

# A Guide to Inequality and the SDGs



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# **A Guide to Inequality and the SDGs**

Through compelling evidence, data and examples, this guide elaborates on the links between inequality and the rest of the Sustainable Development Goals, beyond Goal 10. It focuses on a selected set of targets, which have been analyzed at disaggregated levels in ESCAP's research and published during the period 2017–2019.



# INEQUALITY IS A BARRIER TO...

## ... ending poverty in all its forms everywhere



High and persistent income and wealth inequalities stifle economic growth and progress towards further reduction in poverty. The economic cost of ignoring income inequality is significant. A burgeoning number of studies suggests that countries with high income inequality may experience lower economic growth, extended duration of recessions and a reduced effectiveness in lifting people out of poverty.<sup>1</sup>

ESCAP research suggests that a 1 percentage point increase in the Gini coefficient reduces GDP per capita, on average, by USD 154 for the countries in Asia and the Pacific region.

In 10 countries of the region for which inequality increased between 1990 and 2014 — Bangladesh, China, India, Indonesia, Lao People’s Democratic Republic, Republic of Korea, Singapore, Sri Lanka, Tajikistan and Viet Nam — an additional 153 million, representing about 5 per cent of their combined population, could have been lifted out of poverty had inequality not increased. On the other hand, in 14 countries — Armenia, Azerbaijan, Bhutan, Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Russian Federation, Thailand, and Turkey — in which income inequality declined during the period, the improvement in income distribution helped 14 million people come out of extreme poverty.

Left unaddressed, inequality will continue to undermine efforts to eradicate poverty. Based on the current growth trajectories of incomes at various parts of the income distribution, it could take generations for an average individual of the bottom 40 to see a reduction of the absolute income gap to the average population. A simple projection based on recent income levels and income growth trends reveals that incomes of the bottom 40 would start to converge after about 40 years in the Philippines and Thailand and would take more than 150 years in Indonesia and Pakistan. In Armenia, Bangladesh, Sri Lanka, Tajikistan and Turkey the income gap would not only continue to widen, but would do so at a faster pace, leading to a divergence between the average income of the bottom 40 from the mean income (Figure 1).

**FIGURE 1**  
Years it would take for the incomes of the bottom 40 to start converging to the average income

COUNTRY	YEARS FOR ABSOLUTE INCOME DIFFERENCE TO START SHRINKING
Fiji	0 (already started)
Iran, Islamic Republic of	0
Kyrgyzstan	0
Mongolia	0
Russian Federation	0
Viet Nam	3
Georgia	20
Thailand	39
Philippines	41
Kazakhstan	62
Indonesia	168
Pakistan	259
Armenia	never
Bangladesh	never
Sri Lanka	never
Tajikistan	never
Turkey	never

Source: ESCAP calculations based on World Bank PovcalNet figures: the on-line tool for poverty measurement, available at: <http://iresearch.worldbank.org/PovcalNet/home.aspx> (accessed on 1 April 2018).

## INEQUALITY IS A BARRIER TO...

# ... ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture



**Malnutrition shapes health and cognitive outcomes, particularly among children.** Inequality in access to adequate nutrition can therefore lock in advantage or disadvantage among children early on, creating intergenerational cycles of poverty and exclusion. Malnutrition also imposes substantial costs on the economy, both through its adverse impact on labour productivity and its financial burden on health-care systems.<sup>2</sup>

Lack of adequate nutrition can lead to stunting, wasting or overweight, all of which have serious health consequences for children and their future prospects. Stunting, in particular, is associated with worse physical and cognitive outcomes, affecting children's future productivity and earnings potential.<sup>3</sup> The Asia-Pacific region has some of the highest stunting rates in the world. Within the region, the highest rates are found in countries in South Asia and in South-East Asia.<sup>4</sup>

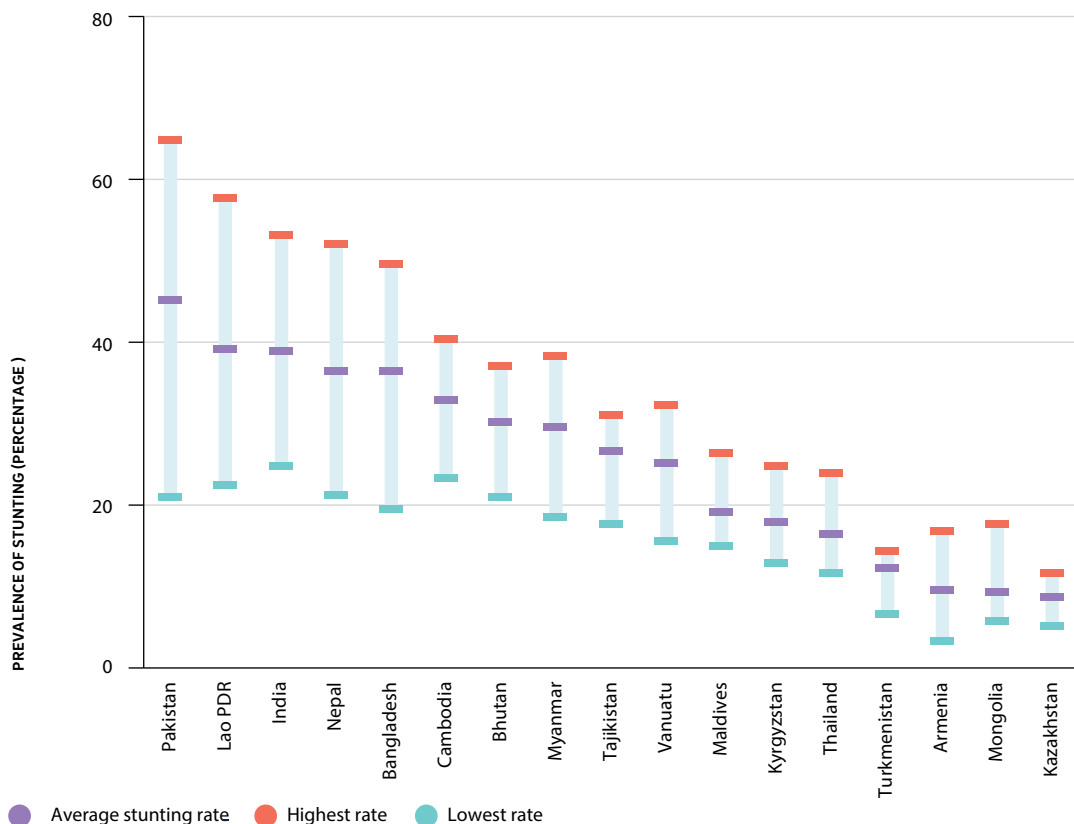
Even within countries, some groups have much higher prevalence rates of stunting than others. Generally, children whose mothers have lower education (primary or below) and live in poorer households exhibit much higher stunting prevalence than those who come from more privileged families.<sup>5</sup> In some countries, such as Bangladesh, Lao People's Democratic Republic, Pakistan and Viet Nam, the gaps in stunting rates can be as high as 30 to 45 percentage points between the most advantaged and disadvantaged groups (Figure 2).<sup>6</sup>

In Pakistan, for instance, almost two-thirds of all boys who live in rural areas, in poorer households (bottom 40 per cent) and whose mothers only have primary education are stunted. On the contrary, only one in five children whose mothers have a higher education are stunted, irrespective of the family's income status or residence. The mother's education is so critical in determining whether a child becomes stunted that, in both Lao People's Democratic Republic and Pakistan, the odds of having a non-stunted child doubles if the mother has a secondary education compared to no education.

