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**High-level Segment: ministerial meeting of the high-level political forum on sustainable development, convened under the auspices of the Economic and Social Council****Empowering people and ensuring inclusiveness and equality****Report of the Secretary-General****Summary**

Implementing the 2030 Agenda and its Sustainable Development Goals requires eliminating all forms of discrimination, reducing economic inequalities that undermine human rights, and promoting the empowerment and inclusion of people who are furthest behind. Efforts to achieve the Goals must ensure meaningful and inclusive participation by all actors at all levels to catalyze a shared sense of empowerment.

In accordance with the mandate provided by General Assembly resolution 72/305 and the theme of “empowering people and ensuring inclusiveness and equality”, the present report identifies policies and accelerators for building synergies across economic, social and environmental dimensions, and offers action-oriented recommendations to inform discussions of the High-level Segment of the Economic and Social Council (ECOSOC). The report was informed by contributions from UN system entities and others.

## I. Introduction

1. Rising inequalities have become a defining challenge of our time. Gross inequalities both within and among countries are putting sustainable development at risk, stirring social unrest, undermining social progress, threatening economic and political stability, and undercutting human rights.<sup>1</sup> Global efforts to reduce inequalities are occurring amidst very high levels of diverse demographic changes. Populations in some countries are rapidly growing while others are stable or even shrinking; some face a surge in youth populations while others are rapidly aging. People are increasingly mobile, moving to cities, experiencing displacement and forced migration, or moving for economic reasons. One in five children lives in extreme poverty on less than US\$ 1.90 a day,<sup>2</sup> and 665 million are living in multi-dimensionally poor households.<sup>3</sup> Child poverty is highest in fragile contexts<sup>4</sup> but is not restricted to low-income countries—one in seven children in OECD countries live in poverty.<sup>5</sup>

2. Disasters augment and exacerbate underlying social and economic inequalities, affecting the world's most vulnerable populations and pushing an estimated 26 million people into poverty each year.<sup>6</sup> Climate change disproportionately affects populations vulnerable to economic, climatic and conflict-related risks and shocks. It is estimated that in Africa, up to 118 million extremely poor people will be exposed to drought, floods, and extreme heat by 2030.<sup>7</sup>

3. Major inequalities persist in the world of work, negatively affecting poverty reduction efforts. Decent work deficits remain widespread: around 60 per cent of the world's workforce is in informal employment, and more than 25 per cent of workers in low- and middle-income countries live in extreme or moderate poverty.<sup>8</sup> In Sub-Saharan Africa, only 15 per cent of those in the bottom one-fifth on the income ladder receive social protection benefits.

4. Globally, extreme poverty continues to be disproportionately rural, with 79 per cent of the extreme poor living in rural areas, where the poverty rate is more than three times as high as in urban areas.<sup>9</sup> The rural poor have little access to social and financial services, infrastructure, markets or innovative technologies and practices. Many forms of digital divide exist; structural barriers such as costs, coverage and illiteracy inhibit both men and women in rural areas from the benefits of ICTs, and gender inequalities further prevent women from owning, using and benefitting from technology.<sup>10</sup>

5. Almost everywhere, rural women face more severe constraints than men in accessing productive resources, markets and services. This hinders their productivity and reduces their contributions to the achievement of economic and social development goals. Rural women's overall work time is consistently higher than that of men. Women's work burden is largely the result of a combination of time-consuming and unrecognized household-related tasks, as well as demanding productive and community support tasks, most of which are unpaid and often invisible.

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<sup>1</sup> United Nations, 2016. *Equality and non-discrimination at the heart of sustainable development: a shared UN framework for action*.

<sup>2</sup> UNICEF & World Bank Group. (2016). *Ending Extreme Poverty: A Focus on Children*.

<sup>3</sup> Oxford Poverty and Human Development Initiative (2018). *Global Multidimensional Poverty Index 2018*, University of Oxford, UK.

<sup>4</sup> UNICEF & World Bank Group, (2016), op. cit.

<sup>5</sup> OECD. (2018). *Poor children in rich countries: Why we need policy action*.

<sup>6</sup> Hallegatte, Stephane, Adrien Vogt-Schilb, Mook Bangalore, and Julie Rozenberg. 2017. *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*. Climate Change and Development Series. Washington, DC: World Bank.

<sup>7</sup> <https://www.worldbank.org/en/region/afr/brief/social-inclusion-in-africa>

<sup>8</sup> ILO, 2019. *World Employment and Social Outlook*.

<sup>9</sup> World Bank, 2018.

<sup>10</sup> Monsieur, C., Najros, E., Sánchez Enciso, A. 2016. *FAO Dimitra Clubs- boosting rural women's empowerment using information and communication technologies*. In *A Better World*. Tudor Rose, UK.

## II. Overview: equality, inclusion and empowerment

6. Equality can be defined as a foundational value of development and as a non-negotiable ethical principle, centered on a rights-based approach. In addition to being an ethical imperative, achieving equality also has direct implications for the possibility of accelerating or slowing productivity and economic growth.

7. Inequality includes, but transcends, income inequality. Inequality is a multidimensional phenomenon that encompasses equality of means, opportunities, capacities and recognition. Inequalities of access related to health, education, housing, and services exacerbate and reproduce income inequality, and deepen the inequitable distribution of wealth. Inequality hampers progress on poverty reduction and the realization of human rights, threatens social and political stability and is a drag on economic growth.

