

STUDY

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# The implementation of the 2030 Agenda's principles of 'leaving-no-one-behind' and 'addressing the needs of those furthest behind first' in the EU's development policy



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### ABSTRACT

The UN 2030 Agenda and its Sustainable Development Goals includes SDG 10 on Reducing Inequalities as well as a commitment to Leave No-One Behind (LNOB). The European Union (EU) committed itself to achieving these goals both internally and, through its new 2017 European Consensus on Development, to support partners in their achievement worldwide. This study considers what progress the EU has made in addressing inequality, SDG 10 and the LNOB principle since then. The report undertakes an extensive literature review of the topic noting the importance of adopting a multidimensional approach that goes beyond financial aspects and looks at multiple sources of disadvantage and discrimination. It considers the trends in global poverty and inequality and notes in particular the rise of income and wealth inequality within countries over the last few decades. It also explores the impact of climate change and the COVID-19 pandemic, both of which are unequally impacting countries around the world, and on groups and individuals within them. The study identifies a growing international consensus on both the importance of addressing inequality and the best policies to adopt. It concludes that the EU has actively participated in this debate and is committed to contributing further. Its policies could usefully be updated and strengthened in the light of COVID-19. The new EU Budget (2021-27) and Team Europe initiative should help with implementation, but mobilising and maintaining the necessary political will may prove to be the biggest challenge.

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## List of abbreviations

COVAX	COVID-19 Vaccine Access Facility
DG INTPA	European Commission's Directorate-General for International Partnerships
DRM	Domestic Resource Mobilisation
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECD	European Consensus on Development
EEAS	European External Action Service
EIB	European Investment Bank
EIP	External Investment Plan
EP	European Parliament
EU	European Union
GAP	Gender Actions Plan
GDP	Gross Domestic Product
GEWE	Gender equality and women's empowerment
HDR	Human Development Report
ILO	International Labour Organization
IP	Intellectual Property
LDC	Least Developed Countries
LNOB	Leave No One Behind
MDG	Millennium Development Goal
MFF	Multiannual Financial Framework
MIC	Middle Income Countries
MPI	Multidimensional Poverty Index
NDICI or NDICI-GE	Neighbourhood, Development & International Cooperation Instrument – Global Europe
ODA	Overseas Development Aid
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	OECD Development Assistance Committee
OPHI	Oxford Poverty & Human Development Initiative
PCD	Policy Coherence for Development
PCSD	Policy Coherence for Sustainable Development
PFM	Public financial management

SDG	Sustainable Development Goal
SWD	European Commission Staff Working Document
TFEU	Treaty on the Functioning of the European Union
TRIPS	WTO Trade Related Aspects of Intellectual Property Rights
UHC	Universal Health Coverage
UN	United Nations
UNDP	United Nations Development Programme
USA	United States of America
WHO	World Health Organization
WIR	Wealth-Income Ratio
WTO	World Trade Organization

# 1 Introduction

In 2015, world leaders at the United Nations (UN) General Assembly adopted the 2030 Agenda for Sustainable Development with the headline pledge that they would Leave No One Behind (LNOB) and indeed that they would endeavour to reach the furthest behind first<sup>1</sup>. Two years later this commitment was echoed by the European Union (EU) institutions, including the European Parliament (EP), in the new European Consensus for Development (ECD)<sup>2</sup>.

Central to achieving the LNOB commitment is Goal 10: Reduce inequality within and among countries. While the world did make some progress in reducing poverty during the period of the Millennium Development Goals (MDGs, 2000-2015)<sup>3</sup>, at the same time, inequality rose<sup>4</sup>. By 2019, on the eve of the COVID-19 pandemic, global debates on inequality had intensified; the United Nations Development Programme (UNDP) devoted its annual Human Development Report (HDR) to inequality<sup>5</sup> and the European Commission (EC) published a paper about Implementing the new European Consensus on Development: Addressing inequality in partner countries<sup>6</sup>.

While the COVID-19 pandemic has affected people around the world, it has done so in deeply unequal ways. Access to vaccines is just one illustration of global structural inequalities. By September 2021, 41.5 % of the world's population had received at least one dose of a COVID-19 vaccine, yet only 1.9 % of people in low-income countries had done so<sup>7</sup>. The COVID-19 Vaccine Access Facility's (COVAX) target of making two billion doses available by the end of 2021 will not be met and distribution will remain a challenge in 2022<sup>8</sup>. The pandemic has not only revealed but also exacerbated existing inequalities<sup>9</sup>. As a result of COVID-19, inequality has risen simultaneously in virtually every country worldwide for the first time since records began<sup>10</sup> and in 2020 the global extreme poverty rate rose for the first time in over 20 years<sup>11</sup>. However, while many of the world's poorest have become poorer during the pandemic, the richest have also become richer<sup>12</sup>. In 2019, 26 people owned the same wealth as the 3.8 billion people who make up the poorest half of humanity, down from 43 people in 2018<sup>13</sup>. The pandemic has reinforced this trend. The Financial Times reported in May 2021 that the total wealth of billionaires worldwide had risen by USD 5 trillion to USD 13 trillion in 12 months<sup>14</sup>. Oxfam calculated that 'the increase in the 10 richest billionaires' wealth since the crisis began is more than enough to prevent anyone on Earth from falling into poverty because of the virus and to pay for a COVID-19 vaccine for everyone'<sup>15</sup>. Moreover, 'a tax on the excess profits earned by corporations during the coronavirus pandemic could generate USD 104 billion: enough to provide

<sup>1</sup> United Nations, [Transforming our world: the 2030 Agenda for Sustainable Development](#), A/RES/70/1, 21 October 2015, para 4, pp.7-8. [accessed 29 September 2021]

<sup>2</sup> European Union, [The new European Consensus on Development 'Our world, our dignity, our future'](#), 2017, para 1, p.3.

<sup>3</sup> World Bank, 2020c, see also Figure 1 below.

<sup>4</sup> See Figures 3 and 2 in Chapter 5 below.

<sup>5</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019.

<sup>6</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b.

<sup>7</sup> S. Gilbert and R. Hatchett, No one is safe until we are all safe. *Science Translational Medicine* 13(614). American Association for the Advancement of Science, 2021.

<sup>8</sup> S. Gilbert and R. Hatchett, 2021.

<sup>9</sup> United Nations, [The Sustainable Development Goals Report 2021](#), 2021b, p. 46.

<sup>10</sup> Oxfam, [The Inequality Virus](#), Oxfam Briefing Paper, 2021, p. 7.

<sup>11</sup> A. Guterres, Foreword. In *The Sustainable Development Goals Report 2021*, 2021.

<sup>12</sup> Oxfam, 2021.

<sup>13</sup> United Nations Research Institute for Social Development (UNRISD), [Overcoming Inequalities in the Context of the 2030 Agenda for Sustainable Development](#), 2019, p. 1.

<sup>14</sup> Financial Times, [The billionaire boom: how the super-rich soaked up Covid cash](#), 14 May 2021.

<sup>15</sup> Oxfam, [The Inequality Virus](#), Oxfam Briefing Paper, 2021., p. 8.



employment protection for all workers and financial support for all children and elderly people in the poorest countries'<sup>16</sup>.

Research has shown that the pandemic, and responses to it, impact differently on different groups and individuals. These studies expose the long-standing structural inequalities which intersect with multiple sources of marginalisation<sup>17</sup>, including gender, race, ethnicity, age, wealth and disability. Those who were already marginalised have been hit harder than the rest of society, are more likely to die and more likely to become destitute<sup>18</sup>.

COVID-19 has acted as a lens through which we can clearly see global structural patterns of inequality. As populations around the world have been exposed to identical external shocks, differences between them – and within them – have been revealed<sup>19</sup>. Alongside the COVID-19 crisis, an emerging climate and environmental crisis is also having devastating effects. 'Environmental changes are [...] impeding progress towards ending poverty and hunger, reducing inequalities and promoting sustainable economic growth, work for all and peaceful and inclusive societies'<sup>20</sup>. Together, the COVID-19 and environmental crises have highlighted challenges to the orthodoxy of economic growth, supporting calls for new ways of thinking about value and purpose. Governments have used the discourse of 'Build Back Better' to express the idea that a post-pandemic future could bring positive change<sup>21</sup>. Proposals for a care economy, for example, have gained visibility, as have arguments in favour of a low-carbon sustainable future<sup>22</sup>. Furthermore, calls for radical reform are appearing in the mainstream in a way that, according to Oxfam, 'would have seemed unthinkable in recent years.'<sup>23</sup>

Inequalities threaten achievement of the Sustainable Development Goals (SDGs), along with the principle of leaving no-one behind, and will certainly hold back post-pandemic recovery. Tackling inequality matters not only because of issues involving social justice, but also for more instrumental reasons. The 2019 Global Sustainable Development Report has gathered robust empirical evidence to demonstrate that inequalities lower long-term economic growth and make such growth more fragile<sup>24</sup>. Inequality has been shown to increase ill health, damage social cohesion, foster instability and violence, fuel poverty and undermine environmental sustainability<sup>25</sup>. This is recognised by the European Commission in its Staff Working Document (SWD) on the ECD implementation: 'Firstly, inequality runs counter to the very values that underpin European integration, such as the promotion of social justice and the fight against social exclusion. In its external action, the EU promotes these values by fighting for equality and solidarity. Secondly, inequality is a threat to sustainable development. Inequality in its various dimensions is a major brake on economic growth and poverty reduction, as well as a threat to many other aspects of sustainable

<sup>16</sup> U. Gneiting, N. Lusiani, and I. Tamir, [Power, Profits and the Pandemic: From corporate extraction for the few to an economy that works for all](#), Oxfam International, 2020. For research methodology, see [here](#).

<sup>17</sup> M. Leach, H. MacGregor, I. Scoones, et al. [Post-pandemic transformations: How and why COVID-19 requires us to rethink development](#). *World Development*, Vol 138, p. 5.

<sup>18</sup> Oxfam, 2021, p.14.

<sup>19</sup> UN Women, [Will the Pandemic Derail Hard-Won Progress on Gender Equality?](#), p. 3.

<sup>20</sup> United Nations Environment Programme, [Making Peace With Nature](#), 2021, p. 13.

<sup>21</sup> See, for example, statements by President Biden The White House Briefing Room, President Biden Announces the Build Back Better Framework, 28 October 2021, <https://www.whitehouse.gov/briefing-room/>

<sup>22</sup> M. Leach, H. MacGregor, I. Scoones I, et al., 2021, p. 8.

<sup>23</sup> Oxfam, 2021, p.18

<sup>24</sup> Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p. xxiv. See also A. Banerjee, and E. Duflo, *Good Economics for Hard Times*, 2019, p. 204.

<sup>25</sup> AB Atkinson, *Inequality - What Can Be Done?*, Harvard University Press, 2015.; M. Power, R. Wilkinson and K. Pickett, [Inequality, Economic Democracy and Sustainability](#), In *World Social Science Report 2016*. UNESCO and ISSC, 2016, pp. 160–163; United Nations Research Institute for Social Development, [Overcoming Inequalities in the Context of the 2030 Agenda for Sustainable Development](#), 2019; United Nations, [World Social Report 2020](#), 2020.

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development, such as social cohesion and resilience, respect for the rule of law, conflict prevention and environmental protection.<sup>26</sup>

Rising inequalities have cross-cutting impacts throughout the 2030 Agenda and can also obstruct achievement of other SDGs<sup>27</sup>. Conversely, reducing inequalities has a positive effect on all SDGs<sup>28</sup>. The Global Sustainable Development Report on science for achieving sustainable development argues that focusing on the SDG's inherent interconnectedness, and maximising synergies between them, is the most effective way of achieving the necessary transformative change. As Gro Harlem Brundtland states in the Prologue of the Global Sustainable Development Report, 'If we do not put inequality at the heart of the global development agenda, we are doomed to failure'<sup>29</sup>.

The European Parliament has consistently engaged with the LNOB agenda, for example, through its resolution of 25 November 2014 on the EU and the global development framework after 2015<sup>30</sup>, and its resolution of 14 March 2019 on the Annual Strategic Report on the implementation and delivery of the Sustainable Development Goals<sup>31</sup>. In May 2021 it held a hearing on 'Addressing inequalities in developing countries with specific reference to the COVID pandemic'<sup>32</sup>, building on its continuous work on this topic. This study will outline the research evidence necessary to support the EP's efforts in this area and make concrete recommendations to advance progress on SDG 10.

<sup>26</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b, p. 2.

<sup>27</sup> Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019.

<sup>28</sup> Independent Group of Scientists appointed by the Secretary-General, 2019, p. 44.

<sup>29</sup> Independent Group of Scientists appointed by the Secretary-General, 2019, p. xvi.

<sup>30</sup> European Parliament, [Resolution of 25 November 2020 on Improving Development Effectiveness and the Efficiency of Aid](#), P9\_TA(2020)0323, 25 November 2020.

<sup>31</sup> European Parliament, [Resolution of 14 March 2019 on the Annual strategic report on the implementation and delivery of the Sustainable Development Goals \(SDGs\)](#), P8\_TA(2019)0220, 14 March 2019.

<sup>32</sup> See European Parliament [webpages](#).

## 2 Setting the scene – literature review

This review of the existing literature is organised conceptually and will be used to inform our methodology, which is set out in Chapter 3. The key concepts highlighted here are: inequality, LNOB, intersectionality and policy coherence. There is broad agreement in the literature around which policies would reduce inequality and the main proposals put forward are briefly summarised at the end of this chapter.

### 2.1 Inequality

Reducing inequalities within and between countries is a standalone goal in the 2030 Agenda. It is also closely related to the cross-cutting principles of leaving no one behind and reaching the furthest behind first. Inequality has been conceptualised in many ways. The very different meanings attributed to the term have consequences not only for the measures proposed to address it, but also for the impact of these measures on the lives of groups and individuals affected. Interest in inequality and its impact on societies has soared over the past decade or so, as can be seen from the number of books and reports that have focused explicitly on this topic<sup>33</sup>. Growing interest in inequality is directly related to the growth in inequality itself<sup>34</sup>, a trend accentuated by COVID-19<sup>35</sup>, as will be demonstrated later in this study. Some of the most interesting aspects of recent thinking about inequality concern its many interacting dimensions and the importance of taking a holistic approach to its description and analysis<sup>36</sup>. The World Social Science Report, for example, presents the range of issues investigated by social scientists working in this area, including: the role of social institutions, such as education, health, justice and social protection, in producing and reproducing inequalities; the effect of membership to particular social groups on equality of opportunity and equality of outcomes; and the exclusion of disadvantaged groups from political decision-making, which can reinforce and perpetuate inequalities<sup>37</sup>.

A number of multidimensional frameworks have been devised to shed light on these inequalities. These frameworks move beyond measures which focus solely on income or poverty, by highlighting ways in which inequalities combine and intersect.

Leach et al., for example, construct an analytical framework which includes six dimensions of inequality: economic, political, cultural, spatial, environmental and knowledge. These inequalities not only interact and intersect, but their intersections are also dynamic<sup>38</sup>. They can reinforce each other, producing a vicious cycle. This means that the poorest may also be the most excluded from decision-making and face the greatest barriers for efforts to bring about change<sup>39</sup>. Capturing aspects of social categorisation and discrimination at a global level is valuable for analytical purposes, but it is important to remember that these dimensions of inequality are not fixed and that close contextual understanding will always be necessary to operationalise the categories at a local level. Platt stresses our need to recognise the

<sup>33</sup> See, for example, T Piketty, *Capital in the Twenty-First Century*, 2014; RG Wilkinson and K Pickett K, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, 2009; UNESCO and ISSC, [World Social Science Report 2016](#), 2016; United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019.

<sup>34</sup> See, for example, T. Piketty, *Capital and Ideology*, 2019; A. Banerjee, and E. Duflo, *Good Economics for Hard Times*, 2019.

<sup>35</sup> F. Ahmed, N. Ahmed, C. Pissarides, and J. Stiglitz, [Why inequality could spread COVID-19](#), 2020.

<sup>36</sup> F. Caillods, and M. Denis, Social Science Challenges Inequalities, in *World Social Science Report 2016*. UNESCO and ISSC, 2016, p. 22; [World Inequality Database](#).

<sup>37</sup> UNESCO and ISSC, [World Social Science Report 2016](#), 2016.

<sup>38</sup> M. Leach, H. MacGregor, I. Scoones, et al. [Post-pandemic transformations: How and why COVID-19 requires us to rethink development](#). *World Development*, Vol 138, p. 5.

<sup>39</sup> M. Leach, J Gaventa, P. Justino, et al., Challenging Inequalities: Pathways to a Just World. In: *World Social Science Report 2016*. UNESCO and ISSC, 2016, pp. 26–31.

importance of social categories in producing and reinforcing inequalities, while simultaneously recognising their associated diversity and intersections<sup>40</sup>.

In another multidimensional framework for understanding inequalities, Kabeer distinguishes between (1) vertical inequalities, which rank individuals or households; (2) horizontal inequalities, deriving from discrimination against social groups; and (3) spatial inequalities, arising from accessibility to services and other resources in different areas, such as rural versus urban areas. She also adds a concern with participation and voice. Again, interactions between the economic, cultural, political and spatial are stressed, along with specific inequalities that occur at their intersections. This helps explain why certain groups in society are systematically left behind<sup>41</sup>.

The Multidimensional Inequality Framework, devised by the London School of Economics, the School of Oriental and African Studies and Oxfam, measures inequality in individual well-being across seven domains: life and health; physical and legal security; education and learning; financial security and dignified work; comfortable, independent and secure living conditions; participation, influence and voice; as well as individual, family and social life. It draws on Sen's capabilities approach, which focuses on the quality of life that individuals manage to live and the level of freedom they have to choose the kind of life they have reason to value<sup>42</sup>.

Sandra Fredman proposes four dimensions of equality: redressing disadvantage (the redistributive dimension); addressing prejudice, stigma, humiliation and violence (the recognition dimension); facilitating voice and agency (the participative dimension); and transforming structures (the transformative dimension). She stresses that all these dimensions must be applied simultaneously<sup>43</sup>. This framework complements the inequality frameworks and can provide additional insight into solutions for inequalities identified through the other approaches.

Platt draws attention to the 'slipperiness' of inequality as a concept, which allows different meanings to co-exist, being understood as: inequality of opportunity or of outcome; as 'natural' or socially produced; as just or unjust; and avoidable or inevitable. Efforts to reduce inequality must incorporate these various meanings and potential for the goal to be understood in different ways, with implications for the outcomes and their impact. Social groups and the differences between them are key to understanding inequalities, but we must ensure that we do not essentialise these groups or ignore differences within them<sup>44</sup>.

In sum, the recent shift of focus from poverty to inequality and the expanded multidimensional conceptualisation of inequalities, combining vertical, horizontal, spatial and transformational elements, provides us with rich analytical frameworks that can be used to improve our understanding of multiple and intersecting inequalities along with their interactions. This in turn provides scope for positive change.

## 2.2 LNOB

LNOB was inscribed as a principle in the 2030 Agenda to recognise that progress on poverty and inequality could take place without necessarily improving circumstances for the worst off. Accordingly, reaching the furthest behind first makes this commitment even more explicit. The message is that SDGs will not be achieved until they are reached for everyone. The principle of LNOB requires specific targeting of those

<sup>40</sup> L. Platt, *Understanding Inequalities*. 2nd ed, 2019, p. 284.

<sup>41</sup> N. Kabeer 'Leaving no one behind': the Challenge of Intersecting Inequalities, In: UNESCO and ISSC (eds) *World Social Science Report 2016*, 2016, p. 55-56.

<sup>42</sup> A. McKnight, *Multidimensional Inequality Framework*, LSE and Oxfam, 2019.

<sup>43</sup> S. Fredman, [Working Together: Harnessing Human Rights to Achieve Substantive Gender Equality and Intersectionality in the SDG Agenda](#), 2020.

<sup>44</sup> L. Platt, 2019, p. 3.

groups and individuals that are most disadvantaged<sup>45</sup>. Hence, the first step is identification, using context-specific inequality analyses.

LNOB requires us to identify: firstly, levels of deprivation, including overlapping deprivations and measures of poverty in dimensions such as education, health and nutrition, as well as income; and secondly, the characteristics of deprived populations, given that deprivation is often linked to aspects of social identity and/or geography. Special attention should be paid to intersecting inequalities, whereby group characteristics combine to amplify the experience of deprivation.

UNDP asserts that in order to understand who is being left behind and why, five key factors should be assessed: discrimination; geography; governance; socio-economic status; shocks and fragility<sup>46</sup>. These five factors overlap considerably with the dimensions of inequality discussed above. They inform a detailed description of the ways in which people are left behind and represent a starting point for efforts to seek redress in the form of: redistribution, recognition, voice and transformative change.

UNDP uses a capabilities-based approach, seeing people as left behind 'when they lack the choices and capabilities that enable others to participate in or benefit from human development'<sup>47</sup>. People can be left behind as a result of absolute deprivation and/or relative disadvantage, so both need to be measured. UNDP states: 'Across countries, women and girls, people in rural areas, indigenous peoples, ethnic and linguistic minorities, people with disabilities, migrants, gender and sexual minorities, youth and older persons are disproportionately among the left behind. In all societies, the furthest behind tend to endure multiple and intersecting disadvantages.'<sup>48</sup>

Focusing on the most disadvantaged, marginalised and excluded through the principle of LNOB has the potential to make a difference to the lives of many<sup>49</sup>. This focus should not allow us to lose sight of the bigger picture, though, namely the structural inequalities that produce these processes of disadvantage, marginalisation and exclusion. Samman et al. argue that it was a mistake to leave out of the 2030 Agenda those at the top of income distribution, focusing instead on disadvantaged groups. This has become the focus of most international donors advocating for implementation of the 2030 Agenda, but it deflects attention from ever-increasing income inequality. Focusing on lowest level of distribution relative to the average can overlook broader inequalities within countries, their origins and the way in which they are sustained<sup>50</sup>.

One contributory factor is the extreme concentration of wealth which is being created. The super-rich, often described as the 1 %, constitute an elite whose lives are far removed from the remaining 99 %. Analysing these elites and the global wealth gap, along with formal and informal institutions which sustain them, can help improve our understanding not only of how inequalities are produced and maintained, but also how they can best be redressed. Accordingly, it is important to reconnect the LNOB principle with an analysis of inequality, power relations and barriers to change.

