Speaking points: Máximo's possible intervening during Discussion on SDG10-Reduced inequalities, HLPF, NYC, 11 July

How can interlinkages between SDG 10 and other goals and targets be leveraged to reduce inequality?

- There are important linkages between SDGs 1 (extreme poverty reduction), 2 (Zero Hunger) and 10 (reducing inequalities).

- We know extreme poverty is one of the underlying causes of food insecurity and malnutrition: in other words, SDGs 1 and 2 are naturally interrelated.

- FAO reports show that, after many years declining, hunger has recently been on the rise and we are not observing any return to the declining trend even despite we observed a reduction in extreme poverty until 2015.

- While food security and nutrition concerns need to be better integrated into poverty reduction efforts, the association between extreme poverty and hunger is mediated by an important phenomena: **inequality.**

- We know income inequality is rising in several low- and middle-income countries.

- It is not only income inequality that matters, but also other forms of inequality including inequality in **productive asset distribution** and in **access to basic services, including health care**, as well as inequalities related to **marginalization, social exclusion** and **intra-household** inequalities

- These inequalities are impeding that extreme poverty reduction translates into improved food security and nutrition. Socially excluded and marginalized groups are at increased risk of food insecurity, unhealthy diets, malnutrition in all its forms and poor health outcomes.

- Inequalities are making it more difficult for poor and marginalized groups to benefit from economic growth and move out sustainably from being extreme poor.

- This is why it is critical to seek to achieve "growth from below"

- But what we should do, I see three groups of measures:

    - *First, measures that improve competition and economic efficiency*.
        - Investments in roads (and other types of infrastructure as ICTs) are more likely to benefit the poor by expanding transport volume and lowering fares if there is increased competition among transport providers.
        - Improve efficiency of public expenditures with better targeting and evidence.
    - *Second, complementary measures given that we know growth widens income inequality in the short-term*:
        - well-designed fiscal policy, including targeted transfers;
        - labor market policies to mitigate job displacement and targeted training to boost human capital;
        - well-targeted structural reforms, such as research and development or infrastructure geared at improving agricultural productivity in developing countries.
    - *Third, raising productivity and diversifying income sources of the poor, and reducing gaps in opportunities*.
        - investments in children, such as early childhood development (ECD), access to and quality education, health care and nutrition;
        - improve access to financial services
        - greater opportunities for women to participate in economic activities by removing market, institutional and social restrictions and closing education gaps between boys and girls;
        - investments in upgrading skills through the life cycle;
        - social programs to protect the poor and vulnerable, including cash transfers and social insurance; and

    - using tax revenues to pay for pro-poor policies and reduce concentration of income and wealth at the top.

- It also requires changing mindsets: cities are not very friendly for migrants, for example. The rural off-farm economy tends to be neglected (few countries have not neglected it: China, Vietnam and others).

- It also requires subsector strategies and approaches, looking at treats/opportunities for the “sectors below” and minimizing potential tradeoffs

- This creates many links to other SDGs.