

2. Challenging inequalities: pathways to a just world. Key messages and main contributions

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'We pledge that no one will be left behind' Preamble to the 2030 Agenda for Sustainable Development

'Inequality is one of the key challenges of our time. ... Ranking second in last year's Outlook, it was identified as the most significant trend of 2015 by our Network's experts'

World Economic Forum Outlook on the Global Agenda 2015

'Rising extreme inequality is a concern for us all' Winnie Byanyima, Oxfam International.

The issue of rising inequality and what to do about it looms large in the minds of governments, businesses, civil society leaders and citizens around the world. Reducing inequality is first and foremost a question of fairness and social justice. Addressing inequality is key to eradicating extreme poverty, fostering transformations to sustainability, promoting social progress, reducing conflict and violence, and developing inclusive governance. The next few years comprise a key moment in which social science must up its game to address and challenge inequality, in alliance with other actors who are already raising their voices. The time is now.

Key messages

- Economic and political power are increasingly concentrated in the hands of a small number of people. This can threaten growth, social cohesion and the health of democracies;
- Global economic inequality declined during the first decade of this century, largely due to the reduction of poverty in countries like China and India. This favourable trend could however be reversed if inequality within countries continues to increase;
- Reducing inequalities is a requirement for human rights and justice, and is essential for success in other global priority areas, such as environmental sustainability, conflict resolution and migrations;
- Inequalities should not be understood and addressed only in relation to income and wealth. They interact across seven key dimensions: economic, political, social, cultural, environmental, spatial and knowledge;
- In recent years, some countries have succeeded in reducing or at least halting rising inequalities. Simultaneous, integrated policy actions in different spheres are needed to tackle multiple inequalities, and there is no one-size-fits-all solution;
- Responses to inequality must recognize and address the specific historical legacies and the deep-rooted cultural practices that shape inequalities in different places;
- While reducing inequalities is important everywhere, a clear priority for action lies in the poorest countries of sub-Saharan Africa, where poverty will continue to be concentrated in the coming decades if inequalities remain as high as they are;
- Collective action by citizens is opening spaces for additional solutions to inequality that can inspire inclusive policy innovation;
- A step change towards a research agenda that is interdisciplinary, multiscale and globally inclusive is needed to accompany and inform pathways toward greater equality.

Main contributions

1. *This Report argues that understanding and acting effectively upon inequality requires us to look beyond economic inequality. It highlights seven dimensions of inequality, their interactions and cumulative effects.*

While much of the recent debate on inequality focuses on economic disparities of income and wealth, inequality is multidimensional in nature. This Report therefore speaks of multiple inequalities. It explores seven dimensions of inequality in particular: economic, political, environmental, social, cultural, spatial, and inequalities based on knowledge. These dimensions are rarely experienced in isolation. Rather they intersect, often in accumulating and self-reinforcing ways that produce a vicious cycle of inequality. Those at the bottom economically may also be those who have the least voice; the least access to quality education, health care, knowledge and information; are the most powerless in their own cultures and societies; and face the greatest barriers to challenging their own positions.

- In many countries, economic and political resources are concentrated in the hands of a small elite (see Medeiros on Brazil, 21), threatening the health of democracies (Byanyima, 67) and widening social and economic inequalities, especially when these inequalities are combined with autocratic and non-representative political systems (Hanieh, writing on the Arab region, 19);
- Inequalities in access to knowledge remain significant, and interact with other dimensions of inequality. In Nigeria, just 3 per cent of the poorest girls living in rural areas completed lower secondary school in 2013, compared with 17 per cent of the boys. In contrast, 95 per cent of the richest boys in urban areas completed lower secondary school (Antoninis, Delprato and Benevot, 10). Adesina (18) notes that although greater gender equality in education has been attained in Africa – the Gender Parity Index in primary education having increased from 0.85 to 0.93 between 1999 and 2011 – this improvement has not yet translated to greater equality in other domains;
- Life in the Anthropocene is creating new inequalities on environmental lines, and

exacerbating existing inequalities in some settings. The development of markets for natural resources has increased poverty and inequality in certain places (Fincher, 13). Less equal societies have greater carbon emissions per dollar of GNP (Power, Wilkinson and Pickett, 37). Inequality and environmental unsustainability are deeply interlinked, so that tackling one without addressing the other is unlikely to succeed (Leach, 27; Narain, 29).

