

1 *Type of the Paper: Policy Brief*

2 **Global Governance of Progress, Challenges, and Pathways** 3 **in Addressing Social Inequality in SDG 10 (Reducing In-** 4 **equalities) †**

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11 **Abstract:**

12 Achieving the SDGs hinges on reducing inequality and ensuring inclusivity. COVID-19 has re-
13 versed progress in wealth disparity, exacerbating structural prejudice. Slow economic recovery in
14 emerging markets widens income gaps globally. Women in some nations face double the sex-
15 based discrimination rate of men, and one-third of people with disabilities experience discrimina-
16 tion. Inequality is rising for over 70% of the world's population, hindering social and economic pro-
17 gress. Global issues like poverty, climate change, and migration affect us all. This paper advocates
18 transformative growth to reduce inequality, emphasizing increased spending on health, education,
19 and social protection. Global collaboration and equitable representation in governance are essen-
20 tial for fostering justice and equity.

21 “We should measure the prosperity of a nation not by the number of millionaires but by the ab-
22 sence of poverty, the prevalence of health, the efficiency of public schools, and the number of peo-
23 ple who can and do read worthwhile books.”

24 –W.E.B. DU BOIS

25 **Keywords:** Sustainable Development Goals (SDGs) ;Inequality ;COVID-19 ;Economic Recovery
26 ;Global Collaboration ;Gender Equality ;Vulnerable Populations ;Transformative Growth ;Lifelong
27 Learning ;Global Governance

28 **1. Introduction**

29 The prominence of inequality in the Sustainable Development Goals (SDGs) stems from increas-
30 ing evidence that disparities in income and wealth lead to economic instability, various health and
31 social issues, and hinder the acceptance of pro-environmental actions. Social and economic ine-
32 qualities disrupt the social order, erode unity among people, exacerbate environmental challenges,
33 and impede the progress of nations, communities, and individuals.¹

¹ “5 Reasons Why We Need to Reduce Global Inequality.” 2020. World Economic Forum. February 4, 2020.

34 Despite social justice being hailed as fundamental to contemporary democracies, countries have
35 not successfully achieved this goal. The SDG framework urges states to develop customized im-
36 plementation plans and establish monitoring and review mechanisms to attain the goals. However,
37 the responses from countries have been irregular and lacking clarity on how to address Target 10
38 at the national level. It is evident that an international governance framework is necessary to dimin-
39 ish inequality among nations.²

40 The significance of equality resonates universally, transcending ideology, culture, and religion. It
41 serves as a crucial value in most societies. Inequality serves as an indicator of limited income mo-
42 bility and opportunities, highlighting the persistent disadvantage faced by certain segments of soci-
43 ety. Moreover, widening inequality has far-reaching consequences for economic growth and mac-
44 roeconomic stability, concentrating political and decision-making power among a select few, lead-
45 ing to suboptimal utilization of human resources, triggering investment-reducing political and eco-
46 nomic instability, and elevating the risk of crises. The aftermath of the global financial crisis and its
47 impact on global growth and employment has intensified the focus on escalating income inequal-
48 ity.³

49 The reason why increasing inequality is a matter of concern lies in the substantial social costs as-
50 sociated with it, particularly when it comes to unequal opportunities. Persistent disparities in out-
51 comes can significantly hinder individuals' access to education and career choices. Moreover, if
52 the inequality of outcomes results from unfair advantages, it fails to create appropriate incentives.
53 This situation may lead people to prioritize obtaining preferential treatment and protection, result-
54 ing in the misallocation of resources, corruption, and favoritism, ultimately leading to negative so-
55 cial and economic repercussions. Therefore, citizens may lose trust in institutions, leading to a de-
56 cline in social cohesion and confidence in the future.

57 **2. The scope of the problem causes, & current policy scenario**

58 The existing body of literature identifies six primary factors that contribute to inequality:

59 i) Weakening of labor market institutions; ii) Reduction in fiscal progressivity; iii) Technological ad-
60 vancements favoring certain skills; iv) Trade liberalization; v) Growth in financial activities; and vi)
61 Growing political influence of the wealthy.⁴

62 Inequality is a multifaceted problem resulting from a combination of factors, and scholarly literature
63 offers valuable insights into six main drivers that significantly contribute to these disparities. Firstly,
64 the weakening of labor market institutions, such as declining unionization and diminished worker
65 protections, diminishes employees' bargaining power, leading to unequal distribution of wages and

² Chancel, Lucas, Alex Hough, and Tancrède Voituriez. 2017. "IDDRI STUDY." *Reducing Inequalities Within Countries: Converting the Global Debate into Action*, January.