8. There are many channels through which inequality may affect or be affected by development. Inequality trends across countries relate to or are determined by factors or policy areas such as economic growth, macroeconomic factors, management of public policies, institutional development, trade and capital flows, employment, political conflict, religious and customary values, and migration. The intersection of income inequality, marginalized groups and social entities and, very often, locational disadvantage leads to the systematic exclusion of certain groups.

9. Measuring inequality is complex. Household surveys are often the main source of data, with some countries relying on income or consumption surveys. Although consumption data are important for measuring poverty, in developing countries, wage-employment is becoming a more useful meter of inequality. Comparable data shows that during the last four decades, global income inequality decreased in relative terms but increased markedly in absolute terms. Relative global inequality, measured by the Gini coefficient, which takes the value zero for the most equal society and one for the most unequal society, has declined steadily over the past few decades, driven primarily by declining inequality between countries arising from the remarkable economic growth observed in fast-developing countries such as China and India. This trend has been achieved despite an increasing trend in inequality *within* countries. In contrast, absolute inequality, measured by the absolute Gini coefficient, has increased dramatically since the mid-1970s. There is a growing concern regarding the dramatic rise in absolute income inequality across the world, with the financial crisis started in 2007 bringing the phenomenon to the forefront of public and development debates.

10. While target indicators are important for measuring progress against the Goals, focusing too narrowly on indicators can become misleading; the increasing concentration of wealth in the hands of a few must be factored in to measurements of inequality across the spectrum in order to provide a more accurate analysis and inform effective policy decisions.<sup>11</sup>

11. Inequality goes far beyond income inequality, and relates to access to social services and various aspects of wellbeing. Economic growth in many countries has thus masked growing inequalities on multiple levels, and it has itself been uneven, widening gaps between rich and poor and between urban and rural areas. Income inequality in Africa on average is higher than in other developing regions; inclusive growth will require strong and diverse development strategies that will necessarily differ between countries. Government policies must be participative, multi-sectoral, and carried out with a holistic and coordinated approach. All stakeholders must participate in monitoring, evaluating and reformulating policies for their implementation to be successful. Stakeholder roles and responsibilities need to be clearly integrated into national strategies to ensure coherence, effective implementation and revision after their evaluation.

12. Inequalities and discrimination are not inevitable; they are often produced by policy choices that fail to take account of the rights of the most marginalized. Changing discriminatory policy choices requires political will and

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<sup>11</sup> E/2019/33. United Nations Committee for Development Policy, Report on the twenty-first session.

effort to ensure that vulnerable and marginalized groups are given a voice, included in decision making processes and empowered to take part in development as equal owners and agents of change.

13. Political participation is related to equality, inclusion and empowerment in that it impacts the decision-making processes that determine the allocation and distribution of social, economic, political and cultural assets. From this perspective, participation is not just a fundamental right and a key dimension for social inclusion, but also a highly important mechanism for strengthening democracy and transitioning to more egalitarian societies.

14. According to the United Nations Committee for Development Policy (CDP), “there is an urgent need for a transformation grounded on equality, inclusion, human rights and sustainability, which addresses the disempowerment of those being left or pushed behind, and the mechanisms that enable the concentration of wealth and power at the top.” Empowerment as a means to equality and inclusion requires a combination of rules and mechanisms that not only formally ensure the exercise of rights but also guarantee enabling factors that ensure that particularly those groups typically left behind are effectively able to use those rules and mechanisms on fair terms and level playing fields.<sup>12</sup>

### **III. The 2030 Agenda and reducing inequalities**

15. The 2030 Agenda reflects a consensus by global leaders on the need to move towards more peaceful, just and inclusive societies. Empowering people, ensuring their inclusion, and reducing inequalities across and within societies requires policy actions that cut across different sectors, development actors, and thematic areas. The goal of reducing inequalities (SDG 10) is inextricably linked with all other SDGs.

16. To reduce inequality, we must examine social and economic inequalities and identify policy solutions across several interlinked areas to make development more inclusive and address extreme poverty. Policies are also needed to address the imbalance of extreme wealth concentrated in the hands of a few.<sup>13</sup> Territorial imbalances are reflected in uneven patterns of economic and social development between, for example, rural and urban areas, within urban areas, between different provinces or regions within a country.

17. Simultaneous implementation of social and labor inclusion policies recognizes that the labor market remains a central and organizing feature linking the economic and social spheres, and can serve to reverse social inequalities, or entrench and reproduce them. High levels of informal work combined with large gaps in access to social protection, especially among population sub-groups such as women, youth and persons with disabilities, has proven to be a critical area of action for inequality-reducing policies.

18. Industrial development, particularly in manufacturing, has the potential to be an important source of employment for women. In this regard, gender-responsive and inclusive approaches towards industrial development must be safeguarded. Several recent studies in the Africa region show that reduction of tariffs imposed on intra-EAC<sup>14</sup> and intra-SADC<sup>15</sup> exports have led to an overall increase in women’s employment share in manufacturing firms, contributing to a “feminization of labor” in manufacturing in Africa. However, the employment gains for women materialized only in lower-paying production tasks (i.e. blue-collar jobs) without any improvement in non-production tasks (i.e. white-collar jobs). Labor market policies such as skill development training programmes, and incentive programmes for firms’ hiring practices are necessary to avoid the segregation of women into low-skilled and low-paying positions.

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<sup>12</sup> “ECOSOC theme, 2019: Empowering people and ensuring inclusiveness and equality”, background note by the CDP Secretariat for the Committee for Development Policy’s 21<sup>st</sup> Plenary Session.

<sup>13</sup> E/2019/33.