2. *Shared and context-specific dynamics each play a role in creating, maintaining and reproducing inequalities in different regions and countries*

Many drivers operating at different levels interact to create the current scale and shape of inequality that we observe in different regions and countries of the world. They include processes operating at the global level, such as financialization and changes in trade patterns, as well as the role of national regulations on environmental resources, health and education, and the reduction or absence of regulation. Within a country, inequalities are typically distributed unevenly between regions, and between urban, peri-urban and rural areas. History, culture and norms also affect the level and reproduction of inequalities. They often maintain and even reinforce social exclusion based on gender, race, class, caste, ethnicity, disability and other axes of difference.

- There was a fall in global inequality in the first decade of the 2000s, due to a decline in inequality between countries. However, this decline in global inequality might slow down, or possibly be reversed, if inequality within individual nations continues to increase (Bourguignon, 4). The reduction in income inequality between countries is largely the result of growth in China and India, which lifted large numbers of people out of poverty. However, inequality was not eradicated in either of these countries, and indeed, new inequalities were created there. Redistributive policies have contributed to reducing economic inequality significantly in some Latin America countries, yet with a limited effect at the global level. Levels of economic inequality remain consistently higher in developing countries than in developed countries, most notably in Africa and Latin America;

- Inequalities and discriminations based on gender, such as gender violence, and constraints on voice and participation, continue to exist in every country and socio-economic group, cutting across all other forms of inequality. Men continue to comprise the majority of high earners and political elites. Even when formal rules guarantee a 'seat at the table' for women, informal rules may impede their participation in political debates and decision-making (Razavi, 14; Kabeer, 8; Mathie et al., 64; Nazneen, 51);
- Like other disadvantaged groups, minorities are less likely than others to earn a decent wage (Belser, 6). Ethno-racial discrimination, which can be internalized by indigenous groups, is leading to lower aspirations, lower educational achievements and eventually lower incomes than for non-indigenous groups. Despite a significant reduction in extreme poverty, the income gap between indigenous and non-indigenous people in Peru has not changed over ten years (Pasquier-Doumer, 34);
- While a century of democratization has made the USA more politically equal for black people and other minorities, the disparity in income between black and white households has been remarkably stable over the past forty years. Racial disparity remains significant in other domains, such as access to education, health and justice (Harris, 20).
- In Africa as elsewhere, control of and access to natural resources has for centuries underpinned social stratification and the production of inequalities (Murombedzi, 9; Olukoshi, 48);
- The increase of economic inequality in the period from 1998 to 2008 resulted primarily from the growth in incomes of the top 1 per cent, particularly in rich countries (Milanovic, 5). At the same time, globalization, deindustrialization and the polarization of the labour market in Western economies mean that the middle classes are experiencing a slow but consistent erosion of their standard of living (Chauvel and Hartung, 38).



3. Current levels of inequality threaten our capacity to address other global priorities

Inequalities matter, not just intrinsically as issues of fairness and social justice, but also because of their impact on other priority issues. In recent years, research has focused largely on economic inequality. Yet because of the connections between its many

dimensions, inequality also engages issues of gender equity, future growth, poverty reduction, health, education, nutrition and environmental sustainability. Changes in inequality also have impacts on migration, peace-building and conflict resolution, and for building inclusive and accountable institutions. While the trends in economic and other inequalities are not uniform, the evidence presented in this Report suggests significant consequences in all these areas if current trends remain unchecked. Our collective capacity to achieve the Sustainable Development Goals (SDGs) is at stake. Unless addressed urgently, these inequalities will make the cross-cutting ambition of the SDGs to 'leave no one behind' by 2030 as an empty slogan.



- High and rising inequality can act as an impediment to economic growth, and dissipates the impact of growth on poverty reduction (Kanbur, 24);
- There is now a large body of evidence that health and social problems are worse in countries with higher income inequality. Health inequalities have grown in many countries, often intersecting with political inequalities. In Egypt, health inequalities have increased because of a combination of authoritarian politics, corruption, and brain drain of health workers (Bayoumi, 30);
- Inequalities can limit our ability to respond to crises. The effective management of the Ebola crisis was hindered by visible inequalities between local and expatriate medical staff, and between communities and elites, which undermined trust between them (Wilkinson and Brima, 31). In Lebanon, the arrival of large numbers of refugees from Syria has put an already-stretched infrastructure under further pressure, creating perceptions of unequal treatment, and increasing support among the local population for restrictive human rights policies (Harb, 26);
- There is a growing consensus that systemic inequality between identity groups may spur conflict, and evidence that countries with high levels of group-based inequalities are more likely to experience civil war (Østby, 25);
- Current affluent lifestyles depend upon an unsustainable use of fossil fuels and raw materials, and remain incompatible with the survival of ecosystems. Reducing inequalities requires using resources differently (Fleurbaey and Klasen, 40).



