

# From Disparity to Dignity

Tackling economic inequality through  
the Sustainable Development Goals

HUMAN RIGHTS POLICY BRIEF



**CENTER FOR ECONOMIC AND SOCIAL RIGHTS**

*SOCIAL JUSTICE THROUGH HUMAN RIGHTS*

*“Inclusive and sustainable economic growth...will only be possible if wealth is shared and income inequality is addressed.”*

~ Transforming our world: the 2030 Agenda for Sustainable Development. Resolution 70/01 adopted by the UN General Assembly, 25 September 2015

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*“There’s been class warfare going on for the last twenty years, and my class has won.”*

~ Warren Buffett, US business magnate and world’s third richest person, September 2011

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*“Disparity brings division.... A greater concentration of wealth could — if unchecked — even undermine the principles of meritocracy and democracy. It could undermine the principle of equal rights proclaimed in the 1948 Universal Declaration of Human Rights.”*

~ Christine Lagarde, Managing Director, International Monetary Fund, May 2014

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*“Inequality is not just an economic issue, but one of human rights. There are limits to the degree of inequality that can be reconciled with notions of equality, dignity and commitments to human rights for everyone. Extreme inequality is the antithesis of human rights.”*

~ Philip Alston, UN Special Rapporteur on Extreme Poverty and Human Rights, October 2015

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# Executive Summary

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In recent years, economic inequality has soared to unprecedented levels, hampering poverty reduction, fueling political instability and presenting new threats to the full spectrum of human rights. Against this backdrop, the adoption of the 2030 Agenda for Sustainable Development, through which states have pledged to reduce inequalities both within and between countries (Goal 10), has the potential to galvanize action to reverse this economic polarization and to deliver an urgently-needed paradigm shift in how development efforts are pursued. However, Goal 10 remains vulnerable to strategic neglect, and in some cases political backlash, lacking the requisite political will, financial backing and effective institutions needed to implement it.

## WHY REDUCING INEQUALITY MUST BE A PRIORITY

Economic inequality produces many detrimental human rights effects,<sup>1</sup> perpetuating poverty and social exclusion and creating stark disparities in access to health, education, housing and other services essential to the enjoyment of economic and social rights. Economic inequality also hampers enjoyment of civil and political rights, for example distorting people's equal access to justice and the rule of law, whilst also driving insecurity and conflict.<sup>2</sup> Extreme inequality has been shown to undermine opportunities for political participation and accountability, not least via elite capture of the political process.<sup>3</sup> Meanwhile, many of the key determinants of inequality—from the erosion of labor rights to the weakening of public services—can be framed as denials of internationally guaranteed human rights.<sup>4</sup>

Given its pernicious political, social and economic consequences, ending extreme economic disparity is an inherently valuable development goal in itself. Meaningful progress in reducing economic inequality will also be essential to realizing many of the other goals set out in the 2030 Agenda. For example, extreme income inequality impedes poverty eradication (Goal 1) and economic growth (Goal 8), and may hinder peaceful societies and access to justice (Goal 16). It is also intrinsically linked to other forms of inequality that the Agenda commits to tackling, such as the disparities faced by women, indigenous peoples and persons with disabilities.

## HOW HUMAN RIGHTS CAN HELP

The aim of this briefing is to propose a human rights-centered policy agenda to tackle economic inequality and the social inequalities it reinforces. It sets out to illustrate how human rights can provide both a normative framework and a set of accountability mechanisms to accelerate success in meeting this most cross-cutting of sustainable development goals.

Equality and non-discrimination have long been core principles of international human rights law, enshrined in every major human rights convention. The human

*'Goal 10 remains vulnerable to strategic neglect, and in some cases political backlash, lacking the requisite political will, financial backing and effective institutions needed to implement it'*

rights framework makes clear that an approach to development that pays attention only to absolute poverty and basic needs is far from sufficient. Tackling inequalities (of opportunity *and outcome*) and the systemic discrimination (direct and indirect) that fuel these disparities is also crucial if sustainable development is to serve the full realization of human rights for all, as the 2030 Agenda explicitly sets out to do.

Human rights standards address inequality in ways that can provide detailed normative guidance to Goal 10 implementation programs and related efforts under the SDGs to address inequality.

- Anti-discrimination standards set out a rights-based policy agenda to advance socio-economic equality for women and others facing structural disadvantage on grounds such as race, age and disability – including equality of outcomes, measured by levels of rights enjoyment.
- Standards regarding economic, social and cultural rights oblige states to devote the maximum of their available resources to progressively achieving the full realization of these rights for all people, prioritizing the reduction of disparities and the universal attainment of basic thresholds which correspond to many of the SDG goals and targets.
- Human rights norms also set out binding duties on states to cooperate internationally to reduce disparities in their capacity to fulfil human rights and to ensure their policies and practices do not fuel deprivation and disparities in other countries.

An array of mechanisms exist at the national, regional and international level to give effect to these internationally-agreed human rights standards and oversee how governments comply with them. These mechanisms can therefore be used to bolster accountability to the inequality commitments contained in Goal 10 and across the SDGs as a whole.

## KEY POLICY AREAS FOR TACKLING INEQUALITY

### Tackling inequality within countries

While the precise package of measures for tackling economic inequality will vary from country to country, there are several key policy areas that should be addressed in order to advance the equality agenda. At the domestic level, governments affect economic inequality in two ways. Firstly, they determine the rules of the marketplace (so-called *predistributive* policies), in particular by regulating (or not) employers, sectors and different economic actors. Secondly, they distribute market outcomes in particular ways (so-called *redistributive* policies), especially through the mobilization of public revenue for expenditure on public services essential for improving equality and realizing human rights. This briefing addresses the following policy areas, explains their links to human rights and how human rights standards should inform policy design and implementation.



<i>Predistributive</i>	<i>Redistributive</i>
Employment and labor rights.	Social protection
Care and family leave	Health
Financial regulation	Education
	Tax

### Reducing inequalities between countries

Crucially, the SDG10 commitments also encompass reducing inequalities between countries. In a fundamentally interdependent global economy with gross financial and power imbalances between states, conceiving of inequality as a global collective action problem is an essential prerequisite to overcoming its structural roots. Currently many countries are constrained in the fiscal and policy space they have to tackle domestic inequalities. International trade deals may affect policies on labor rights or public health protections, while a country's ability to tax corporate activity on its territory may be affected by the availability of financial secrecy jurisdictions overseas. Reforms in global economic governance and a more transparent global financial system will be crucial to level the playing field and create more fiscal and policy space for poorer countries, but there are considerable political obstacles to achieving this. Here human rights obligations (especially norms around international cooperation and extra-territorial obligations) could play a useful role in clarifying the actions needed and boosting efforts in this direction.

### Accountability

The High-Level Political Forum on Sustainable Development (HLPF) is tasked as the main body for follow-up and review of the 2030 Agenda at the UN, but it is not the powerful accountability body civil society has advocated for. That said, it has the potential to play an important role in monitoring the transnational dimensions of the SDGs, including progress in reducing inequalities between countries. In order to provide an extra layer of scrutiny (and indeed a different type of scrutiny) SDG-specific review mechanisms should be complemented by robust engagement from human rights oversight bodies at the national, regional and international levels, from the UN treaty bodies to National Human Rights Institutions (NHRIs).

This also begs the question of exactly how and precisely what these accountability structures will measure, given that the current global indicators proposed to measure progress towards SDG10 are manifestly inadequate (for example, in failing to include a robust measure of economic inequality). In order to deliver real change and ensure the much-heralded "data revolution" is actually realized, it behooves both governments and all other development actors to devote political will and resources to improving measurements of inequality and the collection of disaggregated data on inequalities.

*'The High-Level Political Forum on Sustainable Development... is not the powerful accountability body civil society has advocated for'*

## RECOMMENDATIONS

The report closes with a number of recommendations to guide policy-making and other actions towards meeting SDG10 and the human rights commitments underpinning it. The recommendations are aimed primarily at decision-makers responsible for SDG implementation and monitoring at the local, national, regional and international levels, but are also designed to inform the work of human rights and equality monitoring bodies, civil society organizations and social movements working for equality on different fronts.

1. Commit to serious and sustained redistribution.
2. Use predistributive policies to level the playing field.
3. Ensure national sustainable development plans prioritize the reduction of inequalities across the SDGs.
4. Incorporate meaningful participation in the design, implementation and monitoring of national SDG plans.
5. Ensure sufficient, equitable and sustainable financing for the SDGs through progressive fiscal policies.
6. Make the SDGs gender-responsive by transforming the way resources are raised, spent and governed in the interests of women's rights.
7. Measure progress in tackling inequality accurately.
8. Assess and address the impacts of policies on the achievement of SDG10 overseas.
9. Promote and facilitate a strong role for human rights bodies and mechanisms.
10. Re-tool the High-Level Political Forum on Sustainable Development to combat the transnational obstacles to achieving the goals.

Table 1: *Sustainable Development Goal 10. Reduce inequality within and among countries*

Target	Global indicator agreed as of October 2016
<b>10.1</b> By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	<b>10.1.1</b> Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population
<b>10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<b>10.2.1</b> Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities
<b>10.3</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<b>10.3.1</b> Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of a grounds of discrimination prohibited under international human rights law
<b>10.4</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	<b>10.4.1</b> Labor share of GDP, comprising wages and social protection transfers
<b>10.5</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	<b>10.5.1</b> Financial Soundness Indicators
<b>10.6</b> Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions	<b>10.6.1</b> Proportion of members and voting rights of developing countries in international organizations
<b>10.7</b> Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies	<b>10.7.1</b> Recruitment cost borne by employee as a proportion of yearly income earned in country of destination
	<b>10.7.2</b> Number of countries that have implemented well-managed migration policies
<b>10.a</b> Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements	<b>10.a.1</b> Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff
<b>10.b</b> Encourage official development assistance and financial flows, including foreign direct investment, to states where the need is greatest, in particular least developed countries, African countries, small island developing states and landlocked developing countries, in accordance with their national plans and programs	<b>10.b.1</b> Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)
<b>10.c</b> By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent	<b>10.c.1</b> Remittance costs as a proportion of the amount remitted

*'Soaring inequality is not only a development failure; it is both a symptom and a cause of human rights crisis'*

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# I. Tackling economic inequality: a human rights and sustainable development imperative

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Rising economic inequality is one of the defining characteristics and challenges of our time. In recent years, global wealth has increasingly been concentrated in the hands of a tiny elite. In 2010, 388 billionaires held as much wealth as the bottom half of the world's population. By 2015, the imbalance was even more pronounced: a mere 62 of the world's richest individuals had as much wealth as the 3.6 billion-strong bottom half, whose wealth had fallen 38 per cent over those five years.<sup>5</sup>

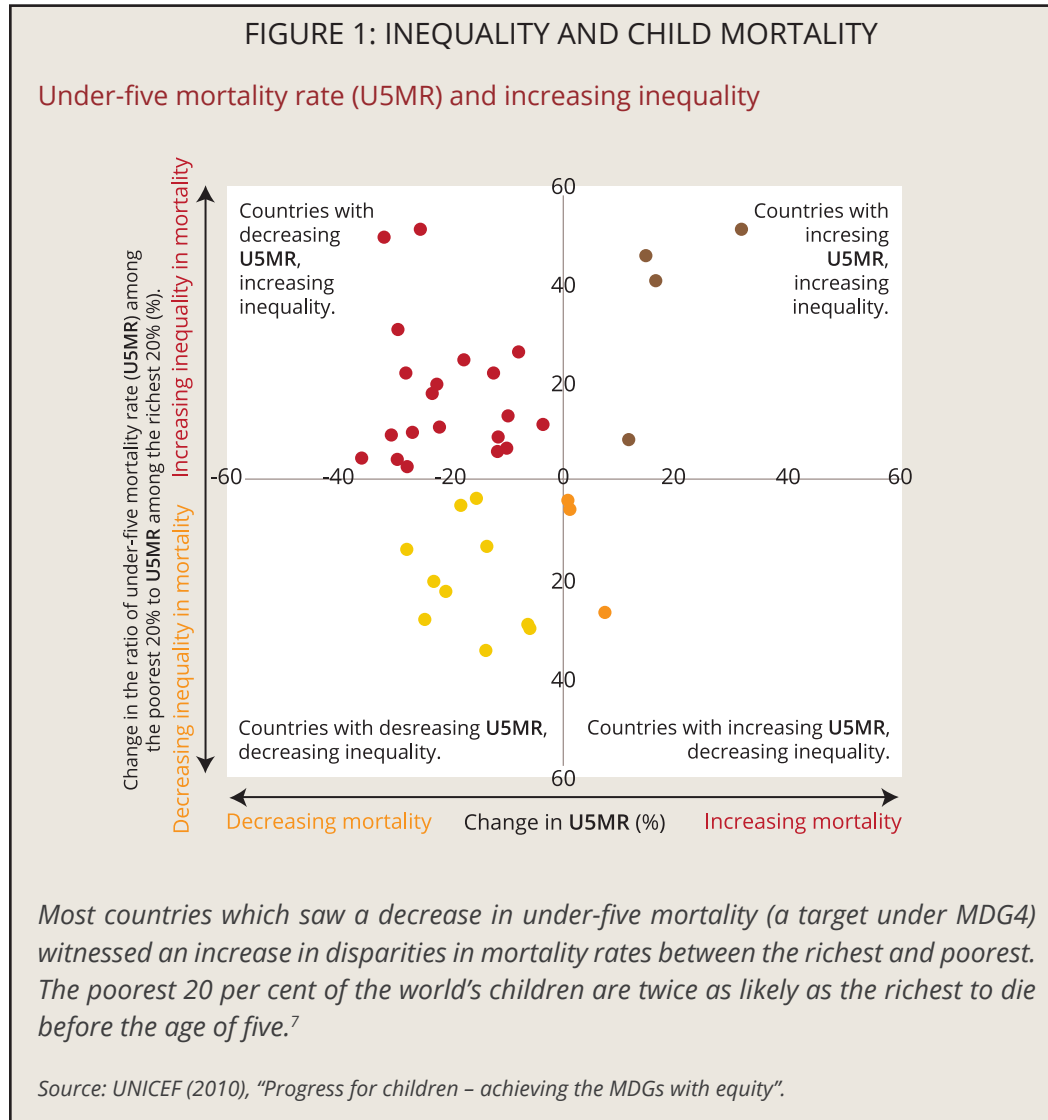
That this escalation in economic inequality has occurred in the run up to 2015, when the Millennium Development Goals (MDGs) were supposed to be met, is one of the most damning indictments of the economic development policies pursued during the MDG period. Soaring inequality is not only a development failure; it is both a symptom and a cause of a human rights crisis, perpetuating poverty, entrenching dearth of opportunity for many individuals and communities, and contributing to alarming outcomes in health, education, employment and other areas. The adoption in September 2015 of the 2030 Agenda for Sustainable Development (2030 Agenda), which includes firm commitments both to reduce inequalities and to realize human rights for all, offers an opportunity to address this crisis, deploying the tools of human rights to craft a more equality-sensitive development paradigm.