<sup>14</sup> UNCTAD (2018a). *East African Community Regional Integration: Trade and Gender Implications*, Geneva: UNCTAD.

<sup>15</sup> UNCTAD (2018b). *Trade and Gender Linkages: An Analysis of Southern African Development Community*, Geneva: UNCTAD.

19. For industrial development to be inclusive, jobs must be fairly remunerated and comply with labor standards and rights. Vertical and horizontal concepts of inequality employ an analysis of simple correlation, where there is generally a negative relationship with the Gini ratio being lowest in countries with a higher ratio of manufacturing value added to GDP. This suggests that manufacturing development could lead to greater inclusiveness by narrowing the income distribution, *ceteris paribus*. Analyzing inclusion and job creation in industrial development sectors could identify the most significant employment opportunities. It is necessary to foster coherence between industrial policies and other policies (e.g. education, innovation, energy, labor and investment) towards an integrated approach. A recent ILO report articulates challenges related to equality and decent work, broader drivers of productivity and job creation in the context of the transition to greener economies, addressing issues around labor institutions and comprehensive policies necessary for peaceful and inclusive societies, and the importance of policy coherence in implementing the 2030 Agenda.<sup>16</sup>

20. Government policies aimed to reduce inequalities should be targeted both to firms and workers. For firms, it is important to increase the opportunities for small firms to compete and engage in international markets. This can be achieved by reducing their fixed cost to exporting by providing infrastructure, export promotion and trade logistics. Strategies for expanding productive capacities must also consider disparities among firms related to capacities and access to finance and technology, taxation and space for representation of stakeholders.<sup>17</sup> For workers, it is essential to design domestic complementary policies suited to the workforce (e.g. continued education, training, redistribution, safety nets, etc.) so the labor force can positively respond to the opportunities and challenges of international trade.

21. Trade policy can help reduce gender inequalities and support women's economic empowerment through gender mainstreaming in the policy framework. Gender considerations are being integrated into the text of recent trade agreements, including the Buenos Aires Declaration on Trade and Women's Economic Empowerment adopted at the 11<sup>th</sup> WTO Ministerial Conference in Buenos Aires, Argentina in December 2017. This is an important step ahead as, for the first time, the trade community has gone beyond treating trade as "gender neutral."

22. Examining trade-related policies from the inequality angle is critical, and a more encompassing view of the role of international trade and trade policy on income inequality is needed. A coordinated multilateral effort is necessary to remove the barriers affecting market access for products produced by poor countries, helping to achieve a more even distribution of the gains from trade. Eliminating supply-side restrictions and developing productive capacity are also important measures for reducing inequality.

### ***The challenge of addressing inequalities of vulnerable groups***

23. The 2030 Agenda recognizes that people who are vulnerable must be empowered, and includes children, youth, persons with disabilities, people living with HIV, older persons, indigenous peoples, refugees, internally displaced persons, migrants, people living in areas affected by complex humanitarian emergencies and in areas affected by terrorism, and people living under colonial and foreign occupation.

24. Poverty disproportionately affects children, and its effects are cumulative: the consequences of poor infant nutrition or lost years of education are often irreversible, affecting individual children—as well as their communities and societies—for a lifetime, and across generations. Investing in the health, education and wellbeing of children through social protection measures is therefore central to breaking the cycle of intergenerational transmission of poverty and inequality. Building national pathways to end child poverty forms a critical cornerstone for reaching the SDG imperative of leaving no one behind.

<sup>16</sup> "Decent work for sustainable development" submitted to the 335<sup>th</sup> session of the ILO Governing Body, March 2019.

<sup>17</sup> E/2019/33.

25. For vulnerable groups, social exclusion and harmful practices often compound the effects of poverty. Girls continue to bear a disproportionate burden of household chores and caregiving, robbing them of time to study and play. Globally, 12 million girls are married every year before they are 8 years old<sup>18</sup> and some 3.6 million undergo female genital mutilation.<sup>19</sup> In humanitarian crises, girls face heightened risks, especially of experiencing gender-based violence. Violence against women and girls is a pervasive human rights violation that takes place in all countries. Based on available comparable data from 106 countries, from 2005 to 2017, 18 per cent of women and girls aged 15 to 49 have experienced physical and/or sexual partner violence in the previous 12 months.<sup>20</sup> While intimate partner violence affects women of all ages, living in both developing and developed countries, evidence shows that certain factors such as low educational levels, poverty and unemployment are potential risk factors.<sup>21</sup> Humanitarian crises—including conflict and post-conflict situations—sharply increase women’s vulnerability to physical and sexual violence.<sup>22</sup>

26. Unequal access to and control over economic resources lie at the root of women’s poverty.<sup>23</sup> Discriminatory legal frameworks and customary laws can place significant constraints on women’s ability to earn an income by restricting their access to inheritance, land, property and credit, as well as their mobility. But even where formal restrictions are removed, women face multiple barriers to their ability to move out of poverty. Labor market segmentation, gender wage gaps and unequal access to social protection remain a persistent source of economic disadvantage for women. Discriminatory social norms and women’s disproportionate share of unpaid care work further hamper their ability to earn a living. As a result, women are less likely than men to have an income of their own, rendering them financially dependent on their partners and increasing their vulnerability to poverty.<sup>24</sup>

27. Women commonly face higher risks and greater burdens from the impacts of climate change in situations of poverty. Women’s unequal participation in decision-making processes and labor markets compound inequalities and often prevent women from fully contributing to climate-related planning, policy-making and implementation. Yet women can—and do—play a critical role in response to climate change due to their knowledge of and leadership in sustainable resource management and leading sustainable practices at the household and community level. Women’s participation at the political level has resulted in greater responsiveness to citizens’ needs, often increasing cooperation across party and ethnic lines and delivering more sustainable peace. At the local level, women’s inclusion in leadership has led to improved outcomes of climate related projects and policies. On the contrary, if policies or projects are implemented without women’s meaningful participation it can increase existing inequalities and decrease effectiveness.