³ Dabla-Norris, Era, Kalpana Kochhar, Nujin Suphaphiphat, e.t. 2015. "IMF STAFF DISCUSSION NOTE." *Causes and Consequences of Income Inequality: A Global Perspective*, June.

⁴ Chancel, Lucas, Alex Hough, and Tancrède Voituriez. 2017. "IDDRI STUDY." *Reducing Inequalities Within Countries: Converting the Global Debate into Action*, January.

66 benefits. Secondly, reducing fiscal progressivity, where the wealthy face lower tax rates, fosters
67 income concentration and reduces resources available for social welfare programs that could alle-
68 viate poverty. Thirdly, technological advancements, while driving overall progress, can also create
69 a skills gap, as certain specialized skills become highly valued, leaving others with limited job pro-
70 spects and lower incomes. Fourthly, trade liberalization, despite promoting economic growth, can
71 result in job losses and reduced wages in vulnerable industries, further exacerbating inequality.
72 Fifthly, the expansion of financial activities tends to concentrate wealth among those involved in
73 the financial sector, limiting opportunities for wealth accumulation for others. Finally, the increasing
74 political influence of the wealthy can shape policies in their favor, perpetuating inequality and ob-
75 structing efforts to create a more level playing field. Understanding and addressing these factors is
76 vital in devising effective strategies to foster a fairer and more inclusive society.

77 Despite experiencing two decades of economic growth, the number of people living in extreme
78 poverty has been on the rise. This indicates that the benefits of economic prosperity have not been
79 reaching the impoverished segments of the population.⁵

80 Further, in the modern world, having a comprehensive education at the outset is no longer enough.
81 Continuous learning and acquiring new skills have become essential to leverage the opportunities
82 presented by technological and scientific progress, as well as to cope with the challenges of an
83 ever-changing world. Clearly, prioritizing lifelong learning would yield significant benefits for both
84 developing nations and their citizens, such as increased productivity, better employment pro-
85 spects, improved health, higher income, and various other advantages.⁶

86 Forecasts suggest that the worldwide labor market will experience ongoing imbalances. Less de-
87 veloped regions are anticipated to have an excess labor supply, while developed and emerging
88 economies will face excess demand. Additionally, the global economy is increasingly reliant on
89 knowledge and skills. Therefore, it is crucial for developing countries to invest in vocational and
90 higher education to maintain competitiveness. Furthermore, expanding the skill-set of the work-
91 force has the potential to reduce wealth inequality.⁷ An increasing body of evidence is shedding
92 light on the adverse effects of high income and wealth inequality on individuals, institutions, and
93 societies. The rise in social and economic disparities has spurred a pressing demand for enhanced
94 social mobility.⁸

95 Looking at the evolving connection between education, labor markets, and income distribution
96 through the lens of 'job scarcity' leads us to a distinct conclusion – it reveals a significant capacity
97 issue within market economies and the global labor markets. This capacity problem is character-
98 ized by a widening discrepancy between the increasing number of educated workers and a job
99 market that fails to provide the expected economic rewards that a college or university education

⁵ Asongu, Simplice A., and Nicholas M. Odhiambo. 2019. "How Enhancing Information and Communication Technology Has Affected Inequality in Africa for Sustainable Development: An Empirical Investigation." *Sustainable Development* 27 (4): 647–56.

⁶ Tvaronavičienė, M. 2018. "Sustainable Economic Growth and Innovative Development of Educational Systems." 2018.

⁷ Shimeles, Abebe. 2016. *Can Higher Education Reduce Inequality in Developing Countries?* IZA, World Of Labor.

⁸ Brown, P. 2020a. "Educational Expansion, Poverty Reduction and Social Mobility: Reframing the Debate." 2020.

was meant to bring, especially to a broader segment of the population rather than just a select few.⁹

Over the years, wealth has gained more prominence than income, mainly due to high and concentrated savings along with low economic growth. As disparities in capital ownership are consistently greater than those in income, overall inequality is approaching levels similar to those observed in the 19th century.

