



## SDG 10 – Reduce inequality within and among countries



**RIS**  
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for Developing Countries  
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UNITED NATIONS



## **Introduction**

Equality of opportunities in all its forms – social, economic and political is arguably the most fundamental principle of any civilizational enterprise. Nevertheless, economic prosperity of nations has generally been associated with increasing income inequalities with deeper ramifications for long standing social inequities. Due to structural factors and historical specificities large emerging economies like India, have been particularly confronted with such challenges that have been true for many countries. The new global compact in the form of the Sustainable Development Goals therefore, places “equity” at its core. Reduction of inequalities is not only a moral obligation but an economic necessity for sustainable development.

The Sustainable Development Goals (SDGs) are in line with the Indian development agenda to substantially improve all-round prosperity and well-being in the world by 2030. The SDG 10 aims to ‘reduce inequality within and among countries’, and draws the combat lines against inequality by putting forth a comprehensive range of targets addressing income growth, equality of development opportunities, socio-economic and political empowerment, social protection, responsible migration, etc. Illustrating the interconnectedness and strategic coherence of the SDGs, the SDG 10 complements and is complemented by several other SDGs, e.g. SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 3 (Good Health and Well-being, SDG 4 (Quality Education, and SDG 5 (Gender Equality) and so on.

NITI Aayog, UN India and Research and Information Systems for Developing Countries (RIS) organised a National Consultation on SDG 10 related to ‘Reducing Inequalities’, at India Habitat Centre, New Delhi on 28<sup>th</sup> August 2017 to generate common understanding on the associated SDG targets, problems and issues involved and explore the road ahead in the process of timely implementation of Agenda 2030. A comprehensive consultation agenda was designed which included three main sessions along with the inaugural and the valedictory.

### **Inaugural Session**

The Consultation began with the opening remarks by Dr Ashok Kumar Jain, Advisor NITI Aayog, who welcomed the delegates and highlighted the main issues related to the SDG 10-reducing inequality within and outside India. He stated that special focus of the Consultation covers:

- Empowering and promoting the social, economic and political inclusion of all;
- Equal opportunities and reducing the inequalities, including eliminating discriminatory laws;
- Adopting policies, especially fiscal, wage and social protection related; and
- Reducing the remittance cost to less than 3 percent.

Prof. Sachin Chaturvedi, DG, RIS in his initial remarks, recalling the initiatives taken by the NITI Aayog for expeditious implementation of SDGs in the country, mentioned that establishment and deepening of partnership with all stakeholders, including UN agencies, /Central Ministries, State governments, civil society, academia and others has been the priority. He added that the ownership and contribution by the State Governments and policy reforms are two important elements for successful implementation of SDGs. The development strategy should focus on reducing inequalities as per our commitments under SDG 10 and other related goals and targets. One of the top priorities of the Government in the country's development strategies has been on reducing inequalities for which several flagship programmes have been launched. He suggested that improving functioning and representation of developing countries in the global financial markets/institutions and granting special and differential treatment are extremely important for negotiations at the international level.

Mr. Yuri Afanasiev, UN Resident Coordinator, India gave his remarks bringing out international perspective and importance of Goal 10 adding that UN believes that inequality is the strategic and existential challenge of the 21<sup>st</sup> century. He pointed out that India and some BRICS countries among major economies are categorised under top 10 unequal countries in the world. In the recent past, India stressed on the harmonious equal development at all levels, which reflects the political will. Further, he raised the following issues on the inequality debate:

- a. Debate of poverty should not muddle together with inequality.
- b. Each country should address right type of inequality (income, wealth or consumption) based on their need.
- c. Question of income mobility needs to be answered, particularly for vulnerable groups, including scheduled castes and tribes or people with disabilities, and in the case of India focus should be on implementing the legislative commitment. New legislation on people with disabilities is well accredited.
- d. Focus should be on the causes and consequences of the inequality, including the governance issues which are important for the democratic country like India.
- e. India takes very principled and important positions in global governance and has a reputation of representing a significant part of global South. That reputation was acquired through the non-aligned movement or the group of 77 in the UN or other South-South cooperation initiatives where India has the reputation of a benign superpower that helps out towards the concept of solidarity. Hence, targets besides 10.1-10.4 are quite important for India's role in the international arena.