Nutrition interventions pay off. It is estimated that every USD 1 invested in measures aimed at reducing stunting yields approximately USD 16 in return through gains in productivity.<sup>7</sup> To improve nutrition outcomes for all, investing in girls' education and information campaigns targeted to pregnant women are particularly important. Education can transform young women into better informed and more empowered future mothers, with positive outcomes for future generations.

**FIGURE 2**

**Gaps in adequate nutrition (stunting levels) between most and least advantaged groups of children less than 5 years of age**



Source: ESCAP (2018). Inequality of Opportunity: Children's Nutrition. *Social Development Policy Papers #2018-04*.

Note: Highest rate refers to the stunting rate of the most disadvantaged group, while lowest rate refers to the stunting rate of the most advantaged group in each country. Calculations are based on classification tree analysis undertaken using latest Demographic and Health Surveys (DHS) and Multiple Indicator Cluster Surveys (MICS).

**“... Asia-Pacific region has some of the highest stunting rates in the world. Within the region, the highest rates are found in countries in South Asia and in South-East Asia”**

INEQUALITY IS A BARRIER TO...

## ... ensuring healthy lives and promoting well-being for all at all ages



**Access to quality health-care services is not only central to leading a healthy life, but also to other aspects of well-being.** A healthy population is happier and more productive. Where health-care services are affordable, fewer people are faced with unexpected out-of-pocket medical costs, which are often detrimental for households.

The region has seen some progress in the reduction of out-of-pocket expenditures over the past two decades. In several countries, particularly those that have established universal health-care systems, such as Bhutan and Thailand, out-of-pocket expenditures have dropped significantly (Figure 3). Still, less than four out of ten people in Asia and the Pacific are covered by a health-care system.

**“... less than four out of ten people in Asia and the Pacific are covered by a health-care system”**

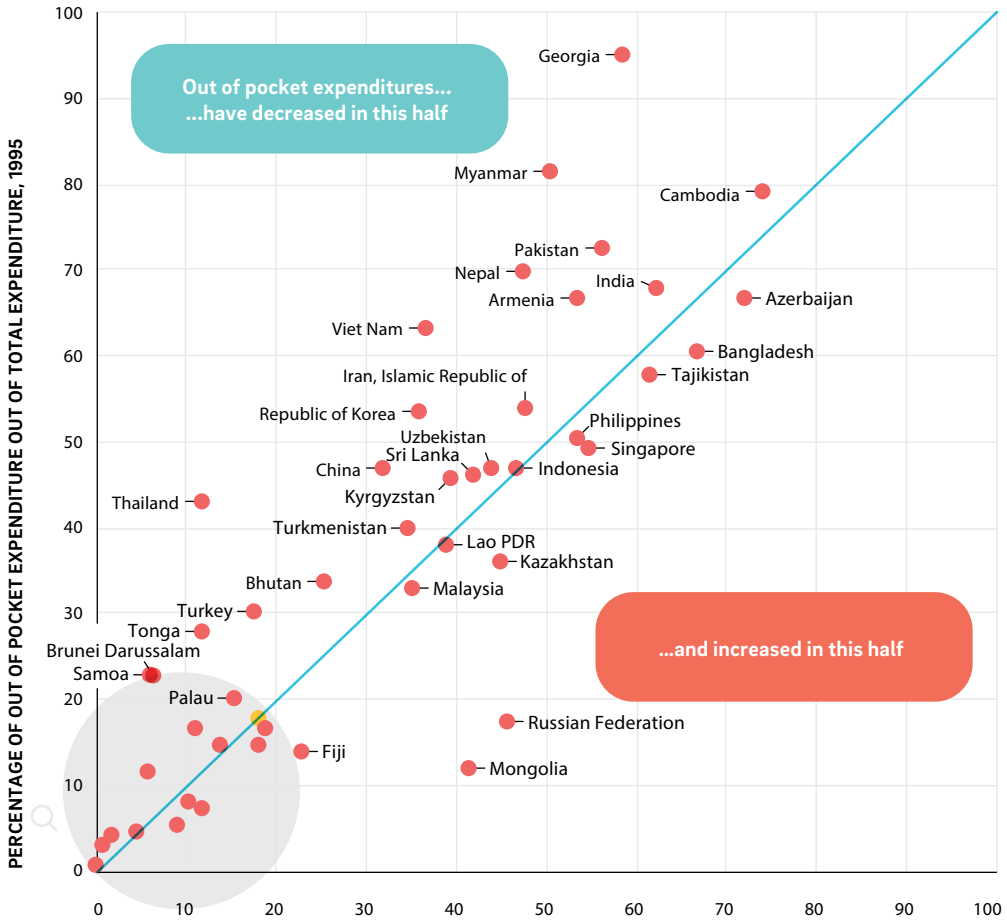
The level of access to professional help during childbirth, a precondition for the survival and well-being of mothers and their newborns, is an important measure of equality in access to health care. In the Asia-Pacific region, most countries exhibit large gaps between different population groups. In Lao People’s Democratic Republic, for example, only 10 per cent of less educated women from poorer, multi-child households have access to professional help during childbirth compared to 82 per cent of women with at least secondary education from richer households.

The progress in some Asia-Pacific countries, such as Thailand, suggests that investments in universal health-care systems pay off. The role of social protection is also explicitly recognized in SDG indicator 3.8 on universal health coverage. Social protection, in the form of cash transfers and income security along the life-course, has also shown to positively impact access to health care for children and mothers.<sup>8</sup>

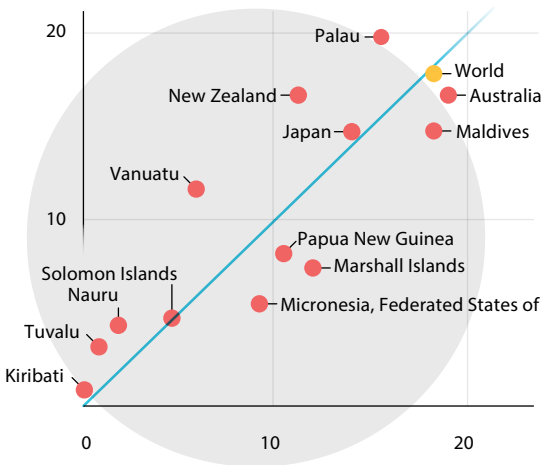


**FIGURE 3**

**Out of pocket expenditure on health decreasing, 1995 and 2014**



**PERCENTAGE OF OUT OF POCKET EXPENDITURE OUT OF TOTAL EXPENDITURE, 2014**



Source: World Bank, World Development Indicators, accessed on 17 September 2017.

INEQUALITY IS A BARRIER TO...

# ... ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all



**A well-educated population is fundamental for all spheres of development.** As ESCAP research shows, secondary education opens up the door to more decent job opportunities across the region, and holds the promise of better prospects in life for children.<sup>9</sup> Quality higher education is also critical for harnessing the potential of technology for inclusive development.<sup>10</sup>

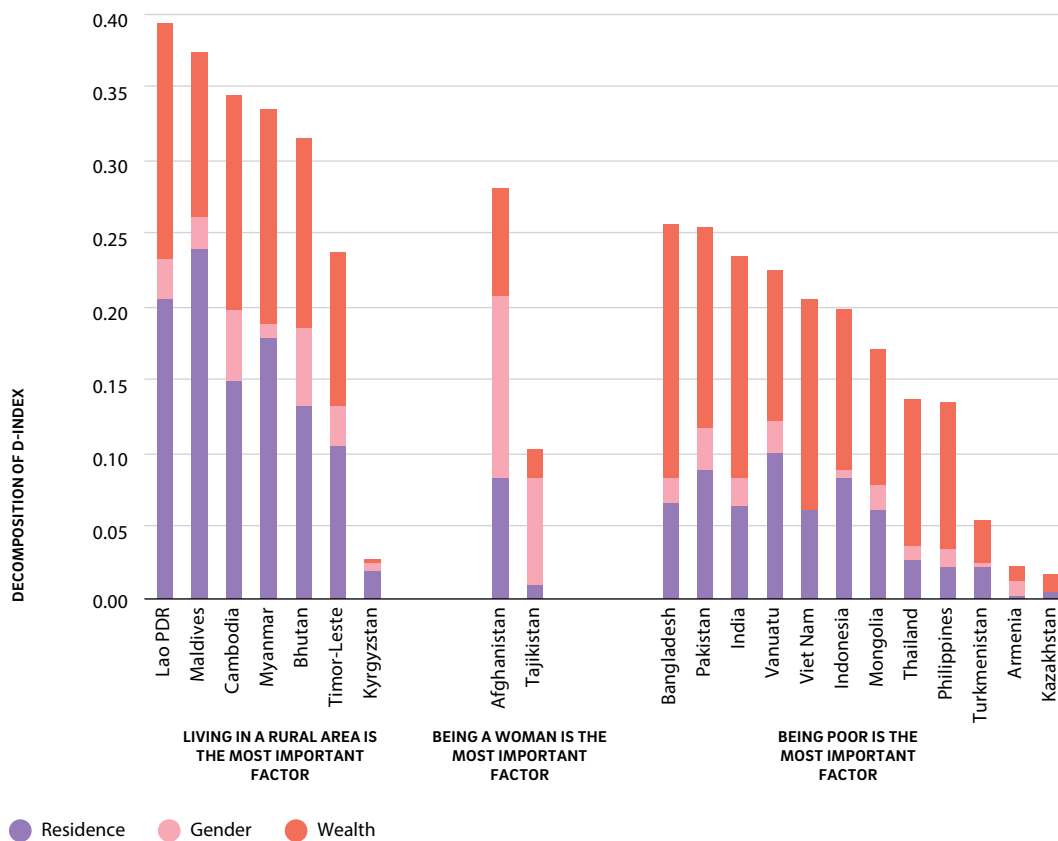
Most countries in the Asia-Pacific region record primary net enrolment rates of more than 90 per cent and equally high completion rates. However, completion of secondary and higher education varies widely across the region. Average completion rates of secondary education exceed 80 per cent in Armenia, Kazakhstan and Kyrgyzstan, but fall below 20 per cent in Cambodia, the Maldives and Myanmar.

Within countries, gaps are also wide. The most disadvantaged groups are often women from the poorest 40 per cent of households who live in rural areas. By contrast, urban men from in households in the top 60 per cent of the income distribution usually have the highest levels of completion of secondary education. Mongolia, despite its high average completion rate of almost 70 per cent also has a 72-percentage point gap between access of the most and least advantaged groups. In Mongolia, as in Armenia, Kazakhstan and the Philippines, men have generally lower completion rates than women. Yet being a woman is overall associated with lower completion of secondary and higher education in the Asia-Pacific region, and is lowest in Afghanistan and Tajikistan, where the gap to men is up to 80 per cent.<sup>11</sup>

Every USD 1 invested in an additional year of schooling, especially for girls, generates USD 10 in income and health benefits in low-income countries and close to USD 4 in lower-middle income countries. For example, a child whose mother has completed secondary education has between 20 per cent, in Timor-Leste, and 110 per cent, in Pakistan, higher chances of having a non-stunted child. Because stunting affects health and productivity outcomes later in life, investing in girls' and women's education is critical for breaking intergenerational inequality and poverty cycles.<sup>12</sup> Ensuring quality education and lifelong learning for all will enrich lives, improve livelihoods, stimulate economic growth and promote sustainable development.

**FIGURE 4**

## Inequality in completion of secondary education among 20–35-year olds in the Asia-Pacific region



Source: ESCAP (2018). Inequality of Opportunity: Education. *Social Development Policy Papers #2018-01*.

Note 1: The dissimilarity index, or D-index, measures how all different population groups fare in terms of completing secondary education.

Note 2: Different colours represent the decomposition of the D-index, reflecting the marginal contribution of each circumstance to inequality in educational attainment.

INEQUALITY IS A BARRIER TO...

## ... achieving gender equality and empowerment of all women and girls

5 GENDER EQUALITY



**Achieving gender equality is both a cross-cutting and a stand-alone objective for Asia-Pacific countries.** In the 2030 Agenda for Sustainable Development, Goal 5 sets out fundamental targets for achieving gender equality and empowering women, but gender equality also permeates most other goals.

