



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

25 June 2019

Excellency,

It is my honour to enclose herewith, an informal summary of the High-level Thematic Debate on Addressing Inequality toward Inclusive Development which was held on 14 May 2019 in the Trusteeship Council Chamber, in accordance with the General Assembly resolutions 72/141 and 73/141 on the implementation of the outcome of the World Summit for Social Development and of the 24th Special Session of the General Assembly.

As per the mandate of the General Assembly resolution 73/141, the informal summary will also be transmitted to the High-Level Political Forum on Sustainable Development later in 2019 to contribute to the review of Sustainable Development Goal 10 to reduce inequality within and among countries.

Please accept, Excellency, the assurances of my highest consideration.


María Fernanda Espinosa Garcés

All Permanent Representatives and
Permanent Observers to the United Nations
New York



General Assembly High-Level Thematic Debate on Addressing Inequality toward Inclusive Development

May 14, 2019, Trusteeship Council, UNHQ

Informal Summary

I. Introduction

H.E. Ms. María Fernanda Espinosa, President of the 73rd Session of the United Nations General Assembly, convened a High-level Thematic Debate (HLTD) on “Addressing Inequality toward Inclusive Development” on 14 May 2019. This HLTD was convened in accordance with the General Assembly resolutions 72/141 and 73/141 on the implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly. It will contribute to the High-level Political Forum on Sustainable Development (HLPF) later in 2019.

The HLTD consisted of an Opening Segment, Panel I – Setting the Stage: Overview on progress in achieving SDG10 to reduce inequality within and among countries, Panel II – Setting the Example: Share the best practices from national and regional perspectives toward inclusive development, and a Closing Segment. The HLTD attracted active participation among member states, enabled member states and other relevant stakeholders to assess progress in reduction of inequality within and among countries, share good practices and engage in a substantive policy dialogue towards inclusive development.

II. Summary of the Discussion

Opening Segment

In her opening statement, **H.E. Ms. María Fernanda Espinosa**, President of the 73rd Session of the United Nations General Assembly, announced the inauguration of the “Week of Prosperity” with the HLTD. She stated that inequality was, along with climate change, the biggest challenge facing our generation. She underscored the importance of reducing inequality to achieve all 17 Sustainable Development Goals and how those SDGs were inter-connected. She highlighted the obvious link between the impact of high and rising inequality and the challenge of reducing

poverty. While more than one billion people had moved out of extreme poverty, 10 per cent of humanity still could not meet their basic needs and live with hunger and misery. It was critical to address the structural causes of inequality, including gender inequality as well as wage gaps, and expand access to public services, opportunities and resources, to realize the basic rights of all people, both in developed and developing countries. A multidimensional approach was needed to give special attention to people living in vulnerable situations, including women and girls, persons with disabilities, indigenous peoples, older persons and migrants.

Ms. Amina J. Mohammed, Deputy Secretary-General highlighted the critical importance of SDG10 for the achievement of the 2030 Agenda for Sustainable Development. She stated that development was not sustainable if it was not fair and inclusive, as high and rising inequality hindered sustained economic growth, posed challenges to the social inclusion of vulnerable and marginalized populations, and threatened social cohesion. From an ethical perspective, inequality was also fundamentally unfair. Yet global inequality levels remained very high, despite sharp falls in the recent past. The growing concentration of income and wealth, coupled with the impacts of globalization and rapid technological change, had led to economic anxiety, exclusion and a decline in trust in governments and public institutions. She stressed that high inequality was not inevitable, as demonstrated by some countries. With the right set of policies and institutions in place, inequality could be curbed. This involved investment in human capital to empower people, especially those left behind, universal social protection, and investment in infrastructure to promote equal access to technology and innovation. As the patterns and trends in inequality and their drivers differed by country, understanding the local “inequality story” was key in developing effective policy.

H.E. Ms. Ghada Waly, Minister of Social Solidarity, the Arab Republic of Egypt, delivered her opening remarks on behalf of G77 and China. She recalled the high-level interactive dialogue by the G77 and China on “Inclusive development and inequality within and among countries”, during the 57th session of the Commission for Social Development. The Group attached utmost importance to addressing inequality in all its forms for the eradication of poverty, social progress, and for ensuring sustainable development for all. It was also critical to strengthen social cohesion to create an enabling environment for development and sustained peace. She expressed the Group’s deep concerns that more than 24 years after the World Summit for Social Development and the Beijing Declaration and Platform of Action, trends of inequality remained worrisome, progress had been slow and uneven, and major gaps remain. With the pledge to “Leave no one behind”, the Group reaffirmed its commitment to tackling inequality to build sustainable, prosperous and peaceful societies, and ensuring that the goals and targets were met for all nations and peoples and for all segments of society, reaching those furthest behind first. There was no one-size-fits-all approach, and national capacities, including institutional and financial, to fight inequality were also different.