Shri Amitabh Kant, CEO, NITI Aayog in his special address put emphasis on achieving equality not through legislations, but with ground level hard work in health, education and nutrition sector. He stressed upon States' unevenness in social indicators like IMR, MMR, dropout rate etc. that needs radical transformation through good governance. He highlighted some socio-economic facts at state level and root causes for inequality at district level which

are highly correlated with inequality in health, education and nutrition. Further, he stressed on co-operative federalism and strongly suggested to create competition among the states and districts to improve their performances, by ranking them on improvements. He also raised the challenges behind real time statistics and strongly recommended time-to time monitoring and transparency. Finally, he stressed on women participation in economic activities and to make women the drivers of economic growth, adding that it is not possible to achieve equality without having gender parity.

Dr Arvind Panagariya, Vice Chairman, NITI Aayog in his keynote address spoke about inequality and poverty debate. He added that inequality and poverty shouldn't be put together as when we combat poverty by raising incomes then there are high chances that some forms of inequality would rise. For example, when growth is fast and rapid it will concentrate in some agglomerations which serve as the magnet for people to migrate. So typically they also then urbanise and create some form of rural urban inequality. He also raised methodological issues in measuring inequality and touched upon different concepts of inequality (i.e. consumption, income and wealth inequality). He supported Shri Kant who emphasized on social indicators across region and world.

Dr Panagariya further commented on the issue of redistribution of wealth to combat poverty adding that poverty reduction takes precedence over inequality for developing countries and importance of inequality is different for developing and developed countries. Among States he cited example of Kerala and Bihar, that using Gini Coefficient for the measurement of inequality, Kerala seems more unequal state but people are migrating from Bihar to Kerala which reflects people value income a lot more than they are offended by inequality. He said when we put all the labour-intensive industries under small-scale industries reservation by their investment, it implies that we had condemned them forever to be in an informal sector and therefore having low wages and low productivity. Simultaneously, we introduced Monopoly and Restrictive Trade Policies (MRTP) Act and classified the business into large businesses and restricted our investment into core 19 industries, mainly highly capital-intensive industries. As a result, we sealed the fate of the workers and restricted the entry of unskilled workers in those core industries making the rich richer and the poor poorer. Though our aim was to combat inequality, it really created the worst form of inequality because the bulk of the workers got thrown into very informal and unorganised sector employment, and a very few elite basically ended up in core industries. Therefore, one needs to be very careful in formulating the policies and worry about the unintended consequences.

Additionally, Dr Panagariya suggested equality of opportunity to be focused upon to achieve above objectives. Equality of opportunity means one needs to have equality in achieving social indicators like health, education, etc. This should be the core of the policies instead of massive scale redistribution because some redistribution in a democratic society is bound to happen as we have MGNREGA, PDS, Right to Education, etc.

### **Session 1: Addressing Inequalities: Empowerment, Inclusion and Non-discrimination (Social, Economic and Political)**

The session was chaired by Smt. G. Latha Krishna Rao, Secretary, Ministry of Social Justice and Empowerment. She raised the issues of social inequality, income inequality, and inequalities in class, caste and thought. She emphasised the need to address inequality at all levels, whether it is within the family or outside. She cited three sectors where inequality is impacting the most: education, health and employment and skill development. She suggested that skill enhancement and entrepreneurship is the key strategy for bridging the gaps of inequality.

Dr. Nagesh Kumar, Director, Social Development Division, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok addressed the issues of inequality at inter and intra country levels in developing and developed countries and cited the example of India and China as inequalities are coming down with the rise of emerging economies. He highlighted three types of inequalities: Outcome inequalities (i.e. income & wealth inequalities), inequality of opportunities (i.e. inequalities of access to health, education, sanitation, drinking water and consumptions of energy) and horizontal inequalities which affect specific groups of the population like gender and vulnerable groups like SCs/STs. He suggested that these pertinent issues should be addressed through right policy based on detailed analysis of data. Further, he raised the issues of migrants which is a major concern for India.

Mr. Mathew Hammil, UNESCAP pointed out that first four targets in SDG 10 are more to do with national actions and policies that are directed at intra-country situation, while the next targets are more about inter-country issues. Importantly, it is about comparisons, about pace and who are we comparing with. He cited the example of India's consumption growth, in terms of the bottom 40 percent, being slower in last two consumption surveys than many other countries in the region, whereas every other country in South Asia has positive growth of the bottom 40 percent compared to median. This statistic would probably be the part of global indicator. He also discussed about the concentration of income and wealth which is not rightly measured in India; dispersion between rural and urban inequalities in India and supported the argument made by Dr Nagesh Kumar on inequality of opportunities and outcome. He suggested that many flagship programmes in India were fostering inclusive pro-poor growth, and that we need to look at medium term scenario, say by 2022, and then consider specific targets in terms of halving inequality of outcome in terms of income levels or the gap in consumption. This is because the policy makers have to consider these gaps and design common methods across national and state governments.