## THE SIGNIFICANCE OF A UNIVERSAL DEVELOPMENT GOAL TO REDUCE INEQUALITY

Spurred by increasing evidence that intensifying inequality poses a barrier to sustainable development, during the SDG negotiations civil society, UN agencies and several governments called for a stand-alone goal on inequalities. Despite significant and sustained resistance from many Member States, the groundswell of support and clear rationale for its inclusion ultimately proved irrepressible.

Sustainable Development Goal 10 (SDG10) is one of the most striking and groundbreaking elements of the 2030 Agenda when compared to the Millennium Development Goals. In Goal 10, states have formally committed to tackling inequality *within and between* countries. This goal includes associated targets on income inequality, social and political empowerment, fairer fiscal and wage policies, migration, financial regulation, and more democratic governance of the global economy (see Table 1).

SDG10 addresses a central and much-noted weakness of the MDGs – that they lionized aggregate progress while masking (or even encouraging neglect of) economic and social inequalities. While the international community and individual countries were able to declare success in meeting many of the MDGs, significant disparities remained between and within countries.<sup>6</sup>



While MDG indicators were consistently worse for disadvantaged groups in every region, income inequality simultaneously either worsened or remained stuck at high levels in most countries during the MDG era (Figure 2). In advanced economies, the gap between the rich and the poor is at its highest level in decades.<sup>8</sup> Some countries, including Brazil and other countries in Latin America, managed to reduce inequality during the 1990s and early 2000s, however many of these countries remain among the most unequal in the world.<sup>9</sup> Meanwhile wealth inequality — a telling indicator of structural and inter-generational economic privilege, with profound gender implications also given that wealth and assets are mostly concentrated in the hands of men — has skyrocketed in recent decades. Since the turn of the century, the poorest half of the world's population has received just 1 per cent of the total increase in global wealth, whereas half of that increase has gone to the top 1 per cent.<sup>10</sup>

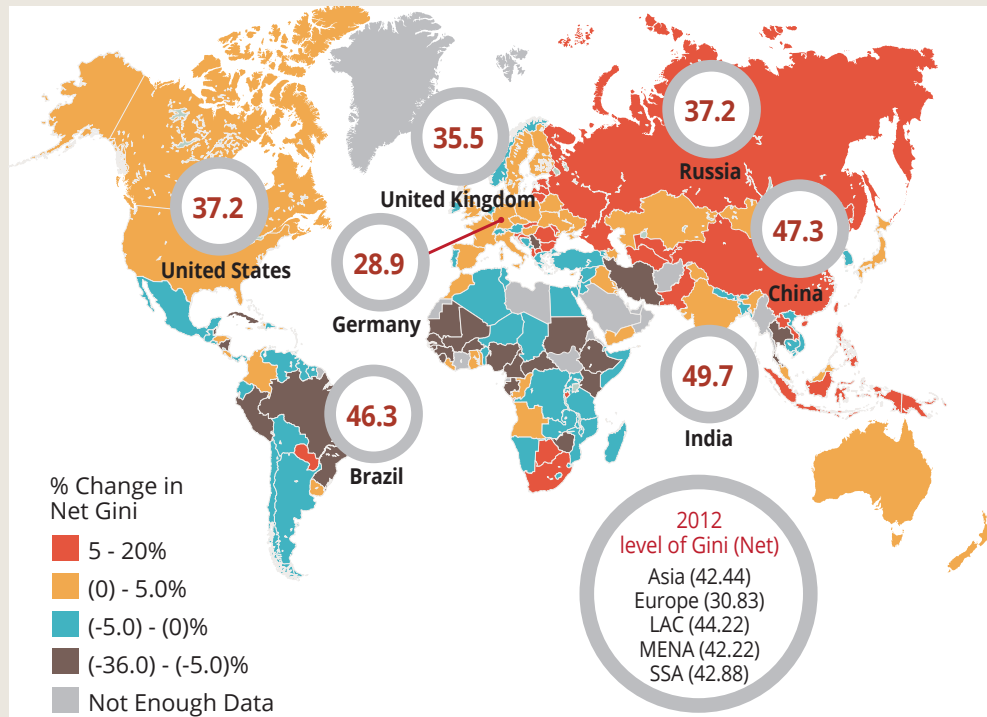
**FOCUS AND TERMINOLOGY**

SDG10 focuses on several different types of inequality. This briefing concentrates in particular on economic inequality, bearing in mind its circular relationship with other types of inequality and human rights deprivations.

The term “economic inequality” is used to mean disparities in wealth and income. Where appropriate – especially when giving statistics – income and wealth inequality are discussed separately.

**FIGURE 2: CHANGE IN NET GINI INDEX, 1990-2012**

The Gini coefficient is the most commonly used measure of inequality, showing the income distribution of a country's residents. A Gini coefficient of 1 represents a perfectly unequal society (where one person has all the income) and 0 represents a perfectly equal society (in which every person receives the same income). The map below shows the percentage change in the net Gini by region over the years 1990-2012. Income inequality as measured by the Gini coefficient increased in most of Europe, Asia and North America, and some parts of Africa. It declined in most of Latin America and Africa, but remained at very high levels.



Sources: Solt Database; and IMF staff calculations.  
 Note: LAC= Latin America and the Caribbean; MENA= Middle East and North Africa; and SSA= Sub-Saharan Africa.  
 1/ Change in net Gini from 1990 to 2012 is expressed as a percentage. For missing values, data for the most recent year were used.

Tackling economic inequality is instrumentally essential in achieving other sustainable development goals. Extreme income inequality slows poverty reduction,<sup>11</sup> and thus eradicating extreme poverty (Goal 1) will be impossible without tackling economic inequality.<sup>12</sup> Indeed, if economic growth over the last 30 years had been more equally distributed, the world would be on track to eliminate extreme poverty completely by 2030.<sup>13</sup>

Achieving SDG3 on health, for example, will also require reductions in extreme economic inequality, as many health outcomes are affected by the level of economic inequality in a society.<sup>14</sup> Delivering meaningful action to address catastrophic climate change (SDG13) is unlikely if patterns of economic and consumption concentration continue along the same trend wherein members of the richest 1 per cent may emit

175 times more carbon than members of the poorest 10 per cent.<sup>15</sup> The kind of just, peaceful and inclusive societies envisioned in SDG16 are not compatible with the extreme inequality that is now undermining social cohesion, political stability and civic security.<sup>16</sup> And finally, increasing evidence now verifies that high levels of inequality create a drag on economic growth (Goal 8),<sup>17</sup> and increase the likelihood of financial and economic crises.<sup>18</sup> Economic inequality is also linked to gender inequality (both through gaps in economic participation and in opportunities related to health, education and political empowerment),<sup>19</sup> and therefore the achievement of SDGs 5 and 10 are strongly interrelated.

Given its pernicious political, social and economic consequences, ending extreme economic disparity is also an inherently valuable development goal in itself, especially in the current context of low-growth economies with diminishing natural resources. Economic inequalities are undermining dignity and social justice – the very principles on which human rights are founded.<sup>20</sup>

Unlike the MDGs, the SDGs outline a broader vision of development (comprising social, economic and environmental pillars) for *all* countries, including high-income, ‘developed’ states. SDG10 is perhaps the goal that most embodies this new universality. All countries in the world have stark and persistent inequalities, which in many cases have grown in recent decades. All countries face significant policy and political challenges in dealing with this problem. Reducing inequalities *between* countries will by definition require action and solutions at the global level, especially from the wealthy countries that have the greatest influence over the global economy and the way it is governed.

## WHAT ARE THE OBSTACLES TO ACHIEVING SDG10?

A formal commitment from governments to decrease inequality is only the first step. Implementing it is an entirely different challenge. Goal 10 remains vulnerable to strategic neglect, and in some cases political backlash. Disappointingly, no head of state raised economic inequality as a priority in addressing the September 2015 Summit to adopt the 2030 Agenda, nor was it addressed in the national voluntary reviews at the first follow-up and review in July 2016.<sup>21</sup> ActionAid has found that only three of ten developing countries studied had over 65 per cent of key inequality-reducing policies in place.<sup>22</sup> Meanwhile, the agreed indicators to measure SDG10 do not properly address the scope and intentions of the goal and targets. They miss out crucial issues – such as the role of top income earners in driving inequality – and they do not incentivize those policy actions which have been proven effective in advancing equality in society and the economy.<sup>23</sup> Compounding these problems, inequality-reducing programs and initiatives are often hugely under-funded; data from the SDG Philanthropy Platform shows that inequality is the area that received the least resources of all the SDG issue areas from 2010-2013 (from the dual sources of foundation and ODA funding).<sup>24</sup>

What is more, SDG10 has no obvious thematic body or set of institutions at the national or international level whose mandate is to drive actions and funding to this goal, monitor its achievement and hold decision-makers to account for any lack of progress (unlike other sustainable development goals which have dedicated UN agencies, mechanisms or committees). Gender inequality does have a dedicated agency in UN

*There are at present few institutions... set up with the express mandate to address one of the biggest challenges of our time: economic inequality'*

Women (although it is one of the smallest and least-resourced UN agencies), and other UN agencies such as the UN Children’s Fund (UNICEF), the International Labor Organization (ILO) and the UN Research Institute for Social Development (UNRISD) have carried out important work to address inequalities of various kinds in the development context. Yet there are at present few institutions – either at the national, regional or international level – set up with the express mandate to address one of the biggest challenges of our time: economic inequality. The World Bank has made Goal 1 and Goal 10 the focus of its work on the SDGs, but its approach to Goal 10 is shaped by its institutional priority to promote ‘shared prosperity’<sup>25</sup> rather than embracing a more comprehensive need to tackle income and wealth inequality.<sup>26</sup>

While channeling efforts to oversee implementation of different goals through separate institutions is problematic if it reinforces a siloed approach to the SDGs, the lack of an institutional ‘home’ for Goal 10 is indicative of the higher risk of it remaining an ‘orphan’ goal – hostage to the ebbs and flows of competing international development priorities and diverging national interests. This disconnect between commitments on the one hand, and political and financial muscle on the other is even more troubling when considering that, of all the SDGs, Goal 10 will arguably require the most profound and lasting changes to the ‘business-as-usual’ economic and development model.<sup>27</sup>

Implementing SDG10 commitments will require overcoming the deep political resistance to levelling up economic and social opportunities and outcomes. Instead, the increasing rhetorical concern with the many manifestations of inequality – including from the World Bank and the International Monetary Fund (IMF) – will need to be channeled into consistent and active support by all governments, regional and international governance institutions, as well as by a broad range of civil society constituencies. The ultimate aim should be implementing an integrated action agenda for equality, buttressed by a robust accountability infrastructure.

The aim of this briefing is to propose a human rights-centered action agenda to tackle economic inequality and the social inequalities it reinforces. It also sets out to illustrate how the norms and accountability mechanisms of human rights can provide both a framework and a set of processes to accelerate success in meeting this most cross-cutting of development goals.

**‘LEAVE NO ONE BEHIND’: REVOLUTIONARY PARADIGM OR RHETORICAL FLOURISH?**

*First proposed by the High-Level Panel on the Post-2015 Agenda in 2012, the exhortation to ‘Leave No One Behind’ has become the overarching rallying cry of the 2030 Agenda. Although it has been widely accepted and repeated, the meaning of this new development trope remains imprecise and contested. Some actors seem to interpret it as encapsulating only the need to reach the poorest people (in terms of income) – in essence recapitulating the MDGs’ primary focus on addressing extreme poverty.*

*Yet if ‘Leave No One Behind’ is to be more than a rhetorical flourish camouflaging fundamentally exclusionary policies, governments will need to take proactive and timely steps towards achieving Goal 10 and its targets, in particular in addressing discrimination, social exclusion and economic inequality. Because of the political and*



*economic impacts of intense income and wealth concentration at the top,<sup>28</sup> 'leaving no one behind' should entail preventing some from getting too far ahead at the expense of others. That is, sustainable development policies will need to grapple with the top end of the income and wealth spectrum, or else starkly compromise any promise of leaving no one behind.*

*As reflected in the 2030 Agenda, inequalities between countries – both political and economic – will also need to be seriously reduced, in particular by dismantling the structural, institutional and policy barriers which severely constrain the policy and fiscal space of poorer countries, where most of those at greatest risk of being 'left behind' live.*

*The 'Leave No One Behind' mantra resonates with the spirit and purpose of human rights to ensure the inherent dignity of every human being. Moreover, human rights standards and principles can do much to inform the interpretation and implementation of this commitment. Human rights focus policy attention on the multiple and intersecting forms of discrimination which often affect the most marginalized and disadvantaged people, connecting the concern for disparity to legal obligations on equality and non-discrimination. The human rights normative framework can thus help determine when disparities in development outcomes are unjust or inequitable, because they arise from human rights deprivations and discriminatory policy efforts. The human rights mechanisms put in place to monitor and enforce this framework also provide a much-needed extra layer of accountability to drive action (see p35, 'Accountability mechanisms for Goal 10').*

***'The human rights framework makes clear that an approach to development that pays attention only to absolute poverty and basic needs is far from sufficient'***

## HUMAN RIGHTS TOOLS FOR TACKLING INEQUALITY

As a standalone goal with measurable targets, SDG10 is consistent with core human rights priorities. Equality and non-discrimination have long been core principles of international human rights law, enshrined in every major human rights convention. From a human rights perspective, the inclusion of inequality as a priority 'development' issue is very welcome and long overdue. Human rights advocates have long been drawing attention to the way in which many development interventions – driven by a narrow focus on aggregate economic growth – have exacerbated inequalities of all kinds. The human rights framework makes clear that an approach to development that pays attention only to absolute poverty and basic needs is far from sufficient. Tackling inequalities (of opportunity *and outcome*) and the systemic discrimination (direct and indirect) that fuel these disparities is also crucial if sustainable development is to serve the full realization of human rights for all, as the 2030 Agenda explicitly sets out to do.

