



# INEQUALITY IN A POST-2015 FRAMEWORK

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### About Bond Beyond 2015 UK

Beyond 2015 is a global campaign aiming to influence the creation of a post-2015 development framework that succeeds the current UN Millennium Development Goals. Beyond 2015 brings together more than 1000 civil society organisations from all over the world. In the UK, the campaign is represented by Bond.

**Beyond 2015 UK** group is a coalition of over 100 UK-based agencies hosted by Bond. We work to ensure the UK government pushes for an ambitious post-MDG framework that contributes to Beyond 2015's vision of an equitable and sustainable world where every person is safe, resilient, lives well and enjoys their human rights; a world where political and economic systems deliver well-being for all people within the limits of our planet's resources.

The purpose of this paper is to articulate a Bond Beyond 2015 UK consensus position on what inequality means in the context of the post-2015 SDG agenda and how inequality should be addressed as an integral part of the post-2015 framework.

This paper is intended to be complementary to positions of individual member organisations of Bond Beyond 2015 UK that may be more specific or go beyond the views expressed in this paper.

### Acknowledgements

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### For more information:

[www.bond.org.uk/advocacy/beyond-2015](http://www.bond.org.uk/advocacy/beyond-2015)

Mariana Rudge (mrudge@bond.org.uk)

## INTRODUCTION

While we have made significant progress since 2000 in reducing the levels of absolute poverty in the world, it is accepted that a large number of vulnerable and marginalised groups have not benefited from this progress. Therefore, the new post-2015 framework's approach must ensure that we truly 'leave no one behind'. Without tackling inequality, it will prove impossible to deliver our post-2015 ambition of eradicating extreme poverty and it will undermine our efforts to make progress in other areas such as economic growth, governance and human rights. In addition, it is critical that the new framework responds to the needs and priorities of citizens, particularly those living in poverty. Time and time again, we have heard that they see inequality, in its many forms, as one of the biggest threats to progress. It is vital that the new global framework reflect these concerns and makes inequality a central plank of the new framework.

This paper outlines three compelling reasons why inequality matters and must be a critical part of the new global framework; it outlines eight key recommendations for policy and decision makers; and it offers a range of practical ideas and suggestions about how inequality could be incorporated in the new framework in the form of goals and targets.

## EQUALITY AND EQUITY WERE CORE PRINCIPLES OF THE 2000 UN MILLENNIUM DECLARATION AND WILL BE ESSENTIAL FOR ANY SUCCESSOR FRAMEWORK TO THE MILLENNIUM DEVELOPMENT GOALS, FOR THREE OVERARCHING REASONS:

1

### Inequality matters for income and other poverty goals

While there has been good progress towards some Millennium Development Goals (MDGs), reaching the last few per cent is proving more difficult, as these people are from the most marginalised groups who suffer multiple inequalities that prevent progress. For these groups, multiple forms of inequality, such as stigma, discrimination and social exclusion and injustices, prevent them from benefiting from improvements in health and education outcomes. Reaching 'zero' poverty goals for the most marginalised will not be a simple case of more of the same or more resources. Our view is that an equity focus will be instrumental to overcoming the barriers faced by these groups and tackling unequal treatment and marginalisation to ensure that no one gets left behind.

Moreover, evidence also indicates that inequality can act as a brake on income poverty eradication. Research by the Brookings Institute found that, without tackling inequality, it would take unrealistic resources to eradicate extreme income poverty. Economic growth alone therefore will not be sufficient and must also be coupled with a focus on reducing inequality, including income inequality.

Gender inequality has rightly been recognised as an important barrier to development outcomes for women and girls themselves and also to development progress of economies and societies as a whole. This is why Bond Beyond 2015 UK continues to advocate for a stand-alone gender equality goal within the new framework.

2

### Inequality matters for the achievement of sustainable development and human rights

The ambitions of post-2015 extend beyond eradicating extremes of poverty. The outcomes of the Rio+20 Conference emphasise the importance of coherently tackling economic, social and environmental development. Governments are now more vocally committed to work to promote the well-being of all their citizens, not just the absence of poverty. Failing to address inequality is damaging to these broader objectives in many ways and at different levels.