He recommended to be cautious while proposing any legislation and consider how this would affect different groups in terms of inequality. He proposed that there should be capacity building and training programmes for analysing inequality and to build assessment tools. He strongly recommended revamping the data monitoring mechanisms at national and state levels.

Shri Sanjay Bandopadhyaya, Principal Secretary, Department of Technical Education and Skill Development, Government of Madhya Pradesh shared a success story from Madhya Pradesh and highlighted the role of vocational training in reducing inequalities and generating employment for marginalised communities. Technical education department of Madhya Pradesh had tried to address the issue of accessibility through increasing both number of institutions and capacity by 300 percent and 488 percent respectively. He presented some successful initiatives like Chief Minister Skill Development Scheme and Entrepreneurship Development Cell, with an aim to address wage employment and self-employment. He further pointed out that there are schemes in partnership with private sector and international collaboration which provide training, finance and create opportunities for employment.

Shri Dinesh T. Waghmare, Secretary, Social Justice and Special Assistance Department, Govt. of Maharashtra highlighted the achievements and challenges of Maharashtra Social Justice and Special Assistance (SJSA) Mission, as one of the state's best practices to address inequality. The focus areas of the mission are social integration, special assistance to economically weaker sections, employment, social remedies, disability welfare, education and training, and economic upliftment. Out of Rs. 6,500 crores of the department budget, most of the spending goes to education and training programme which include pre and post matric scholarship to scheduled caste, other backward classes and nomadic tribes. He indicated department's plan to start residential schools for scheduled caste students in all 330 talukas and tehsils of Maharashtra. He highlighted the current status of education achievements; assistance programme like old age pension scheme, NSAP and schemes for disabled people; schemes for social integration; Ramai Gharkul Yojana (housing for those who are not part of socio-economic survey); unique scheme for uplifting and empowering working women and access to toilets. Maharashtra State Government is also trying to improve the quality of education through residential ashram schools in collaboration with corporate sector. He also highlighted other unique initiatives by the state to address the most underprivileged and ignored in the society and resonate with the philosophy of the SDGs of leaving no one behind.

Prof K Seeta Prabhu, Tata Chair Professor, Tata Institute of Social Sciences (TISS), Mumbai highlighted the importance of SDG 10 and its inter-linkages with other goals dealing with education, health, poverty, hunger, energy, infrastructure, gender and employment. She discussed that higher inequality inhibits growth which affects inter-generational mobility leading to conflicts. She quoted the Kuznets' hypothesis that inequality rises at the initial stages of industrialization and later it comes down as growth accelerates. However, she argued that current scenario is not supporting Kuznets' hypothesis since social unrest is seen in various countries. She stressed upon the challenges to achieve the targets under SDG 10 and indicated various indices like Integrated Poverty Index (IPI), HDI & Inequality Adjusted Human Development Index (IHDI) to highlight the current status for all the states in India. She recommended the need to move from incremental approach to speed and scale with focus on youth; differentiated policies across states to reduce intergenerational transmission of poverty; and to provide skill, entrepreneurship training in rural livelihood opportunities in order to improve intergenerational occupational mobility.

Shri Krishna Kumar, Visiting Fellow, RIS emphasized that the availability of reliable, regular and timely statistics plays an important role in the process of informed decision making, measuring the progress and pin-pointing mid-course policy corrections. Further, disaggregated data availability should be strengthened that will help in measuring the noble pledge of 'no one will be left behind' of the 2030 Agenda. He mentioned several constraints being faced by the national system in producing adequate data for proper monitoring of the SDG progress, including the definitional and standardization issues. He argued that more investments are needed to enhance the statistical capacity to meet SDG monitoring requirement. He added that MoSPI should also draw a suitable plan and strategy for taking the advantage of the data being produced by the private sector for enhancing data production, processing and dissemination capacity.

## **Session 2: Promoting a Worker-friendly Migration Support System**

The session was chaired by Smt. M. Sathiyavathy, Secretary, Ministry of Labour and Employment who made opening remarks covering facts on migration in India. She dwelt upon the root causes of migration; analysed the current statutes and the provisions which take care of the interests of the migrant workers; and raised the issues faced by inter-state migrant workers. She stated that there is Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979 which takes care of the internal migration; Contract Labour Act which covers the contract labour; and Social Security Agreements with 18 countries which were signed by Employees' Provident Fund Organisation (EPFO). Under these agreements, workers who go abroad are continued with the EPFO and they don't have to pay any amount as far as social security is concerned in the foreign country and the same facility is offered to people who come from outside from these 18 countries to India. She also cited some challenges in the migration debate like basic requirement of minimum wages, ensuring minimum working conditions for both immigrants and emigrants, equality of treatment for both people who are employed and those who come on migration, equality of pay for men and women and also need to equally abide by the rules of the country for the local people and for the migrant worker.