28. Policies to increase economic autonomy for women include care policies, women’s labor and productive inclusion, and pension reforms implemented in the context of broader policy intervention at the level of physical and political autonomy for women, including full exercise of the right to health and reproductive lives. Policies that promote visibility and representation of women in the exercise of power and decision-making processes increase political autonomy. Investing in women, young women and girls through education, health and economic empowerment has a multiplier effect on poverty eradication, productivity and sustainable economic growth. Equal participation for young women in the economy means a potential boost of 28 trillion USD to global annual GDP by 2025.<sup>25</sup> This potential must be fully realized.

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18 UNICEF, (2018) Child Marriage: Latest Trends and Future Prospects, (Available at: <https://data.unicef.org/wp-content/uploads/2018/07/Child-Marriage-Data-Brief.pdf>)

19 UNICEF. (2018) Female Genital Mutilation/Cutting: What might the future hold?

20 UN (Forthcoming). “The Sustainable Development Goals Report”. New York: United Nations.

21 UN Women (2015). A Framework to Underpin Action to Prevent Violence against Women. (p.26, 27).

22 Kelly, J., Colantuoni, E., Robinson, C., & Decker, M. R. (2018). From the battlefield to the bedroom: a multilevel analysis of the links between political conflict and intimate partner violence in Liberia. *BMJ global health*, 3(2).

23 UN Women. 2018. “Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development”. New York: UN Women.

24 UN General Assembly. 2013. “Report of the Special Rapporteur on Extreme Poverty and Human Rights.” A/68/293.

25 2015 McKinsey Report, “The power of parity: Advancing Women’s equality in the US”

29. Progress is being reported on indicators related to gender equality and the empowerment of women and girls. Globally, the percentage of women in single or lower houses of national parliaments has increased from 19 per cent in 2010 to around 23 per cent in 2018.<sup>26</sup> The increase in girls' school enrolment has been one of the most remarkable achievements of recent decades. Each additional year of post-primary education for girls has important multiplier effects, including improving women's employment outcomes, decreasing the chance of early marriage and improving their health and well-being as well as that of future generations.<sup>27</sup>

30. Quality, disaggregated population data is key for empowerment, inclusion and equality. Identifying and reaching marginalized groups, and redressing the multiple deprivations they experience. Gender-responsive budgeting holds promise for tracking budgetary commitments to gender equality in the implementation of the 2030 Agenda. Data innovation plays an important role in accelerating improvements to governance for inclusive sustainable development. Partnering for innovative contextual research, social dialogues, and disaggregated data are three important cross-cutting areas that are all essential to expand future understanding of vulnerabilities and vulnerable groups, and explain outliers in existing data systems.

31. By 2030, the world's population will include two billion young women and men seeking jobs.<sup>28</sup> Young people face significant challenges in transition to productive work: youth ages 15 to 24 in the labor market are three times as likely as adults to be unemployed, and job quality is a common concern of those who are employed. As many as 19 out of 20 youth in developing countries are in the informal labor market and 37.7 per cent of working youth are living in extreme or moderate poverty (less than \$US3.10 per day).<sup>29</sup> A fast-changing global economy demands increasingly specialized skills, but education and training institutions are struggling to prepare youth with the skills and competencies demanded by the labor market and changing societies. With the right policies and programmes in place, a young population offers tremendous opportunities for a "demographic dividend". Yet, over the next 10 years in Africa, only one in four youth are expected to find a wage job.<sup>30</sup>

32. Indigenous peoples are custodians of nearly 22 per cent of the Earth's surface and safeguard an estimated 80 per cent of the world's remaining biodiversity. The loss of biodiversity-dependent ecosystem services is likely to accentuate inequality and marginalization by decreasing their access to basic materials for a healthy life and by reducing their freedom of choice and action.<sup>31</sup> In order to ensure continued benefits from ecosystem services, the importance of recognizing and strengthening the customary rights and laws of indigenous peoples and local communities—particularly women—to access, use, govern and manage lands and natural resources has been repeatedly highlighted. Many Governments have undertaken legal, political and institutional reform to recognize such rights. In many cases, these provisions have enabled communities to conserve, restore and sustainably use biodiversity, generate income and empower themselves. Political support for the preservation of traditional knowledge and ecologically sustainable practices by communities, such as supporting conservation of agricultural biodiversity and providing income support to farmers for sustainable production in times of drought and floods, also contributes to the wellbeing of many households.<sup>32</sup>

<sup>26</sup> United Nations. The Sustainable Development Goals Report 2018.

<sup>27</sup> Hill, M. A. and E. King. 1995. "Women's Education and Economic Well-Being." *Feminist Economics* 1 (2): 21–46.; World Bank. 2011. World Development Report 2012: Gender Equality and Development. Washington, DC: World Bank.; UN ECOSOC 2015. "Review and Appraisal of the Implementation of the Beijing Declaration and Platform for Action and the Outcomes of the Twenty-Third Special Session of the General Assembly". E/CN.6/2015/3.

<sup>28</sup> See: <http://www.genunlimited.org/>

<sup>29</sup> Ibid.