- Inequality can affect the sustainability and robustness of **economic growth**.
- Inequality can result in **less stable societies** and **less social cohesion**. Social injustice and discrimination have been linked to increased civil conflict and violence.
- Inequality is important for **well-being**, particularly when associated with injustice and a lack of social mobility.
- Inequality within and between countries can result in a power imbalance which can **undermine democracy and good governance**.
- Inequality matters for **environmental sustainability** as the biggest sources of planetary boundary stress are the excessive consumption levels of the world's wealthiest people.
- Inequality is a **moral issue**. Life-chances should not be determined at birth or be dependent on your ethnicity, gender, geography, age, disability, race, other status or because of inherited poverty.

3

### Inequality matters to citizens

There is a general expectation from those who work on the post-2015 agenda that the successor agreement to the MDGs should listen more to citizens, especially the poorest, and be based more squarely on their needs and priorities. If governments are serious in this endeavour, then it is clear that tackling inequality should be high on their list. According to various opinion polls and surveys<sup>1</sup>, a large majority of people – between two thirds and 90 per cent – perceive differences in income as "too large" in the country in which they live and the majority of these felt that it was governments' responsibility to act.

<sup>1</sup> See <http://www.oecd.org/site/progresskorea/44109816.pdf> and [http://www.oxfam.org/sites/www.oxfam.org/files/file\\_attachments/bp-working-for-few-political-capture-economic-inequality-200114-en\\_3.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-working-for-few-political-capture-economic-inequality-200114-en_3.pdf)

# WHY INEQUALITY MATTERS

## RECOMMENDATIONS FOR A POST-2015 FRAMEWORK TO TRULY ADDRESS INEQUALITIES:

# 1

**Explicitly set tackling inequalities both within and between countries as a key objective of the framework.** The strongest solution is to adopt a stand-alone goal on inequality in addition to mainstreaming it across other goals.

# 2

**Retain a strong focus on tackling gender inequality** by building on gains to date and tackling continuing deep rooted discrimination by containing a stand-alone goal on gender equality and women's rights alongside targets to eliminate gender inequality in all other goal areas.

# 3

**Commit to tackling inequality in all its forms, including economic, social and environmental.**

# 4

**Set equity targets that incentivise governments to focus on marginalised groups.** Set 'stepping stone' targets so that inequalities are progressively reduced and minimum standards raised over the time period of the goals, rather than leaving reduction of inequalities to the end.

# 5

**Set targets on inequality to which governments can be held to account, but which allow for national-level targets and strategies to be set.**

# 6

**Include a commitment to identify and monitor all marginalised groups** – including the poorest, and according to ethnicity, gender, geography, disability, race, or other status – with improved disaggregated data collection and techniques.

# 7

**Tackle the structural causes and underlying drivers of inequality by setting targets that track progress of identified marginalised groups, as well as targets for policy commitments known to reduce inequalities.**

This should include:

- removing discriminatory laws
- reducing economic, including income, inequality
- participatory decision making
- universal access to public services and social protection
- progressive taxation
- adopting decent work principles and standards

# 8

**Include clear targets to tackle structural drivers of inequality at the international level, including global economic governance.** The new framework can address issues of global governance through tracking cooperation to eliminate illicit financial flows and meaningful efforts to eliminate inequitable trade policies and reduce climate change.

## EQUALITY AND EQUITY WERE CORE PRINCIPLES OF THE UN MILLENNIUM DECLARATION, WHICH STATED:

*“We recognise that, in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty therefore to all the world’s people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs.”*

**Tackling inequality will be essential for any successor framework, for three overarching reasons:**

1. It is essential to achieving ambitions to eradicate extreme income poverty and multi-dimensional poverty goals of the new framework;
2. It is essential to deliver broader development objectives and for achieving a just outcome that upholds human rights principles;
3. It is important to citizens, and in particular to poor men and women and the most marginalised in society.

The following sections outline how inequality matters for these different ambitions of a post-2015 development agreement.

**INCLUDING  
INEQUALITY  
IN A POST-2015  
FRAMEWORK**

### What do we mean by inequality?

Inequity is a concept that is closely linked to inequality, and they are sometimes used interchangeably. However, equity is more explicitly about what is fair and right. To be fair, sometimes differences are important. For example, whilst women have equal employment rights in many countries, their incomes are still significantly lower. As a consequence, some organisations adopt policies of positive discrimination to overcome this difference. Many economists regard some inequality as a necessary incentive to human endeavour and economic activity and thus do not perceive all levels of wealth or income inequality to be undesirable.