As an approach to equality, LNOB recognises that the playing field is not level. For certain spatial and sociocultural reasons, some people are disadvantaged and hence corrective measures must incorporate specific targeting which will enable them to 'catch up'. It is recognised that particular barriers prevent some

<sup>45</sup> E Stuart, E., & Samman, E., [Defining 'Leave no one behind'](#), Briefing/policy paper, Overseas Development Institute, 2017.

<sup>46</sup> United Nations Development Programme, [What does it mean to leave no one behind? A UNDP discussion paper and framework for implementation](#), 2018 [accessed 5 September 2021]

<sup>47</sup> United Nations Development Programme, 2018, p. 7.

<sup>48</sup> United Nations Development Programme, 2018, p. 7.

<sup>49</sup> E. Samman E., JM Roche, MB Sarwar and M. Evans, ['Leave no one behind' – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021.

<sup>50</sup> E. Samman E., JM Roche, MB Sarwar and M. Evans, 2021, p. 30.



people from deriving benefit even when opportunities do exist. For example, universal education is an equal opportunity for all, but if girls are unable to go to school because of their domestic responsibilities, then inequality persists. LNOB contributes to the social, economic and political inclusion of all. Thus, including the poor and hardest to reach is absolutely essential<sup>51</sup>. One of the key steps, along with gathering disaggregated data, is to understand what marginalised groups themselves want, need and prioritise, so as to enhance ownership by ensuring that such preferences are reflected in policy<sup>52</sup>.

LNOB can encourage countries to pursue inclusion within existing systems, leaving intact structural inequalities that push many behind<sup>53</sup>. Feminists have been struggling with this problem for decades, if not centuries: how to demand inclusion in a system which structurally disadvantages gendered groups and individuals. Nancy Fraser proposed measures that combine redistribution, recognition and voice<sup>54</sup>; this approach can also be applied to other marginalised groups. One of the strengths in Fraser's approach is that it does not lose sight of structural inequalities, while simultaneously recognising group identities.

In sum, then, LNOB aims to end absolute poverty and group-based discrimination that has resulted in unequal outcomes for some disadvantaged or marginalised populations. Reaching the furthest behind first means identifying and targeting them with specific actions that will enable them to 'catch up'<sup>55</sup>. The radical potential of LNOB lies in this recognition that the playing field is not level and that targeted measures are, therefore, needed in order to achieve equality of outcome.

## 2.3 Intersectionality

Derived from black and critical race feminisms, intersectionality as an analytical framework has made a major theoretical contribution to the understanding of inequalities, marginalisation and exclusion. The need to take an intersectional approach to inequalities is now widely advocated by international organisations, EU institutions and non-governmental organisations (NGOs), although detail about how this will be achieved is limited<sup>56</sup>.

The term was first coined by Kimberlé Crenshaw, who used it to expose unique effects at the intersection of gender and race on the employment prospects of Black women in the United States (USA). Collins and Bilge propose a working definition, whilst at the same time recognising the contested, multifaceted and evolving nature of the term:

*'Intersectionality is a way of understanding and analysing the complexity in the world, in people and in human experiences. The events and conditions of social and political life and the self can seldom be understood as shaped by one factor. They are generally shaped by many factors in diverse and mutually influencing ways. When it comes to social inequality, people's lives and the organisation of power in a given society are better understood as being shaped not by a single axis of social division, be it race or gender or class, but by many axes that work together and influence*

<sup>51</sup> N. Kaberé 'Leaving no one behind': the Challenge of Intersecting Inequalities, In: UNESCO and ISSC (eds) *World Social Science Report 2016*, 2016, pp. 55–60.

<sup>52</sup> E. Stuart, E. Samman, [Defining 'Leave no one behind'](#), Briefing/policy paper, Overseas Development Institute, 2017.

<sup>53</sup> E. Samman E., JM Roche, MB Sarwar and M. Evans, ['Leave no one behind' – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021.

<sup>54</sup> N. Fraser, From Redistribution to Recognition? Dilemmas of Justice in a 'post-socialist' age, *New Left Review*, vol 212, 1995, pp 68–93.

<sup>55</sup> E. Stuart and E. Samman, 2017, p. 2.

<sup>56</sup> See, for example, European Commission and High Representative of the Union for Foreign Affairs and Security Policy, [EU Gender Action Plan \(GAP\) III - An Ambitious Agenda for Gender Equality and Women's Empowerment in EU External Action](#), Joint Communication, JOIN(2020)17 final, 2020; European Commission, [Union of Equality: LGBTIQ Equality Strategy 2020-2025](#), COM(2020) 698 final, 2020; European Commission, [A Union of equality: EU anti-racism action plan 2020-2025](#) COM(2020)565 final, 2020; European Commission, [Union of Equality – Strategy for the Rights of Persons with Disabilities 2021-2030](#), 2021.

*each other. Intersectionality as an analytic tool gives people better access to the complexity of the world and of themselves.*<sup>57</sup>

Individuals are situated on many different axes of inequality, including class, race, age and gender. An intersectional lens pays attention not only to where they are situated on each axis, but to the point at which they intersect. Intersecting inequalities can dramatically increase disadvantage in relation to others within the population. Intersectionality recognises that where social categories cross, specific forms of marginalisation and inequality can be found. These inequalities are not merely the addition of their social location, but a unique locus of disadvantage<sup>58</sup>. An intersectional approach reveals that those most likely to be left behind are groups whose disadvantage and marginalisation intersect along different dimensions, reinforcing and exacerbating one another. This can explain the persistence of marginalisation processes for certain groups, whose economic disadvantage intersects with cultural, spatial and political disadvantage<sup>59</sup>.

Intersectionality is beginning to gain some presence in EU policy, accompanying and, in some cases, replacing a commitment to gender equality which has tended to see 'gender' as referring to women and 'gender equality' as meaning equality between women and men. Gender equality has been integrated into EU development policy since 2000, on the grounds that it is an important goal in and of itself, but is also essential to the achievement of development objectives. The three Gender Actions Plans (GAPs - 2010, 2015 and 2020) have all set out a three-pronged approach to pursuing gender equality: gender mainstreaming, specific actions and political dialogue. A more intersectional approach is emerging and GAP III refers to women in all their diversity as well as the need to tackle intersecting dimensions of inequality. This is important because intersectionality provides a way not only to understand and address inequalities, but also to identify and reach those most likely to be left behind.

## 2.4 Policy coherence

Throughout this study, we stress the importance of a holistic, integrated approach to the analysis of inequalities and measures that can be taken to address them. Policy coherence is a valuable way of conceptualising relations between the relevant policy areas, bringing them together in pursuit of the goals set out in the 2030 Agenda<sup>60</sup>. It is widely accepted that some objectives cannot be achieved by treating them as standalone goals, but that they need to be woven into all areas and at all stages of decision-making. Policy coherence is used here as a generic term encompassing all attempts to coordinate policy across sectors, including those which aim to mainstream or integrate cross-cutting issues throughout EU policy making, well-known examples of which are environmental policy integration and gender mainstreaming. They are based on the idea that a specific issue (environment, gender) cannot be addressed in isolation, but must be an integral part of policy design, formulation and implementation in all other policy sectors. Policy coherence for development (PCD) integrates development objectives into

<sup>57</sup> PH Collins and S. Bilge, *Intersectionality*, 2016.

<sup>58</sup> E. Stuart and Woodroffe J., *Leaving No-One Behind*, *Gender & Development*, vol 24, n 1, 2016, pp 69–81.

<sup>59</sup> V.P. Arauco, H Gazdar, P Hevia-Pacheco, et al., [Strengthening social justice to address intersecting inequalities post-2015](#), Research Reports, Overseas Development Institute, 2014, p. viii.

<sup>60</sup> It is important to note that coordination, complementarity and coherence are distinct concepts in EU development cooperation – the so-called '3Cs' of the 1992 Maastricht Treaty. Coherence is used to refer to policies and the 2017 EU Consensus makes this more explicit with the term 'policy coherence for development' (PCD) to refer to the obligation in the TFEU Article 208: 'The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries'. Separately the TFEU (Art.210) enjoins the EU and member states to promote the complementarity of their respective development actions by coordinating their policies. See Mackie (2020, p.8); also M. Carbone, *Mission Impossible: the European Union and Policy Coherence for Development*, *European Integration*, Vol 30 n 3, 2008 pp. 323-342. Coordination is important for reaching the SDGs and for responding to COVID-19. Joint programming, joint implementation and Team Europe are all examples of coordination and complementarity. See, for example, [Working Better Together as Team Europe](#).

other areas of internal and external policy. It originated in the Organisation for Economic Co-operation and Development Development Assistance Committee (OECD-DAC) in 1991 and was introduced into the EU by the Maastricht Treaty (1992). Article 208 of the Treaty on the Functioning of the European Union (TFEU) states that: 'The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries'<sup>61</sup>. Commitment to policy coherence for development was reiterated in the European Consensus on Development (2005) and again in the new European Consensus on Development (2017), which states: 'PCD is a fundamental part of the EU's contribution to achieving the SDGs'<sup>62</sup>.

Academic literature suggests that successful policy coherence requires a strong shared vision which acts as a strategic goal and maintains focus on the objective, not on the procedural tools and instruments. Existing studies suggest that: process has often taken precedence over substance<sup>63</sup>; resources rarely follow rhetorical commitment<sup>64</sup>; institutional obstacles and resistance can be insurmountable<sup>65</sup>; and power struggles around definitions and priorities play an important role in the success or failure of policy coherence efforts<sup>66</sup>. Substantial research on gender mainstreaming shows that, despite repeated rhetorical commitments by EU actors, this issue is still absent from key policy areas<sup>67</sup>. The EP Resolution Beijing+25 'regrets that gender mainstreaming is not applied systematically across all EU policy areas and funding programmes.'<sup>68</sup>

The EU's foreign policy is set out in the 2016 Global Strategy, which emphasises the importance of 'coherence', 'joined-up policy' and 'coordination'. For example, it states that 'the EU will adopt a joined-up approach to its humanitarian, development, migration, trade, investment, infrastructure, education, health and research policies' and that 'we will systematically mainstream human rights and gender issues across policy sectors and institutions.'<sup>69</sup>

The list of cross-cutting issues to be mainstreamed throughout EU policies has grown, to include issues such as migration, human rights, climate change and, with the ECD 2017, reduction of inequality. In addition, there have been calls for nexuses to be mainstreamed and not just single issues. For example, the ECD states: 'Poverty, conflict, fragility and forced displacement are deeply interlinked and must be addressed in a coherent and comprehensive way, also as part of the humanitarian-development nexus. The EU and its Member States will address their root causes at all levels, ranging from exclusion, inequality, food insecurity, human rights violations and abuses, impunity and the absence of the rule of law to environmental degradation and climate change'<sup>70</sup>. This raises further questions about operationalising the

<sup>61</sup> European Union, [Consolidated Versions of the Treaty on European Union and the Treaty on the Functioning of the European Union of 13 December 2007](#), *Official Journal of the European Union*, OJ C 115, Brussels, 9 May 2008.

<sup>62</sup> European Union, The new European Consensus on Development 'Our world, our dignity, our future', 2017, para 10.

<sup>63</sup> M. Carbone, and N. Keijzer, [The European Union and Policy Coherence for Development: Reforms, Results, Resistance](#), *European Journal of Development Research*, Vol 28, n 1, 2016, pp 30–43.

<sup>64</sup> M.A. Pollack and Hafner-Burton E., Mainstreaming International Governance: the environment, gender and IO performance in the European Union, *The Review of International Organisations*, 2010.

<sup>65</sup> A. Rao, J. Sandler, D. Kelleher, et al., *Gender at Work. Theory and Practice for 21st Century Organisations*, 2016.; see also J. Gupta, and N. van der Grijp, *Mainstreaming Climate Change in Development Cooperation: Theory, Practice and Implications for the European Union*, 2010.

<sup>66</sup> G. Allwood, 'Mainstreaming Gender and Climate Change to Achieve a Just Transition to a Climate-Neutral Europe', *Journal of Common Market Studies*, Vol 58, S1, 2020, pp 173-186.

<sup>67</sup> G. Abels, A. Krizsan, H MacRae, et al. (eds), *Routledge Handbook on Gender and EU Politics*, 2021.

<sup>68</sup> European Parliament, [Resolution of 11 February 2021 on challenges ahead for women's rights in Europe: more than 25 years after the Beijing Declaration and Platform for Action](#), P9\_TA(2021)0058, 2021.

<sup>69</sup> EEAS, [Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy](#), 2016, pp. 11, 26 & 51.

<sup>70</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b, para. 64



mainstreaming of complex, intersecting nexuses. The same questions apply to the synergistic implementation of SDGs. An integrated approach is crucial to the achievement of these goals. The 2030 Agenda introduced the concept of Policy Coherence for Sustainable Development (PCSD), recognising the importance of policy coherence across the 17 SDGs' complete integrated package. Synergies between the SDGs can produce co-benefits and the most efficient way to make progress is to take advantage of positive synergies with other targets, while resolving or ameliorating the negative trade-offs with others<sup>71</sup>. The challenge is ensuring that no one is left behind in this process. Previous research has shown, for example, that recent attention to the mainstreaming of issues such as migration and security has effectively replaced the mainstreaming of gender equality in some areas of EU external action<sup>72</sup>.

## 2.5 Conclusion

The literature produces a relatively consensual list of policies that reduce inequalities, some of which are discussed above (gender equality policies; policies that strengthen democratic governance and access to rights; and socially sustainable environmental policies). Other policies identified in the literature include: universal social policies; labour market and employment policies; progressive tax policies; business and market regulation; urban policies; global governance reform; and aid policies<sup>73</sup>.

The literature also puts forward proposals to ensure that no-one is left behind. These build on the initial requirement of reducing inequality in all its forms and add measures such as the following: understanding what marginalised groups themselves want, need and prioritise, ensuring that these preferences are reflected in policy; conducting ex-ante assessments of all policies to determine their impact on the poorest and most marginalised; looking at specific measures which allow the most marginalised to access services; focusing on areas where those most left behind live and on issues most likely to improve outcomes for them; and evaluating outcomes for the left-behind<sup>74</sup>.

While simple quick fixes can be applied to some of the symptoms of inequality, transformation requires strong political will and a holistic approach. Multiple inequalities resulting from social, political and economic structures and institutions require multidimensional responses. Synergies can be harnessed, so that tackling one form of inequality brings benefits to another<sup>75</sup>. The transformative approach must be context specific, requiring participatory action, mutual and reverse learning<sup>76</sup> and institutional change. Leach finds that in cases where inequalities have declined, 'it is combinations and sequences of rule changes and actions involving states, markets and citizens, involving top-down leadership and bottom-up action, that have made a difference'<sup>77</sup>. A more equal distribution of power and participation in decision-making can help overcome resistance and clear obstacles<sup>78</sup>.

<sup>71</sup> Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p. xxi.s

<sup>72</sup> HL Muehlenhoff, A van der Vleuten and N Welfens, Slipping Off or Turning the Tide? Gender Equality in European Union's External Relations in Times of Crisis. *Political Studies Review*, 2020.

<sup>73</sup> United Nations Research Institute for Social Development, [Overcoming Inequalities in the Context of the 2030 Agenda for Sustainable Development](#), 2019, p. 6; M. Leach Towards Equality: Transformative Pathways. In: *World Social Science Report 2016*. UNESCO and ISSC, 2016 pp. 184–190.

<sup>74</sup> E. Stuart, E. Samman, [Defining 'Leave no one behind'](#), Briefing/policy paper, Overseas Development Institute, 2017.

<sup>75</sup> M. Leach, 2016.

<sup>76</sup> This challenges the traditional hierarchy of development approaches, encouraging learning with and from partners in the global south; M. Leach, H. MacGregor, I. Scoones, et al., [Post-pandemic transformations: How and why COVID-19 requires us to rethink development](#), *World Development*, Vol 138, 2021.

<sup>77</sup> M. Leach, 2016, p. 189.

<sup>78</sup> United Nations Research Institute for Social Development (UNRISD), [Overcoming Inequalities in the Context of the 2030 Agenda for Sustainable Development](#), 2019, pp. 2-3.

Crises can provide opportunities to challenge structures. COVID-19 has exacerbated existing inequalities and has brought the interconnectedness of people all around the world into sharp focus. It has also demonstrated interlinkages between the social, economic and environmental dimensions of the 2030 Agenda<sup>79</sup> and the importance of addressing them in a coherent fashion. Inequality cannot be addressed as a discrete issue. It is inherently cross-cutting and requires action throughout all policy sectors. An integrated approach, as embodied in policy coherence for development, is essential. Action to reduce inequalities needs to leverage co-benefits, for example, recognising that greater equality correlates with a better climate<sup>80</sup>. It also needs to acknowledge the interconnectedness of inequalities as well as measures to reduce them. Adding a concern with inequality and those who are left behind to an otherwise unchanged global economy will have limited effects<sup>81</sup>. COVID-19 has provided a shock that fuelled alternative ways of thinking and proposals for a more economically, socially and environmentally sustainable recovery. Resilience to future shocks, be they pandemics, climate change or conflict, has become a priority. Reducing inequality will play an important role in building resilience<sup>82</sup>.

<sup>79</sup> Z. Liu, View from the Pandemic: Stark Realities, Critical Choices. In: *The Sustainable Development Goals Report 2021*. 2021, p. 3.

<sup>80</sup> SN. Islam and J. Winkel, [Climate Change and Social Inequality](#), DESA Working Paper, No 152, United Nations Department of Economics and Social Affairs, 2017.

<sup>81</sup> J. Hickel, *The Divide: A Brief Guide to Global Inequality and Its Solutions*, 2017; Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p. 100; D. Woodward, Incrementum ad Absurdum: Global Growth, Inequality and Poverty Eradication in a Carbon-Constrained World, *World Economic Review*, Vol 4, pp. 43-62, 2015.

<sup>82</sup> M. Leach, H. MacGregor, I. Scoones, et al. [Post-pandemic transformations: How and why COVID-19 requires us to rethink development](#). *World Development*, Vol 138, p. 8.

### 3 Methodology

This study is based on a thorough and systematic review of existing literature and data concerning inequalities, SDG 10 and international development policy and approaches. A broad consensus exists in this literature, particularly around recommendations for effective policy responses, based on evidence of what works in reducing inequalities, especially for the most marginalised. The review of existing literature and data is complemented by semi-structured interviews with stakeholders in EU institutions<sup>83</sup> conducted to provide additional insight.

Our analysis identifies the root causes of inequalities and factors that perpetuate them, in order to propose the necessary transformative change. To improve our understanding of inequality, we draw on the literature discussed above to develop and apply a three-pronged analytical approach, featuring multidimensional inequalities, intersectionality and interconnectedness.

Firstly, a multidimensional approach to inequalities moves beyond a focus on income and wealth gaps to explore the causes and effects of other forms of inequalities. Amongst the most important of these are health, education and livelihoods, reason for which they have been selected for analysis in this study.

Secondly, our approach is intersectional, highlighting the ways that individuals and groups are disadvantaged and marginalised by the intersection of multiple structural inequalities, hence calling for responses which are sensitive to these processes. An intersectional approach recognises the unique forms of inequality experienced at the junction between two or more socially constructed categories, such as gender, class or race. As one of the most persistent inequalities globally, gender is central to this analysis. Women and girls do not constitute a homogenous group: gender intersects with ethnicity, disability, location, socioeconomic status and other markers of difference. In addition, we recognise that these categories are themselves not fixed, but contingent, and thus close contextual understanding is necessary to operationalise them at local level. 'Leaving no-one behind' means identifying these forms of disadvantage and exclusion, so as to find ways of addressing them.

Thirdly, the analysis of proposals for transformative change builds on the interlinkages between SDGs, by identifying synergies that can be used to make progress and to guard against regression. Focusing on the central role of policy coherence, it proposes opportunities for improving action on inequality open to the EU in both its internal and external action. We stress the importance of taking a holistic approach to the analysis of inequalities and proposals for bringing about change. This includes identifying the obstacles and barriers to transformation. The SDGs represent a challenge to vested interests and established (normative) practices, implying that we should, therefore, expect obstacles and opposition<sup>84</sup>. Resistance and inertia are certainly built into a system which benefits the few and where economic and political power is concentrated in their hands. Hence, we look at political constraints, ideas, interests and institutions that perpetuate intersectional forms of disadvantage. As the UN World Social Report confirms, 'In most cases, inaction is due not to the lack of sound technical advice or even adequate capacity. [...] Understanding the political constraints to reducing inequality and devising ways to overcome them is key to breaking the current stalemate.'<sup>85</sup>

<sup>83</sup> Interviews were conducted in DG INTPA and the EEAS on the basis of anonymity.

<sup>84</sup> L. Engberg-Pedersen, and A. Fejerskov, The Difficulties of Diffusing the 2030 Agenda: Situated Norm Engagement and Development Organisations, in *The Palgrave Handbook of Development Cooperation for Achieving the 2030 Agenda*, 2021, pp. 165–183; United Nations Environment Programme, [Making Peace With Nature](#), 2021, p. 29.

<sup>85</sup> United Nations, [World Social Report 2020](#), 2020, p. 4.

## 4 Global progress towards SDG 10 and LNOB

### 4.1 Introduction

The 'Leave no One Behind' agenda, as one of six guiding principles within the United Nations Sustainable Development Cooperation Framework, represents a commitment to eradicate poverty as well as discrimination and exclusion, while reducing the impact of inequalities and prejudice. In this sense, implementation progress is intimately linked with the success of SDG 10, aimed at tackling horizontal and vertical dimensions of inequality.

As progress was deemed insufficient to reach the Sustainable Development Agenda goals by 2030, the 'Decade of Action' was planned to be launched in 2020, five years into implementation of the agenda itself. However, the pandemic has brought this commitment to a standstill and set back achievements made towards reaching these goals, in some cases by 10 years<sup>86</sup>.

This chapter analyses the nature of Goal 10 and the LNOB Agenda, highlighting progress made on them before the pandemic's outbreak. It then moves on to assess the impact of COVID-19 and climate change on inequality. These two crises represent fundamental challenges to implementation of the 2030 Agenda, and they are also having a disproportionately negative impact on the most vulnerable. As discussed in the previous section, this chapter adopts a multidimensional approach to SDG 10, by considering the impact of specific inequalities on the overall progress towards this goal, while also being conscious of the overall impact of the various different dimensions studied in regard to inequality.

### 4.2 SDG 10: Reducing inequalities

SDG 10 calls for reducing inequalities within and among countries. Its targets and indicators, as listed in Box 1 below, at global level cover a wide range of issues. They not only refer to wealth, but also to a comprehensive vision of human development, tackling individual capabilities and freedoms, thereby underpinning both well-being and agency<sup>87</sup>. This Sustainable Development Goal also aims to tackle institutional constraints felt by developing countries, such as limited access to global financial markets and trade agreements.