<sup>30</sup> <https://www.worldbank.org/en/region/afr/brief/social-inclusion-in-africa>

<sup>31</sup> [http://ap.ohchr.org/documents/dpage\\_e.aspx?si=A/HRC/34/49](http://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/34/49)

<sup>32</sup> CBD Technical Series No. 64. Recognising and Supporting Territories and Areas Conserved by Indigenous Peoples and Local Communities: Global Overview and National Case Studies. <https://www.cbd.int/doc/publications/cbd-ts-64-en.pdf> UNEP/CBD/COP/13/INF/30. <https://www.cbd.int/doc/meetings/cop/cop-13/information/cop-13-inf-30-en.doc>

33. Conservation, restoration and sustainable use measures can include innovative mechanisms to achieve ecological priorities and serve as sustainable development pathways, providing solutions to meet other priorities and contribute to other agendas efficiently and equitably. Ecosystem-based solutions can often be more cost-efficient and sustainable compared to grey infrastructure. However, it is also necessary to ensure that the benefits produced by such mechanisms reach the poorest and the most vulnerable by embedding rights-based approaches into policy designs and accountability of such interventions through monitoring and reporting. In addition, it is important to provide decision makers and other actors with relevant information on the multiple benefits that can be generated by investing in programmes that contribute to both social and environmental benefits.

### *The importance of universal social protection policies*

34. Social protection policies are powerful instruments to reduce the consequences of inequality and promote inclusive growth, and are essential for the achievement of the 2030 Agenda. Diverse social protection mechanisms can directly buffer against the costs associated with health care and prevent or mitigate the impact of loss of income due to illness or disability, which could exacerbate inequality. Non-contributory mechanisms can bolster income in the poorest households and can expand access to health and education among their members. Through these programmes, monetary and non-monetary resources are provided, and access to a range of social services is facilitated, provided that families living in poverty adhere to certain commitments in the areas of education, health and nutrition.

35. Social protection schemes are instrumental in breaking intergenerational cycles of poverty and vulnerability. Many countries have made significant progress in building social protection systems that benefit marginalized children, with countries like Argentina, Brazil, Chile, Mongolia and South Africa achieving or approaching universal coverage. African countries, the African Union and the Regional Economic Communities have made great efforts to adopt and implement regional and national instruments and policies to promote political, social and economic inclusion and protect the dignity and wellbeing of the most vulnerable, including by extending social protection floors. Yet globally, coverage of children in social protection is lower than other groups—only 35 per cent of children are covered by social protection, which reaches 87 per cent in Europe and Central Asia but falls as low as 16 per cent in Africa.<sup>33</sup> Many social protection programmes for children suffer from insufficient investment, limited coverage, inadequate benefit levels, fragmentation, and weak institutionalization. Health inequalities persist across income quintiles for many indicators, with people in the poorer income quintiles typically having less access to health services and worse health outcomes than their more affluent counterparts.

36. Despite ample evidence of positive child outcomes with the expansion of cash transfers for children,<sup>34</sup> including in the facilitation of safe transitions to adulthood among vulnerable youth in low-income settings,<sup>35</sup> many children still do not have effective social protection coverage. Child and family benefits must be expanded, including the progressive realization of universal child grants as a practical means to rapidly increase coverage.<sup>36</sup>

37. Adoption of universal policies in education, health and social protection not only contribute to social inclusion, but also in placing equality at the center of public policy by way of expanding coverage beyond restrictive targeting that is often marked by considerable exclusion errors. Although there is no single model that suits all, every country, depending on its stage of development, fiscal capacities and local context, has space to design, implement and progress towards a more universal and solidarity-based model, and such space should not be unduly hindered by international rules and practices. It is also important to keep in mind that pursuing universal coverage alone may not result in reduced inequalities; it is essential that the universal services be truly accessible to all,

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<sup>33</sup> ILO & UNICEF. 2019. *Towards universal social protection for children: Achieving SDG 1.3*.

<sup>34</sup> UNICEF. (2015) Cash Transfer as a Social Protection Intervention: evidence from UNICEF evaluations 2010-2014

<sup>35</sup> Natali, Luisa; Dake, Fidelia (2019). Exploring the potential of cash transfers to delay early marriage and pregnancy among youth in Malawi and Zambia, *Innocenti Research Briefs* no. 2019-01, UNICEF Office of Research - Innocenti, Florence

<sup>36</sup> ILO & UNICEF. 2019. *Towards universal social protection for children: Achieving SDG 1.3*.



without discrimination, and that the different barriers that different population sub-groups experience be fully addressed.

38. Inclusion of refugees in national systems and economies is integral to reducing inequalities and achieving a transition towards inclusive and sustainable market economies. Target 10.3 is helpful for tackling discrimination on the basis of ethnicity, race, religion, or language that is often the fate of refugees.