Panel I - Setting the Stage: Overview on progress in achieving SDG 10 to reduce inequality within and among countries

This panel was composed of Mr. Mahmoud Mohieldin, Senior Vice President of the World Bank, Mr. Abdoulaye Mar Dieye, Assistant Secretary-General, Director of Bureau for Policy and Programme Support of UNDP, Mr. Dereje Wordofa, Deputy Executive Director of UNFPA, Ms. Aparna Mehrotra, Director of UN System Coordination Division of UN Women, Mr. Vladimir Cuk, the Executive Director, the International Disability Alliance (IDA) and Professor James Kenneth Galbraith, Lyndon B. Johnson School of Public Affairs, University of Texas. It was moderated by Ms. Sarah Cliffe, Director of NYU Center on International Cooperation. This session provided a general assessment on the current situation of inequality within and among countries, including recent trends, growing/declining inequality, barriers that prevent certain countries from inclusive development, and provided an overview on the progress made in achieving SDG 10, including what had been achieved, where the gaps were, and emerging issues.

Key Messages

1. Inequality trends

- Inequality between countries had been declining since 1990, due to income rise in emerging economies. However, global inequality levels remained very high, despite sharp falls in the recent past.
- Inequality within countries rose after 1980s in most countries, stabilizing in recent years. However, average within-country inequality remained high and was rising in many countries, undermining economic growth and social progress. Robust data on trends existed for 50 countries from 1963 for fifty years, showing that from 1963-1971 there was no clear trend, a modest decline in inequality after 1971, and inequality increased from 1981 to 2000, first in Latin America and Africa, then in Central Europe, then in Asia.
- Globalization and rapid technological changes had created growing anxieties for the poor and squeezed the middle-class. This also contributed to rising territorial inequality (urban-rural disparities). Persons with disabilities were one of the most left behind groups. They experienced higher rates of poverty and deprivation, higher rates of unemployment, and more often face social exclusion, due to legal discrimination and cultural norms.

2. Inequality & the 2030 Sustainable Development Agenda

- Inequality was the lynchpin for the 2030 Sustainable Development Agenda. SDG 10 was central to achieve all other SDGs, and especially SDG 1- End poverty. Addressing inequality was vital to empower people, especially, vulnerable social groups and population. Lack of progress in SDG10 would have human and political costs, as high levels of inequality undermined social cohesion, trust in governments, democracy, peace and security and fulfillment of human rights. Its economic costs also undermine economic growth and hinder development.

- Economic inequality was only a part of the inequality story, and inequality based on age, sex, ethnicity, race, religion and socio-economic status and other forms of discrimination should be addressed. Eliminating gender inequalities was central to make progress on all 17 SDGs, including SDG 10, while at the same time progress on SDG 10 was central to the achievement of gender equality and women's empowerment.
- Tackling persistent inequality required a strong and more effective multilateral system based on solidarity and a more equal global order, to address its structural causes. Multilateralism was the most effective platform to reduce inequality.

3. Structural causes of inequality

- Structural, deep-seated transformation of our societies were needed to achieve the SDGs with on one left behind. Without addressing structural causes, such as lack of opportunities, unequal access to education, healthcare, nutrition, clean drinking water, adequate sanitation, social protection, decent jobs, inequality could not be curbed. For instance, persons with disabilities usually suffered higher rates of unemployment, poverty and deprivation through discrimination and lack of support services.
- Global factors which go beyond national capacities, such as global trade and financial systems must be addressed. Evidence supported the argument that new industrial state development model that combined an openness to knowledge and technology with control of financial flow had worked better.

4. Comprehensive policy to reduce inequality

- With a right set of policies and institutions, inequality could be curbed. These include investing in human capital, with priority on education, health and childhood nutrition, and ensuring equal access to opportunities and social services; investing in infrastructures and promoting equal access to technology and innovation for all; extending social protections to workers in the informal sector, which holds 30% of economy and responsible for the two-thirds of the jobs; pursuing inclusive and gender-responsive fiscal policy, including tax reform to reduce income inequalities; localizing efforts by activating community-based engagement; maintaining or increasing social spending, including social protection, whose effectiveness can be enhanced by use of technology for better targeting; closing rural-urban gaps in access to social services and infrastructures and building strong disaggregated data systems that enable evidence-based policy making.
- Enacting legal reforms to remove barriers to ensure equal rights and opportunities, and equal access to justice systems, which involves eliminating or amending discriminatory laws.
- A multi-generational approach is needed to combat discrimination and reduce specific barriers faced by vulnerable groups, including indigenous peoples, persons with disabilities, older persons, youth, people living with HIV/AIDS, migrants, refugees and IDPs, as well as people living in poverty.