However, whilst equity might be the desired overall outcome of a new framework, it is a complex and subjective concept. Measuring and assessing levels of inequality is likely to be easier to address in a global framework as a key component of and indicator of progress towards equity.

Further, all dimensions of inequality matter because they all interrelate and intersect with one another. For example, children from low income households are likely to receive fewer years schooling than their wealthier counterparts.

Unequal access to education will result in lower income later in life. Spending on food and health is less for lower-income households.

The most marginalised groups will tend to suffer from many different types of group-based discrimination. For example, people living with HIV face stigma, marginalisation and violence, not only based on their youth and gender, but on their HIV status, sexual orientation and attitudes and norms around ‘appropriate’ sexual behaviour. Age will affect experience of inequality, with its effects being most acutely felt during childhood and old age.

In this way, inequalities tend to accumulate, reinforce one another and even become entrenched along generations. It is not desirable to pick and choose among types of inequalities nor among different affected groups in any new framework.

## 1. Why inequality matters for income and other poverty goals

Governments have stated their ambition that a new agreement needs to go beyond the Millennium Development Goals (MDGs) framework and ‘get to zero’ rather than aim to reduce different dimensions of poverty by a target ratio. Tackling inequality will be instrumental to achieving these objectives. Inequality acts as a brake on and a barrier to eradicating all forms of poverty.

Take the case of income poverty. One of the proposed goals is to end extreme income poverty<sup>2</sup> by 2030. Research by the Brookings Institute found that, without tackling inequality, it would take unrealistic resources to eradicate extreme income poverty<sup>3</sup>. On the other hand, making countries more equal can boost poverty reduction efforts: a World Bank study found that a 1 per cent increase in income can cut poverty by 4.3 per cent in more equal countries, compared to only 0.6 per cent in the most unequal ones<sup>4</sup>.

Persistent inequalities, including income inequality, also prove a barrier to getting to zero on multi-dimensional poverty reduction goals of any new framework. Whilst there has been good progress towards some MDGs, reaching the last few per cent is proving more difficult, as these people are from the most marginalised groups who suffer multiple inequalities that prevent progress<sup>5</sup>. For these groups, multiple forms of inequality, such as stigma, discrimination, social exclusion and injustice, prevent them from benefiting from improvements in health and education outcomes.

These dynamics are evident in the uneven progress of the current Millennium Development Goals:

- In Peru, the national average years of schooling for young adults is just under 10 years. For indigenous people, the figure is 7 years. For poor indigenous women the figure is 5 years.
- In China, the percentage of underweight children in richer Eastern provinces (5.8 per cent) is less than half that of the poorer Western provinces (12.5 per cent).
- In Vietnam only 7 per cent of ethnic minority households have access to improved sanitation, while the figure for the majority Kinh and Chinese groups is 43 per cent.
- In South Africa, black African incomes are around 13 per cent of white incomes.
- In Kenya, among the Mijikenda/Swahili ethnic groups, only 27 per cent of women giving birth have a skilled attendant with them. For Kikuyu women, the figure is 71 per cent<sup>6</sup>.

Gender inequality has rightly been recognised as an important barrier to development outcomes of women and girls themselves, and also to development progress of economies and societies as a whole<sup>7</sup>. It is important that efforts to date in combating gender inequality – that have been partly driven by the MDG3 target – are not wasted. In Africa, women are 2-4 times more likely to be infected by HIV and globally girls are less likely to have access to secondary education<sup>8</sup>. This is why Bond Beyond 2015 UK continues to advocate for a stand-alone gender equality and women’s empowerment goal within the new framework.

The MDGs, of course, ignored other systematic inequalities besides gender. For example, there is a strong link between disability and marginalisation in education. Recent data from thirteen low and middle income countries found that children with disabilities were significantly less likely to be enrolled in school than their peers, even in countries close to reaching universal coverage for primary education<sup>9</sup>. Two thirds of education, health and nutrition poverty in low and middle income countries is experienced in households headed by ethnic minorities<sup>10</sup>. Differences in outcome are not haphazard and can be clearly linked to specific groups that are distinguished according to their ethnicity, gender, geography, age, disability, race, other status<sup>11</sup> or are very poor<sup>12</sup>.