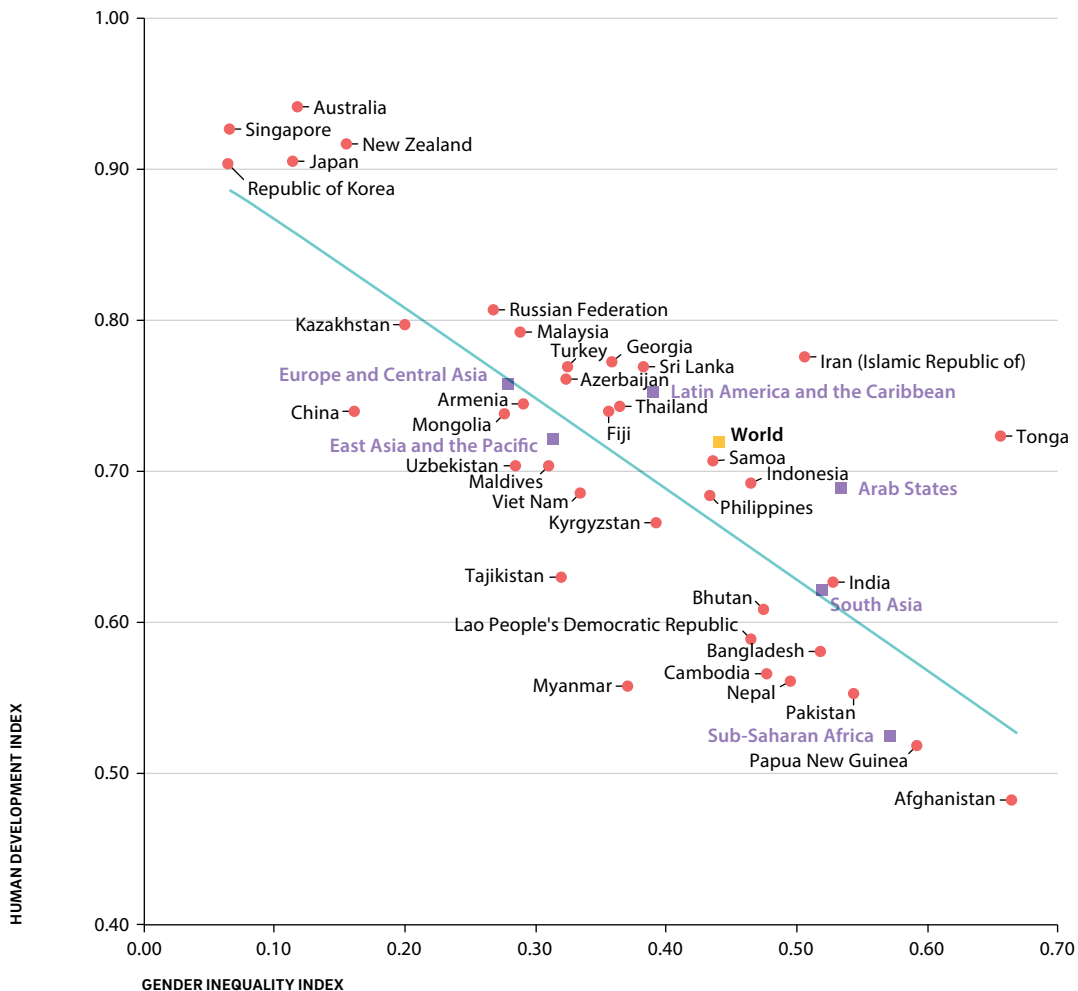
Gender equality has tremendous economic benefits and countries in the region could boost their total GDP by an additional USD 11.9 trillion by 2025, if they achieved complete gender parity on labor-force participation rates, hours worked by women relative to men, and the sector distribution of employment.<sup>13</sup>

Despite these opportunities, women continue to face multiple disadvantages in Asia and the Pacific. This is particularly the case in access to education, health care, decent work and political participation. In several countries, the same holds for women's rights to ownership of land, property and inheritance.

ESCAP research finds that being a woman explains the bulk of inequality in access to full-time employment more frequently than any other factor, including education.<sup>14</sup> The impact of being a woman or a man with respect to secondary and higher educational attainment goes both ways, with women completing education at higher rates in, for example, Mongolia, the Philippines and Thailand. In most countries, however, fewer women are in full-time employment than men.

The Gender Inequality Index (GII), which combines maternal mortality ratios, adolescent birth rates, share of women holding seats in parliament, levels of secondary education and the labour force participation rate, is highly correlated with human development (Figure 5). This relationship reemphasizes the importance of gender equality for countries' development.

**FIGURE 5**  
**Human Development and Gender Inequality, 2015**



Source: UNDP (2015) Human Development Report.

Note: Circles denote countries, while squares denote subregional and global averages.

**“Gender equality has tremendous economic benefits and countries in the region could boost their total GDP by an additional USD 11.9 trillion by 2025 if they achieved complete gender parity...”**

INEQUALITY IS A BARRIER TO...

## ... ensuring availability and sustainable management of water and sanitation for all

6 CLEAN WATER AND SANITATION



Clean water and basic sanitation are central to human security, dignity, health, education and development. SDG 6 sets ambitious targets for universal, adequate and equitable access. Any gap in access to these fundamental services is unacceptable.

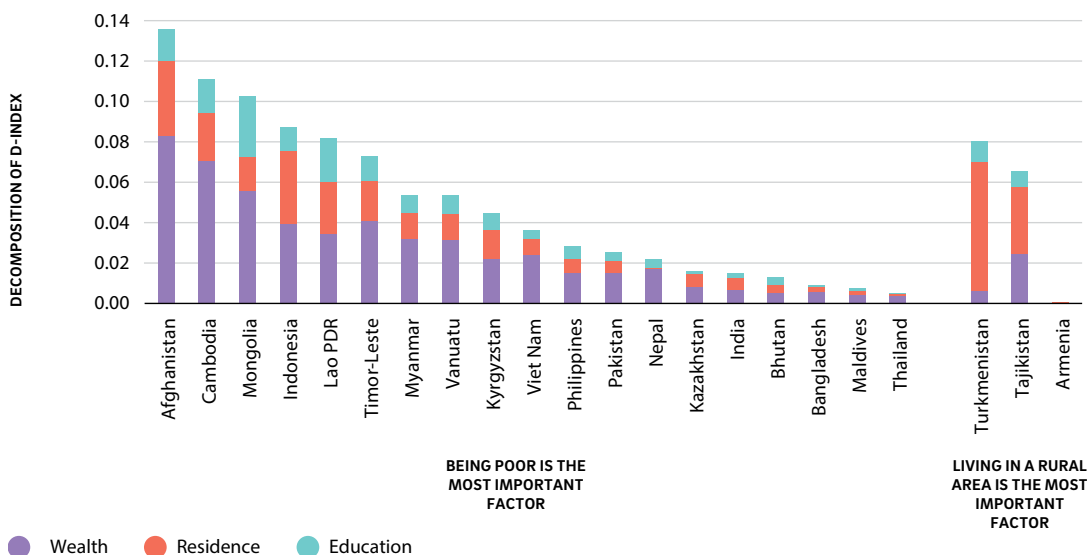
In the case of clean water, Asia and the Pacific achieved the MDG target of halving the number of people without access, even before the target date. In 1990, the number of people without access was 900 million, by 2010, it was down to 410 million, and by 2015 down to 270 million. Today, almost 94 per cent of the region's people enjoy access to clean water, either directly piped to their dwelling, or to a clean and protected source nearby. Urban-rural gaps remain, of course, and in Afghanistan, Kiribati, Papua New Guinea and Timor-Leste, access to safe drinking water in rural areas remains below 60 per cent.

Access to basic sanitation facilities, however, remains low in rural areas of several countries, despite significant progress in urban areas. Less than 20 per cent of all rural residents in Papua New Guinea have access to basic sanitation facilities, and the corresponding figure is below 40 per cent in Afghanistan, India, Kiribati, Solomon Islands and Timor-Leste.<sup>15</sup> Overall, less than two-thirds of the region's population enjoys access to basic sanitation. The lowest overall access is observed in South Asia and in the Pacific.<sup>16</sup> Across the region, poorer households also have much lower access to basic sanitation than richer ones. Overall, being poor is an even stronger determinant of inequality than rurality (Figure 7).

