed within regenerative limits. Non-renewable resources must be used efficiently, with attention to recycling, substitution, environmental protection, and the conversion of resource revenues into lasting public benefits.

Case Study: Mining Today, Resources Tomorrow

Intergenerational Equity in the Use of Non-Renewable Resources

Consider a province with a large nickel deposit. A mining project promises jobs, export earnings, local business activity, and additional government revenue. These benefits are immediate and visible. Workers can earn income, local suppliers may gain new customers, and the government can collect taxes, royalties, and fees.

However, nickel is a **non-renewable resource**. Once it is extracted and sold, the original mineral deposit cannot be replaced within a human lifetime. Mining may also leave environmental costs, such as damaged forests, polluted rivers, reduced agricultural productivity, or expensive rehabilitation work. Some of these consequences may remain long after the mine has closed.

This creates a question of **intergenerational equity**:

Is it fair for the present generation to receive most of the benefits from extraction while future generations inherit fewer natural resources and possibly greater environmental costs?

The Economic Choice

The government has several options for using the revenue generated by the mine.

It could spend most of the money immediately on current programs and operating expenses. This may improve people's lives today, but little may remain once the mineral deposit is exhausted.

Alternatively, the government could invest part of the revenue in assets that continue to benefit society after the mine closes, such as:

- schools and public health facilities;
- renewable-energy systems;
- irrigation, transportation, and digital infrastructure;
- environmental rehabilitation;
- worker training and livelihood diversification;
- scientific research and industrial development; and
- a long-term public investment or community trust fund.

Under this approach, the country converts part of its depleted natural wealth into other forms of lasting wealth.

Questions of Fairness

Intergenerational equity does not require ending all resource extraction. It requires asking whether the benefits and costs are fairly distributed across time.

Important questions include:

- Is the government receiving enough through taxes and royalties to compensate the public for the loss of a non-renewable resource?
- Are some revenues being saved or invested for future generations?
- Who will pay for rehabilitation after the mine closes?
- Will local communities have alternative livelihoods when mining employment ends?

The Three Dimensions of Sustainable Development

Sustainable development brings together three connected dimensions.

Economic growth involves the capacity of an economy to generate productive employment, income, innovation, public revenue, and the goods and services people need. Economic activity must be viable over time rather than dependent on practices that destroy its own resource base.

Social inclusion relates to the distribution of opportunities, benefits, risks, and public services. Development should expand access to education, healthcare, housing, decent work, social protection, justice, and political participation. It must also recognize the rights of groups that have historically been excluded.

Environmental sustainability refers to the protection of ecosystems, biodiversity, climate stability, land, water, and air. Economic activity should remain within ecological limits and avoid transferring environmental damage to other communities or future generations.

Figure 1. Dimensions of Sustainable Development



These dimensions are interdependent. Pollution can harm health, reduce agricultural productivity, increase public expenditure, and destroy livelihoods. Poorly planned urban growth can generate economic activity while producing congestion, flooding, unsafe housing, and air pollution. Conversely, investments in public

transportation, renewable energy, healthcare, education, and environmental restoration can produce benefits across all three dimensions.

Figure 2 summarizes the differences between economic growth, economic development, and sustainable development.

Figure 2. Growth and Sustainable Development

 Growth	 Development	 Sustainable Development
1 Primary focus Expansion of production and income	1 Primary focus Improvement in people's capabilities and quality of life	1 Primary focus Improvement in well-being within social and environmental limits
2 Common indicators Real GDP, real GDP per person, output, investment	2 Common indicators Poverty, health, education, employment, inequality, access to services	2 Common indicators Development indicators plus resource use, emissions, biodiversity, resilience, and intergenerational effects
3 Distribution Does not show who receives the gains	3 Distribution Examines inclusion and access	3 Distribution Examines both present and future distribution of benefits and costs
4 Environment Environmental effects may be positive or negative	4 Environment May consider environmental quality	4 Environment Treats environmental sustainability as a central requirement
5 Time horizon Often emphasizes current or medium-term expansion	5 Time horizon Emphasizes lasting improvements in well-being	5 Time horizon Explicitly considers long-term and intergenerational consequences
 Key Idea Economic growth expands production. Development asks whether people's lives are improving. Sustainable development asks whether progress is inclusive, environmentally responsible, and durable across generations.		