Without an equity focus, there is little political incentive for governments to go the extra mile and focus on these hardest to reach groups. An AusAID study found that only around 3 to 4 per cent of people with disabilities actually benefit from current international aid programmes<sup>13</sup>, despite the fact that one in four households in the poorest communities has a member with a disability<sup>14</sup>. The politics of inequality is such that the interests of the better-off minority are more likely to hold sway in decision-making, unless efforts are taken to counter this.<sup>15</sup>

In many countries discriminatory laws exacerbate inequalities by criminalising and marginalising vulnerable groups such as LGBT, increasing barriers for these groups to access the vital services such as voluntary HIV testing and counselling. Less than 60 per cent of countries have introduced anti-discrimination laws to protect people living with HIV and AIDS, entrenching inequalities.

Many inequalities result from discriminatory laws, policies and attitudes that exclude certain groups from equitable participation in community life and from accessing the services they need. Combined with a lack of evidence-based data on these groups, this poses a major barrier for key populations to accessing the basic services they need; to being empowered to realise their human rights – including their sexual and reproductive rights; and to achieving general well-being.

Reaching ‘zero’ poverty goals for these most marginalised groups will not then be a simple case of more of the same or more resources. An equity focus will be instrumental to overcoming the barriers faced by these groups and tackling unequal treatment and marginalisation, if we are to reach absolute goals or to ensure that no one gets left behind.

Tackling poverty and inequality are therefore complementary and not competing agendas.

<sup>2</sup> Where the phrase “extreme poverty” is used, this refers to extreme income poverty as defined by the \$1.25 per day poverty line used by the World Bank and others.

<sup>3</sup> Chandu, Ledlie & Penciakova (April 2013), *The Final Countdown: Prospects for Ending Extreme Poverty by 2030*, Brookings Institute, Washington DC

<sup>4</sup> Ravallion (2013)

<sup>5</sup> [http://kapuscinskilectures.eu/wp-content/uploads/2013/03/Kevin\\_Watkins\\_lecture.pdf](http://kapuscinskilectures.eu/wp-content/uploads/2013/03/Kevin_Watkins_lecture.pdf)

<sup>6</sup> Melamed, 2012

<sup>7</sup> GADN 2014, <http://www.gadnetwork.org/storage/post-2015/GADN%20Post-2015%20position%20paper.pdf>

<sup>8</sup> UNICEF 2010

<sup>9</sup> Filmer (2008) and UN (2010) cited in Sightsavers (2014)

<sup>10</sup> Sumner, A. (2012). *The New Face of Poverty: How has the Composition of Poverty in Low Income and Lower Middle-Income Countries (excluding China) Changed since the 1990s?* Institute of Development Studies, 2012(408). <http://www.ids.ac.uk/publication/the-new-face-of-poverty-how-has-the-composition-of-poverty-in-low-income-and-lower-middle-income-countries-excluding-china-changed-since-the-1990s>

<sup>11</sup> This listing is adapted from that used in the High Level Panel report and is not intended to be exhaustive.

<sup>12</sup> Melamed, 2012

<sup>13</sup> AusAID (2011) cited in Sightsavers (2014)

<sup>14</sup> UNHCHR (2007) cited in Sightsavers (2014)

<sup>15</sup> Bonica et al, 2013

## 2. Why inequality matters for a 'beyond poverty' development framework

The ambitions of the post-2015 framework extend beyond eradicating extremes of poverty. The outcomes of the Rio+20 Conference emphasise the importance of coherently tackling economic, social and environmental development. Governments are now more vocally committed to work to promote the well-being, not just the absence of poverty, of all their citizens<sup>16</sup>. Failing to address inequality is damaging to these broader objectives in many ways and at different levels.

### Effects on individuals

Inequality is damaging to individuals' well-being. It can dampen aspirations and prevent individuals from realising their potential ambitions. They can also internalise the perception of others and start feeling that they are worthless<sup>17</sup>. Studies find that inequality is important for subjective well-being, particularly when it is associated with injustice and a lack of social mobility<sup>18</sup>. Unequal outcomes in education and health, for example, can result in individuals not realising their full potential.