Dr. Sher Singh Verick, Deputy Director, International Labour Organization (ILO) Country Office for India, New Delhi, spoke about the global situation of migration. He stressed on the provisions of migration debate in SDGs Agenda, which, compared to MDGs, are much improved and recognise positive contribution for inclusive growth and sustainable development. He underlined the benefits and challenges of migration in global and national context and highlighted the critical issue of inequitable distribution of shares and its impact on cost. He underlined the need for fair migration regimes to deliver the triple win for countries of origin and destination and for workers, both migrants and nationals. Further, he suggested putting migration policy in place at the state level. He proposed recruitment costs as a good indicator for capturing exploitation of workers as target 10.7 facilitates orderly, safe, regular and responsible migration. He proposed to take fair recruitment initiatives to reduce the costs of migration and to protect migrant workers' rights and their vulnerability to human trafficking, exploitation and forced labour.

Additionally, he touched upon the interconnectedness of SDG targets related to migration with others, mainstreaming the issue of migration in development programmes and policies, interlinkages of migration and skills, and the cost of remittance which is challenging for migrants from developing countries like India.

Shri Alok Amitabh Dimri, Joint Secretary (MER), Ministry of External Affairs, Govt. of India, stressed on the fact that migration is a cross-cutting issue, given the importance of Agenda 2030. He raised the question of existing global discourse on migrants which seems driven by labour welfare. He highlighted that the Agenda 2030 is driven by the focus on labour benefit. But the point is that the labour discourse may rather be emerging more from the trade perspective than the welfare perspective. He raised a question regarding ILO's perspective in the discourse at G20 on this subject. Further, he touched upon the issues of remittances, cost of remittances and geopolitical challenges at G20 and other international fora in addressing the issues of social security, gender, growth and employment.

Smt. Sunita Sanghi, Adviser (Skill Development, Employment & Managing Urbanization), NITI Aayog, spoke about the problem of internal migration in India and the existence of migration corridors. She stressed on internal migration as a bigger problem than outward migration. She pointed out the challenges that policy makers are facing while trying to meet the targets of SDG 10 in terms of ensuring orderly, safe, regular and responsible migration and to eliminate the adverse impact on women and children. These challenges are loss of identity of migrants, lack of real time data, improper housing facilities, seasonal migration, unfavorable working conditions and lack of political representation to address the issue of migrants. She further suggested to check the flow of migrants so that right estimation of housing, kind of skill training, medical facility and other issues can be easily addressed. She recommended setting up inter-state and inter-district migration support centres and collecting data on child migration, in order to devise strategies for the benefit of children.

Shri. Biju K, Commissioner, Labour, Govt. of Kerala, Thiruvananthapuram, shared his experiences on the status of the interstate immigrants in Kerala. He added the challenges that Kerala is facing specially in unorganised sector. He highlighted challenges that are faced by migrants while working in the destination state as most of the labour laws are state-centric which need to be amended so that migrants can also enjoy the benefit of working in a given state. He cited two schemes of Kerala, namely '*Apna Ghar*' and '*Awaz Scheme*', on health, education and housing for migrants and thereby, recommended annual migrant status survey in all the states. He further suggested that some of the schemes like '*Apna Ghar*' and '*Awaz Scheme*' can be adopted by other states as a solution to the challenges faced by migrants.

### **Session 3: Connecting Structural Transformations with Features of Inequalities**

The session was chaired by Shri Yaduvendra Mathur, Additional Secretary, NITI Aayog, who gave his introductory remarks on the structural issues which impinge on inequality. He presented his views on promoting an ecosystem that permits more migrations with strong legal framework for fair treatment for all. He pointed out the potentials of our cooperation with African countries in terms of services and soft aid.

Prof. Pulin B. Nayak, Former Director, Delhi School of Economics, highlighted the literature and empirical work in addressing the challenges of inequality in the world. He stated that There are severe social inequalities in India arising due to caste, class and gender disparities which need immediate attention. He mentioned the rationale of inequality in India in terms of imbalance ratio of sectoral dependency (i.e. GDP contribution to employment, in agriculture, manufacturing and services). He recommended that sustainable infusion of resources into the agricultural sector is a must. He suggested to increase public expenditure in health and education and to halt the mushrooming of substandard private educational centres, particularly in management and engineering.