#### Box 1. SDG 10: its targets and indicators<sup>88</sup>

The wide scope of SDG 10 is made clear in its range of specific targets and indicators:

**10.1** aims at achieving and sustaining **income growth for the bottom 40 %** of the population by 2030 at a rate higher than the national average;

**10.2** aims at enabling and promoting social, economic and political **empowerment for all**, regardless of status and other intersecting dimensions of inequality (i.e. race, age, sex, disability, race etc.);

**10.3** focuses on ensuring **equal opportunities** and thereby curbing discriminatory practices, laws and policies;

**10.4** focuses on promoting **fiscal, wage and social protection policies to foster greater equality**;

**10.5** focuses on improving the **regulation and monitoring of global financial markets and institutions**;

**10.6** focuses on ensuring **enhanced representation for developing countries in decision-making** in international economic and financial fora, thereby increasing the legitimacy of such institutions;

**10.7** focuses on facilitating **orderly, safe, regular and responsible migration** and mobility of people;

<sup>86</sup> United Nations Development Programme, [Assessing impact of COVID-19 on the Sustainable Development Goals](#), Flagship Publication 1, 2021.

<sup>87</sup> F. Stewart, Capabilities and Human Development: beyond the individual – the critical role of social institutions and social competences, Occasional paper 2013/03, UNDP Human Development Report Office, 2013.

<sup>88</sup> United Nations, [Reduce Inequality within and Among Countries – Targets and Indicators](#), [accessed 12 October 2021].

**10.a** reiterates the need to implement **differential treatment for developing countries**, especially the least developed, in compliance with World Trade Organization (WTO) agreements;

**10.b** encouraging the flow of **official development assistance** and other financial flows to the States in greatest need;

**10.c** focuses on reducing **transaction costs of migrant remittances** to less than 3 % per transaction and eliminate remittance corridors that cost more than 5 %.

Hence, SDG 10 and its sub-targets do not strictly refer to economic goals, but rather encompass a vast array of legal, social and economic changes<sup>89</sup>. Goal 10 can, therefore, be considered as a cross-cutting, foundational goal, as it focuses on providing enhanced capabilities to all, including those most left behind.

Before 2020, a reduction in inequalities could be witnessed in some areas, as a result of measures such as the granting of preferential trade status to Least Developed Countries (LDCs) and reducing transaction costs for migrant remittances<sup>90</sup>. However, progress has been uneven, with inequalities persisting in income, wealth, opportunities and other dimensions. Even before the pandemic's outbreak, progress on inequality had practically reversed, with increases reported both within and between countries<sup>91</sup>. Financing for the SDGs was below requisite investment needs<sup>92</sup>. In 2019, one in five African countries did not raise enough revenue to meet basic state functions. In Sub-Saharan Africa, the situation was considerably worse, with one in three countries affected. This has clearly been exacerbated by the pandemic's consequences.

### 4.3 The 'Leave No one Behind' Agenda

*'As we embark on this great collective journey, we pledge that no one will be left behind. Recognising that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first.'*<sup>93</sup>

The key objectives of the 'Leave No One Behind' Agenda, an integral part of the United Nations Sustainable Development goals, are: ending absolute poverty; stopping group-based discrimination resulting in unequal outcomes for the disadvantaged; and helping those furthest behind first<sup>94</sup>. It is meant to address inequalities both for deprived groups within countries where there is a majority of non-deprived individuals and for 'left-behind' countries where most of the population are facing various intersecting forms of deprivation<sup>95</sup>.

This Agenda not only aims at reaching the most marginalised, but also at ending group-based discrimination, thereby tearing down unequal structures of opportunity and power. Group-based discrimination can encompass different aspects of identity or status; some of which are exemplified by gender, age, disability, ethnicity and migratory status. Hence, adopting an intersectional approach to understanding and tackling inequalities as well as discrimination is fundamental to the Agenda's successful

<sup>89</sup> United Nations Statistics Division, [Goal 10: Reduce inequality within and among countries](#). [accessed 1 October 2021].

<sup>90</sup> United Nations – Economic and Social Council, [Progress towards the Sustainable Development Goals – Report of the Secretary General](#). [accessed 1 October 2021].

<sup>91</sup> United Nations – Department of Economic and Social Affairs, [Impact of COVID-19 on SDG progress: a statistical perspective](#). Policy Brief no. 81, UNDESA, 2020.

<sup>92</sup> B. Bergashaw., *Africa and Sustainable Development Goals: A long way to go*, Brookings, 2019.

<sup>93</sup> United Nations, [Transforming our world: the 2030 Agenda for Sustainable Development](#), A/RES/70/1, 21 October 2015. [accessed 29 September 2021]

<sup>94</sup> E. Stuart, *Why Leaving no One Behind Matters*, in *Joining Forces to Leave No One Behind*, Development Co-operation Report 2018, OECD, 2018.

<sup>95</sup> E. Samman et al., 'Leave no one behind' – five years into Agenda 2030. Guidelines for turning the concept into action, ODI, 2021.

implementation. Most of the left behind experience multiple intersecting inequalities and disadvantages, which increases the complexity around implementing targeted structural policies to reduce inequality<sup>96</sup>.

Four key challenges have been encountered so far in implementing the LNOB Agenda:

1. Effectively managing the potential higher costs of reaching those who are furthest behind first is difficult;
2. It has proven particularly challenging to identify the discriminated groups and their specific, intersecting vulnerabilities;
3. The role that international political economy relations have on perpetrating such inequalities is still being debated;
4. Limited political commitment on the part of national governments, in both developed and developing countries, and the lack of disaggregated data constitute further obstacles<sup>97</sup>.

Although most OECD-DAC countries are explicitly committed to implementing the LNOB Agenda, they often fail to adhere to specific policy objectives and implementation strategies.

The LNOB Agenda has also been criticised for relying on: the idea of trickle-down growth; excluding the top end of wealth distribution; and focusing mainly on redistribution within countries<sup>98</sup>. In addition, there has been a failure to recognise the value of promoting Policy Coherence for Sustainable Development, in order to help address inequalities both within and between countries<sup>99</sup>.

Some critics argue that relying on the concept of trickle-down growth represents a fundamental obstacle to implementing the LNOB Agenda in a sustainable way. Instead, they argue the focus should be on decoupling growth in Gross Domestic Product (GDP) from increases in the use in resources<sup>100</sup>. Such decoupling is necessary to re-think economic growth in sustainable terms. De-growth movements provide insights into how decoupling of growth and resource consumption could be achieved in the future, reversing the increasing pressure that the current concept of growth is putting on a socially and environmentally sustainable future. Furthermore, the attempt to include the top end of wealth distribution is a contested and politically sensitive issue. Progress is being made on international taxation, which could also represent a positive step forward that should not be neglected. The central role of taxation and redistribution to tackle inequalities is further explained below. Finally, the redistribution of wealth between countries, rather than just within countries, could be considered not only in reassessing the role of Official Development Assistance (ODA) and trade rules, but also to promote further more equitable forms of tax revenue distribution between countries.

Before 2019, governments showed little evidence of how the LNOB Agenda was being operationalised and what progress was achieved, despite high-level political commitments<sup>101</sup>. Since then, greater attention has been redirected towards the LNOB commitment, as new guidelines for reporting on the implementation

<sup>96</sup> United Nations Development Programme, [What does it mean to leave no one behind? A UNDP discussion paper and framework for implementation](#), 2018 [accessed 5 September 2021]

<sup>97</sup> B. Di Francesco, and I. McDonnell, [Leave No One Behind: How are Development Assistance Committee members answering the pledge of the 2030 Agenda for Sustainable Development?](#), OECD Development Co-operation Working Papers no. 47, OECD, 2018.

<sup>98</sup> E. Stuart, 2018.

<sup>99</sup> E Stuart, 2018.

<sup>100</sup> E. Stuart, 2018.

<sup>101</sup> Fukuda Parr et al., as cited in E. Samman E., JM Roche, MB Sarwar and M. Evans, ['Leave no one behind' – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021.



of SDGs were introduced. However, the commitment to LNOB remained weak throughout 2020, despite the pandemic<sup>102</sup>.

#### 4.4 COVID-19 impact on LNOB and inequality

The pandemic hit ‘a world wealthier than ever but facing deep divides in human development – affecting vulnerability to and preparedness for crises’<sup>103</sup>. It has shed new light on existing obstacles and long-standing barriers to progress in reducing inequalities, notably the concentration of persisting deprivations in groups who share: certain identities (e.g. age, race or ethnicity, having a disability); places of residence (e.g. remote areas); and/or experiences (e.g. forced migration)<sup>104</sup>. The pandemic’s socio-economic consequences have impacted differently, both between and within countries. COVID-19 has led to increases in inequality throughout many countries but particularly in low-income countries<sup>105</sup>. Previously disadvantaged groups have experienced further isolation due to the pandemic<sup>106</sup>. In 2020, for example, 4 186 migrants died trying to reach third countries and also experienced a higher risk of contracting and dying from COVID-19; in addition, the number of people who fled their countries and became refugees grew to 24 million, the highest number ever recorded<sup>107</sup>. Data collection (necessary for targeted social programmes) has also been affected by the outbreak of the pandemic. The gathering and production of disaggregated data in some poorer countries came to a complete halt, due to funding constraints stemming from the channelling of large portions of government funding to the health emergency<sup>108</sup>. Routine operations such as face-to-face data collection have also been significantly impacted by the pandemic<sup>109</sup>. The pandemic has caused a significant loss in livelihoods for the poorest and most left behind, due to lockdowns and other measures adopted to contain the virus’ spread<sup>110</sup>. For instance, a study<sup>111</sup> focussing on the mortality and poverty costs of the pandemic finds that for developing countries, the poverty to mortality lost-years ratio has proved higher, as scholars have found a very strong association between this ratio and GDP per capita. This therefore implies that the costs of the pandemic would be higher in poorer than in richer countries, both in terms of its impact on poverty and on mortality.

It is estimated that 2 billion people working in the informal sector worldwide are at risk of losing their livelihoods as a result of the pandemic<sup>112</sup>, with many of these lacking access to any form of social protection<sup>113</sup>. Women have been shown as the most likely to be excluded from any type of support<sup>114</sup>. In addition, countries with large informal economies are found to have weaker healthcare systems, therefore resulting in a much larger risk of dying as a result of COVID-19<sup>115</sup>.

LNOB constitutes a dynamic commitment, both because of its cross-cutting nature and its constantly changing parameters. Its fulfilment, for instance, is now hindered by additional challenges resulting from

<sup>102</sup> E. Samman E., JM Roche, MB Sarwar and M. Evans, ‘[Leave no one behind’ – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021.

<sup>103</sup> United Nations Development Programme, [COVID-19 and human development: Assessing the Crisis](#), Envisioning the Recovery, 2020.

<sup>104</sup> E. Samman E., JM Roche, MB Sarwar and M. Evans. ODI report, 2021.

<sup>105</sup> United Nations, [The Sustainable Development Goals Report 2021](#), 2021b.

<sup>106</sup> K. Shulla, et al., [Effects of COVID-19 on the Sustainable Development Goals](#), *Discover Sustainability*, 2021.

<sup>107</sup> United Nations – Economic and Social Council, 2021.

<sup>108</sup> United Nations – Department of Economic and Social Affairs, 2020.

<sup>109</sup> United Nations – Department of Economic and Social Affairs, 2020.

<sup>110</sup> United Nations Development Programme, 2021.

<sup>111</sup> B. Decerf, F. H. G Ferreira, D. G. Mahler and O. Sterck, Lives and Livelihoods: Estimates of the global mortality and poverty effects of the Covid-19 pandemic, *World Development*, no. 146, 2021.

<sup>112</sup> International Labour Organisation, *World Employment and Social Outlook – Trends 2021*, 2021.

<sup>113</sup> F. Ohnsorge and S. Yu. ‘The Long Shadow of Informality – Challenges and Policies’, World Bank, 2021.

<sup>114</sup> World Bank, [Global Economic Prospects](#), 2020b. [accessed 30 September 2021]

<sup>115</sup> F. Ohnsorge and S. Yu, 2021.

the pandemic for those groups further behind. It is important to track the trajectory of inequality trends both in absolute and relative terms, focusing both on progress for those furthest behind relative to others and on the increase in inequalities for specific groups within countries. Finally, the success of the LNOB Agenda will also represent a testing ground for the success of SDG 10 itself, which in turn has been heavily impacted by the pandemic.

## 4.5 Health

Beyond the disruptive impact that COVID-19 has had on individuals' health, the pandemic has also produced direct effects on the functioning of health systems, disrupting their usual day to day operations. Previous outbreaks had already shown that whenever health systems are overwhelmed, mortality from vaccine-preventable and other treatable conditions increases dramatically<sup>116</sup>. In addition, the virus is expected to increase maternal and child death rates in LDCs<sup>117</sup>.

Other fragile groups have experienced overlapping vulnerabilities linked to their varying states of health. People employed in the informal sector have been unable to perform their work from home, and hence are being more exposed to the risk of contracting the disease.

Other vulnerabilities represent additional obstacles to accessing health services during a pandemic<sup>118</sup>. For example, the poor living in informal settlements, with no possibility of social distancing and without secure access to water or sanitation, have experienced increased risks of contracting the disease, while at the same time being unable to seek medical attention. Finally, the pandemic has reduced access to food for the more fragile, thereby increasing the risk of stunted growth and malnutrition for both children and adults.

The pandemic has also had a strongly gendered impact: women are more likely to be providing formal and informal care and have therefore been exposed to a higher risk of contracting the disease; however, when looking at disaggregated data, men account for a higher proportion of hospitalisations (54 %), intensive care unit admissions (64 %) and deaths (57 %)<sup>119</sup>. In addition, access to sexual and reproductive health services for women has been hindered by the diversion of funding to emergency healthcare<sup>120</sup>.

## 4.6 Livelihoods

The deceleration in economic activity generally has brought about reductions in income, thereby not only jeopardising the most fragile groups' well-being, but also further exacerbating existing inequalities<sup>121</sup>. Data show that the pandemic has had a catastrophic impact on people's lives and livelihoods, as well as efforts to realise the 2030 Agenda for Sustainable Development<sup>122</sup>. The economic downturn prompted by the pandemic has posed a threat to public health, food systems and the job market. At the end of 2020, the World Health Organization (WHO) estimated that tens of millions of people were at risk of falling into extreme poverty and nearly half of the world's global workforce was at risk of losing their livelihoods<sup>123</sup>.

Economic recession triggered by the virus has disrupted household incomes and consumption, food security and essential services. Lockdowns and mobility restrictions have produced particularly harsh

<sup>116</sup> World Bank, 2020.

<sup>117</sup> United Nations Committee for Development Policy, Comprehensive Study on the Impact of COVID-19 on the Least Developed Country Category, April 2021.

<sup>118</sup> United Nations Committee for Development Policy, 2021.

<sup>119</sup> COVID-19 Sex-Disaggregated Data Tracker – September Tracker Update 2021.

<sup>120</sup> World Bank, [Gender Dimensions of the COVID-19 Pandemic](#), Policy Note, 2020a.

<sup>121</sup> United Nations Committee for Development Policy, 2021.

<sup>122</sup> United Nations Committee for Development Policy, 2021.

<sup>123</sup> World Health Organization, [Impact of COVID-19 on people's livelihoods, their health and our food systems](#), 2020 [accessed 11 November 2021].



consequences for some groups, such as households with young children, migrants and refugees, disabled, ethnic, religious or geographical minorities<sup>124</sup>. In addition, other ongoing crises (i.e. droughts, floods, fires provoked by climate change) have intersected with the pandemic's consequences, further exacerbating existing inequalities.

## 4.7 Education

Even before COVID-19 hit, the world was experiencing a learning crisis; 258 million children of primary- and secondary-school age were not attending school, with the Learning Poverty rate in low- and middle-income countries at 53 %, implying that more than half of all 10 year-olds could not read and understand a simple text<sup>125</sup>. Lower income countries have been experiencing poor quality instruction and low rates of enrolment<sup>126</sup>. According to the dataset produced by ACAPS, with the pandemic causing further disruption to education services, during 2020 nationwide school closures in at least 147 countries have affected around 86 % of the world's student population<sup>127</sup>. The out-of-school rate has substantially increased everywhere, but is highest in countries with low human development (86 % overall, signifying an increase of 59 %)<sup>128</sup>. It is also estimated that fewer than 60 % of low-income countries were able to put in place online learning<sup>129</sup>. Lack of connectivity, access to distance learning tools and adequate learning support at home have all affected those households left furthest behind in low-income countries.

These countries now risk contractions in ODA directed towards education, as the health, social protection and climate action sectors, for instance, have all been given higher priority in terms of distributing existing funding to tackle the COVID-19 crisis<sup>130</sup>. The pandemic's economic impact could lead to even further drop-outs, especially amongst those already marginalised, as a result of: disability, gender, socio-economic status, geographical location and migratory status.

Understanding and acknowledging the pandemic's impact on education is key because it will have significant effects in the long-term, jeopardising access to further education and skill learning, thus perpetuating existing vulnerabilities for those left behind.

## 4.8 Climate change's impact on LNOB and inequality

Climate change produces an uneven impact and accentuates existing inequalities along dimensions of gender, race, ethnicity, class, place, age and disability. It disproportionately affects disadvantaged and marginalised populations through: food insecurity; higher food prices; reduced income; lost livelihood opportunities; adverse health impacts; and population displacements. Amongst the hardest hit are indigenous people, women, children and the elderly, poor labourers and poor urban dwellers in the Global South<sup>131</sup>. Climate change is increasing the frequency of extreme weather events, which are most likely to occur in tropical regions where developing countries are concentrated. In addition to sudden shocks, it is also causing gradual environmental degradation, which is most likely to affect poorer rural communities

<sup>124</sup> United Nations Committee for Development Policy, 2021.

<sup>125</sup> World Bank, [Urgent, Effective Action Required to Quell the Impact of COVID-19 on Education Worldwide](#), [accessed 1 October 2021]

<sup>126</sup> OECD Centre on Philanthropy, Education Giving in the midst of COVID-19, 2021.

<sup>127</sup> ACAPS, [COVID-19 government measures dataset](#), 2020. [last accessed 10 October 2021]

<sup>128</sup> United Nations Development Programme, [COVID-19 and human development: Assessing the Crisis](#), Envisioning the Recovery, 2020.

<sup>129</sup> OECD Centre on Philanthropy, 2021.

<sup>130</sup> OECD Centre on Philanthropy, 2021.

<sup>131</sup> United Nations Environment Programme, [Making Peace With Nature](#), 2021, p. 95.

and those with restricted access to productive land, secure food supplies and water<sup>132</sup>. The 2020 World Social Report states: 'Rising temperatures [...] have made the world's poorest countries poorer. The ratio between the income of the richest and the poorest 10 % of the global population is 25 % larger than it would be in a world without global warming. Unaddressed, climate change may thus even reverse current progress in reducing inequality among countries'<sup>133</sup>. For example, climate events such as hurricanes severely affect countries in the Caribbean, such as Dominica or Antigua and Barbuda, where damages in 2017 were estimated at 46 % and 215 % of GDP respectively<sup>134</sup>. Within countries, people living in poverty and other disadvantaged groups – including indigenous peoples and small landholders – are disproportionately exposed to the risks of climate change. In addition, responses to climate change can also have unequal impacts. Adaptation and mitigation projects and funding may benefit some groups more than others<sup>135</sup>. Intersectional analyses can provide the necessary knowledge base to tackle inequality caused either by climate change itself or the actions taken to address it.

The UN Environment Programme states in its 2021 report that 'Damaging and long-lasting environmental change impedes progress towards ending poverty, reducing inequalities and promoting sustainable economic growth, decent work for all and peaceful and inclusive societies. Progress towards ending poverty in all its forms (SDG 1) is countered by the impacts of climate change, which are expected to exacerbate poverty in most developing countries and, in combination with increasing inequalities, create new pockets of poverty everywhere'<sup>136</sup>. Addressing the climate and environmental crisis is crucial in reducing inequality and leaving no one behind. Accompanying benefits are also present, with reductions in inequality having positive effects on climate change and the environment.

## 4.9 Conclusion

This chapter has illustrated the multidimensionality of inequality. The analysis considered the impact of COVID-19 on education, health and livelihoods as a showcase of trends in inequality and their impact on the most vulnerable groups.

The COVID-19 pandemic has further deepened existing inequalities and has underlined the intersecting fragilities being experienced by those furthest behind, both within and between countries. This has jeopardised progress towards meeting the Sustainable Development Goals by 2030. Similarly, climate change accentuates inequality and disproportionality affects the poor and marginalised.

The pandemic's impacts on livelihoods, education and health demonstrate how intersecting inequalities represent structural barriers for the most disadvantaged. Challenges posed by the pandemic have affected the most disadvantaged groups disproportionately, putting them at a much greater risk of contracting the disease while facing obstacles in accessing healthcare. In addition, many of the most vulnerable have experienced a loss of livelihoods. Finally, children belonging to vulnerable groups also had a higher probability of dropping out of school due to the absence of necessary resources. To improve access to livelihoods, enforcing social protection in the context of this crisis could have a positive impact on poverty

<sup>132</sup> UN General Assembly. [World social situation 2019: shaping the future of inequality](#). Note by the Secretariat Social development: implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly, 2019.

<sup>133</sup> United Nations, [World Social Report 2020](#), 2020. pp. 7-8.

<sup>134</sup> United Nations, [World Social Report 2020](#), 2020. pp. 7-8.

<sup>135</sup> J. Roy, P. Tschakert, H. Waisman, S. Abdul Halim, P. Antwi-Agyei, P. Dasgupta, B. Hayward, M. Kanninen, D. Liverman, C. Okereke, P.F. Pinho, K. Riahi, and A.G. Suarez Rodriguez, 2018: Sustainable Development, Poverty Eradication and Reducing Inequalities. In: *Global Warming of 1.5°C*. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty, p. 450.

<sup>136</sup> United Nations Environment Programme, [Making Peace With Nature](#), 2021, p. 16.

and inequality, as it is key for redistribution policies to reach the furthest behind; social protection targets those with intersecting vulnerabilities, including children, the elderly and people of working age with no income, for example because of maternity or disability<sup>137</sup>.

Education is also fundamental to achieving the LNOB agenda and reducing inequalities, as it contributes to improving the lives of children and youths who either lack sufficient means or do not have an enabling learning environment<sup>138</sup>. Finally, health is a fundamental human right and an enabler of human development. Guaranteeing access to health services during a state of emergency is fundamental, particularly for vulnerable groups within countries, in order to overcome existing fragilities and inequalities.