### Effect on societies and social justice

Inequality can also be damaging to societies and to social justice. Societies can become less stable and social cohesion and public health become eroded<sup>19</sup>. There is less social mobility, with the result that people become trapped in poverty across generations<sup>20</sup>. Inequalities in wealth and power mean certain groups are able to exert undue influence on politicians, and political processes, distorting policies away from working best for the majority of citizens<sup>21</sup>. Inequalities associated with social injustice and group discrimination have been linked to increased civil conflict and violence<sup>22</sup>.

### Effect on economies

It also impacts at the level of economies. High levels of income inequality can affect sustainability and robustness of growth. Countries with high inequality tend to invest less in public goods, such as infrastructure, technology, and education, which contribute to long term economic prosperity and growth.<sup>23</sup> The long term prospects of economies are obviously undermined when vast numbers are not reaching their full potential<sup>24</sup>. Global power inequalities between countries mean that poor countries are disproportionately impacted by poor global governance on issues such as trade, tax cooperation and climate change, meaning that they lose far more as a result of global power inequities than they receive back in aid<sup>25</sup>.

### Effect on environmental sustainability

Inequality also matters for environmental sustainability. The biggest sources of planetary boundary stress today are the excessive consumption levels of the world's wealthiest people, and the production patterns of the companies producing the goods and services they buy. Just 11 per cent of the global population generate approximately 50 per cent of global carbon emissions<sup>26</sup>. Without improving the distribution of the benefits of growth, it would require more than twice the earth's resources to bring the living standard of the world's population up to that of an average European citizen<sup>27</sup>.

### Effect on basic human rights

Finally, inequality is a moral issue. Pope Francis recently condemned the 'economy of exclusion' and its consequences during an address at the United Nations<sup>28</sup>. Differences in life chances and the opportunity to be rewarded for your efforts and realise your potential should not be determined at birth or be dependent on your ethnicity, gender, geography, age, disability, race, other status or because of inherited poverty. Failing to provide opportunities equally for all citizens violates the basic human rights principles of universality and non-discrimination<sup>29</sup>. Inequality is a fundamental injustice. Tackling it is vital for achieving better societies for all. Equality and non-discrimination are binding obligations of states under international law.

### Inequality is as damaging as poverty and needs to be specifically tackled.

<sup>16</sup> See for example: [http://www.oecdobserver.org/news/fullstory.php/aid/3501/Better\\_measures\\_for\\_better\\_lives.html](http://www.oecdobserver.org/news/fullstory.php/aid/3501/Better_measures_for_better_lives.html)

<sup>17</sup> Save the Children (2010), Wilson and Pickett (2009)

<sup>18</sup> Chappel et al (2009)

<sup>19</sup> OECD (2012)

<sup>20</sup> Klasen (1999)

<sup>21</sup> Bartels (2008)

<sup>22</sup> Østby (2008), Østby and Strand (2013), Cederman et al (2011)

<sup>23</sup> Berg et al (2012), Stiglitz (2012)

<sup>24</sup> Easterly (2007)

<sup>25</sup> Health Poverty Acton, forthcoming

<sup>26</sup> Raworth (2012)

<sup>27</sup> New Economics Foundation (2006)

<sup>28</sup> <http://www.news.va/en/news/pope-to-un-resist-the-economy-of-exclusion-serve-t>

<sup>29</sup> <http://www.ohchr.org/en/issues/pages/whatarehumanrights.aspx> Salomon (2011)

### 3. Inequality matters to citizens and to poor women and men in particular

Many agree that the successor agreement to the MDGs must listen more to citizens, especially the poorest, and be based more squarely on their needs and priorities<sup>30</sup>.

If governments are serious in this endeavour, then it is clear that tackling inequality should be high on their list. According to various opinion polls and surveys, a large majority of people – between two thirds and 90 per cent – perceive differences in income as ‘too large’ in the country in which they live<sup>31</sup>. The majority of these felt that it was governments’ responsibility to act.

The response to the UN consultation on inequalities was one of the strongest of all those held on possible post-2015 themes<sup>32</sup>. In a participatory exercise carried out by a consortium of civil society organisations, equity of opportunity emerged as one of the key demands of poor communities for any post-2015 framework<sup>33</sup>. As one participant in India stated, the new framework had “to be written in such a way that they address all barriers that prevent everyone from realising these promises<sup>34</sup>”.