A comparative study of 21 rich countries analysed the relationship between inequality and various health and social problems, such as life expectancy, homicides, educational attainment, obesity, mental health, and others. Surprisingly, their findings revealed no significant correlation between the incidence of these problems and average income in these wealthy nations. However, they did establish a strong and positive link between these issues and inequality. Their analysis indicates that inequality has detrimental effects, such as undermining trust, increasing anxiety, promoting excessive consumption, and damaging overall health. Additionally, they argue that across eleven different aspects of health and social problems, outcomes are consistently worse in more unequal countries, irrespective of their economic prosperity.¹⁰

3. Inequality from the Gender Lens

“While progress has been made, the gap between men's and women's expected lifetime earnings globally is US\$172 trillion - nearly two times the world's annual GDP,” said Mari Pangestu, World Bank Managing Director of Development Policy and Partnerships.¹¹

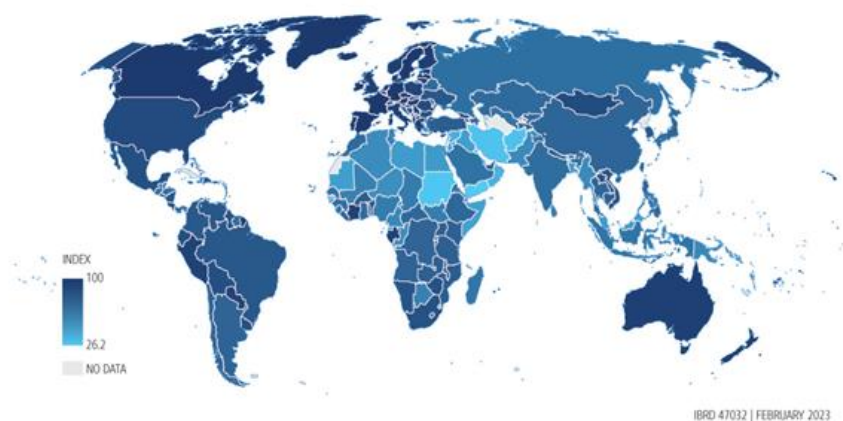


Figure 1. WOMEN, BUSINESS AND THE LAW 2023 INDEX

⁹ Brown, Phillip, and David James. 2020. “Online Research @ Cardiff.” *Educational Expansion, Poverty Reduction and Social Mobility: Reframing the Debate*.

¹⁰ Brown, Phillip, and David James. 2020. “Online Research @ Cardiff.” *Educational Expansion, Poverty Reduction and Social Mobility: Reframing the Debate*.

¹¹ World Bank Group. 2022. “Nearly 2.4 Billion Women Globally Don't Have Same Economic Rights as Men.” *World Bank*, March 8, 2022.

In 2021, the Middle East and North Africa, as well as Sub-Saharan Africa regions, made significant improvements in the Women, Business, and the Law (WBL) Index. However, despite these advancements, they still lag behind other parts of the world. One standout performer was Gabon, which implemented comprehensive reforms to its civil code and enacted a law to combat violence against women. As a result, Gabon's score on the WBL Index rose from 57.5 in 2020 to 82.5 in 2021.

Moving to 2022, there was a concerning trend as only 34 gender-related legal reforms were recorded across 18 economies. This marks the lowest number of reforms since 2001 (figure 2). This data suggests that progress on gender-related legal reforms may have slowed down or stalled in several countries, pointing to the need for continued efforts to address gender inequality and promote women's rights on a global scale.