<sup>137</sup> L. Marcos Barba, H. van Regenmortel and E. Ehmke, [Shelter from the storm: the global need for universal social protection in times of COVID-19](#), Oxfam Briefing Paper, Oxfam, 2020.

<sup>138</sup> United Nations, [Education during COVID-19 and Beyond](#), Policy Brief, United Nations, 2020.

## 5 Long term trends in poverty and inequality

Central to achieving the LNOB commitment is Goal 10: Reduce inequality within and among countries. While the world made significant progress towards reducing poverty during the period of the MDGs (2000-2015), this time also saw a rise in inequality.

By 2020, this unwanted trend both between and within countries had become a major concern. Accordingly, the UNDP devoted its annual Human Development Report to inequality<sup>139</sup> and the European Commission issued a paper on Implementing the new European Consensus on Development: Addressing inequality in partner countries<sup>140</sup>. Since then, it has rapidly become clear that COVID-19 has set back progress by at least a decade. Moreover, while many of the world's most vulnerable have seen their situation worsen during the pandemic, the richest have become even richer<sup>141</sup>. Consequently, the prospect of achieving SDG 10 is receding. The next section delves into some of these trends and the drivers behind these trends.

### 5.1 Trends and drivers

This section sets out to understand how much people are being left behind, who these people are and to what extent this situation has worsened in recent years. It begins with considering poverty trends and then focuses on inequality.

There are multiple drivers of inequality and they will vary from one country context to another as well as between one group of people and another. Socio-economic and demographic processes affect primary determinants of income distribution<sup>142</sup>, such as access to resources (e.g. capital, land, income); moreover, capabilities (freedoms people have)<sup>143</sup> intersect with disadvantages, disabilities or prejudices that restrict access. Just as the drivers of inequality vary from one context to another, policies to address them must also be diversified.

Inappropriate or poorly designed policies can also increase inequality, both within and between countries. If access to resources is limited to certain groups in society by exclusive policies, or regressive taxes favour the rich more than the poor, societies can quickly become more unequal. Similarly, between countries international systemic conditions in areas such as trade or investment agreements, international taxation frameworks, debt agreements, ODA distribution, funding for climate change adaptation or vaccine distribution, can all advantage or disadvantage particular countries and drive increasing inequality. Addressing inequality is thus a question of supporting appropriate local action and policies, whilst at the same time adhering to appropriate international agreements.

<sup>139</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019.

<sup>140</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b.

<sup>141</sup> Oxfam, [The Inequality Virus](#), Oxfam Briefing Paper, 2021.

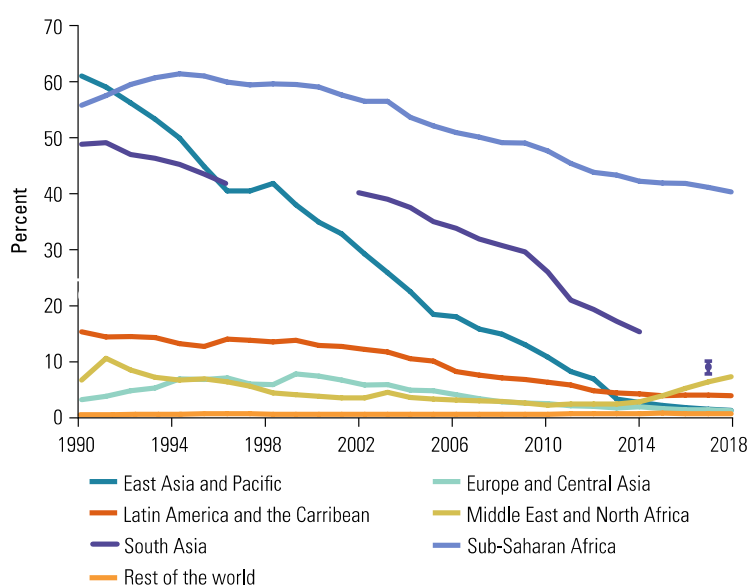
<sup>142</sup> A. Lawson and G. Contreras, Addressing inequality through EU Development Cooperation – Response to the 2030, Product B: Analysis of measures to address inequality in EU Development Cooperation Fiscus, UK and IRD-DIAL France for DG DEVCO, 2017, p.13-18.

<sup>143</sup> Building on Amartya Sen's ideas of 'development as freedom' and 'poverty as capability deprivation' the UNDP defines the notion of *capabilities* as 'the freedoms for people to do desirable things such as go to school, get a job or have enough to eat' (United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019., p.1)

## 5.1.1 Income poverty

The World Bank's most recent report on global poverty<sup>144</sup> outlines how during a quarter of a century from 1990, the world made good progress towards reducing income poverty<sup>145</sup>. The latter part of this period coincided with the MDGs era (2000-2015) and it is only since then that progress has started to falter. The World Bank estimates that the number of extreme poor (defined as people living on less than USD 1.9 per day) fell from 1.9 billion in 1990 to 689 million in 2017<sup>146</sup>. In fact, since 1990 global extreme poverty declined at an average rate of 1 % per annum, but this decline slowed from 2013 onwards. Broken down by region, much of the improvement can be attributed to major progress made in Asia and particularly East Asia, as shown in Figure 1.

**Figure 1. Trends in Poverty Rates at the US\$1.90-a-day Poverty Line by Region, 1990-2018**



Source: PovcalNet (online analysis tool), World Bank, Washington, DC, <http://iresearch.worldbank.org/PovcalNet/>.

Note: Lined-up poverty estimates for South Asia are not reported for 1997–2001 and after 2014 because of a lack of population coverage (see box 1.2 on India and annex 1A in chapter 1 of this report). For South Asia in 2017, a range [7.7; 10.0] is reported, as described in box 1.2 in chapter 1 of this report.

Source: World Bank, 2020c; p.3, figure O.2

Progress on poverty reduction was particularly strong in China with the country's rapid industrialisation and urbanisation, as a result of which many of its citizens found employment in production linked to the global economy. Good progress was also made both in South Asia, with the Indian middle class growing throughout this period, and even Sub-Saharan Africa from about 1995. However, Africa as a whole still has the highest percentage of poor by some considerable distance. Since 2013, progress in reducing poverty has slowed down most dramatically in East Asia, whilst in the MENA (Middle East and North Africa) region there has been an overall increase in poverty.

Thus, it can be seen that poverty reduction was already slowing some six years before the COVID-19 pandemic. However, the pandemic has made this negative trend much worse and while data are still

<sup>144</sup> World Bank, [Poverty and Shared Prosperity: Reversals of Fortune](#), IBRD/The World Bank, 2020c.

<sup>145</sup> Some authors (J. Hickel, 2017 pp.33-42) dispute the World Bank's methodology arguing that the way UN targets for reducing poverty have changed over the years, at times using absolute numbers and at time proportions, as well as the way the Bank has over time adjusted both the absolute poverty line from the original USD 1.02 a day in the 1990s upwards and the base date for its calculations, has in fact painted a rosier picture of progress than is warranted in reality.

<sup>146</sup> World Bank, [Global Action Urgently Needed to Halt Historic Threats to Poverty Reduction](#), 2020d

insufficient, forecasts suggest that the global poverty levels will reveal a rise in 2020 and indeed reverse any gains made on poverty eradication over the few years<sup>147</sup>. While it is still early to assess, the World Bank's latest estimates suggest that 97 million more people fell into poverty during 2020 pushing the total of global poor up to 732 million from a low point of 655 million in 2019<sup>148</sup>.

## 5.1.2 Income distribution

Social scientists have also sought to go beyond the simple measure of per capita income by looking at income distribution over a population, so as to generate some indication of inequality in a society. Several measurements have therefore been proposed over the years; the two most commonly used are the Gini index and the Palma ratio (see Box 2 for details).

### Box 2. Measuring Income Distribution

There are a variety of ways to measure income distribution and depict inequality. Two of the most commonly used are the Gini index and the Palma ratio.

**Gini index:** The index ranges in value from 0 (perfect equality) to 1 (maximum inequality). It measures how equitably income (or another resource) is distributed within a population. A major benefit is that it makes possible the comparison of income distribution between two groups of population, regardless of group size.

**Palma ratio:** This determines the share of income from the population's top 10 % set against that of the bottom 40 %. It was proposed by José Gabriel Palma based on his observations that differences in income distribution are largely the result of changes in the income of the richest and the poorest, as there tends to be more income stability within the middle group.

Source: UN DESA, 2015<sup>149</sup>.

Comparing average Gini coefficients for the period 2000-2005 with the post-2015 period, in its 2020 Reversals of Fortune report the World Bank shows that income inequality has been worsening in many countries, including the majority of countries in Europe, Centra Asia, Latin America and Sub-Saharan Africa<sup>150</sup>.

The World Bank also uses the notion of 'shared prosperity' that, following the Palma ratio concept, looks at the bottom 40 % of a population<sup>151</sup> and compares its income growth with the population's mean income growth or the income growth of other deciles, such as the richest 10 % or other groups such as the top 1 %. The *shared prosperity premium* 'measures changes in the proportion of total income growth that accrues to the bottom 40'<sup>152</sup>. Rural population groups with low levels of education are much more likely to be found in the bottom 40 than others in poorer economies. Yet, in richer economies that level tends to feature higher levels of education, with a larger proportion of urban populations being in the bottom 40<sup>153</sup>. Data challenges make it difficult to produce *shared prosperity* trends over time, but by comparing data for 68 countries in the 2010-2015 period with the 2012-2017 period, the World Bank is able to conclude that

<sup>147</sup> World Bank, [Poverty and Shared Prosperity: Reversals of Fortune](#), IBRD/The World Bank, 2020c, p. 5

<sup>148</sup> Mahler D.G., Yonzan N., Lakner C., Castaneda Aguilar R.A., and Wu H., Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021?, World Bank Data Blog, 2021.

<sup>149</sup> UN DESA, [Inequality Measurement](#), Development Issues, No 2, 2015.

<sup>150</sup> World Bank, [Poverty and Shared Prosperity: Reversals of Fortune](#), IBRD/The World Bank, 2020c, p. 100.

<sup>151</sup> A focus on the Bottom 40 is also in line with the first indicator of SDG 10 on Reducing Inequality: 'By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average' <https://unstats.un.org/sdgs/metadata/?Text=&Goal=10&Target>

<sup>152</sup> World Bank, 2020c, pp. 81-82.

<sup>153</sup> World Bank, 2020c, p. 101.



**shared prosperity has, on average, declined in Latin America, Africa and South Asia.** By income category, only high-income countries have seen improvements<sup>154</sup>.

### 5.1.3 Multidimensional poverty

The measurement of poverty has become more sophisticated over the past couple of decades with widespread recognition that it is not just a question of income, but also a product of other deprivations that a person and families can suffer. This, in turn, has led to the concept of 'multidimensional poverty'<sup>155</sup>, which has been translated into a Multidimensional Poverty Index (MPI) by the UNDP and the Oxford Poverty and Human Development Initiative (OPHI). The MPI is built on 10 indicators of household level deprivation<sup>156</sup>. Using this index, estimates show about twice as many multidimensionally poor people in the world (about 1.3 billion<sup>157</sup>) compared to the extremely poor in per capita income terms estimated by the World Bank (658 million). The MPI is important for the study of inequality as it is based on the recognition of intersectionality amongst the causes of poverty and clearly indicates that inequality is not just to do with differences of income. Since 2010 the UNDP has used this index in its annual Human Development Report.

The UNDP and OHPI Report from 2020 is the first study to analyse the evolution of MPI figures for a large number of countries (75) over periods of 3-12 years between 2005 to 2018. Of these countries, 65 (home to nearly 5 billion people across all developing regions) showed significant improvements in their MPI rates. Ten of them halved or almost halved their level of multidimensional poverty. China, India and Indonesia, all populous countries, are among these strong performers and, as the authors say, this shows what is possible in terms of reaching SDG 1<sup>158</sup>.

As well as these successes in reducing multidimensional poverty, the report also documents how the poor are deprived on several fronts simultaneously. The 10 indicators on which the MPI is built relate to seven SDGs, that is SDG 1 (No poverty), 2 (Zero hunger), 3 (Good health and well-being), 4 (Quality education), 6 (Clean water & sanitation), 7 (Affordable & clean energy) and 11 (Sustainable cities & communities), highlighting the importance of policy makers not just focussing on single aspects of poverty at a time.

*The deprivation loads that people carry affect their behaviour, their ability to respond to policy interventions and their exit strategies from poverty. Of the 1.3 billion multidimensionally poor people, 98.8 percent are deprived in at least three indicators simultaneously; 82.3 percent are deprived in at least five.*<sup>159</sup>

### 5.1.4 Inequality

The UNDP's Human Development Report 2019 was devoted to Inequalities, although it was written before the pandemic. It justifies the choice of inequality as a theme by stating at the outset that 'inequalities are a roadblock to achieving the SDGs'<sup>160</sup>. It also highlights the central role that progress on SDG 10 can play

<sup>154</sup> World Bank, 2020c, p.111.

<sup>155</sup> This is explained in the work of [the Oxford Poverty & Human Development Initiative](#) (OPHI).

<sup>156</sup> The 10 indicators are: nutrition, child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing and assets (UNDP & OHPI, 2020). The World Bank uses a slightly different list of 6 indicators that does not include any for health (World Bank, 2020c, pp.68-69)

<sup>157</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019., p.51

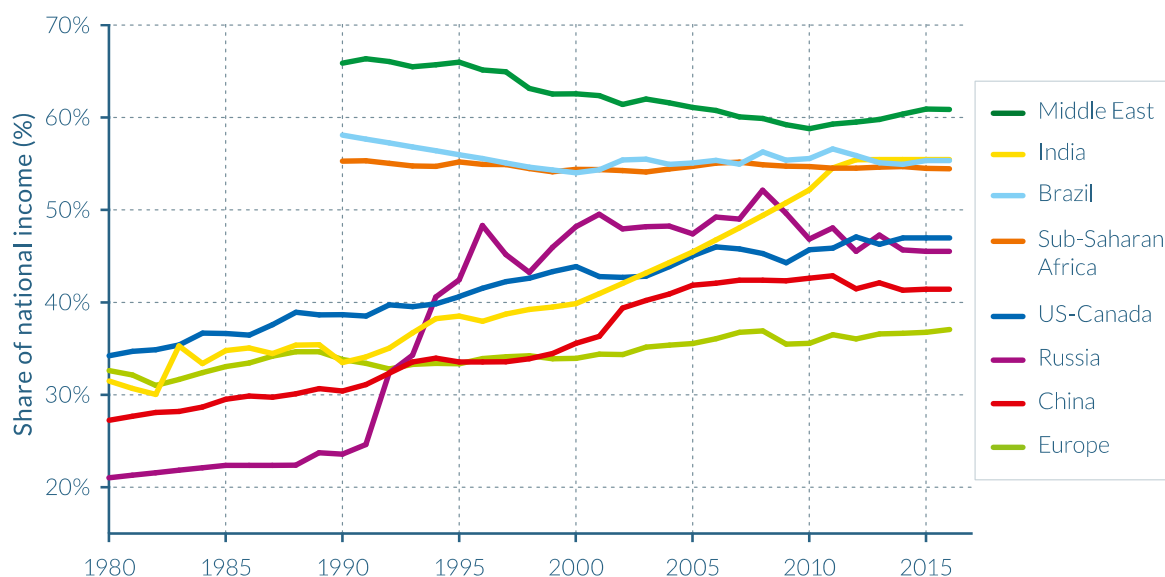
<sup>158</sup> UNDP and OHPI, [Charting pathways out of multidimensional poverty: Achieving the SDGs](#), 2020, p.7

<sup>159</sup> UNDP and OHPI, 2020, p. 20.

<sup>160</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019, p.1

in achieving several other SDGs<sup>161</sup>. As a starting point, HDR 2019's analysis of income-share of the richest 10% shows that income inequality has risen in most regions over recent decades, albeit at different moments (see Figure 2) and at different rates.

**Figure 2: Income inequality based on the top 10%'s income share has risen since 1980 in most regions, but at different rates**



Source: WID.world (2017). See wir2018.wid.world for data series and notes.

Source: Alvaredo et al., *World Inequality Report 2018*, p.11, Figure E2b

This chart shows that Russia and India have seen particularly big increases in income inequality since 1990, whereas the increase has been slower in China and in Sub-Saharan Africa, where it stabilised from about 2013. Inequality is thus present in all income groups, but poorer countries and emerging economies are the worst off. The report then goes on to look at a variety of other measures associated with inequality, looking particularly at four aspects: access to health, education, technology and resilience to shocks.

Overall, the HDR 2019 concludes that on average differences in access are reducing for a variety of basic capabilities<sup>162</sup>, but are diverging for enhanced capabilities. Thus, within Health, survival in early childhood is improving, but there is increasing inequality in access to quality health services. Similarly in Education, access to primary education is becoming generalised, but there is divergence on high-quality education. Entry-level Technology is reasonably equitable, but effective access to present day technologies is becoming more unequal. Finally, there is greater convergence on Resilience to recurrent shocks, but more divergence on unknown and new shocks<sup>163</sup>.

<sup>161</sup> See research in Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019; and article by D. Lusseau, and F. Mancini, 'Income-Based Variation in Sustainable Development Goal Interaction Networks', *Nature Sustainability*, Vol 2, 2019, pp. 242–247 p.3, Fig 3.

<sup>162</sup> The HDR 2019 argues that human development is about expanding freedoms that people have and value. Higher levels of income and wealth can enable the choices people make, but it is having this freedom to choose that really constitutes development for individuals. By extension to compare levels of human development the key is to look at the inequalities that exist between the freedoms different individuals or groups enjoy.

<sup>163</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019, pp.32-33



However, more worryingly, the HDR 2019 concludes that despite convergence between countries on basic capabilities, this is not absolute and within countries the picture is not so positive, which means many people are still being left behind.

*'[...] the evolution of inequalities shows two distinct patterns. Overall, the global bottom is catching up in basic capabilities, and inequality appears to be falling. But the global top is pulling ahead in enhanced capabilities, and here inequality is growing. People at the bottom are catching up with 20th century goals and aspirations, while people at the top are enhancing their advantages in those relevant for the 21st century.'*<sup>164</sup>

The European Commission 2019 SWD on inequality<sup>165</sup> records the same trends. It also points to variations in inequality between regions. In 2018, for countries with a population of over 10 million, those with Gini coefficients above 0.4 are mostly in Latin America and Sub-Saharan Africa. Most of these countries are Middle Income Countries (MICs), including 12 Upper MICs and 8 Lower MICs, but there also 11 Low-Income Countries<sup>166</sup>, and indeed one High Income, the USA. Higher levels of income inequality are partly a function of the extent to which economic growth in MICs absorbs a large enough proportion of the poor into the expanding middle class, but equally how much it enables the richest in society to increase their wealth quickly. Nevertheless, as the Commission SWD points out, following Oxfam's approach<sup>167</sup>, an analysis of the income share held by each decile of the population brings out details that the Gini index analysis does not. Oxfam emphasises that the share of both income and wealth held by the top 10 % of the population has increased almost everywhere, although there has been a particularly drastic increase in MICs such as China and India.

Work at the World Inequality Lab on long term trends as a ratio of the Top 10 % to the Bottom 50 % (T10/B50) demonstrates that while inequality between countries hit a high point in 1980, it has since been decreasing, whereas the reverse is happening for inequality within countries over the same period, as shown in the following graph (Figure 3).

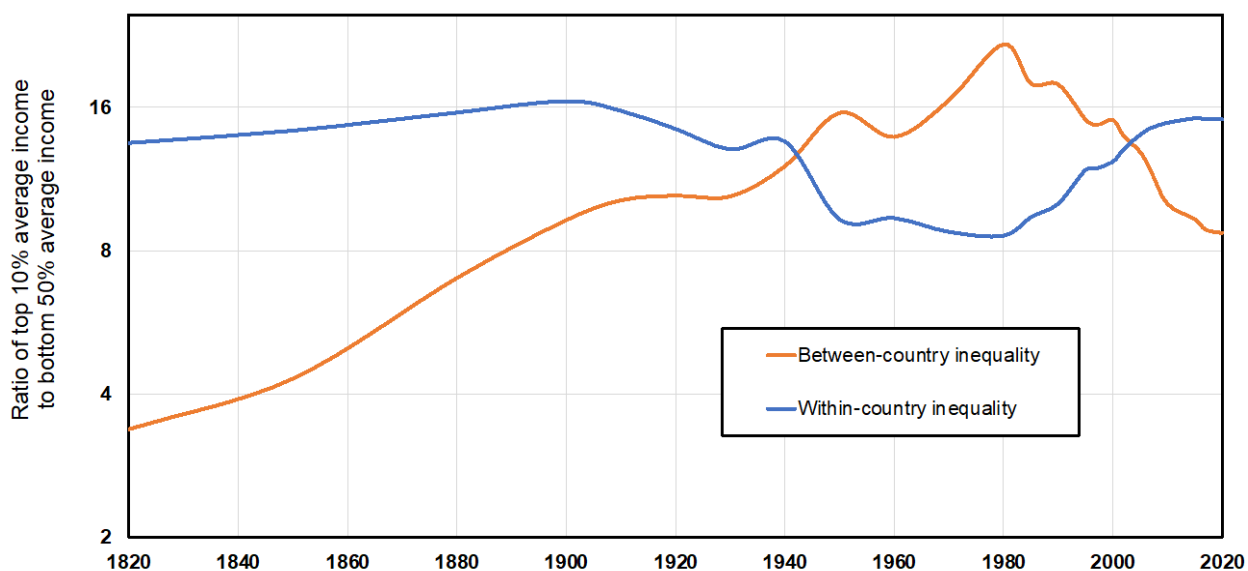
<sup>164</sup> United Nations Development Programme, 2019 p.58

<sup>165</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b, pp.7-9

<sup>166</sup> The UMICs include: South Africa, Brazil, Colombia, Mexico, Argentina, China, and Turkey. The LMICs: Zambia, Benin, Angola, Ghana, Nigeria, Kenya and Senegal. The LICs: Cameroon, Malawi, Chad, Uganda, Madagascar, DR Congo and Haiti.

<sup>167</sup> Oxfam, [Public good or private wealth?](#), Oxfam Briefing paper, 2019.