**“Access to basic sanitation facilities... remains low in rural areas of several countries, despite significant progress in urban areas.”**

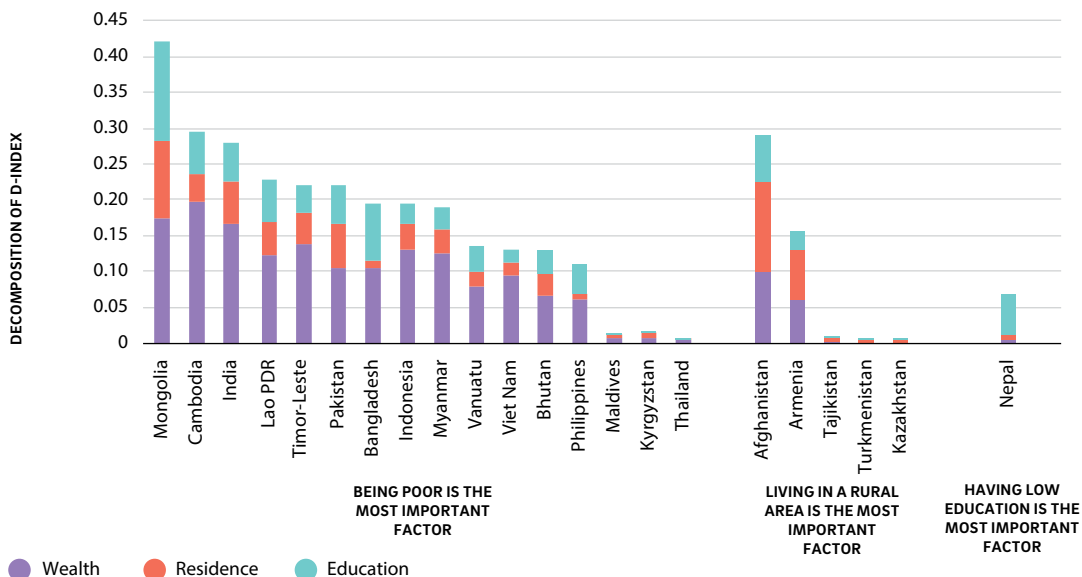
According to ESCAP research, the highest levels of *inequality* in access to basic sanitation is found in Afghanistan, Cambodia, India, Mongolia and Timor-Leste.<sup>17</sup> Various regional initiatives, such as the South Asian Conference on Sanitation (SACOSAN), have been important for raising awareness and commitment, but the institutional changes required to reach the ambitious targets on universal access to basic sanitation are vast.<sup>18</sup>

**FIGURE 6**  
**Inequality in access to clean water in the Asia-Pacific region**



Source: ESCAP (2018). *Inequality of Opportunity: Water and Sanitation. Social Development Policy Papers #2018-05.*  
 Note 1: The dissimilarity index, or D-index, measures how all different households fare in terms of access to clean water.  
 Note 2: Different colours represent the decomposition of the D-index, reflecting the marginal contribution of each circumstance.

**FIGURE 7**  
**Inequality in access to basic sanitation in the Asia-Pacific region**



Source: ESCAP (2018). *Inequality of Opportunity: Water and Sanitation. Social Development Policy Papers #2018-05.*  
 Note 1: The D-index measures how all different households fare in terms of access to basic sanitation.  
 Note 2: Different colours represent the decomposition of the D-index, reflecting the marginal contribution of each circumstance.

## INEQUALITY IS A BARRIER TO...

# ... accessing affordable, reliable, sustainable and modern energy for all

7 AFFORDABLE AND CLEAN ENERGY



**In the absence of clean and affordable options, households burn dirty fuels, including wood, crop wastes, charcoal and dung to cook, heat and light their homes.** The resulting indoor and outdoor pollution is behind more than two million deaths per year in China and India alone – mostly among already disadvantaged populations.<sup>19</sup> To respond to these unacceptable health risks and improve lives for everyone in the region, SDG 7 emphasizes affordable and reliable modern energy for all.

Young children are disproportionately affected by indoor air pollution. In Afghanistan, children between 0 and 4 years of age made up 44 per cent of all deaths attributed to household air pollution.<sup>20</sup> Because women are often in charge of collecting fuels, they have less time for income-generating and educational activities. Inequalities in access to clean fuels therefore perpetuate inequalities between men and women. During the burdensome and time-intensive process of collecting fuel, many women are also exposed to physical injury, abuse and violence.

ESCAP research shows that the majority of those households without access to clean fuels belong to the poorest 40 per cent, reside in rural areas with low-educated family members. In India, for instance, data from 2016 indicates that only 3 in 100 of these disadvantaged households – representing as much as 28 per cent of all households – had access to clean fuels, compared with 9 out of 10 of urban households in the higher education group.<sup>21</sup>

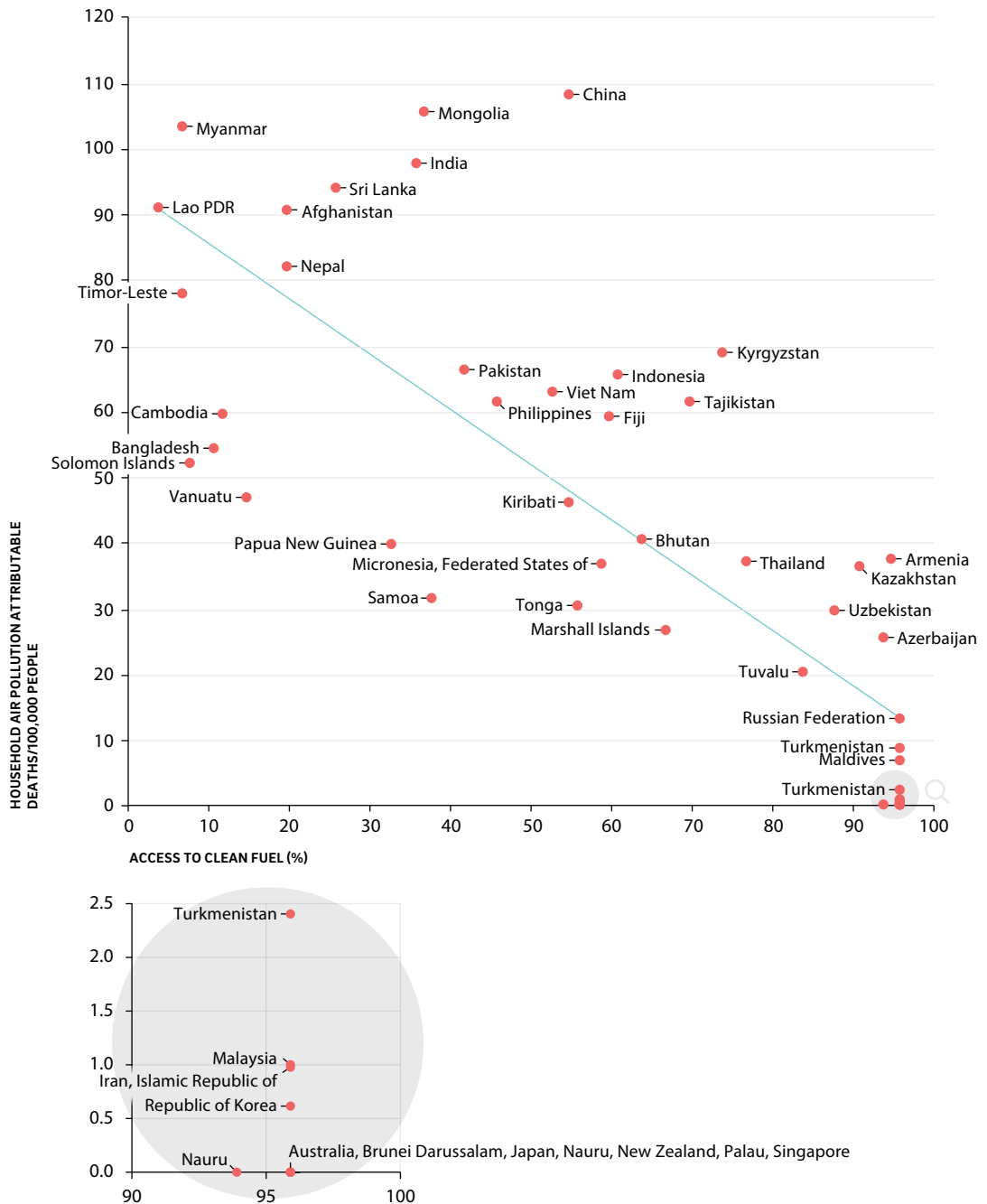
Despite impressive improvements in overall access to clean fuels, many households have been left behind. This unequal access is particularly worrying in South Asian and South-East Asian countries.