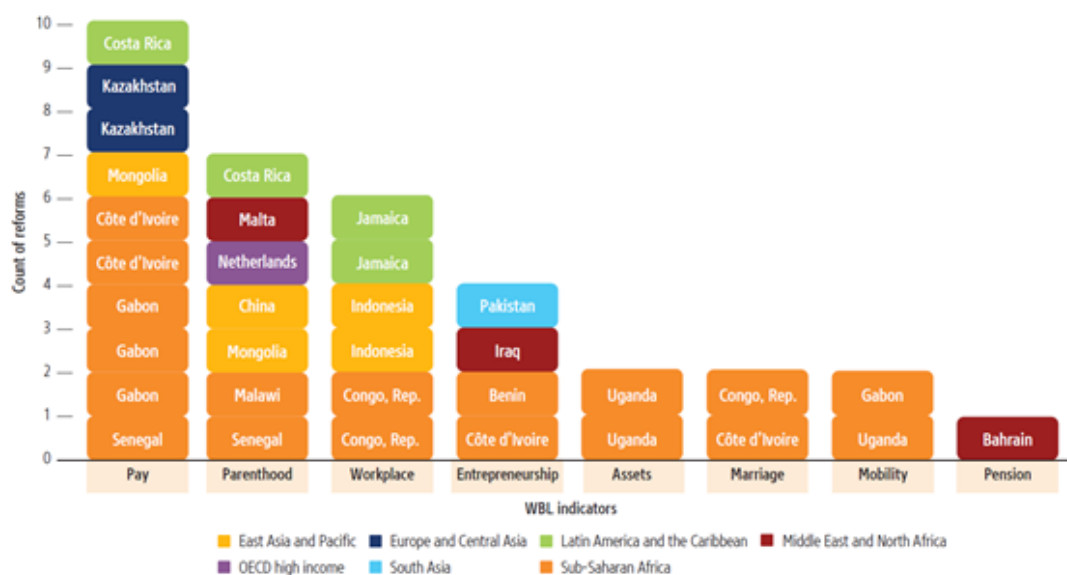


Figure 2.

Recent reforms aimed at enhancing gender equality encompass crucial elements, including expanding paid leave for parents, including fathers, lifting restrictions on women's employment, forbidding the dismissal of pregnant women, and ensuring equal pay. These changes constitute significant progress towards fostering a more inclusive and supportive work environment for women and parents.

Notably, more than half of these reforms introduced in the past year were implemented in African countries. Benin, the Republic of Congo, Côte d'Ivoire, Gabon, Malawi, Senegal, and Uganda spearheaded 18 of these initiatives. As a result, two Sub-Saharan African economies, Côte d'Ivoire, and Gabon, have now achieved scores above 90 on the Women, Business, and the Law index, surpassing the average score of the East Asia and Pacific region. This highlights the remarkable strides made in advancing gender equality in these African nations.

Furthermore, enacting laws promoting paid leave for fathers can yield positive outcomes by reducing workplace discrimination and enhancing work-life balance. Encouraging paternal involvement

148 in childcare and family responsibilities can lead to a more equitable division of labor between men
 149 and women, contributing to overall gender equality.

150 These advancements represent significant progress in the pursuit of greater gender equality, em-
 151 phasizing the importance for countries worldwide to continue prioritizing and implementing such
 152 reforms to build a more inclusive and equitable society for all.

153 Moreover, the COVID-19 pandemic has had significant global repercussions, especially for women
 154 and girls, as it exacerbated existing gender inequalities and socioeconomic barriers. While the
 155 health emergency affects all members of the population, women and men encounter distinct obsta-
 156 cles in accessing vaccinations and medical supplies.¹² Furthermore, the economic and environ-
 157 mental aftermath of the pandemic also exhibits gender disparities. Women in Asia and the Pacific,
 158 in particular, experienced more reduced work hours due to lockdowns and carried a heavier bur-
 159 den of increased unpaid domestic and care work. Additionally, women faced disadvantages in ac-
 160 cessing financial support or government stimulus packages. The pandemic has illuminated and
 161 intensified the gender-specific challenges that women face, calling for targeted efforts to address
 162 and mitigate these disparities.



163
 164 **Figure 3.**

165 Despite notable progress in recent times, gender-based discrimination remains prevalent, particu-
 166 larly in specific regions and countries. To address these disparities and ensure equal opportunities
 167 and rights for all individuals regardless of gender, policymakers must take decisive action.

168 A key priority for governments and international organizations should be the enactment and en-
 169 forcement of laws that promote gender equality. By eliminating systemic barriers and discrimina-
 170 tory practices in areas like education, healthcare, and employment, these laws can empower
 171 women to thrive and contribute to their communities' social and economic development.

¹² Asian Development Bank and UN Women. n.d. "Two Years On." *THE LINGERING GENDERED EFFECTS OF THE COVID-19 PANDEMIC IN ASIA AND THE PACIFIC*

172 In addition to addressing gender-based discrimination, policymakers should also focus on margin-
173 alized communities' unique needs and challenges, including young people, immigrants, and refu-
174 gees. Customized initiatives and support systems should be implemented to ensure equal treat-
175 ment and opportunities for their personal and professional growth.