Sustainable development does not eliminate trade-offs. A renewable-energy project may reduce carbon emissions but displace communities. A factory may create employment but increase pollution. A protected area may conserve biodiversity but restrict the livelihoods of people who depend on local resources. The objective is not to pretend that all interests automatically align, but to identify the trade-offs, distribute costs fairly, respect rights, and select policies that produce durable public benefits.

A country can grow richer without becoming fairer. That is why systems are important. Development outcomes are shaped by systems such as government policies, institutions, and access to resources. These systems determine who benefits from growth and who remains excluded.

The following case studies on mining and fast fashion present some insights and challenges in balancing economic growth and development.

Case Study: Mining, Transition Minerals, and Sustainable Development in the Philippines

The Philippines has significant deposits of minerals such as nickel, copper, gold, and chromite. These resources can contribute to production, exports, employment, government revenue, and local economic activity. Demand for some minerals is also increasing because low-carbon technologies—including electric vehicles, batteries, renewable-energy systems, and power grids—require substantial quantities of metals and minerals (Hund et al., 2020).

This creates an economic opportunity for mineral-producing countries. However, mineral deposits are not a simple commodity. It is a **non-renewable natural asset**. Once extracted, it cannot be restored within a human lifetime. Mining policy must therefore consider not only how much mineral production can contribute to current economic growth, but also whether extraction creates lasting public benefits and whether its environmental and social costs are properly addressed.

Potential Economic Benefits

Mining may generate several benefits like employment and income for workers; demand for transport, construction, food, equipment, and other local services; export earnings and foreign exchange; taxes, royalties, fees, and other government revenues; raw materials for infrastructure and manufacturing; and opportunities to develop mineral processing and other higher-value industries.

These benefits, however, do not arise automatically or reach everyone equally. Some may accrue mainly to mining companies, investors, contractors, or the national government. Mining communities may receive jobs and local revenues, but they may also bear a large share of the environmental disruption and social risk.

The Constitution and the Philippine Mining Act recognize that mineral resources are owned by the State and places their exploration, development, utilization, and processing under state control and supervision. It also states that mineral development should support national growth while safeguarding the environment and protecting affected communities ("Republic Act No. 7942," 1995).

This means that the government acts not only as a permit issuer. It is also a regulator - responsible for ensuring that the extraction of publicly owned resources produces a fair and lasting return for society.

Environmental and Social Costs

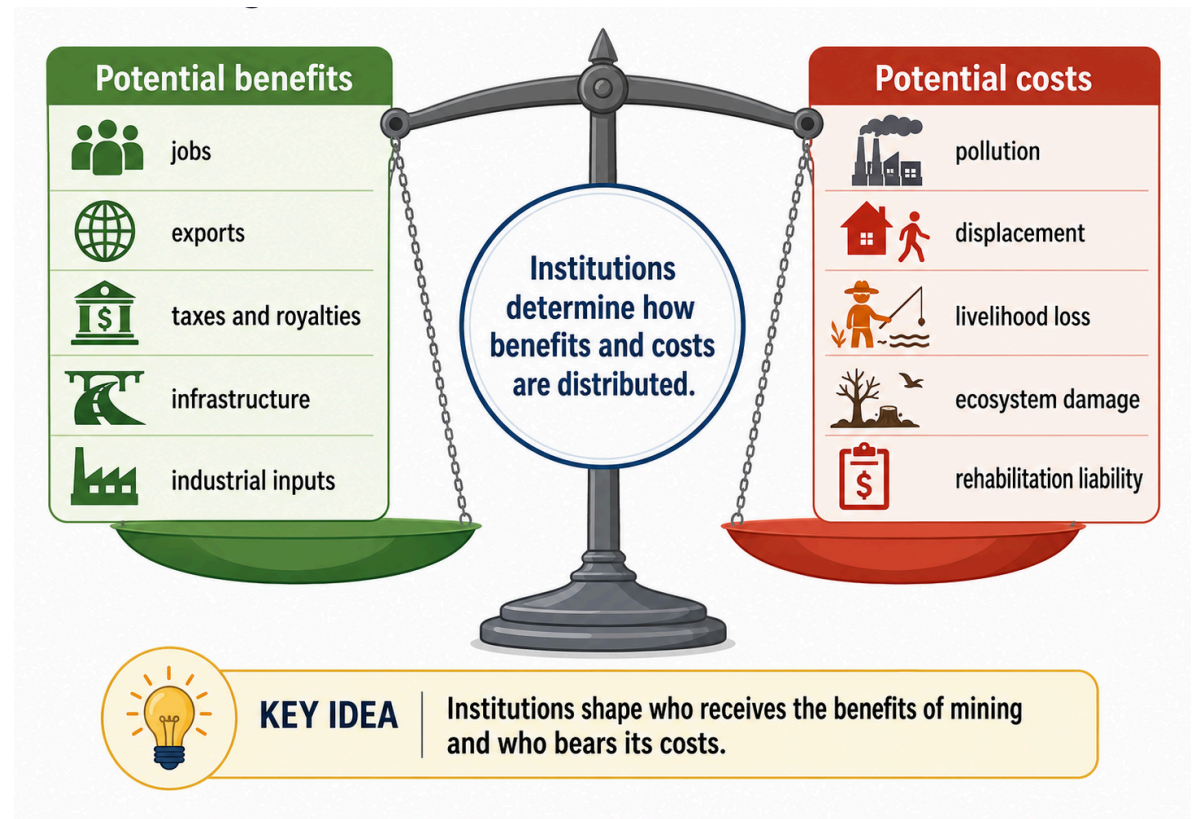
Mining can alter landscapes and ecosystems. Operations may require the clearing of vegetation, excavation of land, construction of roads, storage of mine waste, and the use of large quantities of water and energy. Poorly managed operations may contribute to erosion, sedimentation, water contamination, biodiversity loss, and declining agricultural or fishery productivity.