Table 2.1 Policies identified by authors as having contributed to reducing or curbing inequalities in specific countries in specific time periods

Policy type	Examples of policies and measures that contributed to reducing inequality in specific contexts and settings	Countries/regions where implemented	See article by
Macroeconomic policies	Investment in infrastructure	China	Li (15)
	Reduction of large balance of payments deficits and debt accumulation	Latin America	Cornia (46)
	Fiscal policy and better management of public spending leading to reduced budget deficit	Latin America	Cornia (46)
Providing quality education for all; investing in human capital	Increased public expenditure on education and massive increase in secondary education enrolment	Latin America	Cornia (46) Medeiros (21)
	Abolishing fees in public primary education; school feeding programmes	Sub-Saharan Africa	Adesina (18)
Regulating the marketplace and strengthening labour market institutions	Minimum wage policy	Latin America	Belser (6) Berg (44) Cornia (46) Medeiros (21)
	Reduction of the wage gap between skilled and unskilled labour (linked to massive investment in education) between urban and rural areas	Latin America China	Cornia (46) Li (15)
	Active role for labour market institutions (unions, collective bargaining)		Berg (44)
Fiscal redistribution mechanisms	Reforming tax rates to emphasize more progressive taxation, increasing revenue collection, and reducing exemptions for top incomes	Latin America	Cornia (46) Gómez et al. (47)
	Changing fiscal policy, with more progressive taxation of farmers in rural areas	China	Li (15)
Social protection policies	Conditional cash transfers	Brazil's Bolsa Familia, Mexico's Oportunidades	Roelen et al. (55) Cornia (46) Medeiros (21)
	Unconditional cash transfers	South Africa (Social Grant programme) China 'Dibao programme' (guaranteeing a minimum income for poor households)	Roelen et al. (55) Li (15)
	Social pension schemes	Latin America	Roelen et al. (55) Cornia (46)
	Rural pension scheme Rural social protection network and medical scheme	China	Li (15)
	Food security programme	Ethiopia (Productive Safety Net Programme)	Roelen et al. (55)
Anti-discrimination legislation	Civil Rights Acts and antidiscrimination laws	USA	Harris (20)
	Affirmative action in access to education, employment, political positions	Malaysia India USA	Roelen et al. (55) Stewart (7) Nazneen (51)
Improved governance	Clearly identified implementation agencies working as 'learning organizations'	Education programmes implemented by Pratham in the state of Bihar (India)	Woolcock (58)
	Improved accountability and transparency	Scandinavian countries as the model	Rothstein (59)
	Automatic exchange of financial accounts information to reduce tax evasion	Being implemented by OECD and G20	Moore (50) Deacon (45)

Note: The authors cited in this table discuss the limitations and unintended consequences of some of these policies (e.g. levels of minimum wage). Some also note the context-specificity of their application, including the difficulty of ending or changing these measures, even when they are no longer necessary or fulfilling their purpose. In addition, policies may have significant symbolic importance, yet have limited effects in substantially changing social practices (see Harris, 20, on anti-discrimination laws). Policies not yet implemented such as universal health coverage (Krech, 57), or not yet tested on a large scale, such as unconditional basic income (Wright, 56), are not included in the table.

In this table Latin America refers to Latin American countries with elected governments pursuing progressive policies.

4. The Report reminds us that the future of inequality is unwritten. It details cases of changes in rules, and of initiatives at various levels, that are building a fairer world.

A central challenge is to understand how inequality futures could become ‘equality’ futures, and how action by governments, civil society, businesses and citizens can make a difference. This Report helps to widen the focus on inequality and its consequences to encompass greater equality and how it can be achieved, pointing to a number of transformative pathways which can help move us towards a fairer world.