**Figure 3. Global Income Inequality, 1820-2020: Between-country vs. within-country inequality (ratio T10/B50)**



**Interpretation.** Between-country inequality, as measured by the ratio T10/B50 between the average incomes of the top 10% and the bottom 50% (assuming everybody within a country as the same income), rose between 1820 and 1980 and strongly declined since then. Within-country inequality, as measured also by the ratio T10/B50 between the average incomes of the top 10% and the bottom 50% (assuming all countries have the same average income), rose slightly between 1820 and 1910, declined between 1910 and 1980, and rose since 1980.

**Sources and series:** Chancel and Piketty (2021). See [wid.world/longrun](http://wid.world/longrun)

Source: Chancel & Piketty 2021, Figure 4

Long-term historical trends identified by the World Inequality Lab show major differences between the trends within and between countries. In regard to the latter, inequality continued to increase for a century and a half following the Industrial Revolution throughout the colonial era right up to 1980, since when it has been steadily improving. However, there remain major differences between high-income and low-income countries which need to be addressed on a continuing basis. Conversely, inequality within countries seems to have remained stable during the 19<sup>th</sup> century and then declined for most of the 20<sup>th</sup> century until 1980, at which point it started rising again just as between-country inequality started improving. As a result, inequality within countries can be viewed as becoming more of a problem, and is thus starting to attract more attention and recognition than hitherto.

### 5.1.5 Wealth Inequality

Literature on inequality has not just focussed on income equality, but also increasingly on wealth inequality as the latter has become more acute<sup>168</sup>. Wealth inequality has been growing more rapidly<sup>169</sup> than income inequality across the world since 1950, and yet remains much more opaque than the former, partly because of its multiple dimensions (inheritance, property, savings investments, etc.)<sup>170</sup>. Their relative importance can be seen in the graph below (Figure 4), presenting the Wealth-Income Ratio (WIR, net national wealth to net national income) for selected countries taken from the World Inequality Database<sup>171</sup>.

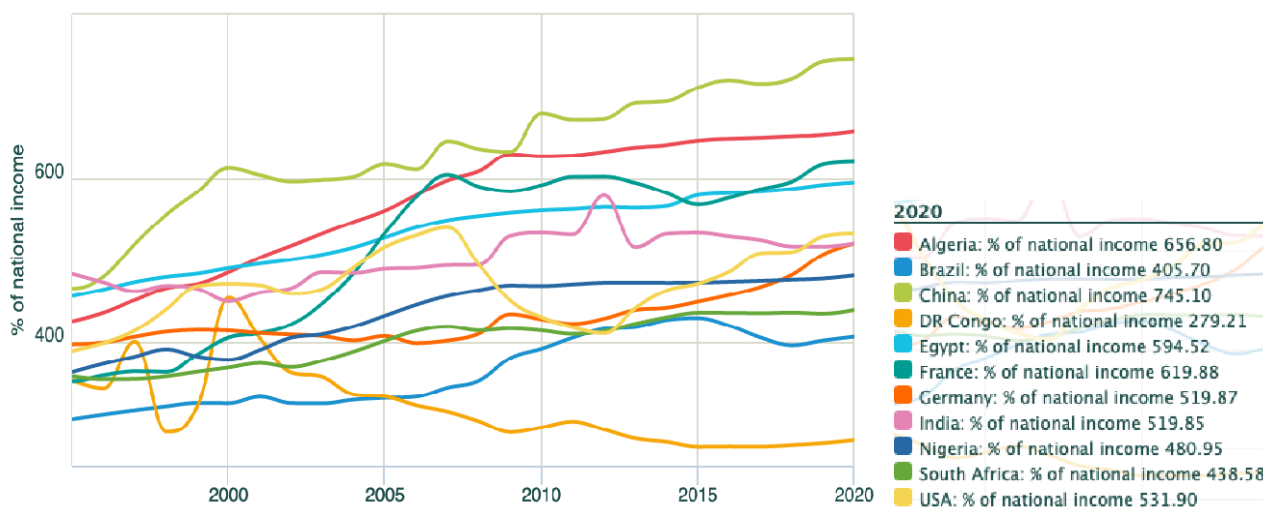
<sup>168</sup> T. Burchardt, & R. Hick, '[Inequality, advantage and the capability approach](#)', *Journal of Human Development and Capabilities*, Vol 19 No 1, 2017, pp. 38-52.

<sup>169</sup> Oxfam, [Public good or private wealth?](#), Oxfam Briefing paper, 2019, Executive Summary.

<sup>170</sup> See [LSE International Institute of Inequalities](#) (LSE III).

<sup>171</sup> The WID does not yet include WIR data for all countries or regions as of October 2021.

**Figure 4. Wealth-Income Ratio for selected counties 1995-2020 (Net national wealth to net national income)**



Source: Authors' own compilation from World Inequality Database [10 November 2021]

The WIR curves for India and, particularly, China in this graph demonstrate how rising inequality in these two major emerging economies has become increasingly determined by wealth accumulation rather than income over the past 25 years. Africa, Algeria and Egypt have been similarly affected.

A key effect of this rise in the WIR is that prices for certain capital goods, such as property, in major global cities (e.g. Paris, London, New York, Mumbai, Beijing, Johannesburg and Cairo) have become largely determined by wealth rather than income levels, thus making them increasingly inaccessible even to middle-class workers with steady incomes, unless they also have access to inherited wealth. In such circumstances wealth inequality becomes more important than income inequality. This in turn quickly leads to dramatic rises in within-country inequality and sharp upswings in a few individuals' wealth<sup>172</sup>.

### 5.1.6 The COVID-19 pandemic

It is still early days for us to understand fully the impact of COVID-19 on poverty and inequality, albeit some changes are already apparent. The economic crisis created by the pandemic is very clear; we know for instance that many people have been out of work or lost jobs and this has caused a major increase in poverty. The International Labour Organisation (ILO)<sup>173</sup> estimates issued in June 2021 suggest that relative to 2019 over 100 million workers have fallen into extreme poverty; the crisis' impact has also been highly uneven, thereby exacerbating social inequalities. Informal workers have in particular been disproportionately affected, as have other specific groups such as young people and migrants. The income of higher-skilled and higher-paid workers who are more likely to be able to work from home, on the other hand, has not been affected.

*'One clear consequence of the crisis is the way in which it has interacted with and exacerbated inequalities, both between and within countries, further widening divides already present in labour markets around the world.'*<sup>174</sup>

<sup>172</sup> Oxfam calculates that since the financial crisis in 2008 the number of billionaires has more or less doubled and that in 2018 a new one was created every 2 days. (Oxfam, [Public good or private wealth?](#), Oxfam Briefing paper, 2019, p.12).

<sup>173</sup> International Labour Organisation, [World Employment and Social Outlook - Trends 2021](#), 2021, pp.12-13

<sup>174</sup> International Labour Organisation, [World Employment and Social Outlook - Trends 2021](#), 2021, p.86

The International Monetary Fund takes a similar view, with its managing director and former European Commissioner Kristalina Georgieva arguing that the effect will also be long-lasting as children cannot easily regain years lost in their education and particularly early education:

*'The impact will be profound [...] with increased inequality leading to economic and social upheaval: a lost generation in the 2020s whose after-effects will be felt for decades to come'*<sup>175</sup>

The World Bank also concludes that the pandemic combined with conflict and climate change 'have reversed the gains in poverty eradication for the first time in a decade'<sup>176</sup>. It is also changing the profile of the global poor, possibly pushing 100 million people into poverty during 2020. Many of the 'new poor' are found in MICs and are mostly urban-based, working in services and the informal sector. Moreover, the pandemic and related economic crisis are likely to impact unevenly on both people and places.

While the impact of COVID-19 on health in countries of the Global South has been less severe than in the North, the very slow progress of vaccine coverage may well mean that the pandemic lasts longer and creates deeper impacts, exacerbating pre-existing inequalities and making government responses less effective. For instance, the informal sector's importance and frequent lack of social protection in many such countries has meant that lockdowns and mobility restrictions to stem the virus' spread, have produced a particularly negative impact<sup>177</sup>. The highly uneven global distribution of vaccines that we have seen so far in 2021, with COVAX failing to receive enough support from richer countries<sup>178</sup>, is creating a major new gulf between countries that will have long-lasting effects both on levels of global poverty and inequality. Equally, it is a dramatic illustration of inequality between countries and the capabilities enjoyed by some countries as a result of their wealth. Addressing the shortage of vaccines in poorer countries remains one of the most urgent and effective measures to prevent inequalities both within and between countries from deteriorating still further<sup>179</sup>.

Conversely, some economists<sup>180</sup> argue that the pandemic is not necessarily increasing global income inequality and the net impact will not really become clear until more detailed household level data become available. For instance, richer countries have by large experienced more deaths, hence less income, and thus their economies have contracted more to the extent that this has reduced inequality between countries. Equally, there is evidence that social protection policies have been expanded and are working well, thereby reducing inequality in a wide variety of countries. Consequently, while it is too soon to say what the full effect of COVID-19 will be on inequality,

*'[t]he overall picture that emerges [...] is, for the moment, one of falling income gaps between countries (when not weighted by population) and — speculatively and preliminarily — rising gaps within countries, on average.'*<sup>181</sup>

<sup>175</sup> K Georgieva, [No lost generation: can poor countries avoid the Covid trap?](#), The Guardian, 2020; see also UNICEF on the [importance of early childhood development](#)

<sup>176</sup> World Bank, 2020c, p.5

<sup>177</sup> L. Alcazar, D. Bhattacharya, E. Charvet, T. Kida, D. Mushi, A. Ordonez and D. te Velde, [COVID-19 in the Global South: Impacts and policy responses](#), *Southern Voice*, Occasional Paper 69, 2021, p.35

<sup>178</sup> According to the WHO by October 2021 the COVID-19 Appeal had received USD 1 187 billion in contributions, that is 58.3 % of the total funds requested. The EU's contribution to this was in total about USD 581 million of which the Commission contributed USD 133 million and Member States USD 448 million. The EU contribution to the Appeal is therefore about 50 % of the funds received. Germany stands out as by far the largest contributor to the Appeal providing nearly 30 % of all the funds received by COVAX. The Commission is the second largest contributor at about 11 %. Source: [WHO webpage](#).

<sup>179</sup> World Bank, [Africa Pulse Report: Climate change adaptation & economic transformation in Sub-Saharan Africa](#), Vol 24, 2021, p.14-16.

<sup>180</sup> A. Deaton, [COVID-19 and Global Income Inequality](#), NBER Working Paper No. 28392, 2021; FHG Ferreira, Inequality in the time of COVID-19, *Finance & Development*, 2021, pp. 20-23, p. 23

<sup>181</sup> FHG Ferreira, ['Inequality in the time of COVID-19'](#), *Finance & Development*, 2021, p.23

Much will also depend on how quickly countries come out of the pandemic-induced global recession. Richer countries that have been able to vaccinate a high proportion of their populations faster are already showing solid growth, while recovery in the global South has been much weaker<sup>182</sup>. Sub-Saharan Africa, with some of the lowest global vaccination rates (around 3-4 %), was badly affected by a third wave of the pandemic in mid-2021<sup>183</sup>, which has seriously hampered its economic recovery. Debt levels have also constrained government stimulus efforts and the G20 Debt Service Suspension Initiative (DSSI) has proved inadequate<sup>184</sup>. Within countries, the patterns of disparities arising from the pandemic also vary hugely with different multiple and intersecting levels of disadvantage as well as marginalisation within different population groups.

As mentioned, another major problem for recovery is that COVID-19 vaccines are very unequally distributed. By October 2021, more than 80% of the 6 billion doses that had been administered globally were administered in high-income and upper-middle-income countries. Only 2.5% of people in low-income countries had received at least one dose<sup>185</sup>.

In October 2020, India and South Africa requested a temporary waiver of certain provisions of the 1995 WTO Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which, in the context of COVID-19, provides strong Intellectual Property (IP) protection for vaccine technologies and affects the quantity and location of production and availability<sup>186</sup>. In May 2021, a revised proposal was submitted, with the support of over 100 WTO member states, mainly developing countries. The temporary waiver would prevent companies that hold IP for COVID-19 vaccines from blocking vaccine production elsewhere and would allow countries to produce COVID-19 medical goods locally and import or export them. It would cover vaccines, but also 'health products and technologies including diagnostics, therapeutics, vaccines, medical devices, personal protective equipment, their materials or components, and their methods and means of manufacture for the prevention, treatment or containment of COVID-19'<sup>187</sup>. In May 2021, the United States announced its support for the temporary waiver of intellectual property on COVID-19 vaccines.

The EU, alongside other high-income countries, including the United Kingdom, Japan and Switzerland, opposes a TRIPS waiver, arguing that: the obstacle is not IP; safe manufacturing cannot be assured; and a waiver would inhibit future innovation. These arguments have been refuted by medical<sup>188</sup> and IP<sup>189</sup> experts, who contend that IP is the primary barrier; that it has been demonstrated how safe manufacturing is possible; and that future innovation will not be impeded as the proposed waiver is temporary and COVID-

<sup>182</sup> World Bank, [Africa Pulse Report: Climate change adaptation & economic transformation in Sub-Saharan Africa](#), Vol 24, 2021, p.11.

<sup>183</sup> COVID-19 infection rates have varied across Africa with West and Central Africa Doing much better than Sub-Saharan Africa as a whole ([WB Africa Pulse Report](#), 2021, Figures 1.7 and 1.9 pp.15-16). The reasons for this seem to lie in contextual factors such as the degree of urbanisation, prior HIV incidence, experience gained from dealing with previous pandemics such as the 2014-2016 Ebola outbreaks in West Africa, etc. (see F. Mutapi, [COVID-19 shows why African data is key for the continent's response to pandemics](#), The Conversation, 18 October 2021)

<sup>184</sup> World Bank, Vol 24, 2021, p.19. The DSSI has been inadequate for Sub-Saharan African borrowers because its potential savings, estimated at only 1 % of GDP since Jan 2021, were lower than the debt servicing costs which have also been rising.

<sup>185</sup> O. Gurgula, 'Compulsory licensing vs. the IP waiver: what is the best way to end the COVID-19 pandemic?' South Centre Policy Brief no. 104, October 2021.

<sup>186</sup> P. Erfani, A. Binagwaho, M. Jalloh, M. Yunus, P. Farmer, V Kerry, 'Intellectual Property Waiver for COVID-19 Vaccines will advance global health equity' British Medical Journal, 3 August 2021.

<sup>187</sup> WTO Council for Trade-Related Aspects of Intellectual Property Rights, [Waiver From Certain Provisions Of The TRIPS Agreement For The Prevention, Containment And Treatment Of Covid-19](#), IP/C/W/669/Rev.1, 25 May 2021, Art. 1.

<sup>188</sup> P. Erfani, A. Binagwaho, M. Jalloh, M. Yunus, P. Farmer, V Kerry, 'Intellectual Property Waiver for COVID-19 Vaccines will advance global health equity' British Medical Journal, 3 August 2021.

<sup>189</sup> O. Gurgula, 'Compulsory licensing vs. the IP waiver: what is the best way to end the COVID-19 pandemic?' South Centre Policy Brief no. 104, October 2021



specific. Moreover, the research and development that led to the vaccines was largely funded by public money, with government advance orders removing the risks<sup>190</sup>.

The European Commission continues to support the use of the compulsory licensing system provided for in the TRIPS Agreement<sup>191</sup>. However, compulsory licensing is burdensome and time-consuming, as licences have to be obtained on a product-by-product and country-by-country basis. COVID-19 patents are complex, involving many components and technologies<sup>192</sup>.

As mentioned earlier, COVID-19 is increasing global inequality. Allowing high levels of infection not only increases the number of deaths, but also the risk of further potentially dangerous mutations. The British Medical Journal's analysis of the evidence concludes that 'Contrary to detractors' concerns about the possible effects of a TRIPS waiver, global health analyses suggest that it will be vital to equitable and effective action against COVID-19'<sup>193</sup>. In line with this position, the European Parliament's resolution of 10 June 2021 'calls for support for proactive, constructive and text-based negotiations for a temporary waiver of the WTO TRIPS Agreement, aiming to enhance global access to affordable COVID-19-related medical products and to address global production constraints and supply shortages'<sup>194</sup>.

### 5.1.7 Conclusion

In general terms, we can see that while income poverty has been lessening since 1990, both globally and in all regions, improvement has been slower since 2013. This slowdown has been particularly acute in East Asia, but it is also occurring elsewhere and indeed in one region, Latin America, the improvement has gone into reverse.

Going beyond income poverty, limited work carried out on measuring trends, using the more complex and more recent (from 2010) Multidimensional Poverty Index also identifies improvements for 65 countries over the shorter period of about 10-12 years between 2005 and 2018.

The picture for global inequality trends is less positive and more complicated. Historical data show very different trends for inequality between and within countries, with improvements and deterioration, respectively, being apparent since 1980. There is also evidence that new types of inequality are emerging with growing divergences on what the UNDP calls 'enhanced capabilities', namely high-quality healthcare and tertiary education. On a regional basis, income inequality based on the Gini coefficient has, as seen above, been deteriorating in many countries including Europe, Central Asia, Latin America and Sub-Saharan Africa<sup>195</sup>. A somewhat different picture emerges if we look at the top 10%'s income share. Using this indicator, China and particularly India show the biggest increases in inequality since 2000. However, for the latest year available (2017), inequality is worst in the Middle East, Sub-Saharan Africa, Brazil and India, whereas North America, Russia and China fare better and Europe does best<sup>196</sup>. Overall, high levels of inequality are becoming more prevalent in many countries and particularly in poor countries and emerging economies. Another key feature of these trends is the growing importance of wealth inequality relative to income inequality, which is leading to a dramatic increase in inequality between the top 10% and the rest of the population.

<sup>190</sup> O. Gurgula, 2021; P. Erfani, et al, 2021.

<sup>191</sup> European Commission, Proposal for a Council Decision on the position to be taken on behalf of the European Union in the World Trade Organisation's 12<sup>th</sup> Ministerial Conference (30 November – 3 December 2021), COM(2021)672 final, 4 November 2021.

<sup>192</sup> O. Gurgula, 2021.

<sup>193</sup> P. Erfani, et al, 2021.

<sup>194</sup> European Parliament, [Resolution of 10 June 2021 on meeting the global COVID-19 challenge: effects of the waiver of the WTO TRIPS Agreement on COVID-19 vaccines, treatment, equipment and increasing production and manufacturing capacity in developing countries](#), P9\_TA(2021)0283, 10 June 2021, Para 1.

<sup>195</sup> World Bank, 2020c, p., p.100

<sup>196</sup> See Figure 2 above (from the WID, 2017) showing income inequality based on top 10%'s income share. The USA does have a relatively high Gini coefficient of just over 0.4 but this has remained relatively stable since about 2000 (World Bank 2020c, p.100).

Finally, the picture emerging of the COVID-19 pandemic's net impact in different regions is still unclear. On the one hand global poverty levels have become worse, not only setting back poverty reduction efforts by at least a decade, but also probably changing the distribution of poverty across countries. Furthermore, there are clear signs that it has exacerbated many existing disparities and social inequalities. On the other hand, in 2020 economic downturns associated with the pandemic in richer countries have been deeper than those in poorer countries, potentially leading to a reduction in between-country inequality, though this will likely be offset by their greater ability to counter these downturns with increased social protection measures and stimulus packages. At the same time the pandemic also enabled some richer groups in society to become much richer, thereby dramatically increasing inequality within countries.

## 5.2 How best to tackle inequality?

### 5.2.1 Growth versus Equity

As Negre et al.<sup>197</sup> explain, there exists an old debate on whether governments should privilege economic growth in their policies or seek to balance growth with efforts to reduce inequality. The argument runs that inequality provides incentives for actors in the economic system to compete, work harder and improve productivity. Strong growth in an economy will in turn lead to a 'rising tide that lifts all boats'<sup>198</sup>. More recent debates, for instance on the SDGs' formulation<sup>199</sup>, have instead emphasised the value of 'inclusive growth'<sup>200</sup>, which refers to achieving a balance between growth and equity or, in other words, a kind of growth with widely shared benefits. Similarly, Negre et al. argue that a trade-off between the two is not inevitable. Moreover, ample research evidence exists on policies that work well to promote both economic growth and reduce inequality. Indeed, Morabito and colleagues go further and suggest there are two important reasons for addressing inequalities and SDG 10: (1) it would help speed up the eradication of poverty (SDG 1); and (2) current high levels of in-country inequality are 'far beyond [what] any economic argument can justify'<sup>201</sup>. Other experts point also to the importance of reducing inequalities in order to improve social cohesion and resilience<sup>202</sup>. Finally, there is growing attention being given to the concept of 'de-growth', as probably the best response to the global environmental and consumption crisis, ensuring that we live within planetary boundaries<sup>203</sup>. Within the 2030 Agenda, the international community has thus decided for a pragmatic formula, advocating 'sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all'<sup>204</sup>, as is also captured in SDG 8 (Decent work & economic growth).

Accepting the view that reducing inequality has a demonstrably positive impact on growth<sup>205</sup> and is indeed also a path to living within our planetary boundaries<sup>206</sup>, we need to consider how this can be done in

<sup>197</sup> M. Negre, J. Cuesta, A. Revenga, and P. Morley, [Dismantling the Myth of the Growth-Inequality Trade-off](#), DIE-GDI Briefing Paper 9/2019, 2019.

<sup>198</sup> Keeley B., [Income Inequality: The Gap between Rich and Poor](#), OECD Insights, 2015, p.81

<sup>199</sup> ODI, ECDPM, DIE, University of Athens and the Southern Voice Network, [European Report on Development, Combining finance and policies to implement a transformative post-2015 development agenda](#), 2015.

<sup>200</sup> OECD, ['Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.'](#) [accessed 6 October 2021].

<sup>201</sup> C. Morabito, M. Negre, and M. Nino-Zarazua, [The distributional impacts of development cooperation projects](#), AFD Research papers, n. 208, 2021 - Introduction.

<sup>202</sup> EU-AFD, 2021, p.5

<sup>203</sup> See for instance the [Club of Rome](#) or Kate Raworth's work on [doughnut economics](#) that argue that there are planetary limits to growth so, particularly in richer countries, we should focus on redistribution and restrict growth to allow more space for other poorer countries to catch up. Also Hickel (2017, pp. 271-3) on 'The Degrowth Imperative', argues that as we have already reached the ecological limits of our planet reversing growth is necessary if we want to reduce poverty.

<sup>204</sup> UN 2030 Agenda (2015) Declaration and SDG8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.'

<sup>205</sup> RG Wilkinson and K Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, 2009.