- Enhancing global cooperation to create an enabling macroeconomic environment that allows countries to mobilize maximum available resources for the reduction of all forms of inequality, including by putting a stop to illicit financial flows, and ensuring that globalized corporations pay their fair share of taxes.

5. Interactive discussion

- Inequality was a global challenge that is widening across developing countries. The 2030 Sustainable Development Agenda provided an unprecedented opportunity to tackle inequality and leave no one behind. Regional and economic integration affected inequality. The importance of sharing experiences among member states, especially concrete interventions and policies, was highlighted. It was proposed to adopt a universal strategy to tackle inequality.
- The global dimension to inequality matters. National and global contexts were interconnected, particularly through financial markets that constrain what countries could do. Inequality is a complex topic that was easily talked about in generalities rather than specifics. It was difficult to ascertain what the exact underlying causes were. Inequality and inclusivity were linked in important ways.
- Regional groups and countries took comprehensive approaches to tackle inequality through poverty eradication, strengthening social protection systems, tax restructuring, combatting corruption and enhancing access to education. Some countries adopted national development plans, incorporating new gender and non-discrimination perspectives to improve the people's living standard and foster equality,
- Some countries explored how the development model affected inequality. It was proposed that good governance, inclusive health and education policies could open opportunities for all. The private sector could also play an important role in this regard.

Panel II - Setting the Example: Share the best practices from national and regional perspectives toward inclusive development

This panel was composed of H.E. Ms. Ghada Waly, Minister of Social Solidarity, the Arab Republic of Egypt, H.E. Mr. Péter Sijjártó, Minister of Foreign Affairs and Trade, Hungary, H.E. Dr. Diani Sadiawati, Deputy Minister of National Development Planning on Institutional Relations, Indonesia, Ms. Anousheh Karvar, Special Envoy to the International Labor Organization, France and Mr. Mario Cimoli, Deputy Executive Secretary, the Economic Commission for Latin America and the Caribbean (ECLAC). It was moderated by Professor Sanjay Reddy, New School. This session provided both national and regional experiences in implementing SDG 10 to showcase best practices, focusing on what can be learned from countries that have been successful at curbing inequality and promoting inclusive development, and how regional cooperation can support the promotion of knowledge exchange, multi-stakeholder dialogue and innovative partnerships towards reducing inequality.

Key Messages

1. H.E. Ms. Ghada Waly stated that the Social Justice Committee in Egypt had worked on improving access to education and health, and improving nutrition to achieve equity and sustainability. By looking at poverty through a multidimensional lens, rather than just focusing on income, the government had also moved from a manual to a fully automated system. Targeting was reviewed every 3 years for every household. Numerous initiatives had been developed, such as the development of a social insurance law. The government had focused on social cash transfers in 5630 villages, with particular focus on the poorest regions of the country, to address geographical disparity. Other programs focused on, among others, gender and persons with disabilities. The past 3 years had seen more progress than the previous 30 years. The grievance mechanism was a good way of determining how well the government was doing in terms of targeting and provided citizens with information on the programs. Furthermore, the microloans were important for women to become more independent and change their role in the family to become income earners. The segregated data had become important for many ministries, as it enabled them to properly target their policies. However, financing development and inclusion were still a challenge in this part of the world.

2. H.E. Mr. Péter Szijjártó pointed out that the central question for Hungary was how to share the burden. The economy was on the cliff in 2010 but the burden was only shared among only part of the population. The big players of the economy had been left out at the time. The current administration wanted to make sure all parties contribute. The government introduced the principle that to get state subsidies, recipients had to work. This required drastic changes in the tax system. Hungary had now reached full employment, while unemployment was 12% in 2010. Hence, the government believed it was possible to boost economic growth, create jobs, and maintain fiscal and budgetary discipline. Hungary did not believe increased levels of migration was the right answer to this problem. The national answer had been to promote families to have more children and update the education system continually to make sure the workforce keeps up with modern developments. Families were the most important factor in deciding whether growth was inclusive. There was a normative basis for family related subsidies that was not based on income levels. When it came to inclusivity it must focus on families and helping people having an easier and happier life at home.

3. H.E. Dr. Diani Sadiawati stated that Indonesia was committed to equality for all, and to the achievement of the SDGs, through its Presidential Decrees. The issues of inequality and exclusion were internalized in national development plans. Due to regional differences in development, the country's work plan for 2020 would have a particular focus on developing the eastern region. Progress had been achieved in reducing poverty and the percentage of vulnerable people, and in boosting employment and economic growth. To continue enhancing equality for all, strong, transparent and fair institutions and justice were vital. Indonesia had seen improvements in its anti-corruption index, and in providing public legal aid and birth registration. Land legislation had been reformed, and an index was currently being developed to assess the legal and policy framework. The provision of legal identity documents for all citizens was also essential in ensuring their access to social and health care facilities. Indonesia's health care and social protection schemes served

the vulnerable population well. A majority of beneficiaries of its national health insurance and national smart card system came from vulnerable groups. Finally, Indonesia acknowledged the importance of regional and multilateral cooperation in achieving the SDGs. Policy development should also involve civil society, the business sector, philanthropy, and academia.

