

#### For individual SDGs:

- **What is the current status of the Goal or target, in terms of actual measured progress and trends?**

SDG 10 had shown some improvement in reduced inequality before the pandemic, with 38 out of 84 countries showing a reduction in their GINI index between 2010 to 2017.<sup>1</sup> Similarly, 49 out of 90 countries showed the bottom 40% of their population experienced income growth higher than the overall national average between 2012 to 2017.<sup>2</sup> Despite these improvements, the top 10% of the population in countries with data received at least 20% of income,<sup>3</sup> with this figure rising over 40% and even reaching 50% in some countries,<sup>4</sup> indicating continued income inequality, even before COVID-19.

- **What has changed since the last time this Goal was reviewed at the HLPF? 3**
  - **Any deviations in progress from what was expected (including due to COVID-19)?**

The COVID-19 pandemic impacted the poorest and most vulnerable people and countries the most, threatening past improvements in inequality and poverty reduction and exacerbating inequalities within and between countries. The World Bank estimates that the pandemic will push an additional 150 million people into extreme poverty by 2021.<sup>5</sup> While it is clear that the pandemic exacerbated inequalities, the full extent of its impact will likely not be known for many years, and may last generations.

The COVID-19 pandemic triggered governments to implement a large number of social protection interventions to respond to the epidemic. Social protection is a major tool for income redistribution and provision of equal opportunities, and these social protection responses provide an opportunity to expand social protection and develop more comprehensive systems to reduce inequalities in a sustainable manner. However, the speed, coverage, extent and duration of the social protection responses varied across regions and countries, as did their effectiveness in mitigating the impacts of the pandemic on poverty. With some exceptions, data suggest that coverage has been relatively short-lived. On average, responses lasted just over three months, and roughly 40% of programs were one-time payments. Countries with more developed social protection systems were better prepared to protect people's incomes than those with inadequate systems that had to come up with improvised measures. This underscores the importance of expanding coverage and investing in social protection systems during "normal" times, not only to ensure routine protection across the life-cycle but also to effectively respond in times of crisis.

- **Additional obstacles or opportunities in implementation including through interlinkages with other Goals, and connections to related processes?**

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<sup>1</sup> United Nations Department of Economic and Social Affairs. "The Sustainable Development Goals Report 2020." <https://unstats.un.org/sdgs/report/2020/The-Sustainable-Development-Goals-Report-2020.pdf>

<sup>2</sup> United Nations Economic and Social Council. "Progress towards the Sustainable Development Goals." 28 April 2020. <https://undocs.org/en/E/2020/57>

<sup>3</sup> United Nations Economic and Social Council. "Progress towards the Sustainable Development Goals." 28 April 2020. <https://undocs.org/en/E/2020/57>

<sup>4</sup> World Bank, World Development Indicators. "Income shared by highest 10%." [https://data.worldbank.org/indicator/SI.DST.10TH.10?most\\_recent\\_value\\_desc=true](https://data.worldbank.org/indicator/SI.DST.10TH.10?most_recent_value_desc=true)

<sup>5</sup> World Bank. "COVID-19 to Add as Many as 150 Million Extreme Poor by 2021." 7 October 2020. <https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021>

SDG 1 (no poverty), 2 (zero hunger), 5 (gender equality) and 8 (decent work and economic growth) all have very strong linkages with inequality. Around 80% of the extreme poor live in rural areas<sup>6</sup> and are deprived in several dimensions of well-being. They are the most vulnerable to food price volatility and the most dependent on agricultural activities and access to natural resources and biodiversity for their food security and their livelihoods. Inequalities, social exclusion and marginalization leave people at increased risk of food insecurity, unhealthy diets, malnutrition and poor health outcomes.

The majority of people in rural areas who are affected by poverty, inequality and malnutrition are engaged in agri-food systems. About 2.5 billion people's livelihoods depend on small-scale food production, and about 4.5 billion people are engaged in agri-food systems. In particular this represents a significant portion of the livelihoods of poor, marginalized, and vulnerable people, and includes informal and migrant workers. Inequalities in access to decent work opportunities contributes to further inequality, and does not allow individuals to provide for themselves and their families and participate economically. Persisting inequalities between women and men are a major obstacle, and eliminating these disparities is essential to building sustainable and inclusive food systems and resilient and peaceful societies, as well as to achieving a world free from hunger, malnutrition and poverty.

SDG 13 (climate action) presents risks and opportunities for inequality. Food systems account for a third of global greenhouse emissions. The rural poor, though they are not the main contributors to climate change and ecosystem degradation, bear most of the impacts of climate change as their livelihoods largely depend on agricultural activities, which require access to natural resources and predictable favorable weather and climate. Climate change policies will need to support the incomes and risk management strategies of the rural poor and consider tradeoffs, particularly if climate action reduces the demand for their labour, requires adoption of new agricultural practices for adaptation or mitigation, or restricts access to natural resources.