Inequalities of all types are a central concern of human rights. Traditionally, human rights advocates and standard-setting processes have focused mostly on horizontal inequalities - inequalities between groups with a shared identity, along such lines as gender, race, ethnicity or age.<sup>29</sup> Most often, they have focused on the social inequalities that these groups experience, in particular in access to goods and services such as education, health and water, although economic inequalities between groups have also been explored in relation to wages, assets (such as land or property) and employment. Until recently, however, vertical economic inequality (inequality in income and wealth

between individuals and households) has been relatively neglected by human rights bodies. Increasingly, however, the human rights impacts of economic inequality are being explored, as a contributor to horizontal inequalities, social disparities and to other human rights deprivations.

Economic inequality can be shown to produce many detrimental human rights effects,<sup>30</sup> perpetuating poverty and social exclusion and creating stark disparities in access to health, education, housing and other services essential to the enjoyment of economic and social rights. Economic inequality also hampers enjoyment of civil and political rights, for example distorting people's equal access to justice and the rule of law, whilst also driving insecurity and conflict.<sup>31</sup> Extreme inequality has been shown to undermine opportunities for political participation and accountability, often co-occurring with elite capture and unjust institutions that (re)create patterns of inequality – not only of income and wealth but also of capabilities and political power.<sup>32</sup> In this way, inequality is both a consequence and a cause of human rights deprivations. Many of the key determinants of inequality – from the erosion of labor rights and the weakening of public services, to systemic discrimination and the capture of democratic decision-making by self-serving elites – can be framed as denials of internationally guaranteed human rights.<sup>33</sup>

Human rights standards address inequality in ways that can provide important normative guidance to Goal 10 implementation programs and other efforts under the SDGs to reduce inequality. Firstly, an array of anti-discrimination treaties and declarations<sup>34</sup> set out a rights-based policy agenda to advance equality for women, people with disabilities, migrants, indigenous peoples, and those facing discrimination based on race, sexual orientation and other prohibited grounds. These aim at achieving substantive equality, including equality of outcomes, measured by levels of rights enjoyment, and not just equality of opportunity. These are complemented by international standards regarding economic, social and cultural rights obliging states to devote the maximum of their available resources to achieving progressively the full realization of these rights for all people. In these efforts, states must prioritize the reduction of disparities and the universal attainment of basic thresholds which correspond to many of the SDG goals and targets – e.g. primary education completion for all or the prevention of maternal and child mortality. Thirdly, human rights norms also set out binding duties on states to cooperate internationally to reduce disparities in their capacity to fulfil human rights, including the right to development, and to ensure their policies and practices do not fuel deprivation and disparities in other countries.

## SUBSTANTIVE EQUALITY, INTERSECTING INEQUALITIES

*A human rights-based understanding of equality goes beyond formal equality to emphasize equal enjoyment of human rights in practice. For example, laws and policies that appear to treat women and men equally are not enough to ensure that women are able to enjoy the same rights as men. Due to the legacy of historical inequalities, structural disadvantages, biological differences and biases in how laws and policies are implemented, this formal equality can never be sufficient.<sup>35</sup>*

*In response, the concept of **substantive equality** has been elaborated in key human rights treaties (most notably the Convention on the Elimination of Discrimination Against Women in articles 1 and 3, and in the CEDAW Committee's General Comment 25 on temporary special measures). Substantive equality takes into account that: discrimination is often indirect; inequality can be structural; both unequal outcomes and unequal opportunities must be scrutinized; and different treatment might be required to move towards equality in practice, including temporary special measures and affirmative action.*

*Substantive equality is concerned with the results and outcomes of laws and policies; in the words of the UN Committee on Economic, Social and Cultural Rights, "ensuring that they do not maintain, but rather alleviate, the inherent disadvantage that particular groups experience".<sup>36</sup> As UN Women has stressed, to achieve substantive equality for women, therefore, requires both direct and indirect discrimination to be addressed. It also requires specific measures to be adopted that redress women's socio-economic disadvantage and, in the longer term, the transformation of the institutions and structures that reinforce and reproduce unequal power relations between women and men.<sup>37</sup>*

*A human rights approach to inequality also emphasizes the intersecting and mutually reinforcing nature of different forms of inequality. Because of the multiple dimensions of social identity – such as race, gender, class, age or ability – many people face discrimination on more than one ground. A focus on **intersecting inequalities** looks at how different social disparities interact and how these shape or are reinforced by inequalities of income and wealth. As the UN Committee on Economic, Social and Cultural Rights has stated, while a person's economic status may in itself result in pervasive discrimination, "cumulative discrimination has a unique and specific impact on individuals and merits particular consideration and remedying".<sup>38</sup>*

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## II. A human rights-centered policy agenda to tackle economic inequality

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*‘Economic inequality is inextricably intertwined with other dimensions of social exclusion’*

Inequality is not natural, inevitable or intractable. It is often argued that inequality stems unavoidably from the unfettered flows of an *a priori* free market. Yet these seemingly natural laws actually evolve out of an accumulation of concrete and deliberate legal and policy decisions made by public officials.<sup>39</sup> Whether it is whose property rights are protected, who is allowed to benefit from bankruptcy laws, who benefits from interest rate policy, who is most penalized under criminal law or corporate governance regulations, who bears the tax burden, or who benefits from public services – government decisions are always affecting the distribution of burdens and benefits of the marketplace. The question is thus not *if*, but *how* public law and policies can be formulated to challenge such fundamental disparities in economic outcomes and opportunities.

While the precise package of measures for tackling economic inequality will vary country-by-country, this section explores several particularly relevant (though not exhaustive) policy areas for tackling economic inequality. The analysis and recommendations under every policy area are informed by the relevant pre-existing human rights obligations. As explained above, these norms and standards can help to guide policy-making and implementation to ensure that actions to fulfil the SDGs do indeed reach everyone, especially the least well-off. In many cases, for example, norms around minimum essential levels of economic, social and cultural rights and the need to ensure the availability, accessibility, acceptability and quality of services related to these rights can help to flesh out policies related to public service provision. Some policy areas have directly corresponding human rights obligations: for example the right to social security, or the right to work and rights at work. In these cases, the way that these rights have been interpreted, adjudicated and elaborated (for example in the General Comments of UN Treaty Bodies or judgments by regional human rights bodies) can provide very helpful guidance on how to ensure policies can best promote substantive equality and do not directly or indirectly discriminate.

While the emphasis here is on economic (primarily income) inequalities, careful attention needs to be paid in each policy area to the ways in which economic inequality overlaps with, and reinforces, other types of inequality, or discrimination on the basis of gender, ethnicity, geography, age, disability or other status. Economic inequality is inextricably intertwined with these other dimensions of social exclusion. Wealth is an expression of power; therefore in most countries those living with the greatest poverty and deprivation are those social and ethnic groups that experience discrimination,<sup>40</sup>

while the richest are often from groups that enjoy social and political privilege. Seemingly neutral measures to reduce economic disparity can have unintended adverse effects on particular social groups. Many 'gender-neutral' policies in the areas of social protection, tax or fiscal policy, for example, have in fact been shown to implicitly discriminate against women.<sup>41</sup> Therefore, robust measures should be put in place to tackle discrimination in all its forms - in conformity with the array of equality-focused human rights standards which the vast majority of states across the globe have ratified.<sup>42</sup> Policies tackling economic inequality should be carefully designed and reviewed to ensure they do not directly or indirectly discriminate against any sector or group. First and foremost, they should do no harm, but also they must prioritize substantive equality and redistribution towards the most disadvantaged groups as necessary to achieve greater balance in the enjoyment of rights and resources.

## **POLICY DETERMINANTS OF ECONOMIC INEQUALITY**

Broadly speaking, governments affect economic inequality at the domestic level in two ways. First, they set out the rules of the marketplace (so-called *predistributive policies*). These rules frame how the market works, and condition who can benefit the most from the economy. Second, governments distribute the market outcomes in particular ways (so-called *redistributive policies*). If the goal is to tackle the cumulative effects of government conduct on inequality, an integrated approach will be necessary which looks to the interplay between policy areas.

### **Predistributive policies to reduce inequalities**

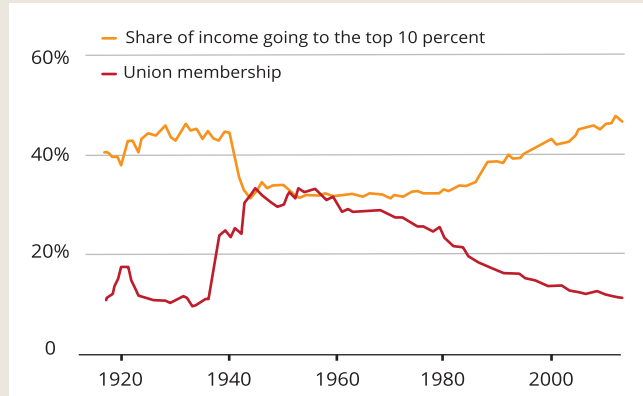
In any modern economy, government has the role of setting and enforcing market rules – establishing everything from property and contract rights protections, to fair competition, bankruptcy rules, stock exchange regulations, justice systems, interest rates, corporate governance regulations, and labor protections. Together, these laws, regulations and public policies literally create the market, as without them business would be impossible. Each of these interventions has its own distributive consequences. They precondition which economic actors benefit and how. Three areas of predistributive policies are particularly relevant from the perspective of a human rights approach to meeting the commitments of SDG10: labor protections, care and family leave policies, and financial regulation.

#### *The dignity of work: labor institutions and wage policies*

Labor market policies have long been understood as a core component of poverty reduction and economic empowerment. However, labor market policies which fail to respect the right to decent work and human rights *at work* – enshrined in the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and numerous ILO Conventions – have a direct impact on economic inequality. A recent study by IMF economists, for example, found that the drop in unionization rates over the past three decades is associated with an increase in top income shares in advanced economies (figure 3/4).<sup>43</sup> Strong labor unions with the power to bargain collectively are an important factor in ensuring more equal economic returns, and greater union density is strongly correlated with higher human development levels.<sup>44</sup> Moreover, joining a trade union which is allowed to function freely is a core human right.<sup>45</sup>

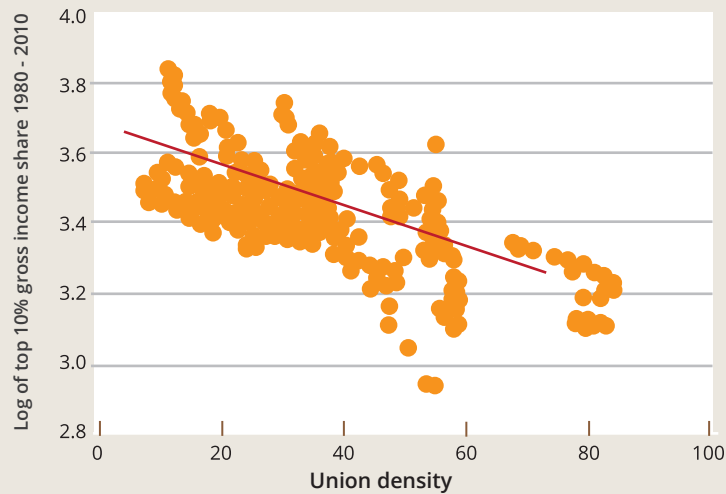
FIGURE 3: WEAKENING OF UNIONS AND INCOME GROWTH OF THE TOP 10% IN THE UNITED STATES

This graph depicts the linked evolution of the union density rates and the share of total income of the richest 10 per cent of the population in the United States. In the period since the 1940s, unionization got weaker and the richest got richer. An economy characterized by weakening unions is one in which it is much easier for economic elites – the richest members of society – to unduly influence democratic governments.



The correlation between the weakening of unions and a pro-rich growth that increases inequality is not isolated to the United States. A study conducted by researchers from the International Monetary Fund (IMF) for developed countries shows that lower unionization is correlated with higher increases in the top 10 per cent's income share during the past three decades (Figure 4).

FIGURE 4: LOWER UNIONIZATION IN ADVANCED ECONOMIES IS CORRELATED WITH AN INCREASE IN TOP 10 PER CENT INCOME SHARE



Note: Advanced economies - Australia, Canada, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and United States. Union density is the share of workers affiliated with trade unions.

Source: Chaparro, S., (February 2016), "Inequality, human dignity and the power of unions", openDemocracy.com; FIG 3: Kimball, W. and Mishel, L., (February 2015), "Unions' Decline and the Rise of the Top Percent's Share of Income", Economic Policy Institute Economic Snapshot <http://www.epi.org/publication/unions-decline-and-the-rise-of-the-top-10-percents-share-of-income/> FIG 4: Jaumotte, F., and Osorio Burton, C., (March 2015), "Power from the People", Finance and Development, IMF, based on data from Organization for Economic Co-operation and Development (OECD) and Standardized World Income Inequality Database Version 4.0.

Alongside unionization, wage protections are just as important in stemming the growth of inequality. The erosion of real minimum wages has been a particularly important factor contributing to the 70 per cent increase in the income gap between the top and bottom 10 per cent of wage earners over the past two decades in countries for which data was available.<sup>46</sup> What is more, the stagnation of workers' earnings in industrialized countries has been a significant factor in increasing these countries' vulnerability to financial crises, such as the 2009 collapse that continues to ramify around the world.<sup>47</sup>

Thus, ensuring strong labor unions are able to operate freely, implementing minimum (or living) wages and other wage protections, and ensuring stringent labor standards in the workplace will be key interventions to reduce economic inequality and uphold human rights. Policies to address unemployment and create more decent jobs must of course also be put in place, in compliance with human rights standards and SDG8, which does include targets and indicators addressing wages, unemployment and labor rights.<sup>48</sup>

From a human rights perspective, it is also critical that nominally progressive labor and wage policies are designed in ways that do not unintentionally deepen racial, gender or other social inequalities or pose barriers to disadvantaged groups in finding decent work.<sup>49</sup> A gender pay gap exists in all countries of the world, for example, but in many countries women are concentrated in informal employment which is precarious and low-waged, often in dangerous conditions and without access to social protection. Women also take on a hugely disproportionate share of unpaid care work in the home and in the community, which affects their chances of finding or retaining decent work.<sup>50</sup> Some gender-neutral labor policies can directly benefit women. For example, the doubling of the minimum wage in Brazil narrowed the gender pay gap by nine percentage points.<sup>51</sup> Yet this positive knock-on effect cannot be assumed to be the case. Policy-makers need to ensure that labor and wage policies address wages and labor conditions in the informal as well as the formal sector, and that they are gender-sensitive and, particularly, care-responsive.