These effects can extend beyond the mine site. A river affected by mine waste may also support farms, fisheries, households, and ecosystems downstream. Land used for mining may have alternative uses for agriculture, forestry, tourism, settlement, watershed protection, or cultural practices.

Mining may therefore create **opportunity costs**. Using land and water for extraction means giving up some of the benefits that could have been produced through other uses. Economic analysis must compare these alternatives rather than assuming that the presence of minerals automatically makes mining the best use of an area.

The distribution of costs also matters. Nearby communities may experience noise, dust, traffic, reduced access to land or water, disruption of livelihoods, or displacement. Workers may face occupational hazards. Indigenous communities may confront changes affecting ancestral domains, cultural sites, and traditional livelihoods.

Figure 3. Mining: Potential Benefits and Potential Costs



Is the Public Receiving a Fair Return?

Because minerals are non-renewable and owned by the State, an important question is whether the public receives fair compensation for their extraction.

Government revenues may include taxes, royalties, fees, production shares, and payments to local governments and affected Indigenous communities. The Philippine Mining Act provides for agreed royalty payments when mining takes place with the consent of an Indigenous cultural community, with those payments forming part of a trust fund for the community's socioeconomic well-being ("Republic Act No. 7942," 1995).

The existence of a payment, however, does not automatically mean that the public is receiving a fair return. Governments should examine:

- whether tax and royalty rates reflect the value of the resource;
- whether fiscal incentives are necessary and proportionate;
- whether companies correctly report production, sales, costs, and profits;
- whether all required payments are collected;
- whether local governments and communities receive their lawful shares; and
- whether revenues are used transparently and effectively.

The Philippine Extractive Industries Transparency Initiative (PH-EITI) promotes the disclosure of payments made by extractive companies and revenues received by government. Such transparency allows citizens to compare what companies report paying with what public agencies report collecting (PH-EITI, 2026).

Transparency is not the same as accountability, but it is an essential first step. People cannot determine whether mineral extraction benefits the public when contracts, payments, production figures, and revenue allocations are difficult to examine.

Does the Government Have Sufficient Regulatory Capacity?

Strong rules are useful only when public institutions can enforce them. Mining regulation requires trained personnel, reliable scientific information, laboratories, inspection systems, adequate budgets, and the independence to act against politically or economically powerful firms.

Government agencies must be able to:

- evaluate environmental impact assessments;
- inspect mining sites;
- monitor water, air, soil, and biodiversity conditions;
- verify company reports;
- enforce safety and labor standards;
- require corrective action;
- impose penalties for violations; and
- ensure that mine rehabilitation and closure obligations are fulfilled.