<sup>206</sup> K Raworth, [A safe and just space for humanity: can we live within the doughnut?](#), 2012.

practice. Addressing inequality essentially revolves around redistributive and inclusive policies that seek to share resources and encourage equitable access to services, as discussed below.

## 5.2.2 Learning from experience

Tackling inequality has been a concern of governments for many years<sup>207</sup>, resulting in a significant amount of research evidence and practical policy experience being available to policy makers. At the same time, reducing inequality is not a neutral undertaking as it involves redistribution and hence implies restricting the ability of some groups to go on amassing resources in a way that exacerbates inequality even further. So, while it is relatively straightforward to identify various policy measures that can reduce inequality, making progress is also very much a question of political will and power of government authorities to bring about their implementation.

The European NGO platform CONCORD<sup>208</sup> puts this starkly into perspective by stating that on the one hand it is a question of transforming the systems (economic, financial, political and social) that create inequality and on the other a matter of pursuing redistributive policies. At the same time, this distinction is not necessarily quite so acute as many redistributive policies (such as progressive taxation or social protection safety nets) if carried out with sufficient vigour and consistency, can be transformative over time. The World Bank<sup>209</sup>, for instance, lists as a first recommendation the need to close the gap between policy aspiration and attainment, thereby pointing directly to the need for political will.

Another perhaps more useful distinction to make lies between establishing (1) transformative redistributive policies and then complementing these with (2) the more precise targeting of specific marginalised groups that needs to occur within or in addition to these policies. Such complementary special policies for excluded groups are essential for LNOB and to address horizontal as well as group inequalities. The UNDP<sup>210</sup> argues that both are required to make the fight against inequality effective. Similarly, a recent Overseas Development Institute (ODI) study<sup>211</sup> notes that while LNOB has been interpreted and approached in different ways from one country to another, policies to tackle inequality typically call for both inclusive human development and policies that address the most disadvantaged groups' needs.

## 5.2.3 Specific policy measures

A review of recent recommendations made by a limited number of key agencies, development policy think tanks and NGOs (UNDP, ILO, World Bank, European Commission, Southern Voice, ODI and Oxfam) reveals a high degree of consensus emerging on measures under these two key types of policies as mentioned in the previous paragraph.

<sup>207</sup> Europe has a long tradition in government social welfare schemes. Explicit policies to tackle inequality are usually traced back to Otto von Bismarck, the 19<sup>th</sup> Century Prussian statement, or the 1942 Beveridge Plan in the UK (Keeley 2015).

<sup>208</sup> CONCORD, [Inequalities Unwrapped: An Urgent Call for Systemic Change](#), 2019.

<sup>209</sup> World Bank, 2020, p.166

<sup>210</sup> United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019.

<sup>211</sup> E. Samman et al., 2021. The study identifies 3 types of approach that are typically used in group based inequality policies: (i) progressive universalism that focuses on the poorest groups, (ii) anti-discrimination measures including positive discrimination measures, and (iii) recognition of intersectionality to ensure all groups have access to welfare policies.



### 1) *Generalised transformative redistributive policies*

**Universal provision** of healthcare, education and other social services are frequently highlighted in reports from the aforementioned agencies<sup>212</sup>. Access to healthcare and inclusive education are key policies adopted to ensure that individuals can participate fully in society, leading productive and fulfilling lives.

**Social protection** programmes constitute another crucial measure identified by a number of these reports in their recommendations<sup>213</sup> as a key tool both for reducing inequality and improving resilience to shocks that can quickly exacerbate inequality. The use of social protection schemes has apparently mushroomed in many countries during the COVID-19 pandemic<sup>214</sup>, as actors recognised their value in supporting people through the crisis. This is clearly a major advance that can be used to construct political will. Hence, it should be built on and not squandered. At the same time, some academics caution that widespread adoption of cash or in-kind transfers in response to lockdowns may largely be an emergency response that could not continue due to inadequate resourcing<sup>215</sup>.

**Taxation** is another area that regularly draws the attention of advocates and policy makers<sup>216</sup> seeking to reduce inequality. Oxfam argues that it is vital to 'end the under-taxation of rich individuals and corporations'<sup>217</sup>. Making national taxation systems more progressive and effective is important to reduce disparities and in-country inequality. However, it is also imperative to have international taxation frameworks and country-by-country reporting measures that help governments tax international corporations in the places where profits are made, thereby helping support their Domestic Resource Mobilisation (DRM)<sup>218</sup> efforts and reduce between-country inequality<sup>219</sup>.

**Trade and investment** are important engines for growth and economic development. They can promote innovation, create jobs and livelihoods that can keep millions out of poverty, which in turn provides a stronger tax base for governments to raise funds for social provisions and protection. However, international trade needs to be supported with adequate inclusive and fair policies at both national and international levels. Conversely inadequate policies or high dependence on international trade can make economies vulnerable to macroeconomic imbalances that can promote inequality within and between countries<sup>220</sup>.

<sup>212</sup> Oxfam, [Public good or private wealth?](#), Oxfam Briefing paper, 2019; Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p.127; United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019, pp.223-224;

<sup>213</sup> European Commission, 2019; International Labour Organisation, [World Employment and Social Outlook - Trends 2021](#), 2021, pp.114-5; Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p.127; Alvarez et al. 2021, Southern Voice, p.32; World Bank 2020, p.15

<sup>214</sup> V Barca, reports that 'between March 2020 and May 2021 a total of 3 333 social protection measures had been planned of implemented in 222 countries', in V Barca, [Social protection and COVID-19: the emerging story of what worked and where... and what it all means for future crises](#), FP2P Blog by Duncan Green, Oxfam, 2021.

<sup>215</sup> L. Alcázar, et al., [COVID-19 in the Global South: Impacts and policy responses](#), Occasional Paper 69, Southern Voice, 2021, p.33.

<sup>216</sup> European Commission, 2019, p.6; I. Mayaki, and D. Grybauskaitė, [Financial Integrity for Sustainable Development, Report of the High Level Panel on International Financial Accountability, Transparency & Integrity for Achieving the 2030 Agenda](#), FACTI Panel Report, UN DESA, 2021.

<sup>217</sup> Oxfam, [Public good or private wealth?](#), Oxfam Briefing paper, 2019.

<sup>218</sup> The AAAA (UN, 2015) financing framework puts domestic resource mobilisation (both public and private) in first place, which is then to be supported by international resources (again both public and private). International agreements on taxation and transparency address systemic issues that can help partner countries improve their tax efforts and raise more public resources domestically, thereby also reducing their degree of dependence on international resources.

<sup>219</sup> See the [OECD/G20 BEPS](#) (base erosion and shifting profits) initiative to end international tax avoidance, estimated at USD 240 billion a year, is supported by 140 governments and jurisdictions and is designed to counter the domestic tax base erosion suffered by many countries.

<sup>220</sup> UNCTAD, 2020 p.67

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**Limited fiscal space and growing debt** are concerns for many countries in the Global South, constraining their governments' scope to deploy stimulus or social protection packages. Improving domestic resource mobilisation, debt restructuring or debt service payment suspension and financial flows from the global community can all help governments create the budgetary flexibility they need to address inequality through social protection programmes or inclusive health and education services. For low-income countries where dependence on ODA and Other Official Flows is on average 20 % of total GDP, support from OECD countries can be vital. This is much less the case for LMICs<sup>221</sup>. South-South cooperation also has a role to play and China has been particularly helpful providing many of its partner countries with material support for the pandemic response and showing an openness to debt payment suspension, although some argue it could go further<sup>222</sup>. Southern development banks have also helped with emergency lending<sup>223</sup>.

**Job creation and decent work** through broad-based economic growth and human-centred recovery strategies, improvements in decent work opportunities and the creation of productive employment that also reach groups with low levels of employability, all help address inequality<sup>224</sup>. This involves strengthening the institutional foundations of inclusive growth, for instance by addressing inequalities in working conditions including the stronger promotion of social dialogue<sup>225</sup>.

**Investing in human capital**<sup>226</sup> is an important part of building up an economy and encouraging recovery, but it is also vital in ensuring that unskilled or inappropriately-skilled groups in society can form part of the new economic drive.

**Improving knowledge and data** that is sufficiently disaggregated and detailed to analyse the particular circumstances of individual specific groups is picked up by several key reports<sup>227</sup>.

**Land distribution policies** can also help address inequality, particularly in agricultural economies where access to land and capital are crucial primary determinants of inequality<sup>228</sup>.

## 2) Targeted policies to ensure No-one is Left Behind

**Pro-poor policies** are common<sup>229</sup> and probably form the most prominent approach that prioritises the poor in terms of both resource allocation and 'first group to reach'. However, such policies require close identification of who exactly the poor are in each context and how they can best be reached, as well as measures to ensure they are not just recognised but also given effective voice. A blanket pro-poor policy is thus usually complemented by some of the other measures listed below. In particular, extra care needs

<sup>221</sup> L. Alcázar, et al., [COVID-19 in the Global South: Impacts and policy responses](#), Occasional Paper 69, *Southern Voice*, 2021, p.25

<sup>222</sup> Nyiabage, July 2021, China, Africa and the big coronavirus debt relief question, South China Morning Post, 26 July 2021 <https://www.scmp.com/news/china/diplomacy/article/3142455/china-africa-and-big-coronavirus-debt-relief-question>

<sup>223</sup> L. Alcázar, et al., 2021, p.29

<sup>224</sup> L. Alcázar, et al., 2021, p.33; International Labour Organisation, [World Employment and Social Outlook - Trends 2021](#), 2021, pp.114-5;

<sup>225</sup> International Labour Organisation, 2021, pp.114-5

<sup>226</sup> World Bank, [Poverty and Shared Prosperity: Reversals of Fortune](#), IBRD/The World Bank, 2020c.

<sup>227</sup> European Commission, 2019; World Bank, 2020; C. Morabito, M. Negre, and M. Nino-Zarazua, [The distributional impacts of development cooperation projects](#), AFD Research papers, n. 208, 2021, AFD, p.42; EU-AFD, 2021, p.5

<sup>228</sup> A. Lawson and G. Contreras, Addressing inequality through EU Development Cooperation – Response to the 2030, Product B: Analysis of measures to address inequality in EU Development Cooperation Fiscus, UK and IRD-DIAL France for DG DEVCO, 2017, Vol A, p.11

<sup>229</sup> Morabito C., et al., [The distributional impacts of development cooperation projects](#), AFD Research papers, No 208, 2021, p.41; E. Samman E., JM Roche, MB Sarwar and M. Evans, ['Leave no one behind' – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021; L. Alcázar, et al., 2021, p.36; World bank 2020, p.15 & p. 81.

to be taken under current COVID-19 conditions, in that the pandemic has changed the profile of poor people in perhaps unforeseen ways<sup>230</sup>.

**Ensuring equal access** to opportunities is key to reducing inequality<sup>231</sup> and an important aspect of many government policies for addressing inequality and LNOB.

**Addressing discrimination and pursuing a rights-based approach to development** is another vital element in this approach<sup>232</sup>. Gender-based discrimination is the most widespread and pervasive form of discrimination across the world. However, discrimination against other groups based on ethnicity, race, disabilities, beliefs and customs must also be addressed if inequality is to be reduced, particularly from an LNOB perspective.

**Recognition of intersectionality**<sup>233</sup> is a key insight based on the observation that poverty and inequality often result from the cumulative impact of various disadvantages and forms of discrimination. Thus, a disabled person from a minority ethnic group, for example, who is also a woman will typically find that all these traits create obstacles in trying to gain access to resources or employment. Similarly, poor families can quickly drop deeper into poverty if key members of the family have accidents or fall ill (for instance with COVID-19), can no longer work or have no access to social protection. The barriers rapidly accumulate and inequality soon becomes entrenched.

**Supporting the transition of vulnerable and hardest-hit workers** (women, informal workers, low-skilled and youth) to new jobs and livelihoods is a vital element of policy packages aimed at stimulating inclusive growth<sup>234</sup>. Investing in human resources through skills training is a common element of such packages, but as part of this, paying specific attention to reaching the most vulnerable will help ensure that inequalities are not perpetuated.

**Support to the informal sector** will be particularly important in countries of the Global South<sup>235</sup>, where this sector often constitutes a major part of the economy, generally not reached by social protection measures.

**Mainstreaming** means ensuring that a particular cross-cutting issue of importance is integrated into all policy measures and at all stages from design through to implementation, monitoring and reporting. This is another strategy commonly adopted for raising awareness and addressing specific inequalities, such as gender, and something that can be extended to addressing inequality more widely<sup>236</sup>.

<sup>230</sup> 'The new poor tend to be more urban than the chronically poor and to work outside agriculture in sectors including informal services, constructions and manufacturing' World Bank, 2020c, p.15

<sup>231</sup> Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p.xxiii; United Nations Development Programme, [Human Development Report 2019. Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century](#), 2019, pp.223 ; L. Alcázar, et al., 2021, p.33.

<sup>232</sup> European Commission, 2019 and 2021 p.25; E. Samman E., JM Roche, MB Sarwar and M. Evans, '[Leave no one behind' – five years into Agenda 2030 – Guidelines for turning the concept into action](#), ODI report, 2021.

<sup>233</sup> E. Samman et al., 2021.

<sup>234</sup> International Labour Organisation, [World Employment and Social Outlook - Trends 2021](#), 2021, p.114; Independent Group of Scientists appointed by the Secretary-General, [Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development](#), 2019, p.129

<sup>235</sup> L. Alcázar, et al., 2021, p.24

<sup>236</sup> For instance, used by the European Commission to address inequality (see European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b)

## 5.2.4 Conclusion: We know what to do, we now need to act

Oxfam suggests<sup>237</sup>, somewhat paradoxically, that the pandemic actually makes transformative policies more acceptable and obvious to the public and thus more possible to envisage. This suggests that as we come out of the pandemic, we have a unique opportunity to build enough political will to adopt the right policies and make them work.

This effect is also evident in the actions of governments around the world responding to the pandemic, with the surge of new social protection programmes<sup>238</sup> and stimulus measures that have been introduced. As outlined in the previous section, the consensus on what precise measures are required and how they should be implemented is also strong. Politicians and governments have responded to obvious needs during the pandemic and spent considerable resources on these economic and social support packages. However, the tone of many reports from multilateral agencies, such as the UNDP and the World Bank, together with feedback from civil society organisations such as Oxfam, indicates that these measures may quickly be abandoned, not least because of their cost, once the pandemic starts to retreat. Nevertheless, the relatively rapid response of governments in setting up these social protection and stimulus measures and the level of consensus between major actors on what measures to take demonstrates that the global community *does* know how to tackle inequality. Their deployment also means that we are rapidly gaining further new insights on how they work best and can be most effective.

As Winston Churchill was reputed to have said<sup>239</sup> during efforts to establish the UN after World War II, 'never let a good crisis go to waste'. The COVID-19 pandemic is certainly setting back achievement of SDG 10, but is it perhaps also the crisis that could enable governments to step up their game and reverse the global trend in rising inequality?

<sup>237</sup> Oxfam, [The Inequality Virus](#), Oxfam Briefing Paper, 2021, p.44

<sup>238</sup> V. Barca, [Social protection and COVID-19: the emerging story of what worked and where... and what it all means for future crises](#), FP2P Blog by Duncan Green, Oxfam, 2021.

<sup>239</sup> G. Gruère, [Never let a good water crisis go to waste](#), OECD Opinion, 21 March 2019.

## 6 The EU's role in relation to inequality drivers

This chapter sets out how the EU has approached inequalities and efforts towards LNOB, identifying gaps which offer scope for further progress. Firstly, it introduces the EU's development policy framework and instruments; secondly, its policy coherence for development framework; and finally the Gender Action Plans, as an illustration of the action that has been taken in the longest-established area of the EU development policy's fight against inequality.

### 6.1 The EU's development policy framework and instruments

#### 6.1.1 Development policy framework

The TFEU includes a brief general commitment, stating that the EU aims to 'eliminate inequalities'<sup>240</sup>. However, the new European Consensus on Development (2017) goes further, explicitly linking this commitment to the objective of 'eradicating poverty'<sup>241</sup> and reducing vulnerabilities' and the LNOB commitment within the 2030 Agenda<sup>242</sup>. Indeed, the new Consensus includes three paragraphs<sup>243</sup> which list some suggestions on how the EU and its Member States will address inequality and promote resilience. This is then picked up again and discussed in greater depth in the Commission's 2019 Staff Working Document<sup>244</sup> on the ECD's implementation in this area of addressing inequality in partner countries, which remains the Commission's latest policy statement on the subject of inequality.

The SWD provides a comprehensive outline of what is involved in tackling inequalities, starting from the 2030 Agenda, to presenting the Commission's proposed policy framework as well as discussing key concepts and trends in inequality. It goes on to outline what the EU has done so far to address inequality and what opportunities exist to take this further.

Chapter 4, on what has been done to date, highlighted a number of established Commission approaches that cover a wide range of issues, summarised in Box 3 below.

#### **Box 3. Summary of Commission approaches to addressing inequality**

The Commission's 2019 Staff Working Document regroups the EU's current measures that address inequality under three headings relating to factors affecting the distribution of household incomes from (i) earnings (ii) taxes and subsidies and (iii) public expenditure on services<sup>245</sup>.

##### **Addressing primary income inequality**

- *Discrimination* – through a rights-based approach, such as EU Human Rights Dialogues that cover a wide variety of forms of discrimination: gender, ethnicity, children, human rights defenders, freedom of expression, role of civil society, access to rule of law, access to information, etc.
- *Employment, decent work & vocational training* – EU support to the ILO Decent Work Agenda ILO; expertise on social protection, labour and employment (SOCIEUX+ programme).
- *Private sector development, trade and financial inclusion* – role of private sector in achieving inclusive and sustainable growth, updated Aid for Trade strategy in 2017, Trade for All strategy, the Africa-Europe Alliance for Sustainable Investment and Jobs<sup>246</sup> and the External Investment Plan (EIP).

<sup>240</sup> TFEU, Title II, Article 8, OJ C 326/49 26.10.2012

<sup>241</sup> Also links to TFEU Article 208 which names 'the eradication of poverty' as primary aim of Union development cooperation

<sup>242</sup> European Union, [The new European Consensus on Development 'Our world, our dignity, our future'](#), 2017, para 4, p.4

<sup>243</sup> European Union, 2017, paras 36, 37 & 38, p.16-17.

<sup>244</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b

<sup>245</sup> This framework is derived from a study by Robilliard and Lawson (2017) for DG DEVCO.

<sup>246</sup> President Juncker, State of the Union Speech 2018 proposal outlined in [COM\(2018\)643](#)



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- *Territorial and urban development* – Staff working documents on addressing urban and regional disparities as well as working with cities and local authorities, also included in EIP.
- *Digital for development* – digital technologies to improve inclusion and EIP priority on digitalisation for sustainable development, including the approach outlined in the Commission SWD<sup>247</sup>.
- *Environment, energy and natural-resource governance* – for instance land governance actions in about 40 countries, mostly in Sub-Saharan Africa, FLEGT (Forest Law Enforcement, Governance and Trade) and resilience programmes.
- *Culture for development* – actions that support social inclusion, freedom of expression, identity building, civil empowerment and conflict prevention

#### **Addressing secondary income inequality**

- *Fiscal policy* – strengthening DRM, progressive taxation, redistributive capacity, budget support
- *Social protection* – The EU allocates at least 20 % of its ODA to social inclusion and human development, support to partner countries in developing social protection policies.
- *Regional approaches in social protection* – example of the EUROsociAL programme in Latin America and the Caribbean to support social-cohesion policies and services across the region.

#### **Addressing tertiary income inequality**

- *Education* – ca. EUR 5 billion allocated to education in the 2014-2020 budget, support to Global Partnership for Education, budget support, bilateral programmes.
- *Health* – support for equitable provision to address health inequalities, support to the WHO on universal health coverage (UHC), UHC Partnerships with 38 countries.
- *Public financial management (PFM)* – support for reform and strengthening of PFM, EU strategy on fair taxation, support to World Bank Debt Management Facility (DMF), use of variable tranche indicators in budget support.
- *Support for democracy, the rule of law and the fight against corruption* – focus on access to justice, legal protection, corruption free public services, support to law enforcement and judicial authorities.

Source: European Commission, SWD(2019)280 final, Chapter 4., pp.11-20

As Box 3 shows, the Commission's approach to addressing inequality is already very diverse and wide-ranging with a concern for inequality being integrated into many different programmes, an approach that the SWD describes as *mainstreaming of inequality*. This approach also seeks to tackle inequality at different levels, termed primary, secondary and tertiary, that look not just at how individuals experience inequality on a personal level (primary), but also address both government fiscal policies and social policies (secondary) as well as government public expenditure on services (tertiary) that can all help reduce inequality if designed in the right way.

Unfortunately, the EC Directorate-General for Development and Cooperation<sup>248</sup> has not carried out any independent strategic evaluation on its general approach to addressing inequalities in the last five years. However, it did commission one study in 2016-2017 on how the EU might respond to the 2030 Agenda's call to address inequality and LNOB<sup>249</sup>. This concluded that the EU's tackling of inequality objectives was

<sup>247</sup> European Commission, [Digital4Development: mainstreaming digital technologies and services into EU development policy](#), Commission Staff Working Document, SWD(2017)157 final, 2 May 2017.

<sup>248</sup> In early 2021 the name of DG DEVCO was changed to DG INTPA (Directorate General for International Partnerships).

<sup>249</sup> A. Lawson and G. Contreras, *Addressing inequality through EU Development Cooperation – Response to the 2030 Agenda*, Product B: Analysis of measures to address inequality in EU Development Cooperation, Fiscus, UK and IRD-DIAL France for DG DEVCO, 2017. Footnote 30 in the SWD explains this study was to reinforce the Commission's efforts to address social and economic inequality (<https://fiscus.org.uk/project/addressing-inequality-eu-development-cooperation-response-2030-agenda/>) through



not yet sufficiently integrated into EU development strategies and programmes. At the same time, the study did identify<sup>250</sup> a number of operations where inequality was being tackled in 'quite sophisticated ways' involving targeting both social and income inequalities separately and jointly. The authors concluded this meant that there was a solid knowledge base and some good practice on which to build. They proposed for the EU to further strengthen its actions to combat inequality in particular by (1) improving guidelines for drafting country strategies, (2) the drafting of terms of reference for programme identification and formulation and (3) through the Commission's internal Quality Support Group process.