### *The home front: care and family leave policies*

Unpaid care work is unequally and unfairly distributed around the world, as roughly 75 per cent of these tasks are performed by women, with serious impacts on economic and gender equality.<sup>52</sup> Indeed, studies show that women undertake the majority of a household's unpaid work even if they are the main wage earner.<sup>53</sup> The more care work they are obliged to attend to, the less women and girls can effectively access decent paid work on an equal footing with men. Care responsibilities for children or older persons limit the time women have to engage in leisure, self-care or political participation. And the disproportionate burden of domestic and care work women face also compromises their right to health. Home-based tasks are often associated with adverse health effects, for example the often-fatal exposure to smoke from traditional cooking practices that is the fourth leading cause of disease in developing countries, according to the WHO.<sup>54</sup> Time spent being the primary caretaker at home also prevents girls and women from accessing quality education. This vicious cycle plays out across the life cycle – girls are kept at home to help out with domestic chores, miss out on education, and are therefore less qualified to enter the formal workforce. This in turn increases the gender pay gap, disincentivizing economic participation and entrenching

***'Unpaid care work is unequally and unfairly distributed around the world, as roughly 75 per cent of these tasks are performed by women, with serious impacts on economic and gender equality'***

economic and social disparities.<sup>55</sup> This situation is created and exacerbated not only by social norms but also by employer practices and the way that government policies regarding family leave are designed and implemented.

The importance of unpaid care work to women's economic inequality is recognized in the SDGs with target 5.4 under Goal 5 on gender equality.<sup>56</sup> The actions necessary to achieve this target will also be crucial to equitable progress under Goal 10. Along with well-funded care services, family leave is thus crucial to ensure human rights of both caregivers and the rights-holders receiving care – as is recognized in SDG5. Transforming this vicious cycle into a virtuous one would require legal and policy protections for paid family and sick leave for all workers, complemented by public investments in affordable childcare and older persons care services, as well as other essential public services like water and sanitation, education and healthcare – all of which would free up women to engage in economic activities on a more equal footing with men.

### *On the money: financial regulation*

Over the past few decades, the global economy has become increasingly financialized as government decision-makers succumbed to political and economic pressure for free capital mobility and fewer regulatory restrictions. The importance of financial regulation for tackling inequality is directly recognized under Goal 10 of the SDGs, whose target 10.5 pledges to 'Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations'.

Research has found that financial liberalization does lead to growing economic inequality, through several channels: facilitating boom and bust cycles or asset bubbles; undermining the capacity of governments to use several macroeconomic and social policy tools that can help to mitigate or tackle inequality; and making financial systems more prone to requiring government 'bail outs' for private financial firms in times of crisis.<sup>57</sup> A recent OECD study further found that financial deregulation and the corresponding expansions in bank credit and stock markets have been linked to a more unequal distribution of income, via unequal bank lending, unequal distribution of stock market wealth and the high concentration of financial sector workers at the top end of the earnings distribution.<sup>58</sup>

Indeed, excessive financial deregulation is widely accepted as one of the main causes of the recent "super-bubble" in world financial markets which had devastating human rights consequences when it popped in 2009,<sup>59</sup> exacerbated by the fiscal austerity measures that many governments took in response. Alongside the distributive consequences of the global economic crisis, the ease with which capital investments can now move between national jurisdictions has had political effects. International capital mobility has increased the power of business to demand concessions from governments on tax, wage and social policy, directly limiting the capacity of government redistribution and increasing pre-tax and transfer inequality.<sup>60</sup>

Human rights principles – including participation, transparency, equality and non-discrimination and above all accountability – provide powerful tools to disrupt the distributive consequences of financial regulatory efforts biased in favor of the economic elite. States' legal duty to protect against human rights abuses by third



parties such as private financial actors provide a strong rationale for holding to account those responsible for finance-related individual and systemic human rights abuses, such as predatory lending or financial speculation in food and housing markets. This human rights obligation to protect against financial sector abuse could also be central to preventing harmful human rights impacts of future financial crises. This might involve protecting budgetary resources from being compromised by future bailouts, more fundamentally reducing the size and complexity of systemically important financial institutions, and when necessary breaking up large firms through direct regulatory intervention.<sup>61</sup>

#### AUSTERITY: ANTITHETICAL TO ACHIEVING GOAL 10

*Austerity programs aimed at reducing budget deficits through public spending cuts and tax rises are not only spreading across the globe: they are also set to intensify over the coming years. The global economy, having already experienced a major contraction in 2010 and 2011, is now heading into another that is estimated to last until 2020.<sup>62</sup> A recent analysis of spending projections in 187 countries shows that the gross domestic product of some 132 countries will be impacted by this adjustment shock, with 81 developing countries set to reduce public spending during the period up to 2020. The global south will be worst affected, with East Asia and Sub-Saharan Africa expected to be the worst hit regions.<sup>63</sup> The same study found that more than 100 countries were planning to reduce subsidies, rationalize social safety nets, cut or cap public sector wages and introduce pension reforms, with scores of countries also planning health sector and labor market reforms in order to adjust to fiscal contraction. Meanwhile, on the revenue side, 138 countries were set to increase consumption taxes, something likely to adversely affect vulnerable populations, and a third of countries reviewed were considering privatizing state assets and services.*

*In countries across the globe, economic inequality has escalated since the onset of austerity, fuelling the worldwide trend of increasing income disparity and wealth concentration, which has now reached historic levels.<sup>64</sup> Spain, for example, has experienced one of the largest increases in child poverty in the EU since the onset of the crisis, and has now become one of the most unequal countries in Europe. Social exclusion of immigrant households is now more pronounced, and undocumented migrants have been denied access to healthcare on the grounds of health budget cuts.<sup>65</sup> A similarly unsettling scenario of widening deprivation and increased disparities unfolded in Ireland as a series of austerity budgets prioritized social spending cuts over progressive tax reforms.<sup>66</sup>*

*Numerous studies have highlighted the ‘fiscal fallacies’ behind the dogma of austerity.<sup>67</sup> The belief that fiscal adjustment and reduced public spending would lead to increased private sector confidence and investment has proved unfounded. Rather than staving off the worst impacts of the economic crisis, fiscal contraction brought many developed countries to the edge of a severe and lasting depression.<sup>68</sup> Even the IMF, which made fiscal consolidation a precondition for emergency loans in several crisis-hit countries, eventually admitted there was “little support for the expansionary austerity hypothesis”.<sup>69</sup>*

***‘International capital mobility has increased the power of business to demand concessions from governments on tax, wage and social policy, directly limiting the capacity of government redistribution’***

## Redistributive policies to fight inequalities

The second way in which governments affect inequalities is through the redistribution of market gains. Overwhelming evidence from all regions shows the extent to which redistributive policies can be a powerful tool in tackling economic inequality,<sup>70</sup> as well as poverty. Indeed, a new paper by the Center for Global Development finds that redistribution (via taxes and/or reallocation of existing spending) could quickly end three quarters of global poverty.<sup>71</sup>

Redistribution occurs through a number of policy areas, four of which are included below: tax, social protection, education and health. These policy areas are all redistributive in different ways. Tax policy, if it is progressive, directly reduces income and wealth inequalities by taxing the rich and wealthy at a higher rate. Moreover, the revenue collected through taxation is used for expenditure on goods and services essential for the realization of economic and social rights (and which primarily benefit those with less wealth and income), such as social protection, health and education. (Social protection can also comprise direct income transfers in the form of cash benefits.) If the goal is to tackle the cumulative effects of government conduct on inequality, each of the policies included below should be seen as interdependent. In order to properly fund comprehensive health, social protection and education programs, for example, many countries will need to mobilize additional revenues through taxation. Yet, tax policy has its own distributive impacts which, if regressive, can cancel out the equalizing potential of healthcare spending.<sup>72</sup> An effective action agenda against unjust inequalities will thus require an integrated approach, rather than merely measuring the distributive effects of siloed interventions, such as tax policy or conditional cash transfers alone.

The human rights framework provides several points of guidance to make redistributive policies more effective in tackling inequality, in particular by empowering the most marginalized. First, many of the most effective redistributive policies are already the subject of standing human rights guarantees, such as the right to free, compulsory primary education for all.<sup>73</sup> These rights have specific duties that relate to them designed to help ensure more widespread and equal enjoyment. So, for example, standards relating to economic, social and cultural rights require that public services, in particular healthcare, education, water and sanitation be available, accessible, culturally acceptable and of adequate quality.<sup>74</sup> In this way, they should go beyond past development interventions that were often limited to the boosting of physical access. Services, for example, must be economically accessible to all at the point of delivery. User fees and privatization of essential water, health and education services which exclude the poor thus contradict government's duties. Similarly, a focus on the quality of health and education services puts an emphasis on training and properly funding a cadre of health and education professionals, seeing them as assets to development, rather than mere financial costs.

Second, equality and non-discrimination principles that sit at the heart of every international human rights treaty provide normative grounding and guidance for the idea that redistributive policies must aim rigorously at substantive equality and combatting direct and indirect discrimination.<sup>75</sup> For example, the mobilization of government

revenue and the provision of public services must not directly or indirectly discriminate against particular groups. Further, public policy should seek to eradicate long-standing barriers to real equality in access to and use of public services through *positive measures*. For example, policies that aim to ensure that disadvantaged groups are *de facto* able to access health services on an equal basis might include opening new clinics in rural areas, or providing free transportation to and from communities and clinics.

Thirdly, governments have a legal duty to maximize available resources for the full realization of economic and social rights without discrimination, and are obliged to explore all fiscal alternatives before introducing retrogressive measures, such as cutting back on social spending, even in times of economic crisis.<sup>76</sup> International human rights standards on ensuring maximum available resources, non-discrimination and non-retrogression provide a powerful tool to ensure adequate fiscal space and budget sustainability for stable investments in redistributive policies. They are especially critical in an era increasingly defined by austerity and resource scarcity.

### *Social protection: a secure floor for all*

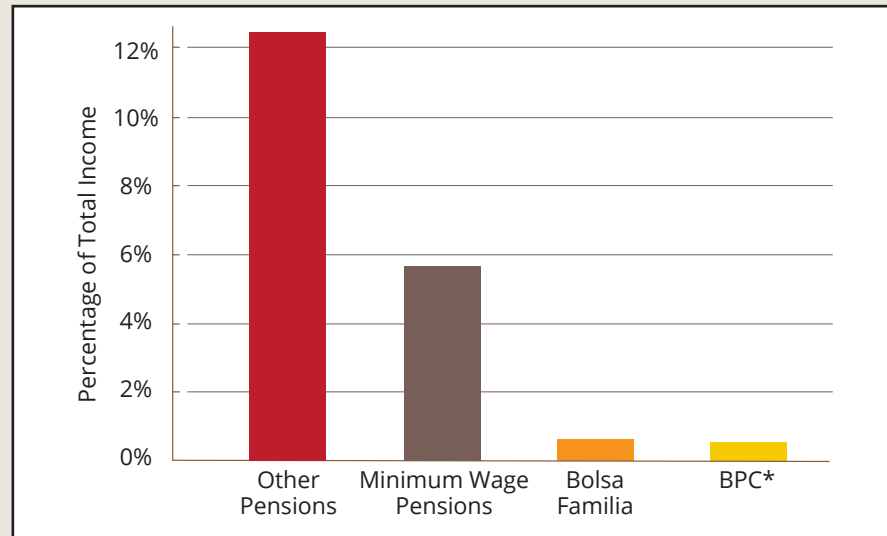
Social protection is a core human right (enshrined in the UDHR and ICESCR article 9 as 'the right to social security'), and is crucial for the realization of many other human rights. Social protection (which includes measures such as transfers and benefits, in cash or in kind, designed to reduce poverty, provide income security and protect against a range of risks, vulnerabilities and lifecycle contingencies including unemployment, old age, childhood, maternity or sickness) is proven to promote social integration,<sup>77</sup> and to be a key policy in mitigating both economic and social inequalities.<sup>78</sup> In OECD countries between 1985 and 2005, for example, direct income taxes and social transfers (including programs such as cash transfers, public works, unemployment benefits and pensions) reduced income inequality by about one third, with non means-tested social transfers including public pensions and universal child benefits accounting for the bulk of this redistribution in most countries.<sup>79</sup> Since the 1990s, developing countries have increasingly been investing in social protection programs in order to combat poverty and inequality and boost economic growth. Between 1990 and 2012, the number of developing countries with social protection programs rose from 20 to over 160. Among the countries showing a demonstrated impact of established social protection schemes on inequality is South Africa; studies suggest that social protection measures (including the old age pension, child support grant and disability grant) reduced the Gini coefficient from 0.63 to 0.60 in 2000, with the impact increasing over time.<sup>80</sup> Examples of effective (although imperfect) social protection programs are also found in Latin America e.g. in Brazil and Argentina where social security and universal health coverage programs have contributed to significant declines in inequality.<sup>81</sup> Analyzing experiences in Brazil, the ILO found that "income policies can promote economic growth while reducing poverty and inequality".<sup>82</sup>

Accepting this reality, the international community has increasingly recognized the central role of social protection in tackling poverty and inequality. One expression of this is the creation of the UN's Social Protection Floor Initiative<sup>83</sup> and the subsequent adoption of ILO Recommendation 202 on Social Protection Floors, which contributed to the inclusion of social protection in several of the SDG targets (e.g. targets 1.3, 3.8, 5.4 and 10.4).