Regulatory agencies should not depend entirely on information provided by the companies they regulate. Independent monitoring is necessary because mining firms may have more technical knowledge and financial resources than government offices or local communities.

Regulatory capacity is also needed at the local level. Local governments often experience the direct effects of mining, yet they may have limited technical staff or equipment for environmental monitoring. Coordination among national agencies, local governments, and community institutions is therefore essential.

Community Participation and the Right to Information

Affected communities should participate meaningfully in decisions about mining. Participation should begin before major decisions have been finalized and continue throughout exploration, operation, rehabilitation, and closure.

Meaningful participation requires more than holding a meeting or collecting signatures. Communities need clear and timely information about the proposed mining area and project design; expected employment and revenue; possible environmental and health risks; effects on land, water, livelihoods, and cultural sites; alternatives to the proposed project; company obligations; compensation and benefit-sharing arrangements; rehabilitation and closure plans; and procedures for raising complaints or challenging decisions.

Technical studies should be publicly accessible and presented in language that affected communities can understand. Environmental impact assessments, environmental compliance documents, monitoring results, rehabilitation plans, and relevant agreements should not remain accessible only to companies and specialists.

Without sufficient information, consultation may become symbolic rather than meaningful. Communities cannot make informed decisions when they know the promised benefits but not the possible risks, long-term liabilities, or alternative uses of their resources.

Indigenous Peoples and Free, Prior, and Informed Consent

Mining projects may overlap with ancestral domains. Under the Indigenous Peoples' Rights Act, government agencies may not issue certain concessions, licenses, or permits affecting ancestral domains without the required certification and the free, prior, and informed consent of the affected Indigenous cultural communities or Indigenous peoples ("Republic Act No. 8371," 1997).

Free, prior, and informed consent means that the community's decision should be obtained **freely**, without manipulation, intimidation, or coercion; **before** the project or authorization is approved; on the basis of **complete and understandable information**; and through processes consistent with the community's customary laws and decision-making practices.

Consent should not be treated as a one-time administrative requirement. Mining operations can change in scale, ownership, technology, and environmental effect. Communities therefore need continuing access to information and meaningful participation in monitoring and enforcement.

Rehabilitation, Closure, and Long-Term Liability

A mine has a limited operating life. Employment and local business activity may decline when commercially viable deposits are exhausted or when global mineral prices fall. Communities that become heavily dependent on mining may therefore face economic disruption after closure.

Sustainable mining policy must plan for this transition before extraction begins.

Mining companies should be required to rehabilitate disturbed land; secure waste-storage facilities; restore or replace damaged water systems; monitor environmental conditions after closure; provide sufficient financial guarantees for rehabilitation; and disclose who remains legally responsible for long-term damage.

If rehabilitation funding is inadequate or a company leaves before fulfilling its obligations, the costs may be transferred to taxpayers and future generations.

Intergenerational Equity

Mining also raises a question of **intergenerational equity**. The present generation may receive income, jobs, and government revenue, while future generations inherit an exhausted mineral deposit and potentially damaged ecosystems.

Intergenerational equity does not necessarily require prohibiting all extraction. It requires converting part of the value of the depleted resource into lasting forms of wealth.

Mining revenues can be invested in education and healthcare; environmental rehabilitation; renewable energy; transportation and digital infrastructure; research and technological capability; livelihood diversification; disaster resilience; and transparent public or community investment funds.

Under this approach, future generations may no longer possess the original mineral deposit, but they inherit productive assets, stronger institutions, human capabilities, and a healthier environment.

Transition Minerals Are Not Automatically Sustainable

Minerals used in batteries, electric vehicles, and renewable-energy technologies contribute to the transition away from fossil fuels. However, their use in low-carbon technologies does not automatically make the extraction process environmentally or socially sustainable.

A project may support global emission reduction while causing local water pollution, biodiversity loss, displacement, or unfair labor conditions. The environmental benefits of the final technology must therefore be considered together with the impacts of extracting and processing its inputs.

This creates an important global equity question:

Should communities in mineral-producing countries bear environmental and social damage so that consumers elsewhere can shift to cleaner technologies?

A just energy transition must reduce carbon emissions without transferring excessive costs to workers, Indigenous peoples, rural communities, and lower-income countries.