Closing the gap in accessing clean fuels will not only empower women and create better education and health outcomes of everyone in the household, it will also contribute to a cleaner, healthier planet for all.



**FIGURE 8**

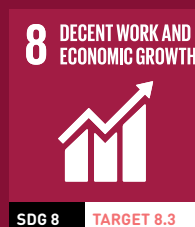
**Total household air pollution attributable deaths per 100,000 population and access to clean fuels, 2013**



Source: ESCAP (2018). Inequality of Opportunity in Asia and the Pacific: Clean Energy. *Social Development Policy Papers #2018-03*.

INEQUALITY IS A BARRIER TO...

... promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



... building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation



**In Asia and the Pacific, much of the workforce is in vulnerable jobs.** The estimates vary from 30 per cent in East Asia and 70 per cent in South Asia, but the implications for these workers are usually negative.<sup>22</sup> Vulnerable employment is often associated with inadequate earnings, no social protection, low productivity and hazardous working conditions with few opportunities to escape poverty.

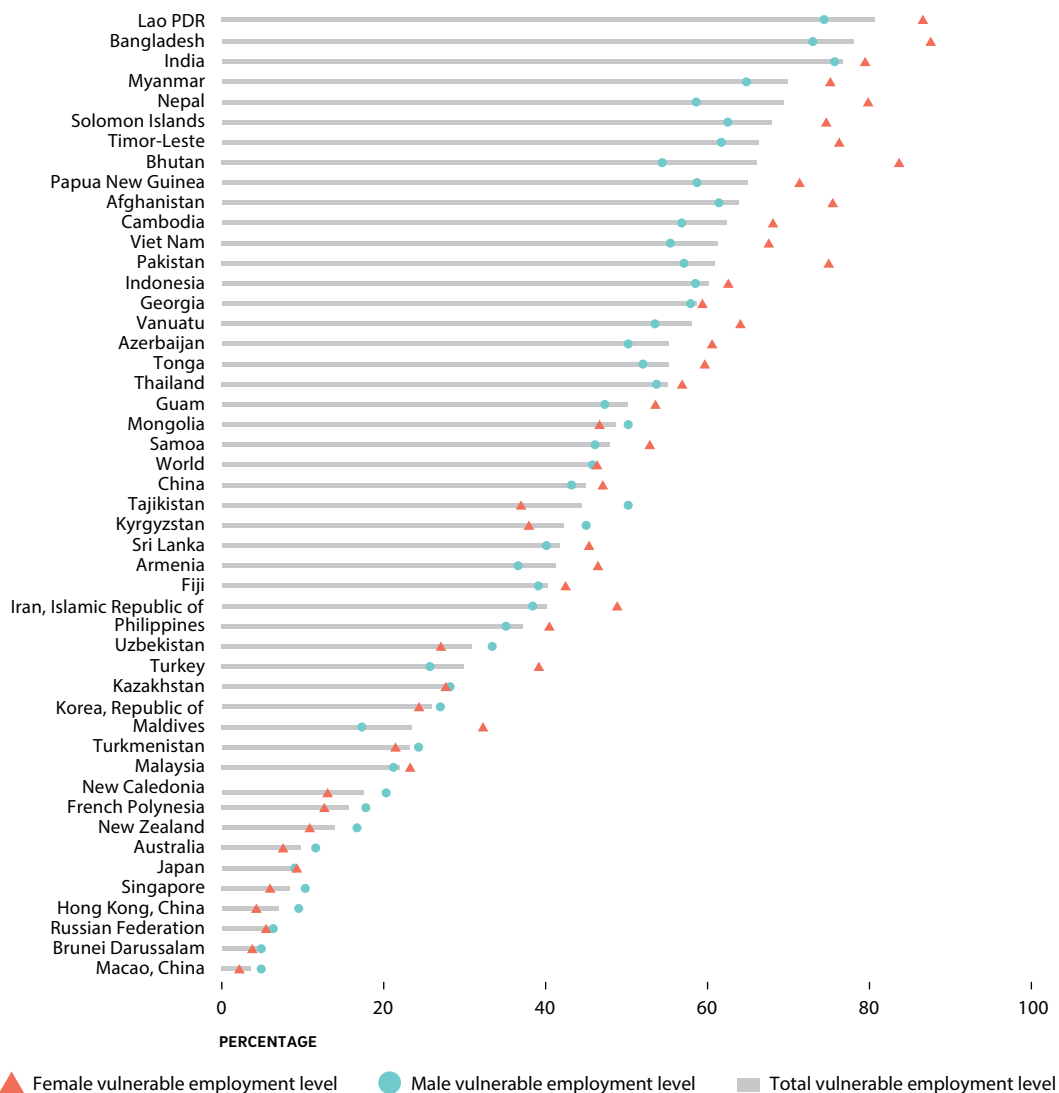
The lack of access to decent jobs not only harms livelihoods and individual wellbeing, but also economic growth, as low earners have limited disposable income and spending capacity. Exclusion from decent work can also cause social instability and unrest, particularly if certain groups consistently face barriers to decent jobs.

Women are particularly overrepresented in vulnerable and informal jobs in the Asia-Pacific region.<sup>23</sup> Persons with disabilities are also more likely to be in the informal sector, due to social, economic and physical barriers to education and to the workplace.<sup>24</sup>

ESCAP research examines inequalities in access to full-time work as a proxy for decent work in the region's developing countries.<sup>25</sup> The findings show that in 19 out of 33 Asia-Pacific countries, the most disadvantaged group is women. The odds of a woman being employed on a full-time basis are 21 per cent lower, compared to those of a man. Additionally, the odds of a woman with children being full-time employed are 28 per cent lower than those of a man without children. On the contrary, having children does not harm a man's chances of being in full-time employment: men with children have 13 per cent higher odds of being in full-time employment than men without children. Age is also an important factor, with youth and persons above the age of 50 having overall lower levels of full-time employment. Low education and living in rural areas also significantly limit opportunities for access to full-time employment.<sup>26</sup>

Empowering marginalized groups to access full and productive employment not only contributes to improved livelihoods and individual well-being, but also promotes economic growth and social cohesion. Social protection, for example, often helps certain groups cover the cost of finding and engaging in work, such as transport, clothing and childcare.<sup>27</sup> Simulations in Bangladesh have shown that investment in social protection boosts the economy as much as the same investment in infrastructure.<sup>28</sup>

**FIGURE 9**  
**Share of vulnerable employment in Asia and the Pacific, 2016**



Source: ILO (2015). Trends and Econometric Models, November 2015.