39. Expanding participation channels in decision-making serves as a key mechanism to reduce power asymmetries and inequalities. Comprehensive, pro-equality public policies based on social dialogue can be implemented to address inequality as a complex, multidimensional phenomenon. Such policies must also be integrated into broader development frameworks that include investment promotion, access to finance, formalization and infrastructure investment, and skills development.<sup>37</sup>

40. The Global Compact on Refugees adopted in December 2018 provides a basis for predictable and equitable burden and responsibility sharing among member States and a broad range of stakeholders, and emphasizes the need to reinforce national systems in order to foster the inclusion of refugees in these systems. A number of UN initiatives have also been developed and implemented recently to promote equality, inclusion and empowerment. The UN System Shared Framework for Action on leaving no one behind is a conceptual framework that sets out the elements of a comprehensive and coherent package of policy and programme support areas to combat discrimination and inequalities within and among countries at the country, regional and global levels.<sup>38</sup> In July 2018, the UN Human Rights Council adopted a set of Guidelines for States on the effective implementation of the right to participate in public affairs, including in relation to development processes.<sup>39</sup>

#### IV. The role of institutions and governance

41. Building strong institutional frameworks that provide a structure for the progressive realization of rights and allows the deployment of high-quality social policies that are effective, efficient, sustainable and transparent is essential for reducing inequalities. A strong institutional framework also requires the ability to combine continuity with change and to incorporate innovation in a structured way.

42. Inequalities in income, wealth, access to resources, and access to justice can result from poor governance, corruption, lack of rule of law and participation, discrimination, and weak or biased institutions. Target 16.6 underpins the 2030 Agenda by stressing the need to strengthen institutions to ensure that they can effectively discharge their mandates in service of the public, and target 16.7 underlines the essential nature of responsive, inclusive, participatory and representative decision-making at all levels. Participation is important to empower individuals and groups with the aim of eliminating marginalization and discrimination and ensuring no one is left behind.<sup>40</sup> When decision-making is participatory it is more informed, and public institutions become more effective, accountable and transparent. In July 2018, the UN Human Rights Council adopted a set of Guidelines for States on the effective implementation of the right to participate in public affairs, including in relation to development processes.<sup>41</sup>

<sup>37</sup> E/2019/33.

<sup>38</sup> United Nations Chief Executives Board for Coordination, 2017. *Leaving No One Behind: Equality and Non-Discrimination at the Heart of Sustainable Development*.

<sup>39</sup> A/HRC/39/28.

<sup>40</sup> *Draft guidelines on the effective implementation of the right to participate in public affairs*, Report of the High Commissioner for Human Rights, A/HRC/39/28.

<sup>41</sup> A/HRC/39/28.

43. Threats to development stemming from organized crime, conflict and fragility cannot be resolved by short-term or partial solutions without legitimate institutions that provide all citizens equal access to security, justice, and jobs. Indeed, robust, just and inclusive institutions enable good governance, which, in turn, forms the very basis for inclusive and equal development and empowerment of any kind.

44. Certain challenges act as spoilers to achieving the creation of strong institutions and promoting good governance; key among these is corruption.. Target 16.5 calls upon governments and others in power to overcome this powerfully negative force, restore integrity and trust, and build institutions of opportunity, hope and fairness for all.

45. National and international human rights institutions can play a role in exposing exclusionary and discriminatory practices faced by indigenous and ethnic groups, and can reveal policy failings and shortcomings of public and private actors in respecting rights and the effective discharge of responsibilities.<sup>42</sup>

46. Approaches toward empowerment and inclusion in policymaking can involve four synergistic elements: i) rights and justice, ii) norms and institutions, iii) participation and voice, and iv) resources and capabilities.<sup>43</sup>

47. Generally, in order to not leave anyone behind, policy frameworks should encompass and articulate institutional mechanisms that ensure both the universal respect of human rights and the recognition of the needs and rights of specific population groups. Such balance is indispensable both to guarantee basic universal levels of well-being and to combat inequalities and discriminations based on gender, age, socio-economic status, sexual identity, race, ethnicity or place of origin, among others. In that regard, it is necessary to develop specific institutional frameworks that adopt legislation, define instances responsible for policy coordination and implementation, and provide human, technical and financial resources to address the inequalities and discriminations experienced by specific population groups throughout the life cycle, but also in the cases of cross-cutting groups with specific needs.

48. While much progress has been achieved in the case of certain population groups, institutional frameworks and policies in other cases have not addressed deprivation and discrimination. For example, migrants have historically been neglected by public and social policies in many countries, specifically in cases where immigration flows are a recent phenomenon. This must end regardless of whether such countries are places of origin, transit, destination or return of migrants. To address this global challenge, inter-sector and integral action is urgently needed at the national level. Coordination between national and local public action is also essential, since local authorities often contend with migrants' vulnerabilities.<sup>44</sup>

49. Social protection, health, education, decent work and fiscal policies can play a central role in addressing inequality but need to be geared towards guaranteeing the full exercise of economic, social and cultural rights. In this regard, social protection policies for families and early childhood, women, indigenous peoples, and persons with disabilities do not only respond to unequal access to opportunities and capacity development, but also to the uneven exercise of rights.

50. Establishing opportunities and spaces for participation in decision-making is important for channeling demands and information about unmet social needs, as well as to seek input on the design, operation and evaluation of policies and

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<sup>42</sup> UNFPA has been working to build capacity of NHRIs in many countries, including India, Azerbaijan, Malawi, Chile, El Salvador, Guatemala Palestine, Tunisia, Armenia, Zambia and the Philippines, to strengthen overall accountability on reproductive rights.

<sup>43</sup> ESCAP-ADB-UNDP, 2019. SDG Partnership report on *Accelerating progress: an empowered, inclusive and equal Asia and the Pacific*.

<sup>44</sup> Maldonado Valera, C., Martínez Pizarro, J. & Martínez, R. (2018), «Protección social y migración. Una mirada desde las vulnerabilidades a lo largo del ciclo de la migración y de la vida de las personas», *Documentos de Proyectos* (LC/TS.2018/62), Santiago, CEPAL, agosto.

programmes. Participation encourages community ownership and engagement. Moreover, participation is a tool that can enrich policy design and implementation by drawing on peoples' views and experiences, which makes these policies more relevant and potentially effective. Finally, participation reinforces the ties between society and the State, thus strengthening institutions and their legitimacy.