Economic Insight

The economic value of mining should not be measured only through production, exports, or company profits. Because minerals are publicly owned, non-renewable assets, sound policy must examine whether the public receives a fair return, whether environmental and social costs are controlled, whether affected communities participate meaningfully, and whether present extraction creates lasting benefits for future generations.

Case Study Questions:

1. What economic benefits can mining create, and who is most likely to receive them?
2. What environmental and social costs may not be included in the market price of minerals?
3. How should government determine whether taxes and royalties provide fair compensation for extracting a non-renewable public resource?
4. Why is government regulatory capacity important even when mining companies submit environmental plans?
5. What information should affected communities receive before deciding whether to support a mining project?
6. How should communities participate in permitting, monitoring, benefit-sharing, and mine closure?
7. What alternative uses of the land and water should be considered?
8. Can minerals needed for low-carbon or renewable energy be extracted through methods that are themselves unjust or environmentally destructive?
9. How can mining revenue be converted into benefits that remain after the mine closes?

C. The 17 Sustainable Development Goals (SDGs)

In September 2015, all 193 Member States of the United Nations adopted the **2030 Agenda for Sustainable Development**. At the center of this global agenda are the **17 Sustainable Development Goals**, or SDGs. Together, they provide a shared framework for improving human well-being, reducing inequality, protecting the environment, and strengthening institutions.

The SDGs recognize that development problems are interconnected. Poverty is linked to hunger, health, education, employment, housing, access to energy, and exposure to environmental risks. Economic growth may create jobs and income, but it may also widen inequality or damage ecosystems when institutions are weak. Progress in one area can support progress in others, while failure in one area can undermine several goals at the same time. For example, reliable electricity can support schools, hospitals, businesses, communications, and household well-being. However, an energy project that displaces communities or damages forests may advance one development objective while weakening others. Sustainable development therefore requires governments and societies to examine how different goals interact and how trade-offs can be managed fairly.

The SDGs build on the earlier **Millennium Development Goals**, or MDGs, which guided international development efforts from 2000 to 2015. The MDGs focused largely on reducing extreme poverty, improving health and education, and expanding access to basic services in developing countries. The SDGs are broader. They apply to all countries, regardless of income level, and include concerns such as inequality, climate change, sustainable production, decent work, urban development, peace, justice, and institutional accountability.

Figure 2: Brief history of SDGs



Each SDG is supported by more specific **targets** and **indicators**. The targets describe the outcomes countries are expected to pursue, while the indicators provide ways to measure progress. These measures do not capture every aspect of development, but they help governments, researchers, and citizens assess whether conditions are improving and where major gaps remain.

The 17 goals can be understood through five closely related areas: people, essential resources and communities, the economy, the planet, and institutions and partnerships.

Goals for People and Human Well-Being

Goal 1: No Poverty seeks to end poverty in all its forms. Poverty is not limited to low income. It also includes insecurity, poor housing, limited access to services, vulnerability to disasters, and exclusion from economic and political opportunities.

Goal 2: Zero Hunger aims to end hunger, improve nutrition, achieve food security, and promote sustainable agriculture. Adequate nutrition affects health, learning, productivity, and people's ability to participate fully in society.

Goal 3: Good Health and Well-Being promotes healthy lives for people of all ages. It includes maternal and child health, prevention and treatment of disease, mental health, access to medicines, and stronger health systems.

Goal 4: Quality Education seeks inclusive and equitable education and lifelong learning. Education expands knowledge, skills, opportunities, and people's capacity to participate in economic and civic life.



Goal 5: Gender Equality aims to eliminate discrimination and violence against women and girls and to ensure equal rights, opportunities, access to resources, and participation in decision-making.

Goals for Essential Resources and Communities

Goal 6: Clean Water and Sanitation seeks universal access to safe water, sanitation, and hygiene. It also emphasizes the protection and sustainable management of water resources.

Goal 7: Affordable and Clean Energy promotes access to reliable, modern, and sustainable energy. Energy is essential for homes, schools, hospitals, transport, communication, and economic activity.

Goal 11: Sustainable Cities and Communities seeks to make settlements inclusive, safe, resilient, and sustainable. It includes affordable housing, accessible transportation, disaster resilience, public spaces, and improved urban planning.

Goals for the Economy and Inclusion

Goal 8: Decent Work and Economic Growth promotes productive employment, labor rights, safe working conditions, and economic growth that is inclusive and sustainable. The goal emphasizes that employment should not only exist but should also be secure, fairly paid, and dignified.