INEQUALITY IS A BARRIER TO...

... making cities and human settlements inclusive, safe, resilient and sustainable,

... ensuring sustainable consumption and production patterns

... combating climate change and its impacts

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



**Nowhere is inequality more evident than in growing cities of developing countries.** The contrast is stark between modern infrastructure, flashy malls and glass-covered office buildings, on the one hand, and slums and polluted waterways, on the other.

Underlying this impactful image are hidden numbers: the slum dwellers, migrants, informal workers and persons with disabilities who are often not counted in household surveys and do not appear in national statistics. As a result, inequality of opportunity research that presents urban populations as more advantaged may not reveal the full picture. The inequality of outcome, of opportunity and impact faced by groups living in the margins of urban centers are undeniably the most important barriers towards achieving SDG 11.

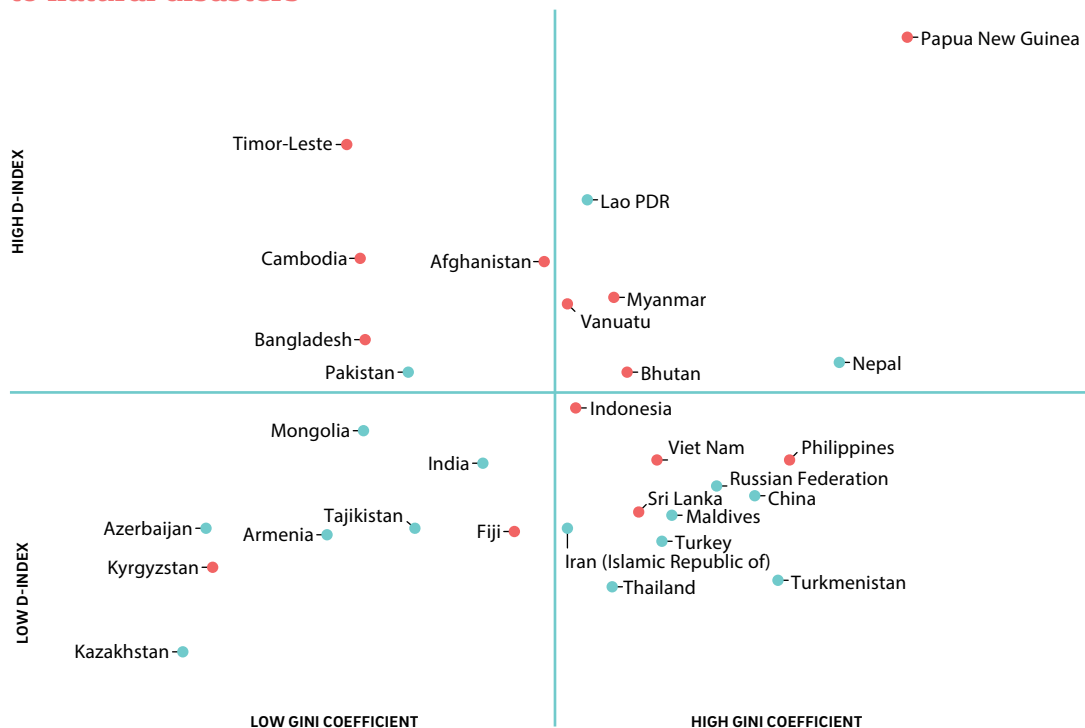
Even among those who are in formal dwellings, the disproportional barriers can go unnoticed. For example, ESCAP research finds significant gaps in accessibility of public spaces for persons with disabilities.<sup>29</sup> The result is difficulty in attending and completing education and in finding decent work opportunities later. In the few countries for which data are available, differences in poverty rates between persons with disabilities and the overall population range from close to 4 per cent in Georgia to almost 21 per cent in the Republic of Korea.<sup>30</sup>

Natural disasters cause disproportionately greater impacts on poorer households and therefore exacerbate inequalities between the rich and the poor. Climate change magnifies the risk of disasters and increases their costs. As the climate system has warmed, the number of weather-related hazards globally has tripled, and the number of people living in flood-prone areas and cyclone-exposed coastlines has doubled – a trend that is expected to intensify.

Comparing different types of inequalities faced in various countries, ESCAP research finds higher vulnerability to natural disasters in countries with high inequality of opportunities (Figure 10). This is worrisome because it implies that the most vulnerable and marginalized people in these countries face not only a higher risk of being affected by a disaster but also lower access to basic services, making inequality of impact more severe.<sup>31</sup>

Given that impacts of climate change are expected to intensify in the future, it is important to implement policies aimed at increasing the resilience of poor and marginalized people in countries with high vulnerability to natural disasters.

**FIGURE 10**  
**Inequality of outcomes and opportunities, and their relation to natural disasters**



Source: ESCAP calculations using data from the latest DHS and MICS for countries in the Asia-Pacific region.

Note 1: D-index values for Azerbaijan, China, Fiji, Islamic Republic of Iran, Nepal, Papua New Guinea, Russian Federation, Sri Lanka and Turkey are interpolated using OLS with data of access to electricity, clean water and safe sanitation in respective countries.

Note 2: The quadrants are split as per average Gini (35.73) and D-index values (0.2) for countries used in the analysis. Red and blue dots stand for World Risk Index values, with blue dots for low and medium risks (0-7.35) and red dots for high risk (7.35+) of disaster.

Note 3: Azerbaijan and Papua New Guinea have been rescaled to improve the graph's clarity.

INEQUALITY IS A BARRIER TO...

... conserving and sustainably using the oceans, seas and marine resources



... protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, combating desertification, and halting and reversing land degradation and halting biodiversity loss



**Environmental degradation is closely linked to inequality.** Exposure to air pollution is on the rise in the region, with the sharpest increases observed in Bangladesh, Bhutan, China, India, Mongolia and Nepal.<sup>32</sup> Air pollution is estimated to claim over four million lives per year, mainly in developing countries in the region. Poor and disadvantaged groups are disproportionately impacted and, as a result, deaths from cardiorespiratory diseases are more likely among residents with a lower level of education.

Environmental degradation is a result but also a contributor to income inequality.