51. Civil society involvement at all levels is essential to advance sustainable development. Stakeholder engagement protects the social contract that binds State and society, builds momentum for progressive change through legislative or institutional reform, can curb harmful social norms and practices by inspiring behavioral or policy changes, and enables diverse peoples to participate in decision-making, strengthening the local ownership of solutions and responsibility for their implementation.<sup>45</sup> Inclusive institutions require well-established mechanisms for public participation that go beyond electoral processes and seek the input of the public as critical for sustainable development. Partnerships involving multiple actors are critical to identify potential options and implement the necessary actions. Access to information is necessary to provide a solid foundation for these partnerships and to ensure that decisions take on board public concerns.

## **V. Frontier technologies and their role in empowering people, ensuring inclusion and reducing inequalities**

52. Frontier technologies are progressively penetrating the social, cultural, economic and political fabric of societies. They can be drivers and accelerators of development, inclusiveness and empowerment, and hold incredible promise for greater equality of opportunity and human welfare. Yet technological developments also carry significant risks for human dignity, autonomy and privacy and the exercise of human rights. The UN Human Rights Council report on the right to privacy in the digital age includes concrete recommendations on how to approach these issues.<sup>46</sup> Realizing the potential of technology requires an alert society and engagement of all stakeholders to continuously balance the gains from technology with the short- and long- term impacts of inevitable disruption.<sup>47</sup>

53. The rapid pace of the digital revolution combines the implementation of fast-growing technologies based on digital platforms that affect the economy and society on a cross-cutting and sectoral basis. This creates more complex ecosystems whose dynamics and socioeconomic effects are not fully determined, with the risk of deepening inequality if equal access to and facility with these new digital technologies is not guaranteed. This requires organizational, institutional and regulatory transformation with an urgency imposed by the speed of the digital revolution itself.

54. Technological innovation supports efforts to safeguard and restore the Earth's critical ecosystems and biodiversity hotspots, while catalyzing new economic opportunities and business models. As technological advances increase productivity and prosperity, they also transform labor markets. For countries with requisite technological capabilities, frontier technologies may support structural transformation, promote new sources of employment and income, and enable access to new markets and opportunities. On the other hand, they may also increase inequality when applied under poor institutional frameworks and unfair market conditions.<sup>48</sup>

55. Rapid reduction in the costs of frontier technologies could provide opportunities for developing countries to progress from low-wage activities towards higher-wage and increasing return industries and benefit from participation in global value chains. For example, remote sensing, geospatial imaging and the use of drones are

<sup>45</sup> ESCAP-ADB-UNDP SDG Partnership report 2019. *Accelerating progress: an empowered, inclusive and equal Asia and the Pacific*. <http://sdgasiapacific.net/knowledge-product>

<sup>46</sup> A/HRC/39/29

<sup>47</sup> This section is partly based on United Nations (2018). *World Economic and Social Survey 2018: Frontier Technologies for Sustainable Development*, United Nations publication, Sales No. E.18.II.C.1.

<sup>48</sup> E/2019/33.

sustainably improving yields and efficiency of agricultural production and supply chains; farmers in developing countries are benefitting from higher yields, which could reduce income inequality.

56. E-governance makes it possible to reach minorities and remote geographical areas. It can expand delivery of public services, enhance civic engagement, increase transparency and contribute to improving the responses of Governments to external shocks and various crises, for example through use of digital technologies like Geographic Information Systems in managing emergency responses. In some countries, new technologies are being used for enhancing equal access to justice, not only to distribute crucial information to enhance legal empowerment of the population, but also providing concrete advice on how to access justice, in particular, legal information and legal aid services for those in need.

57. Technology opens new avenues to reach out to the most vulnerable. In Africa, the number of fixed and mobile phone lines per 1,000 people increased from three in 1990 to 736 in 2014, and the number of Internet users per 100 people increased from 1.3 in 2005 to 16.7 in 2015. Innovation and entrepreneurial spirit can further contribute to lifting people out of poverty and exclusion: African technology startups raised funding in excess of US\$129 million in 2016, with the number of startups securing funding up by 16.8 per cent compared to the previous year.<sup>49</sup>

58. Online technology platforms are enabling a “share economy” and creating new prosperity through online short-term sharing of accommodations and transportation services, which can redefine livelihoods.<sup>50</sup> In East Africa, innovations such as M-Pesa offer access to online platforms and e-services that have paved the way for new mobile-based financial intermediation (e.g. micro-insurance, savings accounts), opening up market niches. This has had a positive impact on micro-enterprises’ profitability, trade volumes and survival rates.<sup>51</sup> Similar platforms are also allowing new and more flexible ways of working, enabling individuals to work remotely or to work multiple jobs for different employers. Social media platforms are transforming social interactions and creating new business opportunities.

59. However, in some instances rapid technological changes are found to contribute to widening income and wealth inequality. Automation results in an increase of the share of capital in income, while decreasing the share of labor, thus leading to a rise in inequality. Routine and repetitive tasks are increasingly automated, changing demands for skills. The process of skills polarization—a declining share of jobs in the medium-skill category with increasing shares in both ends of the skill spectrum—has been observed in many developed countries, and is exacerbating income inequality.