*'The social protection programs which truly "leave no one behind" and uphold human rights are those that equalize upwards, through universal and non-contributory programs'*

FIGURE 5: CONTRIBUTION OF SOCIAL SECURITY SCHEMES TO INCOMES IN BRAZIL

*In Brazil in 2009, while wages were the main contributor to incomes, at 76.2 per cent, pensions comprised most of the remainder. Relative to these amounts, the contribution of Bolsa Familia was tiny, at 0.7 per cent.*



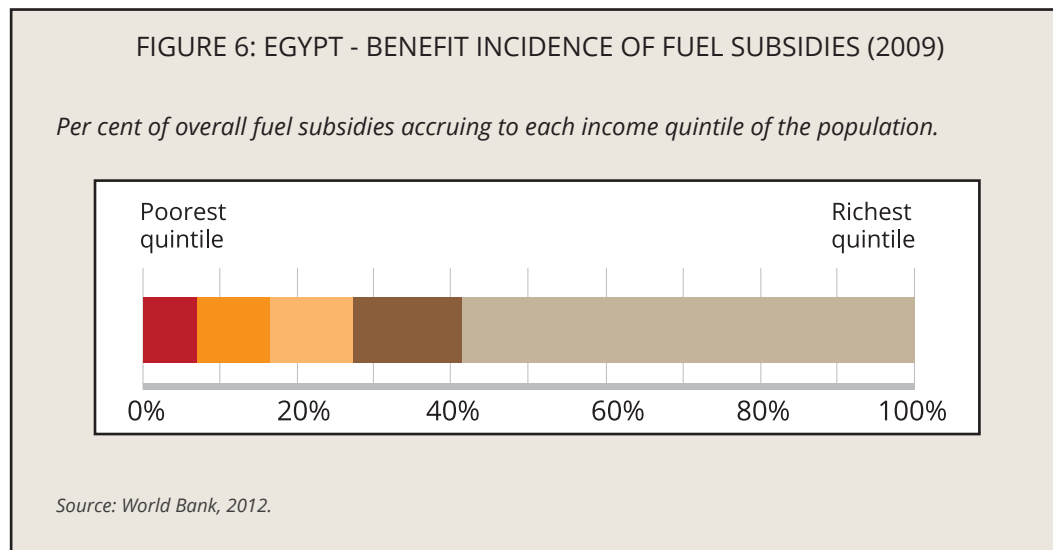
\*The BPC is the Benefício de Prestação Continuada, a non-contributory old-age pension

Source: Kidd, S., and Huga, S., (2013), "Bolsa Unfamiliar", *Pathways Perspectives on Social Policy in International Development series*.

From a human rights perspective, it is important to ensure that spending on social protection reaches the most disadvantaged and marginalized.<sup>84</sup> Social protection spending in many Latin American countries, for example, tends to be *de facto* skewed towards higher income groups.<sup>85</sup> Many policy-makers respond by insisting on the need for 'targeting' social protection programs at specific income groups, usually via means-testing. However, the evidence shows that when compared to targeted schemes, universal and inclusive social protection programs have higher quality implementation, with fewer people living in poverty being excluded and with much more effective impacts on poverty and inequality reduction.<sup>86</sup> While Brazil's much-lauded targeted cash transfer scheme *Bolsa Familia* has undoubtedly played a role in tackling inequality, research has shown that it is actually the country's pension system (various schemes which together provide almost universal coverage of Brazil's older people) that has had the biggest impact on income inequality.<sup>87</sup> Universal programs also help avoid stigmatization and engender better social solidarity. The social protection programs which truly "leave no one behind" and uphold human rights are those that equalize upwards, through universal and non-contributory programs.<sup>88</sup>

Human rights-informed social protection policies must also be carefully designed to be gender-sensitive, in particular to be responsive to women's unequal share of unpaid care work. The Committee on Economic, Social and Cultural Rights has stated that family and child benefits and paid maternity leave are essential planks of the right to social security.<sup>89</sup> However, many social protection programs – even those that are supposedly designed to benefit women – indirectly discriminate or exacerbate

inequality.<sup>90</sup> Conditional cash transfer schemes, for example, are often paid to women on the basis that they must ensure their children participate in certain social services. Despite good intentions, these conditions can add to the existing unpaid care work of women, especially those living at a distance from these services. This risks inadvertently increasing their time poverty and economic insecurity, as they could otherwise be undertaking paid work or self-care during this time. These situations also illustrate that what is ostensibly complementarity between social protection and care policy efforts is often, in reality, disjuncture. Frequently, the services that women must take their children to are geographically difficult to access, with long wait times and unaffordable out-of-pocket transit costs. In this sense, social protection systems must be complemented by and integrated into quality public services that are physically and economically accessible even for the poorest people.



### *Health: a remedy for disparity*

Ensuring universal access to the highest attainable standard of health is a human right recognized in the International Covenant on Economic, Social and Cultural Rights (art.12) and a precondition to mitigating economic inequality.<sup>91</sup> Likewise, persistent inequalities in health outcomes are deeply rooted in economic inequality. There is increasing evidence that life expectancy, child mortality, non-communicable disease prevalence and various other maladies are tied to unbalanced economic arrangements.<sup>92</sup> A recent study found evidence that income inequality is in fact a causal factor in various adverse health outcomes, suggesting that up to 1.5 million deaths could be averted in OECD countries if each country reduced its Gini coefficient to below 0.30.<sup>93</sup> Meanwhile public services, such as healthcare, may be worth up to 76 per cent of the post-tax income of the poorest group in OECD countries, meaning that if the government did not provide these public services, this group would spend on average over three quarters of their available money just on health and education. Thus, these services are a crucial equalizer by redistributing wealth into “virtual income” for all.<sup>94</sup>

The normative content of the right to the highest attainable standard of physical and mental health provides valuable direction in tackling inequalities in access to quality health services, and indeed to ending widely unequal health outcomes. The right to health relates not only to health care services and goods, but also to the underlying determinants of health such as water, education, sanitation and housing.<sup>95</sup> These goods and services are closely linked to economic policies as it would be impossible to ensure universal health care or sanitation without public funding.<sup>96</sup> That is, states must ensure a sufficient quantity of functioning health clinics and health related services, which are physically accessible, culturally acceptable and affordable to all. Additionally, the delivery of these services must occur on a non-discriminatory basis (taking into account overlapping and intersecting forms of inequality and discrimination), and be respectful of patients' rights. Health services must also be of high quality, which depends partly on ensuring adequately trained and funded health personnel.<sup>97</sup>

In order to move towards greater economic equality governments must take concrete steps to realize the right to health for all. Universal Health Coverage (UHC) (SDG3), understood as *access to good quality health services for all without experiencing discrimination and financial hardship*<sup>98</sup> is considered by the WHO to be "by definition, a practical expression of the concern for health equity and the right to health".<sup>99</sup> If implemented in hand with the commitments to allocate a minimum of 15 per cent of the national budget to health,<sup>100</sup> UHC can provide people with a nationally determined set of promotive, preventive, curative and rehabilitative health services, which will ensure the enjoyment of the right to health for all without discrimination.<sup>101</sup> Addressing physical as well as economic barriers will be crucial, such as for example the widespread fee for service model, which puts an uneven burden on people living in poverty and often drives them further into poverty.<sup>102</sup> However, proper health policies and financing will not do the job of reducing health inequalities alone. Increased focus on the underlying determinants of health (e.g. water, sanitation, education) is needed to address the multiple causes of disease and poor health. Furthermore, reforms towards a more progressive tax system, which can ensure a fair redistribution of wealth as well as sufficient public revenues for the delivery of universal health services, are vital to combat both economic and health related inequalities.<sup>103</sup>

### Education: powerful lessons

Education has proven to be one of the most powerful instruments in lifting people out of social and economic deprivation. Based on a systematic research of studies concerning the economic benefits of education, UNICEF estimates that each additional year of average educational achievement in a given country is associated with an 18 per cent increase in GDP per capita. Additionally, one extra year of education is associated with a reduction of the Gini coefficient by 1.4 percentage points.<sup>104</sup>

Educational attainment is strongly related to both employment (opportunities for decent work) and income levels. Efforts to realize the right to free primary education across countries have transformed societies and economies, and provided millions of children a better start in life. Yet formal schooling between the ages of 5 and 18 is increasingly insufficient by itself to ensure equal chances for all in the modern economy.

In this respect, governments' commitment in SDG4 to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" is a notable advance from the limited MDG aim to "achieve universal primary education" (which was in any case already enshrined as a core human rights obligation). Deploying the human rights framework provides a useful grounding to assure the implementation of this goal for all – and in some cases, requires governments to go beyond the SDG targets. Like the right to health, states must ensure a sufficient quantity of education facilities that are economically and physically accessible, without *de facto* discrimination against anyone. Furthermore, education should be culturally appropriate and flexible to accommodate the needs of people in diverse social and cultural settings.<sup>105</sup>

Early childhood education is one of the most effective ways of combatting economic inequality throughout life,<sup>106</sup> and the universal provision of high-quality, accessible (meaning affordable or free) child care services could simultaneously have the important knock-on effect of enabling many women to enter the workplace. This would engender positive impacts on gender and economic inequality through improved economic opportunities for these women – and in the long-term their children. Investments in higher education, likewise, have been shown to be one of the most important determinants of income inequality in Latin America over the last decade.<sup>107</sup> Further, affordable and quality higher education is an essential buffer against the divergent effects of technological change, which is rapidly driving higher incomes at the top while hollowing out incomes at the middle.<sup>108</sup>

In recent years there has been a drive towards user fees in education or 'low-cost' private schools, which has been shown to be detrimental to greater equality and human rights enjoyment.<sup>109</sup> Instead, the focus should be on marshalling resources (through more equality-focused redistributive fiscal policy) towards sufficient, accountable financing for high-quality public education services for all children.

### ECONOMIC INEQUALITY AND QUALITY EDUCATION IN PERU

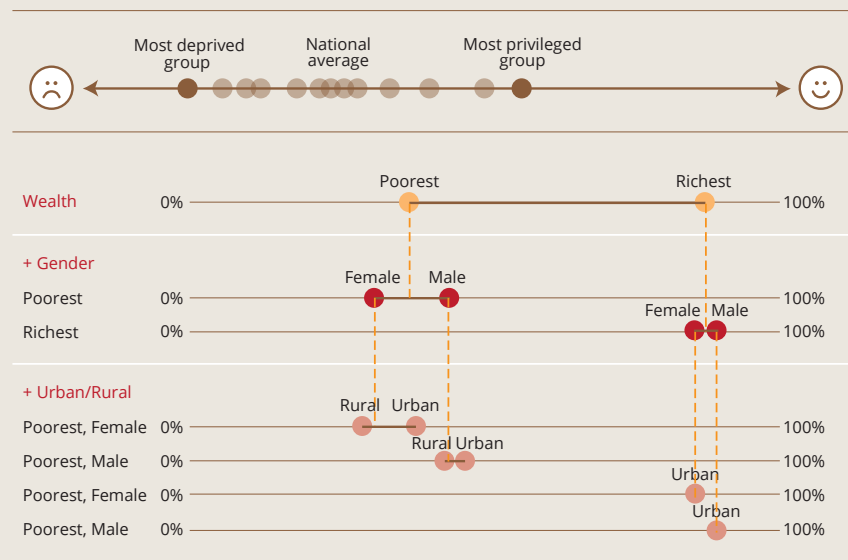
In recent years, Peru has experienced significant reductions in poverty. However, Peruvians continue to face persistent inequalities, especially in the enjoyment of the human right to education. In particular, income, gender, ethnicity and rural/urban factors continue to determine children's access to quality education. Peru continues to struggle with significant inequalities in learning outcomes which rob indigenous, poor and female Peruvians of the opportunity to participate on an equal footing in the economy. Only 30 per cent of girls in low-income, rural families learn basic mathematics in upper secondary school, while 91 per cent of rich, urban boys do so, as the graphic below shows.

Despite these persistent inequalities, Peru allocates few resources to its education sector. Government expenditure on education as a percentage of GDP was only 2.9 per cent in 2012, compared with 4.3 per cent in Ecuador, 4.4 per cent in Colombia, 4.6 per cent in Chile and 6.4 per cent in Bolivia. In order for Peru to combat the indirect discrimination against poor and indigenous people and ensure quality education for all, it would do well to incorporate a focus on quality and cultural acceptability of education, investing in skilled education professionals. This in turn requires maximizing available resources to improve education outcomes for children from poor and indigenous communities at a faster rate than average.

FIGURE 7: DISPARITIES IN LEARNED BASICS MATHEMATICS, UPPER SECONDARY

Taking basic proficiency in mathematics as an indicator, the graph below shows differences in educational outcomes according to wealth level, gender and urban/rural location.

#### Wealth Disparities



Source: Data from UNESCO, Global Education Monitoring Report: World Inequality Database on Education. Available at: <http://www.education-inequalities.org/>



*Taxation: no progress without progressivity*

Tax policy is one of government's most powerful tools to reduce income and wealth inequalities,<sup>110</sup> both by redistributing market incomes as well as by producing public revenue for public services. Income inequality in advanced economies, for example, is on average one-sixth less than it would be in the absence of direct taxes.<sup>111</sup> However, the decline in marginal tax rates at the top end of the spectrum has been a key factor in the growth of inequality since the 1980s.<sup>112</sup>

Increasing domestic resource mobilization through taxation will be a crucial part of implementing the SDGs in all countries, given the significant boost in public revenues required.<sup>113</sup> Yet, blindly chasing revenue targets without consideration of the distributive consequences could result in perverse outcomes. It is in this sense that the human rights imperative of equality and non-discrimination can help ensure that taxation is not only sufficient, but equitable and accountable.<sup>114</sup> In order to tackle inequalities, taxation measures must be progressive in nature, ensuring the well-off contribute a larger proportion of their income than those with fewer resources. In contrast, increasing tax revenue through often-regressive indirect taxes such as VAT – as 138 countries are reported to have done between 2010 and 2015 as part of fiscal austerity<sup>115</sup> – is likely to be counterproductive as such taxes hit the incomes of the poor the hardest, and particularly affect poor women.<sup>116</sup> Indeed, a holistic income and gender equality lens on taxation measures is vitally important at a time when austerity measures are intensifying across the globe.