We have several examples from around the world of rule-changing measures in trade and finance, taxation and asset distribution, work and employment, education, health care, social protection and housing that can contribute to reducing inequalities. *Table 2.1* presents policies which have been implemented recently in countries and regions that have undergone a reduction or stabilization of rising inequalities, mainly in Latin America and China. These countries have targeted several dimensions of inequalities by combining measures that nevertheless may have differed from one country to another. These countries also benefited from positive conditions including economic growth (which is often a prerequisite for governments to have the capacity to mount major new programmes), political stability, and a shared concern for rising inequalities.

The overall effectiveness of the measures adopted seems to depend on their coherence and coordination, the combination of policies with short-term impact (such as social protection and fiscal policy) and longer-term impact (such as education), and the regional and global conditions in which they are implemented. To remain effective, a policy mix developed in a specific context will require adaptation to the conditions of the country to which it is transferred. The social sciences should be prepared to assess the effectiveness of different policy approaches in addressing the complex and intersecting nature of inequality.

However, changes to policy and regulation are not the only responses to inequality. While the vicious circle of multiple inequalities can create a sense of powerlessness leading to inaction, it can also create its own response. There can be calls for transparency and accountability from powerful elites and institutions, demands for new policies and rights, and the growth of seeds and visions for new alternatives. Such efforts from below may start small, but they may multiply, spread and scale up to have large-scale impacts, especially when combined with rule changes and actions involving states and market actors. More significantly perhaps, they also set the discursive foundations for future struggles for equality and social justice.



- In India, Indonesia, Ethiopia and Brazil, local initiatives empower poor and vulnerable adults, especially women, to diversify their income sources and access microcredit. They are instrumental in the development of solidarity and self-help networks among the individuals concerned (Mathie et al., 64);
- Grass-roots mobilization and political action can often be effective in breaking down deeply connected economic, social and political inequalities (see Gaventa and Runciman, 12, on South Africa);
- Public participation can increase the political will to reduce inequality. A high level of public participation in Brazil’s ‘Zero Hunger’ effort was crucial to the country’s turnaround to reduced inequality (Green, 66);
- New alliances of stakeholders can build broad support for change. The mobilization of doctors, patient groups and political forces around the design of a Patient’s Bill of Rights was a significant contributor to a new Health Insurance Law on universal coverage in Egypt (Bayoumi, 30);
- Pratham, a non-governmental organization (NGO) based in India, worked with local officials and schools to develop tailored pedagogical strategies for each child, and was successful in improving learning outcomes in Bihar, the poorest state in India (Woolcock, 58).



5. The Report proposes seven priority areas for a new global social science agenda on understanding and challenging inequalities; it also calls for a more transformative social science to achieve this

The level and consequences of the inequalities documented in this Report, by experts from across regions, methods and traditions, produce a clear demand for more research. They also call for greater collaboration and cross-fertilization between researchers, policy-makers and civil society actors to support change. There has been a fivefold increase in studies of inequality and social justice in academic publications since 1992. Numerous international reports and books on inequality have been published, some of them bestsellers. However, simply continuing with more and more specific studies, without developing robust theories of inequality and without rising to the larger challenges discussed above, will make only marginal contributions to our understanding. Furthermore, over 80 per cent of the publications on inequality are by researchers based in North America and Western Europe, an enduring and fundamental inequality in the production of knowledge about inequality that must itself be addressed.

The social science community, including its funders and supporters, can take the following actions:

Priority 1 – Increase support for knowledge production about inequality, and processes of social inclusion and exclusion, in those places most affected by them.

Priority 2 – Improve our ability to assess, measure and compare the dimensions of inequality over time and across the world.

Priority 3 – Deepen our understanding of diverse experiences of inequality.

Priority 4 – Deepen our understanding of how multiple inequalities are created, maintained and reproduced.

Priority 5 – Deepen our understanding of how local and global forms of inequality connect and interact.

Priority 6 – Promote research on how to move towards greater equality.

Priority 7 – Support cross-cutting syntheses and theory on inequality and equality.

The change needed should result in a truly global research agenda that is far more interdisciplinary, methodologically pluralistic, multiscaled and globally inclusive than we see today. It should contribute towards more equal and just futures. Moreover, there is a need for a transformative social science, one that treats inequality and equality not just as a matter for analysis, but also as a normative concern, seeking to inform struggles for social justice, and engaging with those in society positioned to bring about change.

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