60. Technology is often the cause of job losses, and automation aided by machine learning will further replace physical labor and take over many analytical functions. Automation could lead to reshoring of production from developing countries back to advanced economies, potentially reducing the export earnings and GDP of developing economies and worsening income inequality among countries. Furthermore, access to digital technologies and online economic opportunities cannot be tapped without physical access to electricity, broadband Internet connection, and the related devices. A large technological divide persists, with millions trapped in technologies of the pre-industrial era, lacking access to modern education and health systems necessary to accumulate a minimum level of human capital for adopting many frontier technologies. Creating enabling conditions and bridging the technology divide will remain a key development strategy for many developing countries and is essential to avoiding a further widening of inequality.

61. The dynamism inherent to digital technologies and their economic and social impacts requires constant updating and understanding of new technological, institutional and policy trends. Taking advantage of digital

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<sup>49</sup> <https://www.worldbank.org/en/region/afr/brief/social-inclusion-in-africa>

<sup>50</sup> Sundararajan, Arun (2017). “The future of work: the digital economy will sharply erode the traditional employer-employee relationship”, *Finance and Development* (June), available at <https://www.imf.org/external/pubs/ft/fandd/2017/06/sundararajan.htm>.

<sup>51</sup> Africa’s Development Dynamics 2018: Growth, Jobs and Inequalities; African Union Commission and the OECD

technologies requires national policies and strategies, and also regional approaches. Greater regional collaboration should be supported to promote mutual learning, exchange best practices, guide regional and South-South cooperation, and establish regional initiatives on empowerment and inclusion, such as institutionalized efforts to engage with civil society at the regional level.

62. Finally, rapid advances in frontier technologies require a fundamental rethinking of education in general, and post-secondary education in particular. The rapid pace of technological progress will make existing skills and knowledge obsolete faster than before. Governments need to deal with technology-induced economic insecurity associated with potential job losses and the obsolescence of skills or knowledge and invest in enhancing the availability and quality of life-long learning opportunities. To deliver progress on the 2030 Agenda, technology-related policies must integrate the social dimension so that technology promotes empowerment and ensures equality.<sup>52</sup> Gender-inclusive innovation policies may be directed to women's participation as innovators or entrepreneurs, while youth-oriented policies can also be helpful in making technological change inclusive.

## VI. Conclusion

63. Like poverty, inequality is a multidimensional phenomenon. A range of pro-equality public policies can, in concert, advance the empowerment, inclusion and equality of all. These include policies to promote active participation in decision-making, labor inclusion, social protection, advancing universal policies that are sensitive to differences in health and education and implementing policies that address the challenges and vulnerabilities of specific population sub-groups, as well as policies for digital inclusion. Public policies must aim to reduce inequalities while effectively addressing concentrations of wealth and power. An integrated approach is needed that includes universal social protection measures, mechanisms for participation, and the exercise of rights, which are all critically necessary for reducing inequalities and fostering empowerment.<sup>53</sup> A progressive approach in reforms towards universal health coverage for all people can ensure that those being left behind are prioritized.

64. Manifesting the transformative vision of the 2030 Agenda requires new thinking and renewed effort to adopt whole-of-society and whole-of-government approaches anchored in coordinated action. Implementing policies adequately requires the right level of government intervention and coordination with development partners. This follows the principles of value addition and subsidiarity included in numerous other development frameworks such as the African Union's Agenda 2063.<sup>54</sup> Governments are called upon to design of tax systems, models for the delivery of public services and industrial regulation;<sup>55</sup> and to strengthen policies that promote productive employment and decent work and reinforce labor institutions, such as the formalization of employment, increases in the minimum wage, respect for labor standards, expansion of access to social services and quality basic infrastructure. Public institutions must become more aware and increasingly responsive to multiple dimensions of inequality, and resist assumptions that are likely to exacerbate existing inequalities.<sup>56</sup>

65. There is a need to inject new vigor in civic engagement efforts by institutionalizing relevant stakeholder involvement within all policy processes, building capacity of civil society organizations and strengthening civic education. Space must be made for people at the grass-roots level and for youth, indigenous peoples, persons with disabilities, and other marginalized and vulnerable persons and communities to be active participants in the realization of the 2030 Agenda.<sup>57</sup>

<sup>52</sup> UNCTAD (2018). *Technology and Innovation Report 2018: Harnessing Frontier Technologies for Sustainable Development*. United Nations publication. Sale No. E.18.II.D.3. New York and Geneva.

<sup>53</sup> Ibid.

<sup>54</sup> *Africa's Development Dynamics 2018: Growth, Jobs and Inequalities*; African Union Commission and the OECD

<sup>55</sup> E/2019/33. United Nations Committee for Development Policy, Report on the twenty-first session.

<sup>56</sup> E/2019/33.

<sup>57</sup> A/HRC/40/34.

66. Nationally owned data generation and analysis systems should be capable of providing regular reports on progress made towards global and nationalized SDG indicators, especially as indicators for SDG 16 targets are particularly context sensitive. It is critical that the process of nationalizing the indicators is participatory and reporting is sustainable. States need support for strengthening data generation and analysis capacities aimed at national efforts to monitor and report against progress achieved.

67. Open source platforms developed by the private sector and civil society organizations can help improve transparency and drive efficiency improvements in service delivery to reach the poorest and most disadvantaged children and communities. Tapping into next-generation development solutions involving technology and innovation can significantly expand the solution base at the disposal of Governments towards empowering people and ensuring inclusiveness and equality. Governments should prioritize and increase public investments in technical, human and financial resources for population data systems, which will provide the most robust basis for disaggregation.