Another important step to equalizing the effects of tax policy would be to substantially crack down on tax abuse and eliminate unjustifiable tax incentives that largely benefit wealthy individuals and large corporations.<sup>117</sup> Currently, low-income countries in particular lose billions of dollars in potential revenue through these channels, but even relatively wealthy countries could invest far more in tackling inequality and human rights deprivation were they to take concrete steps to crack down on tax abuses (see box on Spain below). In these efforts, international cooperation will be necessary, and the wealthiest countries which exercise most influence over global economic governance (and whose policies have significant spillover effects on the economies of developing countries and the human rights of people abroad) bear special responsibility.<sup>118</sup>

Human rights tools, standards and mechanisms are increasingly being used to inform tax policy and to challenge unjust fiscal arrangements.<sup>119</sup> The human rights principles of equality and non-discrimination and the duty to allocate the maximum of available resources to progressively realize economic, social and cultural rights give powerful ethical and legal force to demands for more equitable tax systems and provide a corrective lens to the myopic focus only on tax 'efficiency'. Meanwhile, human rights duties related to international cooperation and actions that have ramifications beyond borders (see below) can help to pinpoint the distinct but concurrent responsibilities of different duty-bearers, including those rich countries most responsible for – but currently most resistant to – creating a fairer international tax system that can help to improve economic inequality within and between countries.<sup>120</sup>

*'A holistic income and gender equality lens on taxation measures is vitally important at a time when austerity measures are intensifying across the globe'*

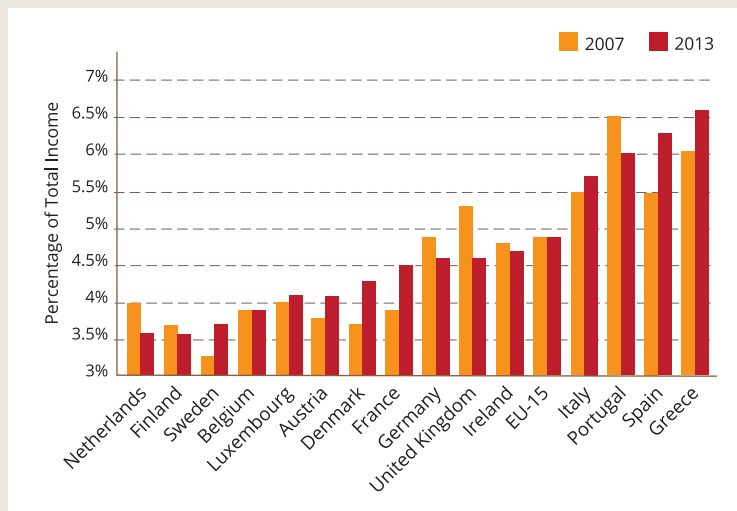
**SPAIN: FISCAL AUSTERITY FUELS INEQUALITY AND HINDERS SDG ACHIEVEMENT**

Spain was hit hard by the 2008/9 economic crisis, with human rights effects still ongoing. Unemployment increased dramatically (more than half of those under 25 remain jobless), leaving Spain with the second highest unemployment rate in the OECD. Contrary to recommendations made by several human rights mechanisms, the government's response to the crisis has been to double-down on budget cuts to key social programs while increasing regressive taxation. Resources for health, education and housing have been severely cut. The budget for social security for families, people with disabilities and the elderly is now historically low, with benefits for children and families cut by 91 per cent since 2008. The government also chose to institute regressive tax hikes to pay back its debts, rather than capturing the massive amounts lost through tax abuse by corporate entities and the wealthiest sectors of society.

Spikes in poverty and inequality have been the predictable result. The gap between the rich and the poor (measured by ratio of total income share of the top quintile to that of the lowest quintile) grew 15 per cent from 2007 to 2013 making Spain one of the most unequal societies in Europe. While the richest tenth of the population has lost only 1.4 per cent of their income, the poorest tenth lost 12 per cent. In particular, women have been hit hard by years of austerity measures as cuts in subsidies to professional caregivers, inflexible work hours and a postponed parental leave reform present obstacles for women to become primary breadwinners. This trend only contributes to the already large percentage of women in Spain concentrated outside the official labor market in unpaid care work (women make up only 43 per cent of permanent contract workers). In addition to driving deprivation and inequality at home, these measures have also meant drastic cuts to Spain's official development assistance, undermining the capacity of other countries to fulfil their development goals.

The example of Spain's crisis response should provide a cautionary tale on how insufficient tax policies combined with drastic budget reductions drive both economic and gender inequality, and thus undercut human rights and SDG commitments.

FIGURE 8: INEQUALITY IN SPAIN AND THE EUROPEAN UNION - RATIO OF TOTAL INCOME SHARE OF THE TOP QUINTILE TO LOWEST QUINTILE (2007-2013)



Source: CESR, Spain Factsheet No. 12 (2012) and Spain Factsheet No. 14 (2014). Data from: Eurostat (2014), Statistics on Income and Living Conditions.

## WORLDS APART? ADDRESSING INEQUALITIES BETWEEN COUNTRIES

An equally crucial aspect of SDG10 is to reduce inequalities among or between countries. Based on estimates of GDP per capita, people living in the world's richest country (Qatar) are 330 times richer than people living in the poorest country (Somalia).<sup>121</sup> By one measure, the absolute gap between the average incomes of people in the richest and poorest countries has grown by 135 per cent since 1960,<sup>122</sup> although experts disagree to some extent on whether inter-country inequalities are growing or diminishing.<sup>123</sup> Regardless, conceiving of inequality as a global collective action problem is an essential prerequisite to overcoming its structural roots. In a fundamentally interdependent global economy with gross financial and power imbalances between states, actions by individual countries – or decisions they make as stakeholders in international financial institutions – affect deprivation and inequality within other countries in important ways, as well as maintaining global disparities between countries.<sup>124</sup> Currently many countries are constrained in the fiscal and policy space they have to tackle domestic inequalities. International trade deals may affect policies on labor rights, climate change policies, financial regulation or public health protections, for example, while a country's ability to tax multinational corporations operating in its territory may be affected by the availability of financial secrecy jurisdictions overseas, or unfair double taxation agreements.

Unlike the skewed accountability of the MDGs which placed all the burden on the poorest countries with the heaviest policy restrictions,<sup>125</sup> SDG10's insistence on challenging global inequality has the potential to compel countries to evaluate and address the degree to which their own actions undermine sustainable development efforts in other countries. Specific SDG10 targets cover important areas relevant to tackling global inequality, including improving the regulation of financial markets, enhancing the voice of developing countries in global financial institutions, facilitating safe migration, special trade treatment for developing countries, tackling illicit financial flows and encouraging official development assistance to those states that most need it.

While many of these targets represent pressing issues in the fight against global inequality, many of them lack proper indicators to reflect both national and international action. For example, the target to reduce illicit financial flows (target 16.4), will be assessed according to the "total value of inward and outward illicit financial flows" thereby overlooking countries' actions towards a more fair and transparent global system for international financial activities (e.g. by including the Financial Secrecy Index as an indicator, as CESR and others had advocated for).<sup>126</sup> Furthermore, the SDG10 targets do not represent the step-change in international cooperation required by international human rights law.

International law – anchored in the UN Charter and various international human rights treaties, declarations and jurisprudence – affirms that states have certain human rights duties that extend outside of their own territory. States have an unambiguous legal obligation to respect human rights internationally, meaning that they must not engage in policies or actions that serve to undermine human rights beyond their borders. States also have a duty to protect human rights against abuse by third parties they are in a position to control or regulate, be they multinational companies or private individuals. They are likewise obliged to proactively contribute to the fulfilment of economic, social

*'In a fundamentally interdependent global economy actions by individual countries affect deprivation and inequality within other countries in important ways'*

and cultural rights beyond their borders, including through cooperation with other nations.<sup>127</sup> Though rarely invoked in SDG debates, these ‘extra-territorial’ human rights obligations can shed useful light on the common but differentiated responsibilities of states to reduce inequality and prevent deepening disparity.<sup>128</sup>

When considering the significance of these obligations in the fight against economic inequality, two examples are particularly pertinent to the fulfilment of SDG10 targets. First, consider international tax competition and cross-border tax abuse. While the most influential countries in the international financial system continue to facilitate cross-border tax abuse, developing countries lose billions of dollars in public revenue each year – \$100 billion, in UNCTAD’s estimation<sup>129</sup> – likely more than they receive in aid. One of the most important ways to create more equality between countries is to stem this hemorrhaging of wealth away from the countries in which it is generated. Given that it is really only the richest companies and individuals who can benefit from the ability to shift their profits or income overseas, these practices perpetuate inequality in affected countries, as well as global disparities. Against this backdrop, those governments most responsible for these practices have duties under international law to respect and protect human rights overseas. The logical extension of this is the need for robust reform, with country-by-country reporting requirements for multinational corporations, automatic tax information exchange, public registers of the ultimate beneficial ownership of companies and trusts, and other measures to close down tax havens and combat financial secrecy.<sup>130</sup>

As recognized in the SDGs and the Addis Ababa Action Agenda (AAAA), development aid and other forms of financial assistance from rich countries is still an important vehicle for financing for development. Existing commitments in this regard (as well as additional climate finance pledges) should be met and exceeded. However, the increasing emphasis on domestic resource mobilization for development, though welcome in many respects, will be largely impotent without addressing the international context of massive-scale tax abuse that has a huge bearing on the ability of governments – especially in developing countries – to raise and use domestic resources effectively.

A second example of how the transnational dimensions of human rights obligations can have a bearing on the fulfilment of SDG10 is with regard to addressing the highly undemocratic governance of the global economy. Substantial reform in global economic governance is necessary in order to redress the power imbalances among states that have prevented effective international cooperation for the fulfilment of human rights and the reduction of inequalities within and between states. Most high-income countries have proven very resistant to such measures, however. Developed countries at the Addis Ababa Conference on Financing for Development in July 2015, for example, forcefully blocked developing countries’ and civil society’s demand for an intergovernmental tax body within the UN with the mandate and resources to create a coherent and more equitable global framework for international tax cooperation. Meanwhile, language on enabling greater policy and fiscal space for developing countries (in particular vis-à-vis international financial institutions) was vehemently resisted in the closing stages of the 2030 Agenda negotiations. Without these reforms and others like them in equally critical areas such as debt, trade and investment policy, it will be very difficult to move towards a fairer balance of power between countries

in global economic governance forums. This political inequality will continue to reproduce economic inequalities within and between countries. The poorest nations will continue to be constrained in their attempts to mobilize domestic resources in more progressive and human rights-respecting ways.<sup>131</sup>

**SWITZERLAND'S FINANCIAL SECRECY INTENSIFIES  
GENDER, ECONOMIC AND SOCIAL INEQUALITY  
WITHIN AND BETWEEN COUNTRIES**

*Switzerland occupies the number one spot on the Financial Secrecy Index, which ranks countries according to their degree of secrecy in relation to banks, tax and corporate laws. The lack of transparency and public disclosure regarding the conduct of national as well as international corporations increases the risk of cross-border tax abuse. Such activities lead to the loss of hundreds of billions of dollars in tax revenues worldwide every year, and developing countries are particularly hard hit due to their relative lack of resources and greater reliance on corporate taxes as a share of national revenue.*

*Revenue shortfalls caused by widespread tax abuse and evasion translates into fewer resources being allocated in developing countries to social services such as health and education. This in turn affects women disproportionately, as they often rely more on public services and bear the burden of care-giving and performing unpaid work (e.g. domestic work). As such, one country's tax policies can negatively affect equality and human rights in another country if they are conducive to tax abuse hindering national efforts to ensure essential services and policies that can address inequality and deprivation.*

*For this reason, the Center for Economic and Social Rights, in coalition with the Tax Justice Network, Berne Declaration and the NYU School of Law Global Justice Clinic, made a submission to the Committee on the Elimination of Discrimination against Women in February 2016 arguing that the cross-border tax abuse facilitated by Switzerland's financial secrecy laws calls into question the country's compliance with its obligations under article 2 of the Convention on the Elimination of All Forms of Discrimination Against Women (to realize women's rights both within and outside its territory). The submission presented evidence of how Swiss financial secrecy had enabled multinational companies to avoid paying taxes in countries where they operated, highlighting the impacts on the resourcing of gender equality efforts in developing countries such as Zambia. The submission prompted the Committee to question Switzerland's financial secrecy laws and their impact on women's rights overseas, in light of its extra-territorial obligations under the Convention.<sup>132</sup> This initiative is one of the first examples of the use of international human rights mechanisms to hold financial secrecy jurisdictions accountable for their role in fuelling inequality beyond their borders.*

## TRANSPARENCY, PARTICIPATION AND ACCOUNTABILITY IN POLICY PROCESSES

As discussed above, inequality is largely a political problem – the result of a conglomeration of specific decisions made by policy decision-makers with particular interests in mind. Politics is very often a zero-sum game in which the empowerment of a small elite results in the disempowerment of the many. The weaker and more underfinanced the government or civil society is, the more this elite is able to lock in its own economic privileges, creating a vicious cycle of elite capture and rent-seeking which weakens both democracy and the economy.<sup>133</sup> As democracy is hollowed out, government spending shifts from public services for all to unjustified boosts in tax breaks for high-income earners and powerful corporations, and funding for security to protect the rich.<sup>134</sup> No matter how robust the formal protections for democracy and equal rights might be, extreme economic inequality poses a barrier to people’s real capabilities to confront these asymmetries of power.

As such, disrupting social and economic disparities requires challenging political imbalances which distort people’s ability to decide their future. Existing human rights standards provide powerful tools to challenge elite capture. Equal access to remedy, justice and the rule of law, free and fair elections, access to information which affects people’s lives, meaningful participation in the design, implementation and monitoring of laws and public policies – these are all human rights in and of themselves.<sup>135</sup> Exercising these rights toward a more responsive, transparent and accountable political system, and strengthening the institutions of accountability which can effectively enforce them, is thus critical to tackling inequality.

# III. Tackling inequalities through accountability for SDG10

The 2030 Agenda presents a historic international opportunity to put economic and social inequality at the heart of the public policy agenda, problematizing the illicit accumulation of extreme wealth as a factor driving the persistence of extreme poverty. Yet, to make the pledges of Goal 10 and the other SDGs a reality, robust and inclusive monitoring and accountability institutions will be indispensable to drive actual changes on the ground.<sup>136</sup>

## MONITORING INEQUALITY: HUMAN RIGHTS-INFORMED TARGETS, INDICATORS AND DATA

By definition, many of those who suffer most from inequality are in situations of dire social exclusion and disadvantage, their experiences and concerns unheard, their needs underserved and their realities largely invisible to how 'progress' is traditionally measured. The world's most marginalized people live for the most part beyond the reach of statistical systems. Street children, poor rural populations, indigenous people, women who work unpaid in the home, persons with disabilities, the homeless and many others remain simply uncaptured in many countries – further marginalizing them from public intervention,<sup>137</sup> and further skewing the true extent of inequality. Like the most disadvantaged, the most privileged are also largely uncaptured by official statistics. Wealthy families are under-sampled in household surveys, for example, while capital gains are rarely captured in income statistics, and significant amounts of offshore wealth escapes the tabulations of both tax collectors and statistical agencies.