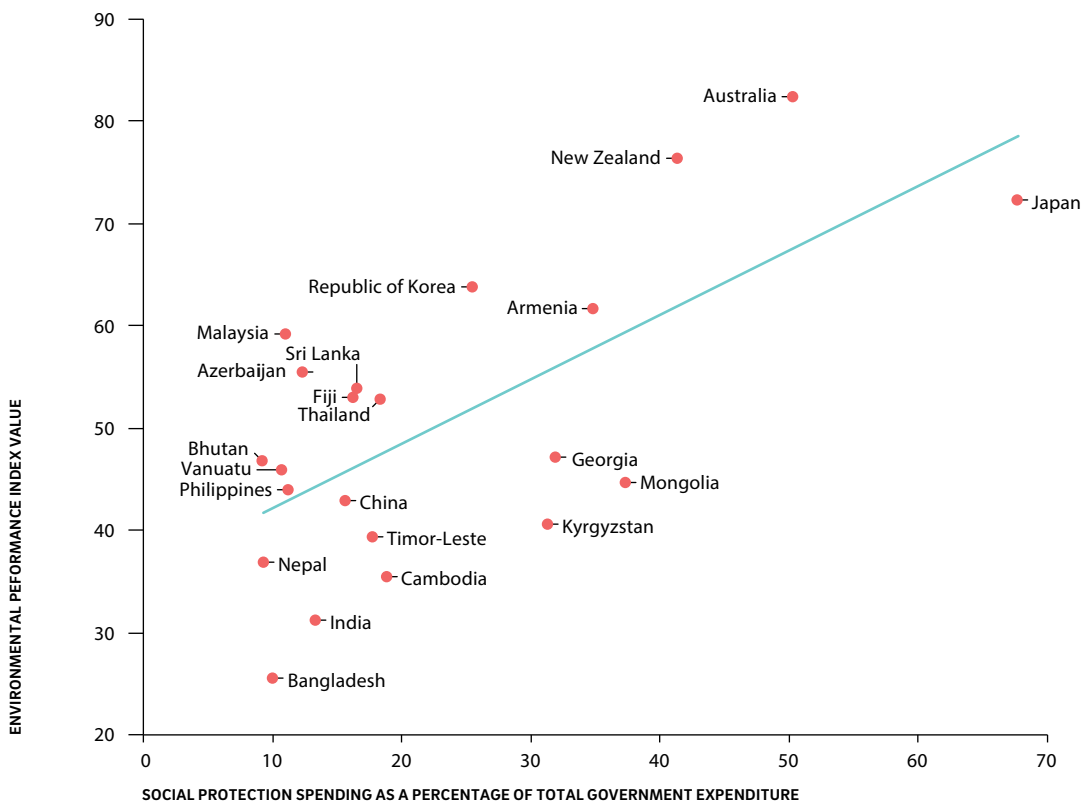
In equal societies with a high degree of social cohesion, people tend to work together to protect global public goods, including the environment. In contrast, in societies where inequalities abound, collective action is trumped by the pursuit of individual or group interest. In such societies, there is less public support for policies designed to protect the environment and “govern the commons”.<sup>33</sup>

Environmental degradation also causes inequality. ESCAP research shows that the poor are disproportionately more dependent on natural capital and destruction of natural capital contributes to widening inequalities.

The relationship between income inequality and environmental degradation can be seen in the data as well. The mechanism is as follows: being less able to protect themselves from pollution, poor and disadvantaged people are more exposed and vulnerable to the pernicious impact of pollution and their health and productivity suffer disproportionately. Data show that inequality is reduced when levels of particulate emissions are lower. However, this relationship turns positive once aggregate PM2.5 emissions cross a threshold, suggesting a sharp rise in inequality is associated with increases in damage from particulate emissions.

Social protection has an important role to play with regards to improving environmental sustainability. There is a positive correlation between government expenditures on social protection and countries' Environmental Performance Index (EPI). In the short-term, social protection can build resilience to catastrophic climate change by increasing the adaptive capacity of those that rely on weather-dependent livelihoods. In the long term, social protection can also promote environmental sustainability by, for example, improving water resource management or reforestation.<sup>34</sup>

**FIGURE 11**  
**Environmental Performance Index and expenditure on social protection**



Source: ESCAP (2016). *Time for Equality: The Role of Social Protection in Reducing Inequalities in Asia and the Pacific*. Bangkok.

INEQUALITY IS A BARRIER TO...

**... promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels**



**Inequality undermines social cohesion and stability by weakening social bonds and public trust in institutions, which can raise social and political tensions and even lead to radicalization and crime.** A weak social compact reduces the willingness to pay taxes, thereby leading to further deterioration in basic public services and resources to marginalized groups.

Equitable representation in decision-making bodies is synonymous with empowerment. Across the Asia-Pacific region women are significantly underrepresented in positions of power, a similar situation is found for marginalized groups such as ethnic minorities and persons with disabilities. The result is institutions that are not inclusive and that do not consider, protect and promote the realization of everyone's rights.

Where group-based inequalities are high or rising, so is the likelihood of violence and unrest. This is particularly true when coupled with a lack of opportunity for upward social mobility and the absence of recourse.

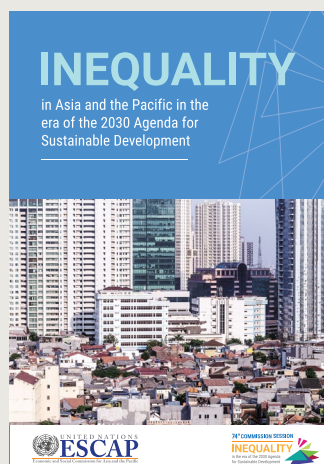
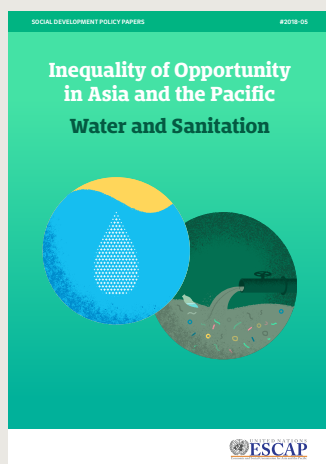
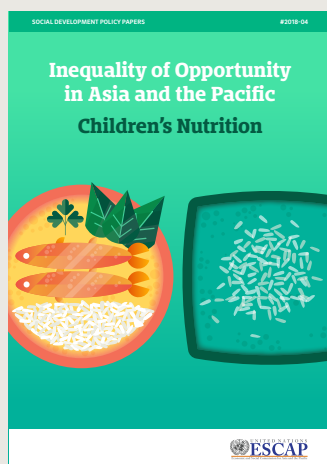
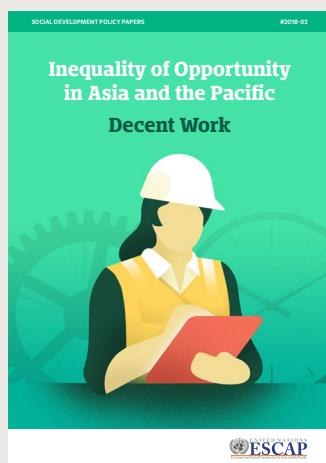
ESCAP analysis shows that, among the various factors determining income inequality, the rule of law and good governance cannot be overemphasized.<sup>35</sup> Strong, efficient and transparent institutions are essential for maintaining environmental standards, tax collection and ensuring that basic public services are shared and delivered. Two measures of governance considered in the analysis, i.e. political stability and regulatory quality, reveal that inequality increases at low levels of these measures but decreases at high levels. Hence regulatory quality and political stability at higher levels can further improve governance indicators and contribute to reducing inequality.



# Endnotes

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# Resources on Inequality of Opportunity in Asia and the Pacific



## **A Guide to Inequality and the SDGs**

In the 2030 Agenda for Sustainable Development, governments pledged that in shifting the world on to a sustainable and resilient path, no one would be left behind. Central to this commitment is Goal 10: Reduce inequality within and among countries. Universality, however, permeates the entire 2030 Agenda. The premise that everyone should have access to key opportunities and services is reflected in most other goals.

Through compelling evidence, data and examples, this guide elaborates on the links between inequality and the rest of the Sustainable Development Goals. The review focuses on a selected set of targets which have been assessed at disaggregated levels in ESCAP's research, using established methodologies and available surveys.

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