By contrast, the EC Directorate-Generals for International Partnerships (DG INTPA) and for Neighbourhood and Enlargement Negotiations have indeed conducted two external evaluations in one key area of tackling inequality, namely its work on gender equality and women's empowerment (GEWE). These reports were published in 2015 and 2020. While the first reached a fairly negative conclusion, the more recent study reported significant improvements to the policy framework for the period under review (2010-2018), though it remained critical of results achieved: 'even after several decades of efforts to strengthen gender mainstreaming in EU external action, successes remained limited'<sup>251</sup>. While it is not possible to extrapolate from this to the wide range of EU external activities to reduce inequality, it is significant that in GEWE, a key area of the wider field of action on inequality which has been an avowed EU concern for many decades, progress is still hesitant.

The range of different actions to address inequality summarised in Box 3 above also indicates that the Commission has a valuable set of instruments and funds at its disposal to tackle the issue that also correspond well with the types of programmes other major actors and analysts advocate.

Looking forward, the 2017 SWD concludes proposing four areas which could be explored further so as to improve the EU's approach to addressing inequality. These essentially revolve around improving the different aspects of its existing practice: (1) strengthening existing policies that address primary, secondary and tertiary income inequality (see Box 3 above); (2) improving mainstreaming of inequality reduction in the programming, formulation, implementation and evaluation phases of programmes; (3) stronger cooperation with partner countries, Members States and other actors for addressing inequality, along with (4) collecting better data and knowledge<sup>252</sup>.

## 6.1.2 Instruments

From this year, with the introduction of the new Multiannual Financial Framework (MFF 2021-27), the Commission has at its disposal the latest funding instrument to address inequality in external action, namely the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe. This instrument has allocations for all geographic regions and for thematic priorities. The NDICI also includes the EFSD+<sup>253</sup> and External Action Guarantee which constitute the EU External Investment Plan's finance pillar.

NDICI-Global Europe guidelines<sup>254</sup> stipulate that 93 % of its spending should qualify as ODA with a focus on fragile and LDC partner countries, with 20 % of this amount earmarked for human development and

what is termed as an 'evaluation of the equality-sensitivity' of EU development cooperation. This study is not included on the DG INTPA list of regular evaluations.

<sup>250</sup> A. Lawson, et al., Vol B, 2017, p.30, para 39.

<sup>251</sup> European Commission, [Evaluation of the EU's external action support to gender equality and women's and girl's empowerment 2010-2018](#), 2020, Key Findings, p.4

<sup>252</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b, pp.29-30

<sup>253</sup> EFSD+ is the new name under the NDICI for what was formerly the EFSD - European Fund for Sustainable Development in the MFF 2014-2020

<sup>254</sup> See DG INTPA [NDICI Guidelines](#).

social inclusion<sup>255</sup>. Similarly, the Commission has a continuing commitment to a target of 85 % for all actions having GEWE as a principal or significant objective. Set at EUR 79 462 billion for 2021-2027, the NDICI budget has slightly increased relative to the combined budget of previous 10 budget lines and the European Development Fund that it replaces. Hence, as in the previous EU budget (2014-2020), there remain similar amounts, scope and parameters in this new MFF single instrument for addressing inequality. At the same time, the NDICI guidelines do not stress addressing inequality as one of the instrument's specific objectives, nor did the 2018 Impact Assessment study<sup>256</sup> undertaken for it refer to addressing inequality or even LNOB as specific priorities. However, the NDICI Regulation sets the instrument within the 2030 Agenda context and clearly references the LNOB principle<sup>257</sup>, as does a European Parliament Research Service Briefing on the NDICI as one focus of its geographical component<sup>258</sup>. Rather, the Commission and the European External Action Service (EEAS) have ascribed five overarching priorities for NDICI programming<sup>259</sup>, a number of which are important for SDG 10, whereas inequality and more broadly human development, remain cross-cutting issues in the programming.

Since the pandemic's onset there is also a preference for working under the flag of 'Team Europe' involving all EU institutions, Member States and their agencies, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). Team Europe is not a funding instrument but rather a framework for improving the EU's ability and commitment to 'working better together' that was launched as part of the response to COVID-19. As such it does not have any policy objectives of its own. Thus, action under Team Europe follows the existing EU development and humanitarian policy framework. In its Conclusions responding to the Team Europe proposal, the Council<sup>260</sup> did, though, list increasing inequality as one of the pandemic's implications that was of concern. The Team Europe package initially facilitated mobilisation of around EUR 46 billion of unused funds from different sources<sup>261</sup>. Looking forward, Team Europe is also prominent in the programming of NDICI, with each National Indicative Programme<sup>262</sup> expected to have a couple of large, transformative Team Europe initiatives. These are also expected to be the main focus of joint work with the Member States and the EIB, EBRD, although 'working better together' is additionally a commitment for the wider NDICI programming<sup>263</sup>.

## 6.2 The EU and its policy coherence framework

The principle of Policy Coherence for Development is, at a minimum, to ensure that policies in areas other than development cooperation do not undermine development objectives and ideally to support the achievement of these objectives. As a clear illustration of this, it is for instance counter-productive to give overseas development aid to a country which then loses an equivalent or greater amount as a result of EU

<sup>255</sup> P. Veron and Sergejeff K., [Reinvigorating human development in EU external action](#), Discussion paper no. 296, ECDPM, 2021., p.11, Table 1 indicate that this target of funding on human development is not always reached on an annual basis. Over the years 2014-2019 the average was 18.7%, with a low point of 13.7% in 2016 and a highpoint of 23.3% in 2018.

<sup>256</sup> European Commission, [Impact Assessment for establishing the NDICI](#), SWD(2018)337 final, 2018.

<sup>257</sup> Regulation 2021/947 of the EP & Council, OPJ L209/1, 14 June 2021, Recital para 10

<sup>258</sup> B. Immenkamp, [A new neighbourhood, development and international cooperation instrument – Global Europe](#), European Parliament Research Services, European Parliament, 2021

<sup>259</sup> The five NDICI programming priorities are aligned to Commission's overall geopolitical priorities and the SDGs. They are (i) Green transition, (ii) Digital, (iii) Growth and jobs, (iv) Migration (a big part of which is creating opportunities in countries of origin), and (v) Peace, governance and the rule of law [interview with EEAS official, 21.10.2021]

<sup>260</sup> Council of the European Union, [Council Conclusions on Team Europe Global Response to COVID-19](#), 8 June 2020.

<sup>261</sup> Contributions to Team Europe's €46 billion external response to COVID-19 up to April 2021 came from the EU Budget (€14.9 bn), the EIB (€11.4 bn), the EBRD (€4.8 bn) and EU member states (€14.9 bn). See: [https://ec.europa.eu/international-partnerships/system/files/20210401-team-europe-response-to-covid-infographic\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/20210401-team-europe-response-to-covid-infographic_en.pdf)

<sup>262</sup> NIPs provide the documentary basis of EU cooperation with partner governments. They outline the agreed objectives and priority areas for cooperation and the resources the EU will make available for a given period.

<sup>263</sup> Interview with EEAS official, 21.10.2021

trade policies or internal agricultural subsidies. PCD was introduced in the Maastricht Treaty and reaffirmed in the 2005 European Consensus on Development, the Lisbon Treaty and the new European Consensus on Development in 2017. Article 208 of the TFEU reads: 'Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.'<sup>264</sup>

In 2009 the Council identified a list of five 'strategic challenges' for PCD: (1) trade and finance, (2) climate change, (3) food security, (4) migration, (5) security and development. These priorities were reiterated in the new 2017 European Consensus on Development. Another important earlier decision in 2005 was the institution of a periodic EU report on PCD to track progress made by the EU as a whole in covering not just the Commission's actions, but also those of other EU institutions and Member States. The first of these reports appeared in 2007. In this period, policy coherence for development also started to feature increasingly prominently in EU development policy and notably in the Union's prime development policy document, the 2005 European Consensus on Development. The Consensus, endorsed by the Commission, the EP and Member States, devotes a whole section to PCD, underlining the importance of this principle and recommitting the EU to pursuing PCD in areas stipulated in Council Conclusions<sup>265</sup>.

The new 2017 ECD reaffirms this commitment in paragraph 10: 'The EU and its Member States will apply the principle of policy coherence for development (PCD), and will take into account the objectives of development cooperation in all external and internal policies which they implement and which are likely to affect developing countries. PCD is a fundamental part of the EU's contribution to achieving the SDGs'<sup>266</sup>. However, by that time, changes in EU external action were beginning to have a visible impact on development policy. Paragraph 11 of the new ECD, for example, states that 'the EU development policy also pursues the objectives of EU external action [...]. The Consensus will also contribute to the requirement of ensuring consistency of the different areas of EU external action, and between these areas and its other policies'<sup>267</sup>. The Global Strategy, which in 2016 set out the overall shape of EU foreign policy, refers to expanding and applying the principle of PCD to other policy areas<sup>268</sup>. However, development objectives, primarily 'the reduction and, in the long term, the eradication of poverty'<sup>269</sup> now sit alongside other foreign policy priorities. Statements declare that development policy will be made 'migration-sensitive', that security and development policies will become more joined up and that 'development policy also needs to become more flexible and aligned with our strategic priorities'<sup>270</sup>.

Here we clearly see potential for the EU's strategic priorities in its external action to take precedence over the reduction and eradication of poverty and for 'consistency of the different areas of EU external action' to become a trade-off with PCD. Burni et al argue that 'the stronger integration of the tools of EU's development cooperation and foreign policy may on the one hand improve the unity, coherence and visibility of actions, but on the other hand, could also lead to the subordination of development objectives to foreign policy aims.'<sup>271</sup> How this plays out in practice is, of course, highly political.

<sup>264</sup> EU, TFEU, Art 208, 2008.

<sup>265</sup> J. Mackie, Promoting Policy Coherence: Lessons Learned in EU Development Cooperation, 2020, p. 9.

<sup>266</sup> European Union, [The new European Consensus on Development 'Our world, our dignity, our future'](#), 2017, para 10.

<sup>267</sup> European Union, [The new European Consensus on Development 'Our world, our dignity, our future'](#), 2017, para 10.

<sup>268</sup> EEAS, [Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy](#), 2016, p. 50.

<sup>269</sup> EU, TFEU, Art 208, 2010

<sup>270</sup> EEAS, 2016, p. 11 and p. 48.

<sup>271</sup> A. Burni, B. Erforth and N. Keijzer, Global Europe? The new EU external action instrument and the European Parliament, Global Affairs, 2021.

The European Commission carries out PCD through inter-service consultations, impact assessments and biennial reports. Studies have shown that impact assessments are not always carried out, and when they are, the impact on developing countries is not always considered<sup>272</sup>. The 2019 EU PCD report, however, argues that new guidelines on impact assessments have brought positive change. Replacing the term 'impact on third countries' with 'impact on developing countries' has improved clarity. In addition, the report argues that the Better Regulations Package<sup>273</sup> has resulted in (1) a higher number of PCD-compliant impact assessments; (2) Commission services now working together better on cross-cutting issues; and (3) the inter-service steering group on PCSD regularly discussing PCD<sup>274</sup>.

The European Parliament has had a standing rapporteur for PCD since 2010 and joint meetings between the Development Committee and other parliamentary committees have taken place on PCD-related topics. This includes, for example, the joint meeting of the Committees on Environment and on Development in 2018 to address how the Common Agricultural Policy reform is impacting developing countries. However, the latest EP report specifically on PCD was in response to the 2015 EU PCD Report and, as yet, no responses have been made by the EP to the 2017 or 2019 versions, nor to the independent external evaluation on PCD.<sup>275</sup>

PCD represents a significant challenge. It can usefully be promoted by a set of mechanisms working as a system that combines policy statements of intent, internal institutional mechanisms for bringing the ideas together and seeking consensus, as well as knowledge inputs, including ex-ante impact assessment studies along with ex-post monitoring and evaluations<sup>276</sup>. This system operates within a political context which involves institutional and external actors, including NGOs and epistemic communities. The aim of this system is to encourage regular communications between different departments and at all levels of decision-making. PCD is complex and requires a clear sense of direction, adequate inputs of expertise and proper debate along with scrutiny to build up political consensus on difficult choices and trade-offs, so as to achieve satisfactory policy compromises. Analysing PCD promotion as a system helps in identifying interactions between the various actors and complementary mechanisms<sup>277</sup>.

PCD has achieved some positive results, although these have been slow and incremental. For example, a decade-long process has gradually brought the EU's Common Agriculture Policy more in line with the EU's development policy. An independent evaluation of the EU's PCD efforts in 2018 found that, although the EU had played a lead role on PCD and had introduced some positive mechanisms, such as the biennial EU PCD reports and the use of ex-ante impact assessments, at the same time it suffered from: limited common understanding of the approach; inconsistent use of agreed mechanisms; variable levels of staff awareness; and some lack of leadership in EU Delegations<sup>278</sup>. The 2019 EU report on PCD comments on this evaluation and sets out some actions that will be taken in response, such as organising workshops on the role of EU Delegations in contributing to PCD work<sup>279</sup>.

The 2030 Agenda includes the concept of Policy Coherence for Sustainable Development, which was embraced by the European Commission as part of its commitment to meeting the SDGs. The Commission stresses that PCSD does not replace PCD. Instead, it represents a broader objective, to which PCD

<sup>272</sup> CONCORD, [The Impact of EU Policies in the World. Seeing the Bigger Picture](#), 2017.

<sup>273</sup> The [Better Regulation Package](#) was introduced in 2015 to make EU policy making more efficient and effective.

<sup>274</sup> European Commission, 2019 EU Report on Policy Coherence for Development SWD(2019)20 final, 2019a.

<sup>275</sup> C. Núñez-Borja, E. Baudalet, and T. Picarello, [External Evaluation of the European Union's Policy Coherence for Development \(2009-2016\)](#), European Commission, DG DEVCO, 2018.

<sup>276</sup> J. Mackie, *Promoting Policy Coherence: Lessons Learned in EU Development Cooperation*, 2020.

<sup>277</sup> J. Mackie, 2020, p. 11.

<sup>278</sup> C. Núñez-Borja, E. Baudalet, and T. Picarello, 2018.

<sup>279</sup> European Commission, [2019 EU Report on Policy Coherence for Development](#), SWD(2019)20 final, 2019a.

contributes. The 2019 EU Report on PCD, for example, highlights the ongoing need for PCD specifically, so as to ensure that EU policies do not have a negative impact on developing countries<sup>280</sup>. It concludes: 'Whether implementing the objectives of PCD or those of the broader PCSD, we can effectively support the implementation of the 2030 Agenda if we take into consideration and minimise as much as possible the negative effects that our policies can have on developing countries, hence living up to our commitment of leaving no one behind'<sup>281</sup>.

## 6.3 EU approach to non-income inequalities

The EU has a track record on addressing inequalities in specific sectors that goes back to a time well before the new Consensus in 2017. Health and education are the two areas where the bulk of its spending on human development goes and social protection also receives an important share<sup>282</sup>. However, there are no recent Commission external evaluations at work in these sectors. Two other prominent specific areas where the focus is very much on discrimination and disadvantage are human rights and gender. The latter is dealt with in some detail in the next section, but it is first useful to consider briefly the EU's human rights agenda.

The EU has adopted a rights-based approach to inequalities, that is human rights are recognised as a fundamental tool, in a world characterised by rising inequalities, to guarantee that no one is left behind and all forms of discrimination are addressed<sup>283</sup>. The European Instrument for Democracy and Human Rights originally established by the European Parliament in the mid-1990s, contains a cross-cutting commitment to promote: non-discrimination; the rights of persons belonging to minorities (be they linguistic, ethnic, or religious); as well as the rights of persons with disabilities and other vulnerable groups<sup>284</sup>. In addition, core labour standards and social inclusion are also cross-cutting targets tackled by this instrument.

The European Commission has also adopted a strategy for 2021-2027 to tackle inequalities faced by people with disabilities and foster social inclusion, addressing them both within its own borders and in its external action<sup>285</sup>. In particular, children and young people in developing countries and post-conflict contexts face intersecting vulnerabilities beyond disability, such as: exclusion from basic services; lack of protection and information; absence of access to justice; and issues linked with legal identity<sup>286</sup>. In order to overcome these obstacles, the European Commission promotes engagement within the context of the United Nations Convention on the Rights for People with Disabilities and hence is mainstreaming its commitments in all areas of external action, including development, humanitarian aid and composite policies (such as enlargement and neighbourhood policy).

## 6.4 The EU's Gender Action Plans

Gender is one area in which EU development policy action on inequality is very evident, with gender equality having been an explicit goal of EU development policy since 2000. The three Gender Action Plans (2010, 2015, 2020) have sought to implement this commitment, the first within development policy alone,

<sup>280</sup> European Commission, 2019a, p. 3.

<sup>281</sup> European Commission, 2019a, p. 55.

<sup>282</sup> P. Veron, and K. Sergejeff, [Reinvigorating human development in EU external action](#), Discussion paper no. 296, ECDPM, 2021, p.14. In 2019, of the EUR 1.6 bn spent on human development, 45 % went to education, 35 % to health and 19 % to social protection. This is however a decrease from 2017 (EUR 1.9 bn) and 2018 (EUR 1.7 bn). Over the 2014-2020 MFF total health spending amounted to EUR 2.6 bn whereas education received EUR 5 bn.

<sup>283</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, [Joint Communication to the European Parliament and the Council – EU Action Plan on Human Rights and Democracy 2020-2024](#), 2020.

<sup>284</sup> European Commission, [Annex I of the Commission Implementing Decision on the Multi-Annual Action Programme 2018-2020 for the European Instrument for Democracy and Human Rights \(EIDHR\) to be financed from the general budget of the Union](#), 2020. [accessed 19 October 2021]

<sup>285</sup> European Commission, [Union of Equality – Strategy for the Rights of Persons with Disabilities 2021-2030](#), 2021.

<sup>286</sup> European Commission, 2021.



and the second and third in all EU external action. The Gender Action Plans all propose gender mainstreaming as the means of achieving gender equality, combined with specific actions targeting women and girls, as well as political and policy dialogues. Gender mainstreaming had already been introduced into EU policy making following the 1995 Fourth UN Conference on Women held in Beijing, with development policy makers being early and enthusiastic adopters, encouraged by the broader gender and development movement which has continued to be active in civil society and academia. Gender mainstreaming means integrating the goal of gender equality into all policy areas and at all stages of policy making. It highlights the fact that gender equality is not a discrete issue, or even a 'women's issue', but is instead relevant to all areas of policy making, including those where the connection is not immediately obvious, such as trade, energy and transport. Gender mainstreaming has radical transformative potential, although critics have argued that it has often been treated as a tick box exercise and has, at best, added gender to otherwise unchanged structures and policies.

The first GAP (2010-15) sought to put into practice this commitment to gender equality which was by then well-articulated in development policy documents, but its success was limited. GAP II (2015-2020) was different from the original GAP in that it applied to all areas of EU external action and to all external action actors in the EU and its Member States. It had three thematic priorities: physical and psychological integrity (including violence against women, and sexual and reproductive health and rights); economic and social rights for women and girls (empowerment); as well as strengthening women and girls' voice and participation. It also had a cross-cutting priority: institutional cultural shift. This was in recognition of the need to bring about change within the institutions in order to achieve the Action Plan's aims, for example, by raising awareness on the importance of gender analysis and sharing responsibility for gender mainstreaming at all levels of the hierarchy. The third Gender Action Plan (2015-20) revisited this idea, adding a focus on leadership as a means of bringing about a genuine cultural shift within the institutions. Gender equality is presented as 'a responsibility for all'<sup>287</sup>.

Implementation reports, evaluations and external studies have all shown that the GAPs have not yet achieved their aims<sup>288</sup>. For example, the Evaluation of EU external action support to gender equality and women's empowerment (2010-18) carried out on behalf of the European Commission found: a tendency towards a tick box approach to gender mainstreaming which does not engage with the fundamental goal; delegating to junior officials who are unable to influence decision-makers and their agendas; and low attention to gender mainstreaming in certain key areas of EU external action which nevertheless have a significant impact on inequalities, for example, trade, migration and climate change<sup>289</sup>. Trade has consistently been one of the sectors most resistant to gender<sup>290</sup>, although GAP III states that the EU will

<sup>287</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, [EU Gender Action Plan \(GAP\) III - An Ambitious Agenda for Gender Equality and Women's Empowerment in EU External Action](#), Joint Communication, JOIN(2020)17 final, 2020.

<sup>288</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, [Annual Implementation Report 2017, EU Gender Action Plan II](#), SWD (2018)451 final, 2018; G. Allwood, [Transforming lives?](#) CONCORD Report EU Gender Action Plan II: from implementation to impact, 2018; N. Farnsworth, and I. Banjska, [Mind the Gap. An Independent Evaluation of the Implementation of the EU GAP2 in Western Balkan Countries](#), Kosovo Women's Network, 2018. [Report on the implementation of the Joint Staff Working Document Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020](#), 2018, Rapporteurs Linda McAvan and Dubravka Suica, PE610.927v03-00.

<sup>289</sup> T Smail, J Hailé, P Muñoz Cabrera, L MacKellar, D Peebles, S Bellot Le Hellidu, T Ulla, [Evaluation of the EU's external action support to gender equality and women's and girls' empowerment \(2010-2018\)](#), Particip, Ecorys, ECDPM, Fiscus, Itad and OPM on behalf of the European Commission, November 2020.

<sup>290</sup> European Parliament, [Resolution of 13 March 2018 on gender equality in EU trade agreements Gender equality in EU trade agreements](#), P8\_TA(2018)0066, 2018.



'continue to promote gender equality through its trade policy'. Nevertheless, gender is still not systematically mainstreamed throughout trade policy or trade negotiations<sup>291</sup>.

The Gender Action Plans, in common with EU gender equality policy more broadly, have tended to see gender equality as equality between women and men; they have only gradually begun to introduce a more diverse and intersectional approach. Adoption of the first EU LGBTIQ Strategy in November 2020 is part of this expanding agenda, although it co-exists with retrenchment in other respects, including resistance on the part of some Member States to use of the term 'gender' in EU policy. Opposition to use of the term gender by three member states meant that GAP III was not adopted in the Council Conclusions, as the previous GAPs had been<sup>292</sup>. GAP II states that 'the gender gap is even larger when gender inequality intersects with other forms of exclusion', but the plan's implementation and monitoring did not bring these intersections to the fore. The European Parliament report on implementation of GAP II 'calls for a greater focus in the implementation of GAP II on girls and women who suffer additional discrimination on account of ethnicity, sexuality, disability, caste, or age, and for data to be broken down accordingly'<sup>293</sup>. The Gender Action Plans have progressively broadened their understanding of gender, moving from a strong focus on women to 'women in all their diversity', incorporating the importance of recognising intersections with other inequalities. This is a crucial development for increasing the scope of measures on gender equality, and on equality more broadly, so as to bring about effective change.