In summary, inequality was insufficiently addressed in the MDG framework. While gender inequality was covered in MDG3, its target and indicators were very weak. The omission of inequality was a significant oversight. Current levels of inequality and social exclusion are not only unjust and in violation of human rights commitments, but are also extremely damaging to individuals, households, economies and societies, and to the world’s prospects of eradicating extreme poverty in all of its forms.

<sup>30</sup> High Level Panel Report

<sup>31</sup> A International Social Science Programme (ISSP) survey cited in OECD (2009)

<sup>32</sup> Rebecca Grynspan, UN Under Secretary Development at Center for Global Development Conference: Filling the Gap: Inequality Indicators for Post-2015, September 2013, Washington DC, available at: <http://www.youtube.com/watch?v=odKSSvzJW5k>

<sup>33</sup> Participate (2013) & (2013b)

<sup>34</sup> Participate (2013b), p.5



# OPTIONS FOR INCORPORATING INEQUALITY IN THE POST-2015 FRAMEWORK

Bond Beyond 2015 UK believes that inequality as well as poverty needs to be specifically tackled in the successor agreement to the MDGs. As we have seen. **Without equality as a core objective, we will not eradicate poverty, uphold human rights or achieve sustainable development.**

As the MDG framework demonstrated, whilst it is important to have this commitment in declaratory language that over-arches and guides interpretation of the agreement, this is not enough. It requires a specific, explicit objective to tackle inequality.

Because of the intersecting nature of inequalities, **inequality must be included within every thematic and goal area**, including economic, social and environmental. If it is to succeed, the new framework should tackle all of these types of inequality, and not prioritise some to the neglect of others.

One way to achieve this would be to set targets within each goal which would mean that **any individual goal could not be considered to be met unless the most marginalised groups had benefited** and unless disparities between the least and best well-off groups had diminished.

This would involve two sets of targets – one overall target for **'getting to zero'** and one target for tracking progress between the least compared and the most well-off groups. A proposed form for such targets is the use of **stepping stones** or **'interim equity targets'** to be met at specific milestones, which set goals for improvement with respect to identified marginalised groups and for narrowing the gap between those groups and more advantaged groups<sup>35</sup>. In this way governments could ensure also that no one is left behind and that inequality is addressed.

## The options for incorporating inequality in a post-2015 framework

Inequality should be included in the **introductory and declaratory language** of the new agreement. It is absolutely essential that inequality is clearly identified as a priority and underlying principle within this chapeau. This language sets the political objectives and scope of interpretation of the subsequent agreement and inequality should be prominent within it.

Inequality can also be included as a **stand-alone goal**. This is the most effective way to set inequality as a priority within the agreement and to ensure that governments set as a priority to implement the necessary changes and reach the relevant targets on inequality. Such a goal would need to be comprehensive, have meaningful and concrete targets and effective means of implementation.

Finally, inequality should be **mainstreamed across all the goals** so that each goal needs to be met in a way that prioritises the most marginalised groups and which reduces inequalities. This is a minimum that should be achieved by governments, in order to be consistent with their own objectives to 'get to zero' and to ensure that no one is left behind. It will be important to ensure that all dimensions of inequality, including economic, are addressed.

None of these options is mutually exclusive and the best solution would be to adopt all three.

<sup>35</sup> See for example Save the Children (2014)

This approach could be strengthened by an **explicit goal on reducing inequality**. This would ensure that inequality plays a fundamental role in the new framework, ensuring the necessary visibility and explicit political commitment and would provide clear incentives to address it.

Successfully including inequality in a new framework must **involve tackling the underlying drivers of poverty and exclusion**, including institutions, discriminatory laws, rules, social norms and systems that result in inequalities in the distribution of power, wealth and access to sustainable basic services at sub-national, national and international levels.

This would mean including transformative targets that track whether norms, institutional or other barriers have been overcome for identified groups, as well as target commitments for policy or other changes that have been shown to reduce inequalities.

- For example, poor governance at both national and international levels is a driver of inequality. A goal to improve governance could track meaningful participation and accountability for marginalised groups as well as a commitment to repeal any discriminatory laws;
- Similarly, with respect to social goals on health and education: unequal access to essential public goods and services could be monitored, and sit alongside a commitment to operationalise minimum guarantees of social protection for all;
- Commitments to track employment and income of marginalised groups would be accompanied by commitments to implement a minimum wage and improve representation of workers.