Goal 9: Industry, Innovation and Infrastructure focuses on resilient infrastructure, sustainable industrialization, research, technological development, and access to modern systems of production and communication.

Goal 10: Reduced Inequalities seeks to reduce inequality within and among countries. It promotes social, economic, and political inclusion and draws attention to differences in income, opportunity, representation, and access to public services.

Goal 12: Responsible Consumption and Production encourages more efficient use of resources, reduction of waste and pollution, and more sustainable production and consumption practices. It asks businesses, governments, and consumers to consider the full consequences of economic activity.

Goals for the Planet

Goal 13: Climate Action calls for urgent measures to reduce greenhouse-gas emissions, strengthen adaptation, and improve resilience to climate-related hazards.

Goal 14: Life Below Water focuses on protecting oceans, seas, fisheries, and marine ecosystems from pollution, overexploitation, and biodiversity loss.

Goal 15: Life on Land promotes the protection and restoration of forests, soils, biodiversity, and terrestrial ecosystems. It also addresses land degradation, deforestation, and habitat loss.

Goals for Institutions and Cooperation

Goal 16: Peace, Justice and Strong Institutions recognizes that sustainable development depends on peace, access to justice, human rights, accountable government, and effective public institutions. Corruption, conflict, violence, and exclusion can prevent economic and social progress even when resources are available.

Goal 17: Partnerships for the Goals emphasizes cooperation among governments, businesses, civil society, international organizations, and communities. Sustainable development requires financing, knowledge, technology, data, and coordinated action across countries and institutions.

The SDGs as an Integrated Framework

The goals should not be treated as separate items on a checklist. They influence one another. Reducing poverty can improve health and education. Better education can increase employment and productivity. Clean energy can reduce pollution and support economic activity. Strong institutions can improve the delivery of social services and the management of natural resources.

At the same time, development policies may create tensions among goals. Expanding infrastructure can support growth and employment but may damage ecosystems or displace communities. Increasing food production may reduce hunger but place greater pressure on water and land. Mining transition minerals may support renewable-energy technologies but create local environmental and social costs.

This means that progress should be evaluated across several dimensions:

- Which goals are being advanced?
- Which goals may be weakened?
- Who receives the benefits?
- Who bears the costs?
- Are affected communities involved in decisions?
- Can the policy remain effective over time?

The SDGs therefore provide more than a list of desirable outcomes. They offer a framework for examining whether development is inclusive, coordinated, environmentally responsible, and supported by accountable institutions. Progress toward one goal should not come at the unnecessary expense of another. Sustainable development requires policies that recognize connections, manage trade-offs, and protect people who might otherwise bear a disproportionate share of the costs.

Case Study: Philippine Progress Toward the SDGs

The Philippines joined other countries in committing to achieve the 17 Sustainable Development Goals (SDGs) by the year 2030. Since then, the Philippines has made progress in areas like education, health, and disaster response. But challenges remain especially in reducing poverty, protecting the environment, and strengthening government services. The *Sustainable Development Report 2025* indicators below show that while we are doing well in some goals, we are falling behind in others.

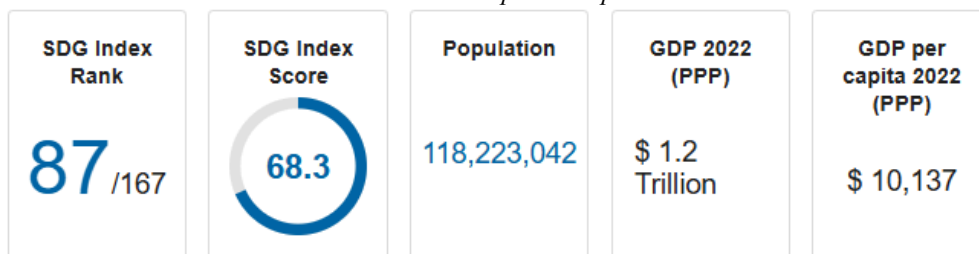
Assessing SDG performance requires more than looking at one overall score or rank. A national score combines results from many different indicators and may conceal wide differences among goals, regions, and population groups. A country may perform relatively well in one area while stagnating or moving backward in another.