In common with the first two GAPs, GAP III presents a dual justification for EU action on gender equality, identified primarily in being a core EU value, but also 'an imperative to well-being, economic growth, prosperity, good governance, peace and security'<sup>294</sup>. GAP III has established gender equality as a cross-cutting priority for EU external action. This requires gender mainstreaming in all policies and sectors and a 'gender-transformative, rights-based and intersectional approach'<sup>295</sup>. GAP III ties gender equality into both the SDG agenda and EU external action on inequality more broadly. It states that 'the EU is a global front-runner in promoting gender equality as a key political objective of its external action and common foreign and security policy, aimed at accelerating progress towards global goals including the SDGs' and that 'the post-COVID-19 recovery must be an opportunity to address structural inequalities and build more inclusive societies.'<sup>296</sup>

## 6.5 EP's role competences and recent actions

The European Parliament continues to play an important role in development policy. Its role and influence have increased since it was made co-legislator with the Council on development policy by the Lisbon Treaty in 2009. The European Parliament can influence development policy through its co-legislative powers, supervisory role and budgetary authority. Under the new NDICI instrument, the European Parliament's powers are likely to increase further<sup>297</sup>. Whereas previously the European Development Fund fell outside the EU budget and hence outside the Parliament's budgetary scrutiny, it has now been brought in as part of the single instrument.

<sup>291</sup> M. Garcia, 'Trade Policy' in Abels et al, 2021, pp. 278-289.

<sup>292</sup> See Legislative Train Schedule, [EU Action Plan on Gender Equality](#).

<sup>293</sup> European Parliament, 2018, para. 8.

<sup>294</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, [EU Gender Action Plan \(GAP\) III - An Ambitious Agenda for Gender Equality and Women's Empowerment in EU External Action](#), Joint Communication, JOIN(2020)17 final, 2020.

<sup>295</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, 2020.

<sup>296</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, 2020.

<sup>297</sup> A. Burni, B. Erforth and N. Keijzer, *Global Europe? The new EU external action instrument and the European Parliament*, Global Affairs, 2021.

The European Parliament has maintained a strong focus on PCD and gender equality in development cooperation. For example, it has stressed the relevance of PCD to emerging challenges, such as the COVID-19 pandemic, climate change and migratory flows<sup>298</sup>. In 2020, it adopted a resolution on improving development effectiveness and the efficiency of aid. In particular, the resolution highlights the rapidly changing context for development cooperation, enumerating challenges such as climate change, migration, food insecurity, but also conflicts and terrorism<sup>299</sup>. In light of a changing context, the European Parliament stressed the need to respect Policy Coherence for Development consistently, as a fundamental stepping stone not only towards achieving the Sustainable Development Agenda, but also reducing risks, such as the fragmentation and ineffectiveness of aid<sup>300</sup>. The European Parliament's resolution on the annual strategic report covering implementation and delivery of the SDGs calls for further efforts to make sure that non-development policies take into account development objectives as a result of PCD<sup>301</sup>.

In its resolution of 21 January 2021 on the gender perspective in the COVID-19 crisis and post-crisis periods, the European Parliament calls for a global gender-sensitive response to the pandemic and emphasises that all possible efforts must be made to ensure that a future vaccine will be available to everyone<sup>302</sup>. This is echoed by the EP's in a later resolution<sup>303</sup>, calling for the EU to support negotiations for a temporary TRIPS waiver, as discussed in Chapter 5 of this study. In addition, the resolution of 21 January 2021 calls for a gender-sensitive response in the implementation of NDICI<sup>304</sup> as well as a value-based EU trade policy that ensures a high level of protection for labour and environmental rights coupled with respect for fundamental freedoms and human rights<sup>305</sup>. The EP has also drawn attention to links between poverty, inequality and climate change, noting that 'climate change exacerbates existing social inequalities' and has the 'most severe impact in poor countries and regions, and the places where poor people live and work'<sup>306</sup>.

Throughout its work, the European Parliament has continued to stress the importance of the voice and participation of those affected by the relevant policies, whether this involved the need for the EU to enter into dialogue proactively with developing countries and regions in order to discuss and consider major policy initiatives that may affect them<sup>307</sup>; or the need to listen to women and girls, including them as an active part of responses both to the pandemic<sup>308</sup> and the climate crisis<sup>309</sup>. This attention to inclusion,

<sup>298</sup> European Parliament, Committee on Development Rapporteur: Mónica Silvana González, [Report on the impacts of climate change on the vulnerable populations in developing countries](#), 7 April 2021a, para 41.

<sup>299</sup> European Parliament, [Resolution of 25 November 2020 on Improving Development Effectiveness and the Efficiency of Aid](#), P9\_TA(2020)0323, 2020.

<sup>300</sup> European Parliament, 2020.

<sup>301</sup> European Parliament, [Resolution of 14 March 2019 on the Annual strategic report on the implementation and delivery of the Sustainable Development Goals \(SDGs\)](#), P8\_TA(2019)0220, 2019, para 43.

<sup>302</sup> European Parliament, [Resolution of 21 January 2021, The Gender Perspective in the COVID-19 Crisis and Post-Crisis Period](#), P9\_TA(2021)0024, 2021c, para 49.

<sup>303</sup> European Parliament resolution of 10 June 2021 on meeting the global COVID-19 challenge: effects of the waiver of the WTO TRIPS Agreement on COVID-19 vaccines, treatment, equipment and increasing production and manufacturing capacity in developing countries (2021/2692(RSP)),

<sup>304</sup> European Parliament, 2021c, para 50.

<sup>305</sup> European Parliament, 2021c, para 51.

<sup>306</sup> European Parliament, Committee on Development Rapporteur: Mónica Silvana González, [Report on the impacts of climate change on the vulnerable populations in developing countries](#), 7 April 2021a, para C.

<sup>307</sup> European Parliament, 2019, para 46.

<sup>308</sup> European Parliament, 2021c.

<sup>309</sup> European Parliament, Committee on Development, Rapporteur: Mónica Silvana González, 2021a.

participation and mutual or reverse learning<sup>310</sup> plays an important role in the transformative changes necessary to achieve SDG 10 and ensure that no-one is left behind.

Moreover, in the context of addressing inequality where, as we have seen above, a lack of political will is one of the missing elements for progress, the EP as the prime European forum for political debate and consensus building has a vital role to play in mobilising political momentum and holding the other European institutions to account through its scrutiny work.

The European Parliament has become an important actor in EU development policy. Moreover, with its long-standing record on development, gender equality and PCD, it is well placed to act as a driver of EU action in achieving SDG 10. The EP has strong links with civil society organisations together with other partners within and outside the EU institutions and can draw on extensive evidence-based research to support its action. However, growing internal policy fragmentation could adversely affect its future influence, particularly around contentious issues such as migration<sup>311</sup>.

## 6.6 Conclusion on the EU's role

It is only in recent years that the EU has started to focus on addressing inequality as a core objective alongside the goal of eradicating poverty that has been rooted in the Treaty on European Union since 1992. Yet, in practice, the EU has been addressing inequalities for a number of decades, during which time three distinct streams of policy and operational action have coexisted: (1) a concern with poverty eradication and human development that has also increasingly focussed on income inequality; (2) a concern with human rights that has evolved to include many forms of discrimination; and (3) a concern with gender equality alongside women and girls' empowerment. All three have found prominent places in the 2030 Agenda and the EU has reflected this in its 2017 Consensus on Development following this up with a more detailed staff working document on addressing inequalities in 2019. Accordingly, the EU has a track record and relevant experience on which it can build in seeking to further its action on inequalities. Equally, its experience with promoting policy coherence is a valuable tool that it can use in this endeavour. Although there is, of course, still room for improving performance, the EU's overall achievements, expertise, commitment to development effectiveness and promoting policy coherence are also recognised by others and notably by the OECD-DAC<sup>312</sup>. Finally, its budget has earmarked sufficient funds in the new NDICI-Global Europe single instrument to undertake substantial work on inequality and SDG 10 with its partners in the Global South. Similarly, with its new Team Europe framework it is well placed to mobilise further funds for joint work from the EU financial institutions and its Member States.

<sup>310</sup> This challenges the traditional hierarchy of development approaches, encouraging learning with and from partners in the global south. Leach M., MacGregor H., Scoones I., et al., [Post-pandemic transformations: How and why COVID-19 requires us to rethink development](#), *World Development*, Vol 138, 2021

<sup>311</sup> A. Burni, B. Erforth and N. Keijzer, *Global Europe? The new EU external action instrument and the European Parliament*, Global Affairs, 2021.

<sup>312</sup> OECD – DAC, [The DAC's main findings and recommendations](#), Extract from the OECD Development Co-operation Reer Reviews: European Union 2018, December 2018

## 7 Concluding comments

This study has used a three-pronged analytical framework that emphasises the multidimensional, intersectional and interconnected character of inequality as well as the commitment to LNOB. It argues that in understanding and addressing inequality, policy changes and operational strategies also need to reflect this holistic approach with its interlinkages between different types of discrimination alongside their cumulative effects on poverty and inequality.

This framework has proved invaluable in guiding the research to reach a dozen principal conclusions on implementation of the 2030 Agenda's principle of LNOB and SDG 10 on addressing inequality in the EU's development cooperation policy.

- 1. Mounting evidence on inequality:** International data on global income levels and extensive research in this field reveal the increasing urgency of tackling inequality. While global poverty levels had been declining in the years prior to the COVID-19 pandemic's outbreak, income and particularly wealth inequality within certain countries has been increasing. Emerging economies and poor countries are badly affected. Data on trends in other dimensions of inequality and disadvantage are far less available and comprehensive. However, there are enough studies on different aspects of discrimination and disadvantage to build up a detailed, more subtle picture of the multidimensional nature of poverty and inequality. There is also increasing consensus on the wider value of reducing inequalities in terms of economic growth, well-being and living within planetary boundaries. Equality is good for us all and makes good sense.
- 2. Growing international consensus:** International discussion is consolidating around the value of a multidimensional approach to inequality. This is widely reflected in the academic literature and international debate in this area; indeed, it is also to be found in the very design of the 2030 Agenda with its multifaceted and interconnected goals. SDG 10 on 'Reducing inequality within and between countries' is a case in point with its wide range of targets on income levels, empowerment, opportunities, social policies, representation and safe migration. Equally, there is a recognition in UN circles that addressing SDG 10 is fundamental to achieving half a dozen other Goals. Governments, international agencies, bilateral donors and civil society are also widely seeking to operationalise such an approach, integrating it into policies and strategies. Tackling LNOB requires efforts to seek redress in terms of redistribution, recognition, voice and transformative change.
- 3. EU active participation in this debate:** It has both contributed to the global debate and gradually adapted its own development policy in line with it. The 2005 Consensus on Development followed the MDGs with a strong poverty focus, while the 2017 version responded to the SDGs with a more integrated approach that highlights the UN commitment to LNOB and includes a concern with addressing inequality. The EU has long had a commitment to spend 20 % of its ODA on human development, the bulk of which goes on health, education and social protection. Furthermore, by 2019, within a few years of the new Consensus having been signed, the Commission sought to systematise its approach to inequality further by publishing an SWD<sup>313</sup> on Addressing inequality in partner countries. This policy paper effectively echoes many of the conceptual and operational ideas on tackling inequality voiced in the wider international debate. These strengthened orientations are, though, still relatively new which does not yet allow sufficient time to assess how serious and effective the actual implementation of this now more focussed approach to inequality has been in practice. However, they need to be revisited and probably fine-tuned in the light of the impact of COVID-19.

<sup>313</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), SWD (2019) 280 final, 2019b.

Addressing inequality then needs to be systematically integrated and robustly implemented as a central objective in all EU partnerships and development cooperation programmes and projects.

- 4. Policy coherence:** The EU has built up a long track record on policy coherence that can be traced back to 1992 and the Maastricht Treaty, although operationalisation of the more vivid concept of PCD really only started in the mid-2000s. In its 2017 Consensus the EU adapted to the 2030 Agenda and took on board the wider concept of PCSD, while retaining PCD as an important contribution to this new commitment to policy coherence for sustainable development. As the EU has found, promoting policy coherence is a slow and uphill task, but it is a fundamental tool for tackling a multidimensional problem. Promoting policy coherence is vital in addressing inequality, as EU policies in a wide variety of areas, such as trade, agricultural support, fisheries or international taxation, can all negatively affect international development and the policy space of partner governments to tackle inequality.
- 5. Valuable European experience in specific areas:** The EU does have specific experience of tackling discrimination and inequality in certain areas, accumulated over decades, for instance on human rights and gender. Although this has shown mixed results, it does provide lessons on which to build and further enhance implementation and more could be done to build on this<sup>314</sup>. On gender equality and women's empowerment specifically there have been two independent evaluations of EU practice in 2015 and 2020. There has also been a succession of three Gender Action Plans in 2010, 2015 and 2020. Such evaluations, implementation reports and other studies have documented how, despite having a well-articulated and multifaceted policy, the EU has yet to achieve its aims on gender. Among other difficulties, the mainstreaming approach followed has failed to impact on certain key areas of EU external policy, such as trade, migration and climate change which all have significant impacts on inequality. As GAP III acknowledges, there is thus still more work to be done and a need for continuing commitment in all sectors and not just development cooperation.
- 6. Challenges ahead:** This example of the EU's experience on gender illustrates the difficulties involved in addressing inequality and can be taken as a warning of the scale of this challenge to build solid political will for the EU's even wider commitment on inequality in general. Reducing inequality is a political act. There will be losers as well as winners, thus opposition to such an objective is to be expected. Achieving SDG 10 and LNOB will not be easy and hence the effort and political commitment required has to be correspondingly high. Accordingly, while EU policy is well tuned to international thinking on addressing inequality, we have also learnt from experience that achieving success is far from straightforward, given the obstacles already encountered. In short, we know what has to be done, but can we do it?
- 7. Additional crisis of COVID-19:** On top of these challenges comes the huge setback caused by the COVID-19 pandemic. While the pandemic's full impact will not be revealed until it is over and there is still debate about where the most serious effects on inequality are occurring, there is already plenty of evidence to show that COVID-19 has set back the fight against global poverty by as much as a decade. It is equally clear that COVID-19 has hit communities and countries very unevenly, exacerbating existing inequalities as well as creating new dimensions to intersectional discrimination and disadvantage felt by the poorest communities as well as groups and individuals within them.
- 8. EU response to COVID-19:** On the one hand the EU has shown a determination to support other communities around the world, mobilise funds and organise delivery in a dynamic way with the new Team Europe concept involving all European actors in an effort to work better together. On the other hand, it still needs to fulfil its pledges on COVAX financing completely and has blocked proposal for a

<sup>314</sup> M. Lawson, et al., Addressing inequality through EU Development Cooperation – Response to the 2030, Product B: Analysis of measures to address inequality in EU Development Cooperation, FISCUS Public Finance Consultants and IRD-DIAL, 2017, p.30, para 39.

TRIPS waiver that would help ramping up production and distribution around the world. This is causing further growth in inequality; if there is one urgent action that the EU should follow closely and urgently, it is to support vaccine production in the Global South as well as keeping fully up to date with its commitments to COVAX as well as the WHO's Access to COVID-19 Tools Accelerator and continue regular reviews of what further support it could provide.

- 9. Addressing climate change:** Climate change is also increasingly adding new dimensions to inequality and deepening many of those that already exist. The challenge on this front alone is immense and funding the adaptation and mitigation actions required will be hugely expensive and increasingly come to dominate development cooperation. This in itself points to the need to adopt a mainstreaming approach in addressing inequality, so that every euro spent on climate change also contributes towards lessening inequality.
- 10. Funding:** The EU (EEAS, DG INTPA, EU Delegations and Member States) is in the process of jointly programming use of the new NDICI-Global Europe single funding instrument. This obviously provides a key opportunity to ensure that funding is available over the new EU financial cycle (MFF 2021-2027), not just to respond to the damage done by the pandemic but also to make sure that addressing inequality receives a prominent position in the EU's development programmes. Human development and addressing inequality are cross-cutting issues in the NDICI programming and if the EU is serious about inequality, then it certainly has to be properly tackled in this budget cycle, otherwise SDG 10 and LNOB will be out of reach by 2030.
- 11. Political will:** If further evidence were required, the EU's 20-30 years' experience of tackling gender inequality in international development cooperation also shows that as much as anything else the challenge to tackling discrimination, disadvantage and inequality is to a very large extent a question of finding the necessary political will and leadership.
- 12. Role of the European Parliament:** As a political institution the EP has an obvious role to play in helping the EU to tackle this challenge by not only ensuring the difficult policy choices to be made are properly debated but also building up the political commitment to address inequality effectively within the EU's political establishment. With its strong track record of funding human development and raising inequality issues as well as tackling specific disadvantages for different groups (gender, indigenous people, refugees, human rights) combined with policy coherence, the EP is also well placed to do so with the necessary legitimacy and credibility for this task.



## 8 Recommendations

Based on the preceding analysis and the conclusions above, this study puts forward a number of recommendations for consideration either by the EU as a whole or the European Commission and the European Parliament individually.

### 8.1 Recommendations for the EU

**The European Union, including member states and the EU institutions, should:**

1. Step up their efforts to address the issue of global **COVID-19** vaccine distribution shortages by (1) supporting the idea of a temporary TRIPS waiver on vaccine production to facilitate the expansion of manufacturing capacity in the Global South; (2) pledging and delivering further finance to the COVAX programme; and (3) supporting their partners in the roll out of vaccination programmes. In particular, delivery on this should be a clear core focus of the existing Africa-Europe partnership.
2. Play a global leadership role in tackling the **climate crisis**, including leading by example. Meet EU climate mitigation targets and support partner countries with their mitigation and adaptation efforts, notably by contributing a fair share to the annual financing of EUR 100 billion per annum that has already been pledged to them.
3. Ensure that inequality, SDG 10 and LNOB are adequately addressed first in the ongoing joint **programming of the NDICI-Global Europe** and then in its implementation. Inequality has been identified as a cross-cutting issue for the programming, but this needs to be taken seriously and not allowed to be pushed aside by other priorities.
4. Focus in particular on **support to partners** in the following areas, prioritising according to their individual needs and circumstances: social protection programmes; universal provision of health and education; improving fiscal policy and strengthening domestic resource mobilisation; improving access to services and government institutions; investing in human capital; and prioritising programmes for the most vulnerable and hardest hit.
5. Pay particular attention to promoting a fairer **international framework on taxation** so as to give partner governments adequate scope to raise proper tax revenues on industrial production and resource extraction activities undertaken by foreign companies within their jurisdictions. Raising adequate tax revenue can be a transformative step in providing governments with the necessary fiscal space to provide the inclusive services and social protection measures necessary to address inequality and ensure LNOB.
6. **Implement GAP III**, which is the responsibility of all actors, not just those associated with gender equality.
7. Work with partners to build **resilience to future shocks**, whether climate-related or disease-related or other as yet unforeseen events. An important part of this process is listening to the voices of those affected, as well as engaging in mutual and reverse learning.

## 8.2 Recommendations for the European Commission

### The European Commission should:

1. Be rigorous in upholding the **Ownership** principle when collaborating with developing country partners at all levels so as to promote positive and productive relationships that are, as far as possible, partnerships of equals.
2. **Review and update its policy on Addressing inequality**<sup>315</sup> in the light of the COVID-19 pandemic. In particular, better integrate tackling inequality objectives into all EU development strategies and all programmes as recommended by the 2017 Addressing inequalities evaluation<sup>316</sup>.
3. Commission an independent strategic **evaluation** of the EU's work to address inequality, so that lessons can be learnt from the EU's already existing experience.
4. Be more robust in the full execution of **ex-ante impact assessments** for all EU policies and in particular ensure that these tackle policy coherence and cover inequality issues systematically.
5. Implement **policy coherence for development** in all EU internal and external action, focusing on the objectives of reducing poverty and inequality together with commitments set out in the 2030 Agenda, including the Paris Agreement on Climate Change and the Addis Ababa Action Agenda. Further improve cooperation on policy coherence with developing country partners.
6. Adopt an **intersectional approach** to addressing inequality and pro-poor policies. Focus not just on the poorest and most disadvantaged groups but also on those at the top of the income distribution scale, for instance by promoting redistributive policies and progressive taxation measures.
7. Improve collection of **disaggregated data** to make possible identification of those furthest behind in any given situation. Listen to their **voices in inclusive policy making** and programme design. Pursue mutual and reverse learning.

## 8.3 Recommendations for the European Parliament

### The European Parliament should:

1. Continue to push for an EU acceptance of a **temporary TRIPS waiver** on COVID-19 vaccine production as advocated in its 10 June 2021 Resolution so as to ramp up vaccine production around the world. No one will be safe from COVID-19 until everyone is.
2. Promote serious **debate on addressing inequalities** in EU external action within the wider parliament, with the EU institutions and Member States and with the European public, for instance through joint committee public hearings, own initiative reports and joint action by EP political groups. In so doing emphasise the arguments that reducing inequality makes sense economically, is good for well-being and for living within planetary boundaries. This is also in line with European values on international solidarity and human rights. In other words, more equality makes sense and is better for all of us.
3. Build on this increased debate by seeking to **push tackling inequality up the EU's political list of priorities**, so as to promote the necessary political will amongst EU leaders and in European political parties via the EP political groups.

<sup>315</sup> European Commission, [Implementation of the new European Consensus on Development - Addressing Inequality in Partner Countries](#), Commission Staff Working Document, SWD (2019) 280 final, 14 June 2019

<sup>316</sup> M. Lawson, et al., Product B, 2017, p.30, para 39.

4. Continue to push for the **mainstreaming of gender and intersectional inequalities** throughout the EU's internal and external action.
5. **Monitor and evaluate** closely the work of the Commission and wider Team Europe on addressing inequalities and the EU's contribution to achieving SDG 10 and LNOB by asking for regular progress reports and using budget control powers. Push the Commission to conduct an independent external evaluation on addressing inequality at an appropriate moment in the next few years; this could for instance be timed for use in a mid-term review of NDICI.
6. Consider asking other EP committees beyond DEVE to appoint **standing rapporteurs on policy coherence** so that each committee has a responsible rapporteur looking at coherence between EU internal and external policies. Encourage the formation of a network to bring together these rapporteurs on a regular basis so as to coordinate their work and ultimately produce a joint own initiative report on the promotion of EU policy coherence for the SDGs.
7. Continue important work on the **climate crisis** and in particular push the EU institutions to contribute their fair share to the already existing EUR 100 billion annual pledge to development partners for financing climate adaptation.

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