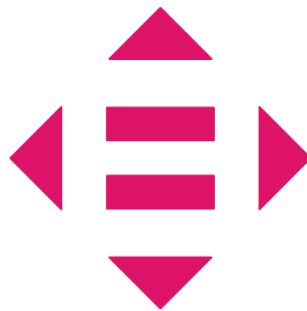




# 10 REDUCED INEQUALITIES



## MODERATORS

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The 17 Rooms initiative is convened by the Brookings Institution and The Rockefeller Foundation to stimulate near-term cooperative actions to advance the 17 Sustainable Development Goals (SDGs). This document summarizes insights and actions that emerged from the working group discussions in Room 10 during the 17 Rooms 2020 flagship process. The text was independently prepared by the Room's Moderators and participants, in response to the common question asked of all Rooms in 2020: "In light of recent crises linked to COVID-19, systemic racism, and other urgent challenges, what are 1 to 3 actionable priorities over the coming 12-18 months that address near term needs while also making a decisive contribution to protecting or advancing your Goal's 2030 results? What actions can members of your Room take to advance these priorities?" Corresponding documents prepared by all the other Rooms are available [here](#), alongside a synthesis report prepared by the 17 Rooms secretariat.

**2020 has exposed a crisis of inequality.** The Sustainable Development Goals focused attention on how poor and marginalized communities were being left behind. The COVID-19 pandemic and economic shock has accentuated these fault lines. The pandemic has disproportionately impacted poor and vulnerable groups, women and girls, and those working in informal and unregulated sectors. These groups have been hardest hit by the economic downturn, loss of income, school closures, and unhealthy work and living conditions. The climate crisis inevitably threatens to compound these inequalities.

The achievement of the SDGs now depends on putting in place the conditions for a **fair, equal, and just recovery**. The destiny of people and societies for the next decade will be largely shaped by the public health and economic response and recovery packages being put in place by national governments and international financial institutions. Agenda 2030 will fail unless global institutions and foundations, national governments, and local communities make tackling economic, social, and political inequality the principal goal for 2020-21 and beyond. Economic recovery itself will fall short unless it is broad-based and inclusive.

**Social protection – conceived broadly as the protection of people, their wellbeing, livelihoods, and capacity - can be the “entry point” for tackling worsening inequality.** An action agenda for inclusive social protection is the response-recovery-reset from the current crisis and a necessary catalyst for success on Agenda 2030.

A social protection action agenda would be grounded in three core principles:

- Targeting the needs of the bottom 40 percent of the population;
- Empowering and promoting inclusion and opportunity for all; and
- Giving agency and voice to civil society, particularly those representing the most vulnerable members of society.

**Room 10 identified five actions for 2020 and 2021 that have the potential to be highly consequential in tackling inequality, both in terms of addressing the immediate crisis and the achievement of Agenda 2030.**

## **#JustRecovery Campaign**

The 2020 crisis has brought widespread realization on the part of citizens, communities, and policy-makers around the world that existing inequalities are unsustainable and unfair, and that new models of social and economic progress need to be advanced. This realization cuts across political, geographic, and sectoral lines. Take for example the words of the Financial Times, one of the world’s leading business oriented publications - the pandemic has “laid bare the frailty of the social contract. Radical reforms are required to forge a society that will work for all.”

To drive this shift forward, we propose prioritizing a wide-ranging multi-stakeholder campaign - government, civil society, business, communities, and scholars - to champion and drive forward a “Just Recovery.” This campaign, within and across countries, would mobilize around the critical importance of putting inclusion and equity at the center of recovery efforts and future policy directions.

## **Accelerate adoption of new accountability and measurement tools**

The current crisis has underscored the importance of distribution-sensitive indicators and disaggregated data in tracking impacts and designing policy responses. The “Beyond GDP” measurement agenda needs to be accelerated and mainstreamed by international financial institutions and national governments. In particular:

- Distributional metrics need to be consistently used by IFIs, national governments, and donors as diagnostic, design, and tracking tools. For example, the IMF/WB should integrate distribution-sensitive indicators into their advisory services and country-based reporting and prioritize in-country capacity building. Donors and foundations should also help developing countries develop the capacity to produce and utilize these indicators on a regular basis.
  - A top priority should be advancing and improving the fiscal redistribution indicator (SDG 10.2.4) as a diagnostic and tracking tool.

- G20 countries should undertake a special report in 2021 on the extent of income inequality and its trajectory by gender, age, race, ethnicity, disability, and other relevant variables, as well as an assessment of policies to tackle inequality during and post-pandemic.

## **Build universal social protection systems**

National governments need to be encouraged and supported in their efforts to build comprehensive social protection systems that aim for universal coverage with a focus on those most at risk of being left behind. At their best, these measures reach the most vulnerable, meet basic needs (cash, food, water, detergents); use non-governmental actors and local governance institutions to reach vulnerable groups; and are timely and responsive. At their best, social protection measures are also integrated with the expansion of economic opportunities for those who are excluded from education and skills training, business credit, and other levers that improve their ability to generate incomes for themselves and their families.

## **Mobilize finance**

Social protection is additional to other essentials like education and public health and will require tapping new sources of funds, more effective deployment of existing resources and efficiency improvements in social spending and delivery. To this end:

- Domestic resource mobilization should target building progressive tax systems, tax and revenue collection capacity, and data transparency especially with respect to tax records, corporate tax reform, and tax transparency. Governments could also consider earmarking revenues from carbon taxes and/or reducing energy subsidies;
- International and national policy efforts to tackle tax evasion (BEPS 2.0) and illicit flows should be accelerated. These “lost” revenues far exceed official aid and direct foreign investment flows to developing economies;
- Bilateral donors should accelerate their quick-disbursing aid to help fill fiscal deficits in social spending;
- Any future general debt relief should consider the distributional impact of government spending, its social purposes, and be based on concrete improvements in economic utilization of funds and on governance performance;
- As new sources of global financing become available, top priority should be the creation of a Global Fund for Social Protection that is designed to support populations in the most fragile and poor states and to provide shock protection in future crises, including climate change; and
- To get more resources directly into the hands of households, digital technologies should be expanded (to facilitate online banking and transfers) and remittance costs should be reduced close to zero.

## **Engage and empower citizens and make national governments more accountable**

The long-term political sustainability and effectiveness of social protection hinges on empowered citizen participation, especially of the most vulnerable sectors and indigenous peoples. Rules and institutions for empowered participation are in abundant supply in different legal systems---from policy consultations to citizen assemblies to free, prior, and informed consent of affected indigenous peoples. They now need to be effectively implemented in the design and execution of social protection programs. They also need to be embedded in the operations of national governments to ensure equal and fair opportunities for citizens and accountability for the use of public resources.