To address the weaknesses of inequality figures, the heralded 'post-2015 data revolution' aims to spur the collection of better and more disaggregated data on inequalities, including economic inequality. If done well, *with* and not simply *for* the most disadvantaged, this could transform how we understand, monitor and act on the distributive consequences of development.

Yet, data does not translate into usable information without context and purpose behind it. In particular, what data is actually gathered to measure SDG progress will be driven largely by the indicators and targets chosen. And these are not neutral signposts. The SDG targets and indicators that governments have agreed to frame the debate and restrict the scope of the SDGs in critical ways. That is, the chosen SDG targets and indicators are important political messaging devices, incentivizing certain policy actions at the expense of others.<sup>138</sup> This is why it is so concerning that the agreed list of targets and indicators is not informed by human rights considerations, and is thus inadequate at present to hold governments to account for tackling inequalities.<sup>139</sup>

*'If done well, with and not simply for the most disadvantaged, the post-2015 data revolution could transform how we understand, monitor and act on the distributive consequences of development'*

One look at the targets chosen to measure SDG10 provides a vivid example (see table 1 on p. 5 for SDG10 targets and indicators). Rather than using more precise metrics (such as the Gini coefficient or Palma Ratio)<sup>140</sup> to measure unequal economic outcomes, decision-makers led by the World Bank chose the target of boosting the income of the bottom 40 per cent faster than the average. Amongst other limitations, this target in no way measures income or wealth growth at the top, which is the leading determinant of domestic economic inequality.<sup>141</sup>

Even more serious omissions are present in the indicators. Target 10.2 is perhaps the most palpable embodiment of the Agenda's promise to 'Leave No One Behind'. Governments agreed in this target to "empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status". Yet, the indicator proposed to measure it (the proportion of people living below 50 per cent of median income, disaggregated by age group, sex and persons with disabilities) does not even list five of the groups in the target and is a very limited measure of 'social, economic and political inclusion'.<sup>142</sup> Meanwhile, the indicator set for Goal 10 neglects to robustly measure economic inequality at all.<sup>143</sup>

Similar shortcomings are present in the targets to measure and incentivize policy efforts for SDG10. Despite consistent proposals that governments commit to measure their policy steps towards meeting the SDGs,<sup>144</sup> the targets under Goal 10 ultimately set out only a patchy policy action agenda for reducing inequality,<sup>145</sup> hardly prioritizing those public interventions that have been shown to tackle inequalities. In target 10.4, for example, states commit to "Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality". The inclusion of this target and the naming of these policy areas was an important victory. Yet, the displacement of the word "progressive" to qualify the achievement rather than the policy itself gives little indication to states as to what kind of policies can be expected to "progressively achieve greater equality". One need only look to the effects of recent austerity measures in many countries to see that regressive social protection, fiscal and wage policies will only fuel inequality.

Another grievous omission relates to the choice of manifestly inadequate indicators to measure efforts to fight inequality between countries, despite the ready availability of more robust alternatives.<sup>146</sup> Even in combination with Goal 17 indicators on means of implementation, the indicators agreed in this area are woefully insufficient.<sup>147</sup> In particular, the indicators shy away from delineating the differentiated responsibilities of countries at different income levels, and instead focus on broadly defined outcomes – thereby failing to provide the policy direction so desperately needed. For example, the indicator for target 10.6 – "proportion of members and voting rights of developing countries in international organizations" – is surely a good end goal. But it fails to incentivize or pinpoint the steps that specific actors need to take to reach it, and so all can easily absolve themselves of responsibility if progress is disappointing or non-existent. Despite the supposed priority of policy coherence (in SDG targets 17.13 and 17.14), the policies that drive inequalities between countries go largely unmeasured by the target and indicator framework, posing yet another hurdle to what are already serious political challenges to implementation.



Given these shortcomings in the targets and indicators, the importance of using human rights obligations and principles as a guide to implementation and monitoring becomes yet more urgent. Efforts at the national and regional levels to more robustly measure and tackle inequalities will be crucial, as well as to improve global tools, datasets and benchmarks. Civil society – including academics and human rights organizations – will be crucial in envisioning and operationalizing alternative and more rigorous measures of inequality.

## ACCOUNTABILITY MECHANISMS FOR GOAL 10

As discussed above, SDG10 risks turning out to be an ‘orphan goal’ if it remains bereft of domestic and global institutions to ensure proper funding, monitoring and implementation. It is thus vulnerable to being swept under the rug of prioritization and institutional inertia. Consequently, SDG10 may face the same lack of accountability as many of the predecessor MDGs. While the MDGs undoubtedly affected development discourse, the crucial task of recognizing responsibilities among the multitude of development actors actually affecting outcomes was never properly addressed. At the core of the human rights framework is the availability of properly functioning accountability mechanisms, which can ensure responsibility, answerability and enforceability with regard to the commitments states have made.<sup>148</sup> Accordingly, institutional reforms at the local, national, regional and global levels to strengthen accountability of all governments and other actors to meeting SDG10 will be crucial.

### Domestic accountability

Agenda 2030 envisions two avenues for follow-up and review at the national level which provide for some sort of accountability for SDG commitments.<sup>149</sup> Firstly, countries are encouraged to develop SDG national action plans or strategies,<sup>150</sup> in which they will present how they intend to achieve SDG10 and other Goals. In principle, these provide an opportunity for civil society to be involved in formulating and interrogating these plans, and holding governments answerable for implementing them. Colombia was among the first countries to establish a Committee on Sustainable Development, for example, in which different actors prepared a national action plan on the country’s SDG implementation. Many other countries have followed suit and a wide range of examples on SDG implementation strategies will emerge in due course.

Secondly, governments have agreed to conduct regular reviews of their progress on the SDGs.<sup>151</sup> Some countries (e.g. Germany) apparently intend to address SDG implementation both domestically, and overseas through both development cooperation and the impact of other policy areas abroad.<sup>152</sup> This could be a positive step in fostering more rigorous monitoring and accountability for the reduction of inequalities between countries. While the voluntary nature of these national-level review processes poses particular challenges, particularly for sensitive issues like economic inequality, these reviews could increase the responsiveness of SDG implementation.

Many human rights-specific institutions and mechanisms also exist at the national level through which people can hold their governments accountable to the human rights

***‘Efforts at the national and regional levels to more robustly measure and tackle inequalities will be crucial, as well as to improve global tools, datasets and benchmarks’***

obligations underpinning the SDG commitments, including Goal 10. These include national judiciaries and National Human Rights Institutions (NHRIs). Given their unique role as independent institutions of accountability mandated to ensure international commitments are upheld domestically, NHRIs could be supported to develop the tools and capacity necessary to monitor SDG implementation domestically, and to report on these findings to both national and international stakeholders.<sup>153</sup> Moreover, many NHRIs have a primary or explicit focus on inequalities, and many are increasingly engaging with questions of economic and social rights and economic policy, and therefore their contribution to accountability for Goal 10 could be particularly valuable. These mechanisms can help backstop monitoring, review and accountability for those SDGs which are particularly informed by standing human rights guarantees.<sup>154</sup>

Given that many of the structural underpinnings of inequality extend far beyond national borders, efforts to ensure accountability for meeting SDG10 cannot rely solely on national mechanisms. Institutional reforms will be needed at the regional as well as the global level.

### Regional accountability

Alongside regional human rights bodies like the Inter-American System of Human Rights, the Council of Europe's Commissioner for Human Rights, and the African Commission on Human and Peoples' Rights, SDG-specific accountability mechanisms at the regional level could provide important forums for tracking progress, monitoring and providing support for SDG10 implementation. The OECD has already outlined how it will contribute to advancing the global agenda by, for example, supporting the development and sharing of disaggregated statistics relevant to monitoring inequalities.<sup>155</sup> The United Nations regional economic commissions also have an important role to play. For example, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) has established a Sustainable Development Forum for the region which seeks to involve governments, civil society and the private sector in the review of implementation of the 2030 Agenda, including the SDGs and their targets, their means of implementation and the Addis Ababa Action Agenda on financing for development.<sup>156</sup> ECLAC has also explored synergies with other reporting processes under regional agreements, such as the Montevideo Consensus on Population and Development, which also provide opportunities to monitor progress on economic, gender and territorial inequalities.<sup>157</sup>

### International accountability

In the 2030 Declaration, the High-Level Political Forum on Sustainable Development (HLPF) is identified as the global mechanism for follow-up and review of the 2030 Agenda. Alongside regional and national follow-up and review systems, the HLPF is mandated to take stock of the progress made towards achieving the SDGs at the global level, provide guidance on implementation of the SDGs as well as promote policy coherence by sharing successes and challenges in SDG implementation.<sup>158</sup> The HLPF consists of both voluntary national reviews, where countries present their progress towards the 2030 Agenda, and thematic reviews, with the 2016 session featuring the theme "Ensuring that no one is left behind".<sup>159</sup>

Despite broad agreement that one of the key reasons the Millennium Development Goals fell short in many areas was the lack of a robust global accountability mechanism, the HLPF is not the powerful accountability body civil society has been advocating for. The power of the HLPF to review and hold states accountable is insubstantial and limited, especially given its reliance on voluntary self-reporting by states, and a meeting time of only eight days per year. As the first HLPF since the adoption of the SDGs took place in July 2016 it became clear that the weak mandate and as yet unspecified structure of the HLPF risks undermining its effectiveness as the overarching forum for SDG accountability. The voluntary nature of the national review process, and the modest day and a half allocated to it, placed a considerable constraint on its effectiveness in terms of accountability. The presentations by the 22 states that had volunteered to be the first reviewed seemed at times more focused on giving the most positive image of their progress than on really sharing implementation challenges and strategies.<sup>160</sup>

Nevertheless, its potential role as a global oversight mechanism should not be entirely discounted. In particular, it could play a unique role as the forum for monitoring transnational dimensions of the SDGs, including progress in reducing inequalities between countries. The global level is the natural place to assess policies, institutions and systems that transcend national borders, along with related global problems that require collective solutions, such as global governance issues, the international spillover effects and impacts of countries' existing policies in areas such as trade and tax, and transnational phenomena which affect development, such as illicit financial flows. There is no existing body that does this systematically, and therefore this could be an important role for the HLPF, given the proper mandate and support. As a further layer of accountability, the HLPF can complement national and regional follow-up and review mechanisms on cross-cutting priority issues such as economic inequality, which require global policy coherence and transnational solutions on top of robust domestic efforts.

However, given the HLPF's institutional weaknesses, other accountability mechanisms must also be engaged. In particular, the international human rights monitoring mechanisms must be encouraged and supported to play a key role. The Agenda 2030 Declaration confirms that the SDG commitments are rooted in human rights obligations, and the international human rights mechanisms already examine and report on countries' performance on many of the issues covered in the SDG agenda. Given the centrality of inequality and non-discrimination to all international human rights treaties and the bodies that monitor them, their role in bolstering accountability for Goal 10 could be particularly valuable.<sup>161</sup> Several UN treaty bodies have made strong recommendations or statements on policy areas that are crucial determinants of economic and social inequality, and that are included under Goal 10: for example, fiscal policy,<sup>162</sup> social protection,<sup>163</sup> labor and wage policies,<sup>164</sup> and of course, the elimination of discriminatory laws, policies and practices and the promotion of measures to counter gender, racial and other forms of discrimination.<sup>165</sup>

The Human Rights Council's Universal Periodic Review (UPR) could also play a useful role as a complementary mechanism for reviewing states' progress on the SDGs where they overlap with and are underpinned by existing human rights obligations. It can also serve as an (albeit imperfect) model for country reviews under the HLPF,<sup>166</sup>

***'Human rights standards can provide alternative (and in many cases more rigorous) benchmarks against which to judge progress'***

given the space accorded to civil society participation and shadow reporting, the capacity for periodic follow-up of recommendations and the broad legitimacy the UPR enjoys as a peer-review mechanism with a holistic remit across the range of human rights commitments. While susceptible to the political dynamics that can arise in any inter-governmental forum, the UPR's valuable characteristics could nevertheless be an important reference point for future HLPF reviews. However, as a recent study by CESR and the Sciences Po Human Rights Clinic has highlighted, enhancing the capacity of the UPR to monitor economic and social rights will be crucial if it is to engage with development policy and play a complementary role in holding governments to their SDG commitments.<sup>167</sup> Similarly, a number of independent experts appointed by the UN Human Rights Council have made valuable contributions to a human rights understanding of economic inequality and the policies needed to tackle it.<sup>168</sup>

Utilizing existing international human rights mechanisms as a vehicle for SDG10 accountability would not just bring an extra procedural layer of accountability; it would also provide a different type of accountability and provide an alternative to relying on 'official' SDG indicators. Engaging with human rights mechanisms could provide an alternative space for questioning some of the SDG data, methods, assumptions and narratives; focusing on individuals and communities and drawing on civil society perspectives and expertise rather than relying solely on official statistics or 'big data'. Moreover, human rights standards can provide alternative (and in many cases more rigorous) benchmarks against which to judge progress. This alternative space could prove particularly important for the inequality and 'leave no one behind' agendas.

One important existing avenue may be the newly-established Inter-agency Task Force on Financing for Development (FfD), given that many of the Addis commitments have a strong relevance to SDG10 (for example on tax policy). The Task Force has stated that their reporting will take into account but go beyond the SDG indicators "by providing: (i) a review of the additional commitments and action items in the Addis Agenda and other FfD outcomes; (ii) an assessment of progress in implementing agenda items that may not be easily captured by quantitative indicators, such as qualitative measurements in areas where data is lacking".<sup>169</sup> An annual Forum on Financing for Development was also established in Addis to review implementation of the Addis Agenda and the means of implementation of the 2030 Agenda. Although it remains to be seen how effective this forum will be in fostering better review of and accountability for financing agreements, it could be another space for drawing attention to inequality commitments (especially those between countries) and reviewing the success of relevant policies.