Dr. Vandana Kumar, Joint Secretary, (DIPP), Govt. of India, in her presentation gave the industrial perspective, particularly of Small and Medium Enterprises (SMEs) which contribute about 8 per cent to GDP and around 40 per cent to exports. About 1.3 million SMEs give jobs to about 80 million people and they are growing at the rate of above 11 per cent. She suggested that there is a need to enhance financial services in order to improve the quality of infrastructure. Further, she stressed on improvement in the ease of doing business, taxation structure, and promotion of innovation. In order to achieve the aligned objective of new industrial policy, the linkages between the academics, industry and promoters can further be enhanced for technology adaptation and innovation in SMEs to reduce inequalities.

Prof. A. K. Shiva Kumar, Development Economist, New Delhi, stressed on the debate of rising inequality in wealth in India. He highlighted the causes of growing inequality of income and wealth and large gaps in health, education and nutrition which are arising from differences in income, social status, gender, rural-urban residences, particularly at the secondary and tertiary levels. He emphasized the need to harness the potential of economic growth to create well paid and decent jobs; the need to improve universal access to education, healthcare and basic infrastructure; to boost public expenditure in health care; adopt data mining technology and enhance use of IT; and to ensure more opportunities for women.

Prof. Saikat Sinha Roy, Department of Economics, Jadavpur University, Kolkata, focused on the interlinkages between trade and inequality from the perspective of infrastructure including physical, social and financial infrastructure. He argued for investigating the relationship between structural change and income inequality, controlling all possible factors including trade liberalization, infrastructure which affect both structural change and income inequality.

Shri Davendra Verma, DG (SSD), Ministry of Statistics and Programme Implementation, Govt. of India, informed about the current status of the national SDG monitoring framework and highlighted the challenges in developing the relevant indicators typically to measure the outcomes of the policies to achieve various targets under different SDGs. He pointed out that the Ministry of Statistics and Programme Implementation (MoSPI) has proposed indicators for three targets out of ten in Goal 10 which give a partial picture. This was so, he clarified, because indicators relating to social inequality and lack of opportunity etc. require

disaggregated data at micro levels (e.g. data on the socio-economically marginalised and disadvantaged population disaggregated by sex, age, level of disability, religion, SC/ST etc.), which are not available. He suggested that states need to improve the quality of NSSO matching sample and learn techniques for combining the two samples to work out district level estimates.

The concluding session started with opening remarks by Dr Ashok Jain, Adviser, NITI Aayog. Prof. T. C. A. Anant, Secretary, MoSPI spoke about challenges of measuring achievements under goal 10 which carry a huge measurement burden since it focuses on inequality in all forms. Emphasizing the need of specific data to measure progress on Goal 10, he felt the need of strong policy efforts to ensure achievement of the Goal 10. There are no globally accepted methods of measuring perceptions, which needs to be monitored. Therefore, one has to propose measures of targets, which require discussions in community groups. He stressed that the Goal 10 is more challenging than any other SDGs as it is explicitly focussed on distributional characteristics that require better disaggregated data than has been available.

Dr Ashok Jain, Adviser, NITI Aayog enumerated the key takeaways from the day long consultation. He emphasized that all the SDGs are inter-linked with each other and Goal 10 is closely connected with Goals 1, 2, 3, 4, 5 and 8. He also strongly recommended to tackle the core issues of inequality i.e. social inequality, lack of opportunity etc. Further, he summarized the major takeaways from each speaker.

Dr. P.K. Anand, Visiting Fellow, RIS in his remarks on the way forward mentioned that the increasing inequality of wealth, both at the global and the national level, has emerged as a major concern. The other such areas are the quality of social sector services in education, health etc. He said that in order to reduce inequality at the national level, the Government of India has brought various policy reforms as well as launched umbrella schemes to consolidate the resources for improving implementation efficiency. He reiterated that availability of reliable disaggregated data plays an important role to improve the implementation process. MoSPI has been working in this direction. However, due to self-reporting bias some socio-economic data is not appropriately reported by the respondents, which poses a challenge for the statistical system. Some initiatives, like GST under tax reforms by the Government of India, to some extent will help in better reporting of employment data. Summing up, he said that there is need for effective policies with due back up of robust data to reduce inequalities and to fast track achievement of SDGs.

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