176 Education plays a pivotal role in advancing gender equality. Policymakers must strive to provide
177 equal educational opportunities for girls and women, offering access to high-quality education and
178 training. Creating a supportive learning environment that is free from gender biases is crucial in
179 encouraging girls to pursue careers and leadership roles traditionally dominated by men.

180 Healthcare policies should be designed with gender inclusivity in mind, addressing the specific
181 health needs of women and ensuring access to essential reproductive and maternal health ser-
182 vices. Securing women's reproductive rights and providing comprehensive healthcare services can
183 significantly enhance their overall well-being and socio-economic status.

184 To promote gender equality in the workforce, policymakers should focus on removing barriers that
185 hinder women from accessing decent work and equal pay. Implementing policies that support
186 work-life balance, affordable childcare, and flexible work arrangements can enable women to par-
187 ticipate fully in the workforce.

188 In essence, advancing gender equality and fostering inclusivity require a comprehensive and inter-
189 sectional approach. Policymakers must consider the diverse challenges faced by women from vari-
190 ous backgrounds, ensuring that policies uplift and empower all individuals regardless of their gen-
191 der. By championing gender equality and inclusivity, societies can create a more equitable and
192 prosperous future that benefits everyone.

193 **4. Addressing the Impact of COVID-19 on Inequality**

194 The global impact of the COVID-19 pandemic has resulted in profound consequences for inequal-
195 ity, exacerbating existing structural and systemic biases. Developing nations and emerging mar-
196 kets have encountered significant hurdles in their economic recovery due to pandemic-related dis-
197 ruptions, leading to a widening gap in income disparities between different countries.

198 A particularly distressing outcome of the pandemic has been the unprecedented number of mi-
199 grant and refugee deaths recorded in 2021. Vulnerable communities, such as migrants, refugees,
200 and people with disabilities, have borne a disproportionate burden, facing heightened risks and
201 obstacles in accessing essential services and resources.

202 To effectively tackle these inequalities, it is crucial for governments and international organizations
203 to prioritize inclusive recovery plans that target the most vulnerable populations. Providing equita-
204 ble and comprehensive support to migrants, refugees, and individuals with disabilities is essential
205 to ensure their access to adequate healthcare, education, and employment opportunities. Embrac-
206 ing a comprehensive approach to recovery will enable societies to strengthen their resilience and
207 create a more equitable and just post-pandemic world.

208 Furthermore, fostering global collaboration is of utmost importance in addressing the pandemic's
209 impact on inequality. International cooperation among nations can facilitate the exchange of re-
210 sources, knowledge, and best practices, enabling a more effective response to the challenges
211 faced by vulnerable communities. By joining forces, countries can pool their strengths and re-
212 sources to ensure that no one is left behind in the recovery process.

213 Additionally, investing in education and skill development for vulnerable populations is a key as-
214 pect of empowering them economically. Access to high-quality education and training equips indi-
215 viduals with the necessary tools to fully participate in the workforce and contribute to the economic
216 growth of their communities.

217 Effectively addressing the impact of COVID-19 on inequality necessitates a comprehensive and
218 multifaceted approach. It calls for collaboration between governments, international organizations,
219 and civil society in developing targeted policies and initiatives that prioritize the needs of vulnera-
220 ble communities. By embracing a collective and inclusive approach to recovery, societies can miti-
221 gate the long-term effects of the pandemic on inequality and build a more equitable and resilient
222 world for all.

223 **5. Overcoming the Challenges**

224 Achieving the Sustainable Development Goals (SDGs) and effectively addressing global inequality
225 requires a paradigm shift towards transformative growth. Policymakers must adopt a comprehen-
226 sive approach that encompasses multiple interconnected aspects.

227 Firstly, **post-COVID-19 recovery plans should prioritize inclusivity**, ensuring that vulnerable
228 populations are not left behind. The pandemic has exposed and exacerbated existing inequalities,
229 making it imperative for governments to design recovery strategies that target those most affected,
230 such as migrants, refugees, and people with disabilities. By providing them with adequate support
231 in areas like healthcare, education, and employment, societies can foster resilience and equitable
232 development.