For example, improvements in employment may occur at the same time as persistent job insecurity or low wages. Access to education may expand while learning outcomes remain weak. Economic growth may continue while inequality, environmental degradation, and exposure to disasters remain serious concerns.

SDG assessments should therefore be interpreted carefully. They are most useful when they help identify:

- goals where progress is improving;
- goals where progress has stalled;
- goals where conditions are worsening;
- groups and regions being left behind;
- and institutions responsible for addressing the gaps.

Sustainable Development Report 2025



SDG 1: ● ↗ Poverty headcount ratio at \$2.15/day	SDG 2: ● ↑ Prevalence of undernourishment	SDG 3: ● → Life expectancy at birth
SDG 4: ● ↑ Lower secondary completion rate	SDG 5: ● → Seats held by women in national parliament	SDG 6: ● ↗ Population using at least basic sanitation services
SDG 7: ● ↑ Population with access to electricity	SDG 8: ● ↗ Adults with an account at a bank or other financial institution or with a mobile-money-service provider	SDG 9: ● ↑ Population using the internet
SDG 10: ● ↗ Gini coefficient	SDG 11: ● ↓ Annual mean concentration of PM2.5	SDG 12: ● → Production-based nitrogen emissions
SDG 13: ● → CO ₂ emissions from fossil fuel combustion and cement production	SDG 14: ● → Mean area that is protected in marine sites important to biodiversity	SDG 15: ● ↓ Red List Index of species survival
SDG 16: ● ↓ Corruption Perceptions Index	SDG 17: ● ↑ Statistical Performance Index	

Source: <https://dashboards.sdgindex.org/profiles/philippines>

The Philippine experience also shows why development outcomes cannot be explained only by household behavior. Progress depends on public investment, effective government institutions, reliable data, regulatory enforcement, social protection, infrastructure, and meaningful participation by communities.

Guide Questions:

1. What does an overall SDG score reveal about national development?
2. What important differences might an overall score conceal?
3. Which goals are most closely connected to poverty and inequality?
4. How can progress in education, health, or energy support other development goals?
5. Why might a country experience economic growth while remaining behind in several SDGs?
6. Which development problems require individual action, and which require institutional or government action?
7. How can incomplete or delayed data affect the assessment of national progress?
8. Which SDGs should receive the greatest priority in the Philippines, and why?
9. What trade-offs might arise when pursuing these priorities?
10. How should citizens and communities participate in monitoring progress?

The SDGs remind us that development is not measured only by how much an economy produces. It must also be evaluated through health, education, equality, environmental quality, security, participation, and the strength of institutions.

The central question is not simply whether the country is moving forward, but whether progress is broad enough to include those who have historically been excluded and durable enough to protect the opportunities of future generations.

Let's Review!

- **Economic growth** refers to an increase in the production of goods and services, commonly measured through changes in real GDP.
- **Economic development** is broader than growth. It concerns improvements in health, education, employment, security, opportunity, public services, and quality of life.
- Growth does not automatically reveal who receives the benefits, who bears the costs, or whether environmental damage has occurred.

- **Sustainable development** aims to improve present well-being without undermining the opportunities and environmental conditions available to future generations.
- Renewable resources can regenerate, but they may still be depleted when use exceeds regeneration.
- Non-renewable resources exist in finite stocks and cannot be restored within a human timescale.
- Sustainable development integrates economic prosperity, social inclusion, and environmental sustainability.
- These goals can involve difficult trade-offs. Policies must identify costs, distribute them fairly, and protect rights.
- Mining illustrates how economic activity can generate income and public revenue while creating environmental risks, community conflict, and long-term liabilities.
- Fast fashion illustrates how low consumer prices may depend on global production systems that transfer environmental and social costs to workers and communities.
- The 17 Sustainable Development Goals provide a shared framework for addressing poverty, inequality, human development, environmental protection, and institutional accountability.
- Development outcomes depend not only on resources but also on laws, institutions, regulatory capacity, public participation, and political priorities.

Key Takeaway

Economic growth expands production, but development asks whether people's lives and opportunities are improving. Sustainable development goes further by asking whether these improvements are inclusive, environmentally responsible, and durable across generations. Evaluating development therefore requires more than measuring GDP: it requires examining who benefits, who bears the costs, how institutions make decisions, and whether economic activity protects the resources and ecological systems on which future well-being depends.

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