SDG 9 (industry, innovation and infrastructure) has strong linkages and tradeoffs with inequality. Digital technologies are driving forces for innovation and therefore well suited to contribute to transitioning towards more efficient, inclusive, resilient and sustainable agri-food systems and rural development. At the same time, digital technologies risk exacerbation of existing socio-economic inequalities, in particular when they reduce demand for labour, thereby affecting people's livelihoods, as well as due to very unequal access to these digital technologies.

SDG 11 (sustainable cities and communities) presents opportunities to reduce inequality given growing urbanization and changing demographics. By leveraging urban demand for food and addressing the rural-urban linkages to support inclusive and sustainable rural transformation, both rural and urban areas will benefit from improved food security and nutrition, improved decent work opportunities, and reduced inequalities.

- **New/promising openings for tracking progress, including from additional data sources?**

New techniques in artificial intelligence and machine learning that are also used for poverty analysis, such as satellite-based poverty mapping, remote sensing and mobile phone data, can be used to

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<sup>6</sup> Castaneda, R.A., Doan, D.D.T., Newhouse, D.L., Nguyen, M.C., Uematsu, H. & Azevedo, J.P. W.D. 2018. A new profile of the global poor. *World Development*, 101(1): 250-267. <https://www.sciencedirect.com/science/article/pii/S0305750X17302735>

complement information on inequality from traditional data sources, when timely surveys that include information on income are limited.

FAO's Rural Multidimensional Poverty Index can also provide useful information, highlighting the distribution of various dimensions of welfare and deprivation in rural areas, such as education health, living conditions, rural livelihoods, resources and risk.

- **What are promising strategies to accelerate action (by UN and partners) and to mobilize other stakeholders to advance implementation?**

The UN and other partners should leverage partnerships, strengthen linkages between sectors and competing goals, develop evidence, facilitate multistakeholder policy dialogue, and conduct advocacy and capacity building to focus on agri-food systems, which present a large opportunity to address inequality and lead to more inclusive societies.

- **How would one monitor action for implementing these?**

Data disaggregated by gender, age, race, ethnic background, economic class, disability, migration or labour status and geographic location can be used in poverty diagnostics and analysis, poverty mapping using small-area estimation and artificial intelligence techniques and poverty profiles of rural areas. This can lead to better understanding of both inequality and poverty, improve targeting techniques and assist with evidence-based policy-making and design of interventions.

One challenge of monitoring indicator 10.1.1 is that it focuses only on income growth among the bottom 40% of a country's population. Even in countries where the bottom 40% show income growth, there can be greater income growth among the country's middle class and/or wealthiest. Thus, indicator 10.1.1 can show improvements among the bottom 40% while masking growing inequality in a country.

#### **Cross-cutting issues for SDGs 3, 10, 16 and 17**

- **What has the pandemic revealed about how deep-seated inequalities determine lifetime opportunities and outcomes including in good health and well-being?**

The COVID-19 pandemic presented a major economic and labour market shock, with significant impacts in rural areas where agri-food supply chains and markets were disrupted due to lockdowns and restrictions of movement, resulting in negative coping strategies such as distress sale of assets, taking out loans from informal moneylenders or child labour. Specific groups of workers, including women, youth, children, indigenous people, and migrant workers, who are overrepresented in the informal economy, have experienced further exacerbation of their vulnerability.

- **Has the pandemic introduced new forms of inequality within and across countries that now also need to be addressed?**

The pandemic exacerbates inequality, and inequality exacerbates the pandemic. The pandemic has led to layoffs, restrictions on movement and lockdowns which have impacted the livelihoods of many, especially the poorest and most vulnerable. Farmers and agricultural workers have faced obstacles in accessing markets, inputs and resources. Informal workers, who often lack social protection, health care and secure employment, have been particularly affected. School closures have impacted the education of children, likely unevenly across the population which may have long term impacts on inequality, as

well as caused them to miss school meals. The pandemic has impacted livelihoods of individuals and their ability to provide for their families, as well as the availability and access to safe and nutritious food, thereby exacerbating hunger and malnutrition.

Vaccine inequality leads, not only to inequality in health outcomes, but also to inequality in economic outcomes. As some countries begin to reopen their economies, other countries continue to face lockdowns and severe pandemic effects, further worsening inequality between countries.

- **How can countries make effective and enduring changes towards more equitable, inclusive and just societies?**

By developing and implementing evidence-based multi-sectoral policies, strategies and programmes that lead to structural transformation and an enabling environment that allows economic and social development for all people, countries can foster more equitable, inclusive and just societies.