233 Secondly, **promoting gender equality** is fundamental to achieving the SDGs. Policymakers
234 should focus on enacting and enforcing laws that protect women's rights and address gender-
235 based discrimination. Equal access to education, healthcare, and economic opportunities for
236 women is essential to empower them economically and socially, contributing to more inclusive and
237 prosperous societies.

238 Thirdly, **global collaboration is indispensable** in tackling shared challenges like poverty, climate
239 change, and economic crises. Governments and international organizations must work together to
240 pool resources, share knowledge, and devise effective solutions to these complex problems. By
241 fostering partnerships and cooperation, countries can leverage collective strength to create a more
242 sustainable and equitable world.

243 Fourthly, **transformative growth strategies must be at the forefront of national and global**
244 **agendas**. Governments should invest in key sectors such as healthcare, education, and social

245 protection, ensuring that all individuals have equal access to opportunities for personal and profes-
246 sional development. Embracing innovation and green technologies can drive sustainable economic
247 growth while safeguarding the environment for future generations.

248 Lastly, **equitable representation in global governance** is essential to address disparities be-
249 tween nations. Policymakers should strive for fair and inclusive decision-making processes that
250 reflect the diversity of nations and take into account the unique challenges faced by developing
251 economies. This approach ensures that the voices of all countries are heard, and policies are
252 crafted with justice and equity in mind.

253 By adopting these comprehensive policy recommendations, governments and international organi-
254 zations can foster transformative growth, combat global inequality, and make significant progress
255 towards achieving the SDGs. **Emphasizing inclusivity, gender equality, global collaboration,**
256 **and sustainable development is key to building a more prosperous and harmonious world**
257 for all, leaving no one behind in the pursuit of a better future.

258 Enabling continuous learning opportunities throughout life will be a crucial element in the efforts to
259 combat poverty and foster sustainable development. However, embracing the concept of lifelong
260 learning requires a fresh perspective, shifting the emphasis from formal education to a more ac-
261 cessible and integrated learning system. This approach should acknowledge diverse methods of
262 acquiring skills and knowledge in the digital era beyond traditional educational settings. Integrating
263 educational policies with lifelong learning can significantly impact economic growth, particularly in
264 both developed and developing economies, fostering sustainable progress. This transformation
265 may lead to changes in the labor force composition and structure, consequently influencing the
266 balance between labor and capital in local economies. Moreover, it has the potential to promote
267 business growth by cultivating new business leaders who can invest in the development of their
268 countries and economies.¹³

269 **Moving Ahead**

270 Governments and international organizations must address the pressing challenges of reducing
271 inequality and promoting sustainable development through specific policy recommendations.
272 Firstly, they should **implement strong social protection measures that target extreme poverty**
273 **and hunger, ensuring sufficient support for vulnerable communities like young people, im-**
274 **migrants, refugees, and individuals with disabilities.** This entails increased investments in ar-
275 eas such as health, education, and creating decent employment opportunities.

276 Secondly, it is **crucial to ensure fair representation of emerging nations in global decision-**
277 **making processes by reinforcing institution-level updates and mechanisms** that guarantee
278 equitable participation, especially for developing countries, in global governance forums. Thirdly,
279 **targeted actions should be taken to combat discrimination based on factors like gender,**
280 **race, and disability.** This requires enacting laws and policies that promote gender equality and
281 safeguard the rights of marginalized communities.

¹³ Tvaronavičienė, M. 2018. "Sustainable Economic Growth and Innovative Development of Educational Systems." 2018

282 Fourthly, **fostering collaboration between nations** is essential to **collectively address global**
283 **issues** such as poverty, climate change, migration, and economic crises, acknowledging their in-
284 terconnectedness and cross-border impact through partnerships and cooperation. Fifthly, empha-
285 sis should be placed on **prioritizing transformative growth strategies** aimed at sustainable eco-
286 nomic development and social progress. This involves investing in innovation, technology, and
287 green initiatives to achieve inclusive and equitable economic growth for all segments of society.

288 Lastly, it is critical to **address injustices in global governance systems and structures** to nar-
289 row disparities between nations. This entails giving paramount importance to justice and equity in
290 global decision-making processes, guided by the principles of the right to development for all na-
291 tions. By adopting and implementing these policy recommendations, meaningful strides can be
292 made towards a more just, equitable, and sustainable world.

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