In order to become a valuable addition to national follow-up efforts, global SDG review mechanisms should seek to examine the transnational dimensions of SDG implementation – for example, the impact that countries' policies are having beyond their borders, or the impact of transnational multi-stakeholder partnerships (see above for discussion of the role the HLPF could play in this regard). The human rights framework of extra-territorial obligations is a useful tool in this sense to analyze the human rights and sustainable development impact of countries' policies and actions abroad and draw clearer lines of responsibility. In particular, rich countries have particular responsibilities for financing sustainable development beyond their

borders, as part of their human rights obligation of international assistance and cooperation (enshrined in several major human rights treaties and the UN Charter).<sup>170</sup> Although there was considerable political resistance among some industrialized countries to the principle of 'Common But Differentiated Responsibilities' (CBDR) being applicable to Agenda 2030, there is little doubt that the SDG-era 'global partnership for development' needs to be more equitable and accountable than the commitments under MDG8, which were largely limited to the level of rhetoric. Applying the normative framework of extra-territorial obligations in the area of economic, social and cultural rights as a reference point for determining CBDR would be a positive step in fostering more rigorous monitoring and accountability for the reduction of inequalities between countries, as well as the commitments under Goal 17, for example on policy coherence. Human rights standards regarding the right to development, as set down in the UN Declaration on the Right to Development adopted 30 years ago, could also be an important tool or reference point for this work.

### Civil society participation

While the 2030 Agenda expresses bold (if vague) ambitions on the participation of civil society and other non-state actors in the implementation of the SDGs, it will be just as critical to ensure that follow-up and review processes are transparent and inclusive in order to ensure the voices of those at greatest risk of being left behind are heard. Clearly, the extent to which any review or accountability mechanism will be effective or legitimate – especially with regard to monitoring inequalities – will depend on the extent to which it is inclusive and participatory. Disadvantaged and marginalized groups must be able to portray their realities, shape priorities and influence decisions.

Enabling civil society to meaningfully engage in shaping the structures, processes and substance of global follow-up and review of the SDGs will be crucial to ensure accountability. Several pioneering civil society accountability initiatives in this regard have already begun – such as the 'Spotlight Report'<sup>171</sup> prepared for the 2016 HLPF – undertaken by coalitions eager for more rigorous and people-centered monitoring of SDG implementation.

## IV. Recommendations

*'If prioritized and pursued with determination, Goal 10 could be part of a much-needed paradigm shift in how 'development' is conceptualized and undertaken'*

Although there are many legitimate critiques to be made of the concept, content and methodology of Agenda 2030, we should not lose sight of the significant paradigm shift represented by Goal 10. A global goal applying to all countries that directly addresses inequalities, including those of an economic nature, would have been unthinkable 15 years ago. This commitment presents an opportunity which must not be wasted. If prioritized and pursued with determination, Goal 10 could be part of a much-needed paradigm shift in how 'development' is conceptualized and undertaken – towards societies in which wealth, resources and power are more evenly shared and a vision of social and economic justice founded on human rights. But for that vision to succeed over the next decade and a half, this goal will require consistent and active support across constituencies, with all taking part in an integrated action agenda and accountability infrastructure.

The predistributive and redistributive policy action agenda described in this briefing offers a window into the most effective ways to tackle economic inequality domestically. Implementing it will be imperative to progress towards achieving the SDGs by 2030. These actions should not be taken in siloes however. An effective action agenda against unjust inequalities will require an integrated approach, which looks to the interplay between policy areas, rather than merely measuring the distributive effects of separate interventions, such as tax policy or conditional cash transfers alone. Close collaboration across sectors, agencies and ministries will be indispensable to drive progress in fighting inequality. Moreover, any adequate approach must address the structural barriers that drive gender, economic and other forms of inequality. As well as action at the domestic level, there is also an urgent need for collective action at the international level to tackle the cross-border policy impacts and global governance deficits which are perpetuating inequality between as well as within countries.

### 1. COMMIT TO SERIOUS AND SUSTAINED REDISTRIBUTION

Achieving SDG10 (and ultimately, many of the other goals) will simply not be possible without a serious commitment to a more equitable redistribution of resources and of decision-making power over these. This will need to be pursued via three main policy areas: taxation, social protection and public services. Ultimately, this can be broken down into overhauling 1) how and from whom resources are raised, and 2) how and for whose benefit they are spent. Both are necessary to see real improvement in equality. Redistributive policies must be guided by human rights principles and obligations, and in particular should be informed by not only income and wealth inequality but also the social inequalities and discrimination which affect people's life chances and outcomes. Governments should look to raise revenue for achieving SDG10 from those most able to pay, including by cracking down on tax abuses by corporations and wealthy individuals and closing loopholes which enable them to avoid paying their fair share of tax. (See further specific policy recommendations in the redistribution section above.)

## 2. USE PREDISTRIBUTIVE POLICIES TO LEVEL THE PLAYING FIELD

Alongside robust post-market redistribution through fiscal policy, social protection and spending on public services, governments should ensure that the predistributive ‘rules of the market’ are set in favor of more equal outcomes and opportunities. The labor market, workplace and financial system must be regulated to protect against exploitative practices and unfair accrual of benefits at the top end of the income spectrum. Disadvantaged groups including people living in poverty – and especially those who suffer from multiple and intersecting forms of discrimination – must be supported and enabled to access decent jobs that pay a living wage, to organize, and to balance their work with family responsibilities without undue financial or time burdens. In addition, the financial system must be regulated to protect against excessive speculation, accumulation at the top and the externalizing of losses to the 99 per cent, especially those already living in poverty or at risk of falling into poverty. (Further specific policy actions are included in the full section above.)

## 3. ENSURE NATIONAL SUSTAINABLE DEVELOPMENT PLANS PRIORITIZE THE REDUCTION OF INEQUALITIES ACROSS THE SDGS

The implementation of the SDGs should incentivize action to reduce disparities in rights enjoyment across all thematic areas covered, from health to education, from decent work to access to justice. This will require that any benchmarks are complemented by timebound targets to progressively eliminate inequalities between groups by prioritizing a more ambitious rate of progress for those most disadvantaged groups. This will also involve conducting *ex-ante* impact assessments, *ex-post facto* evaluations and benefit incidence analyses to determine the degree to which SDG plans are actually reducing social, political and economic inequalities. For the reasons highlighted in this briefing, monitoring the different impacts of SDG implementation on different economically-stratified groups is both possible and essential. Furthermore, national SDG reviews should include a dedicated and cross-cutting focus on the issue of economic inequality and its intersections with other forms of inequality and deprivation.

## 4. INCORPORATE MEANINGFUL PARTICIPATION OF THOSE MOST EXCLUDED IN THE DESIGN, IMPLEMENTATION AND MONITORING OF NATIONAL SDG PLANS

The engagement of ordinary people in the design, implementation and monitoring of sustainable development policy processes and outcomes should not be a discretionary privilege but a basic right. This pertains especially to those most affected by economic and social deprivation, disparity and discrimination. In the spirit of openness and participation which defined the elaboration of the SDGs themselves, national implementation of the SDGs should prioritize creating avenues to disrupt the entrenched political inequalities which prevent sustainable and equitable development. National implementation plans could be a real opportunity

***'Achieving SDG10 (and ultimately, many of the other goals) will simply not be possible without a serious commitment to a more equitable redistribution of resources and of decision-making power over these'***

to recapture development policy making in the public interest. But this will require that governments foster citizen-led monitoring of the implementation of the SDGs, including SDG10. Civil society space for engagement in SDG implementation must be protected and expanded, both to ensure its transparency and accountability, but also as a fundamental bulwark in itself against economic, social and political inequality.

#### **5. ENSURE SUFFICIENT, EQUITABLE AND SUSTAINABLE FINANCING FOR THE SDGS THROUGH PROGRESSIVE FISCAL POLICIES**

Reversing decades of deepening inequality requires a transformation in the way resources are generated and spent. Indeed, none of the policies detailed above – from adequate financial regulation to workers' rights protections to quality health and education programs – will be implementable without a solid foundation of financing and this in turn requires profound fiscal reforms. In line with human rights obligations, financing for the SDGs must be both sufficient in quantity, equitable in effect and accountable in the way it is governed. Many governments are in a position to raise significantly more revenue than they currently do, through a variety of means including improving the tax code, or tackling tax abuse by companies and high-net worth individuals. Equality in public financing in turn requires that revenue is raised in ways which reduce inequality, in particular through progressive taxation, and is spent in ways which help equalize socio-economic opportunities and outcomes. Finally, accountability for SDG financing requires full fiscal transparency, meaningful participation and robust accountability for fiscal abuse of power.

#### **6. MAKE THE SDGS GENDER-RESPONSIVE BY TRANSFORMING THE WAY RESOURCES ARE RAISED, SPENT AND GOVERNED IN THE INTERESTS OF WOMEN'S RIGHTS**

Recent efforts to promote women's economic empowerment, including in the context of the SDGs, are laudable. Yet experience and empirical evidence has shown that women's economic equality can only be achieved within a broader transformation in the way economic resources are raised, spent and governed in society. In certain cases, efforts to promote women's economic empowerment can be counterproductive if not complemented by a broader structural policy framework addressing the wage, labor, care, family leave, social protection and taxation policies described in this briefing. Governments must assess and address the gender equality effects of their policies as a priority task in implementing the SDGs, and invest in addressing the structural barriers that drive gender inequality in the economy, including social norms, unpaid care work and a dearth of decent paid work. To ensure focused attention on advancing women's economic equality, monitoring of efforts towards Goal 10 should take into account the commitments and actions under Goal 5, as well as other agreements or obligations on gender equality, including CEDAW.



## 7. MEASURE PROGRESS IN TACKLING INEQUALITY ACCURATELY

Adequate assessment of progress is an essential step in monitoring and driving change to dismantle discrimination and extreme inequality. National targets and indicators should be chosen to actually measure the policy efforts needed to tackle inequality, as well as outcomes. For example, the impact of tax and fiscal policy on economic inequality (target 10.4) should be measured by the change in the Palma Ratio pre-tax and post-social transfers or the Gini coefficient (with the former being preferable). Minimum wage thresholds should also be tracked (also target 10.4) and regularly improved. Meanwhile, stringent efforts should be made towards developing systems and capacity to adequately measure intersecting and overlapping inequalities and their impacts, with a view to how economic inequality reinforces other forms of disparity.

Understanding that inequality is very often embedded in the ways in which knowledge and information is collected, provided and used means ensuring that the choice of indicators and data at the national level is informed by those communities most affected by *de facto* forms of discrimination. National statistics offices and UN agencies should be empowered to collect the data needed to monitor disparities on the widest possible range of relevant grounds. But affected communities should be closely involved in deciding the types of data required, and the indicators and benchmarks used. International human rights standards aimed at combating discrimination on such grounds as gender, race, indigenous status and disability should guide the framing of equality-related objectives, and form the basis for the identification of appropriate indicators to measure progress, with space for disadvantaged groups themselves to define which are the most salient grounds of discrimination they face.

## 8. ASSESS AND ADDRESS THE IMPACTS OF POLICIES ON THE ACHIEVEMENT OF SDG10 OVERSEAS

Through the 2030 Agenda, states have committed to reducing inequalities within and between countries. In the Addis Ababa Action Agenda, states pledged to assess the impact of their policies on sustainable development overseas. To fulfil both of these promises, it is essential that governments – especially those with most global influence – conduct human rights and equality impact assessments to ensure their proposed policies and programs reduce rather than reinforce economic and other inequalities in other countries. These types of reviews or impact assessments should also take into consideration adverse effects related to economic as well as other forms of inequality, especially gender. They should include independent assessments of the degree to which laws or policies on trade, debt, tax, corporate accountability, fiscal, monetary, financial, environmental, investment or other policies effectively sustain or undermine the achievement of human rights and SDG commitments (including SDG10) overseas. These assessments – if carried out in a transparent, participatory and meaningful manner – could help foster a true global partnership by holding wealthier states more accountable for policy coherence and the extra-territorial human rights impacts of their policies.

## **9. PROMOTE AND FACILITATE A STRONG ROLE FOR HUMAN RIGHTS BODIES AND MECHANISMS IN MONITORING SDG10**

Tackling inequality effectively will require strengthened institutions and forums for accountability which monitor progress and compel change. In this respect human rights bodies and mechanisms can play a key role in reviewing progress on inequalities across the SDGs. At the national level, National Human Rights Institutions should be strengthened and given the resources, independence and mandate to effectively monitor inequalities under the rubric of SDG10 and existing human rights obligations. At the regional and international levels, mechanisms such as the regional human rights systems, the UN treaty bodies and the UPR should be empowered to interrogate progress and setbacks on the SDGs in light of human rights standards. In particular, they could examine how SDG-related initiatives and policies are addressing patterns of inequality and discrimination, and whether they are sufficient and human rights-compliant.

## **10. RE-TOOL THE HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT TO COMBAT THE TRANSNATIONAL OBSTACLES TO ACHIEVING THE GOALS**

There is a real risk that the preeminent SDG global review forum will fail to contribute to meaningful accountability. For a global development partnership to have real substance, international accountability mechanisms must not be limited to monitoring national outcomes and policy efforts. The global level is the natural place to assess policies, institutions and systems that transcend national borders and global problems which require collective solutions. This should include addressing global governance issues, the international spillover effects and impacts of countries' existing policies such as trade and tax policies, and transnational phenomena which affect development, such as illicit financial flows.

The HLPF can complement national and regional follow-up and review mechanisms on cross-cutting priority issues such as economic inequality, macro-economic policy, or climate change which require global policy coherence and transnational solutions on top of robust domestic efforts. Only by collective action and coherent policies at the global level can the 2030 Agenda become the catalyst needed to ensure truly human rights-centered sustainable development. And only through robust, participatory reviews of the constraints preventing countries from achieving their development commitments will progress be made.

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The Center for Economic and Social Rights (CESR) was established in 1993 with the mission to work for the recognition and enforcement of economic, social and cultural rights as a powerful tool for promoting social justice and human dignity. CESR exposes violations of economic, social and cultural rights through an interdisciplinary combination of legal and socio-economic analysis. CESR advocates for changes to economic and social policy at the international, national and local levels so as to ensure these comply with international human rights standards.

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