Including equity targets would create incentives for governments not only to specifically target the most marginalised groups, but also to ensure that they benefited disproportionately from an increased focus. This means progress would need to be monitored through **disaggregated data across all relevant social and economic groups**.

When it comes to group based inequality, some seem to matter universally. However, some relevant groups will be context specific and will need to be decided at the national level based on international guidelines. Some reference to **vertical inequalities** is also necessary: for all countries, the **poorest quintiles should constitute a group of interest**. Age groups are a particular case as they transcend other groupings and the effects of inequality are experienced differently across the life-course, with vulnerability to its impacts being experienced most acutely during childhood, and at old age, when the consequences of a lifetime's inequalities have accumulated<sup>36</sup>.

As mentioned, it will be essential to also **include reducing economic inequality** as an objective within the new framework. Current proposals fall short. Eradicating extreme poverty is not enough, and will not be feasible, unless economic inequality is already tackled.

Agreeing an objective on economic inequality will be more complicated than agreeing one on extreme poverty given a lack of consensus on how much or what kinds of economic inequality are harmful and questions about measurement. This makes research and action to iron out these difficulties vital. Good options do exist, for example on measurement; good proposals on Gini coefficient, Palma index and median wages are already underway and more must be done to build consensus on coherent mechanisms for effective measurement.

The difficulty in agreeing an objective on economic inequality is in part because one size does not fit all. Different countries will need different targets and strategies. Therefore, it is important that countries are able to agree to tackle economic inequality and to be called to account for their progress, but also be allowed to reach goals to reduce economic inequalities in ways that are suited to their own contexts, without undermining the achievements that can be gained from addressing harmful inequalities.

This is not only feasible, but essential. One option is to **set a broad objective that can be complemented at the national level**. For example, the former World Bank Chief Economist, Joseph Stiglitz, has proposed a target to reduce extreme income inequalities in all countries such that the post-tax income of the top 10 per cent is no more than the post-transfer income of the bottom 40 per cent.

Whilst national inequalities require more work at the national level, **other kinds of inequality and structural drivers of inequality must be addressed at the international level**. Whilst inequality between countries is falling, inequitable structures at the global level have huge impacts on country prospects and, most importantly, have implications for individuals within those countries. Impacts include the \$5.9 trillion that was lost in illicit financial flows to developing countries between 2002 and 2011<sup>37</sup> and the annual billions that developing countries have to spend on climate change adaptation and mitigation (\$7-\$15 billion<sup>38</sup> and \$26<sup>39</sup> billion respectively for Sub-Saharan Africa alone). Another example is unfair tax rules. Whilst some improvements would be implemented nationally, it will require international cooperation and agreement to ensure that the unequal taxation of global companies versus smaller, local companies, workers and consumers is addressed as a driver of inequality. This is particularly relevant to the UK which, with 10 tax havens under its jurisdiction, sits at the heart of the global offshore network<sup>40</sup>. Other areas of international governance, such as environmental agreements, trade and investment rules, and rules protecting migrant workers, are other areas for action.

<sup>36</sup> See 2015 Human Development Report

<sup>37</sup> Global Financial Integrity, December 2013 Illicit Financial Flows from Developing Countries: 2002-2011 <http://www.gfintegrity.org/reports/2013-global-report-illicit-financial-flows-from-developing-countries-2002-2011/>

<sup>38</sup> UNEP, Africa's Adaptation Gap, 2013, p.vii, [www.unep.org/pdf/AfricaAdaptationGapreport.pdf](http://www.unep.org/pdf/AfricaAdaptationGapreport.pdf)

<sup>39</sup> The African Development Bank states that the costs of putting Africa on a low-carbon growth path could reach \$22-30 billion per year by 2015 (and \$52-68 billion per year by 2030) – thus the median figure for up to 2015 is \$26 billion.

<sup>40</sup> ActionAid, 2013, How Tax Havens Plunder the Poor.



Society Building  
8 All Saints Street  
London N1 9RL  
UK

+44 (0)20 7837 8344  
[bond@bond.org.uk](mailto:bond@bond.org.uk)  
[bond.org.uk](http://bond.org.uk)