Investments in basic services, infrastructure, health and education, and policies such as land reform and social protection, must address drivers of exclusion, including poverty, inequality, discrimination, power imbalances, and systemic barriers to access over rights, resources, assets, and voice that may limit excluded populations from participation in and benefit from social and economic opportunity and inclusion. Agriculture and food systems represent a significant portion of the livelihoods of poor, marginalized, and vulnerable people, including many people engaged in informal sector work, and present an opportunity for countries to reach those who are most likely to be left behind.

Gender equality and rural women's economic empowerment are vital to an inclusive society. Across low-income countries, women make up 48% of agricultural employment, yet the gender gap in food and agriculture is extensive. As consumers, women are more likely to be food-insecure than men, and as producers, rural women face unequal access to essential productive resources and services, technology, market information and financial assets. They are under-represented in local institutions and governance mechanisms, and tend to have less decision-making power. In addition to these constraints, prevailing gender norms and discrimination often mean that women face an excessive work burden, and that much of their labour remains unpaid and unrecognized.

Decent rural employment opportunities are critical for rural populations to ensure inclusive economic opportunities and prosperous livelihoods. Workers with insecure jobs and subject to hazardous working conditions tend to be less productive and risk their health, which may trap them and their families in poverty and contribute to persisting inequality. Decent employment provides individuals with a living income and reasonable working conditions and should enable people – whether through self-employment or wage labour – to provide for themselves and their families. Workers should be able to perform their work under safe and healthy conditions and have a voice in the workplace.

Given that the majority of the world's youth live in rural areas in developing countries, where the youth population is expected to increase by approximately 60% by 2050, a focus on youth, and particularly decent employment for youth, is critical. Many rural youth in developing countries are unemployed, lack education opportunities and access to essential services, and often rural job opportunities, especially in the agriculture sector, do not meet their needs or aspirations, contributing to outward migration, rural social deterioration and an aging farming community. Beyond agriculture, food systems can be an important source of decent employment, with technologies potentially changing how youth see agricultural employment. It is also critical to address child labour, which perpetuates the cycle of poverty and is prevalent in agriculture (71%).

Rural institutions and services as well as empowerment of individuals and communities can help unlock the development potential of rural areas and reduce inequalities. Territorial approaches that capture the variety of conditions across urban and rural regions as well as across different territories can be used to develop context-specific policies that address food insecurity, malnutrition and poverty. Pluralistic service systems have the potential to make services more inclusive, demand responsive and market-oriented, while increased availability of financial services adapted to the needs of rural livelihoods can lead to greater financial inclusion. Empowerment of rural people, by improving access to information, conducting capacity development among producer and community organizations and creating spaces to facilitate their active participation in decision-making processes, allows them to voice their own needs and take responsibility for their own development. Tenure systems, which define who can use which natural resources, for how long and under what conditions, are crucial to equality, as people with weak, insecure tenure rights risk losing their means to support themselves if they lose their access to natural resources.

Social protection can reduce extreme poverty and enhance food security, as well as build household resilience in times of crisis, and stimulate rural households to invest in agricultural production. Well-designed and implemented social protection schemes generate multiple productive and social impacts and boost local economic growth while also reducing insecurity, addressing the social and economic determinants of malnutrition, and enhancing resilience. Social protection is most effective when embedded in multi-sector strategies that focus on agricultural development, food and nutrition security, natural resource management and rural poverty reduction.

- **What are the opportunities to be realized (and pitfalls to be avoided) in the immediate and medium terms towards these ends? How can international cooperation support?**

In working towards more equal societies, it is critical to consider all social and economic dimensions of inclusion for poor, vulnerable and marginalized groups, and recognize the complementarity of all levels of action to ensure that those who are most likely to be left behind can both contribute to and equally benefit from development efforts and food systems related policies. At the same time, often there are tradeoffs to be considered, and while progress must be made on other SDGs, it cannot come at the expense of the poorest and most vulnerable.

The UN and partners can address unequal social-political relations that (re)produce inequalities in access to basic rights, services and policies and advocate for policies that directly address social and economic inequality, such as building comprehensive social protection systems. In all strategies, policies, programmes and other interventions, it is critical to considering the potential implications and impacts on inequality, as well as opportunities to reduce inequality. A do no harm approach, considering trade-offs, risks and unintended consequences, is critical to leaving no one behind and reducing inequality. This requires a comprehensive understanding of the barriers and constraints that people face, utilizing quantitative and qualitative assessment of drivers of exclusion, including poverty, inequality, discrimination, power imbalances, and systemic barriers to access over rights, resources, assets, and voice that may limit excluded populations from participation in, and deriving benefits from, a given activity. Finally, to reach those who face inequality, the UN and partners must conduct dedicated interventions to reach specific groups, ensuring that interventions are tailored to meet their specific needs and address power imbalances by creating spaces in which the voices of the excluded and marginalized are heard, as well as develop comprehensive, universal social protection systems that are rights-based, gender-sensitive and inclusive.