4. Ms. Anousheh Karvar stated that France had put in place many measures to fight inequality, including social transfers and taxes. This commitment was renewed with adoption by the Government of a new national strategy in 2018 to prevent and combat poverty. 4.8 million people benefited from 10 different types of social incomes. There were plans to combine several forms of social assistance into one social income scheme in 2020, from which individuals would benefit automatically once their income fall below a certain threshold. This simplified scheme would overcome the problem of lack of public awareness of available benefits and should also lead to significant administration savings. Universal healthcare had also been simplified, with the removal of the employment requirement. The new scheme had shown improvements in health outcomes and administrative cost savings. The Government had implemented policies aimed at enabling equal opportunities through education and professional training throughout one's lifetime, targeting children, youth, and the long-term unemployed, among others. The mobilization of all stakeholders to reduce inequality should ideally take place in the context of a global multilateral plan of action. In this regard, France was active in bringing the topic of inequality to the G7 forum.

5. Mr. Mario Cimoli stated that in dealing with the issue of inequality, it was vital to consider its causes, to ask what leads to inequality arising in an economic model. Conventionally, discussions on inequality focused on the situation after inequality had already occurred. However, it was important to consider the conditions/policies/model necessary to build an environment with low inequality in the first place. Social policy would be crucial, but it had to be combined with other solutions as well, including technological and industrial policies. After years of progress in reducing inequality, Latin America was seeing inequality rise again, with the labor market being a major cause. Notably, those who moved into the middle class might fall out of it and go back into poverty. This could lead to further instability in the system, potentially fueling a vicious cycle as politics became unstable as well. There was a link between productivity and poverty, with the former being vital to the creation of better jobs. However, 80 per cent of jobs in Latin America were in Small and Medium-sized Enterprises (SMEs), many of whom struggled with low productivity. Raising productivity alone would be insufficient to resolve this; educational and industrial policies were also needed. Inequality could be exacerbated by future technological advancements, which could worsen structural issues, especially in developing countries. Jobs and opportunities were changing, and there was greater risk and vulnerability in the workplace. Social and inclusive policies must be redesigned to take this technological transition into account, but discussions of such solutions should be explored multilaterally.

6. Interactive discussions

- Globalization and rapid technological developments posed challenges to the reduction of inequality, which was important to achieving other SDGs. Regional platforms, with the UN as the coordinator, were important to foster partnerships between governments, UN bodies, the private sector, and other institutions in a cost-effective manner.

- Some countries focused on a range of income redistribution, social security, tax, and general development policies to address inequality. Some of these policies targeted vulnerable groups, helped to increase women's participation in the labor force and reduce the share of informal workers, among other impacts. Legislation on labor issues had improved the rights and occupational safety of workers.
- Partnership and sharing of lessons on working towards the SDGs, through multilateral platforms, was important. As destination for migrants, following the Marrakech compact, some countries focused on improving migrant access to healthcare, training, and education services.

Closing Segment

In his closing statement, **Mr. Liu Zhenmin**, Under Secretary-General of UN DESA, emphasized that high inequality is not inevitable; policies and institutions mattered. There was, however, no one set of policies. Successful efforts in combatting inequality pointed to several vital components: investment in human capital, universal access to education and other basic services; social protection systems to mitigate shocks; inclusive fiscal policy, including progressive taxation; strong institutions and policies to reduce gaps. Technological advances presented opportunities to reduce inequality and also created new forms of inequality. He commended the HLTD for providing a platform for exchanging good policies and practices and engaging in global dialogue on how to reduce inequality in all its dimensions. He hoped that the outcome of the deliberations would provide an important contribution to the 2019 HLPF in July and September.

In closing the HLTD, **H.E. Ms. María Fernanda Espinosa**, President of the 73rd Session of the United Nations General Assembly, reiterated that SDG 10 was crucial to achieving the other SDGs. Two components were vital to reducing inequality: greater political will from Governments, and stronger multilateralism. Investing in human talent was also critical, as was peace and solidarity between peoples and between generations. Innovative sources of investment must continue to be fostered, given the importance of financing and budgeting. On the path to reducing inequality, efforts should be made to eradicate all forms of discrimination, and special attention had to be given to vulnerable persons and states.