

المنتدى العربي للتنمية المستدامة

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10 REDUCED INEQUALITIES



SDG 10 REDUCED INEQUALITIES

Reduce inequality within and among countries

Levels of income, access to resources and services, and political participation vary widely across and within Arab countries, with inequality running along economic, subnational and gender divides (all SDGs). Despite few official inequality indicators, widening gaps among different social groups and areas can be observed, threatening social cohesion and economic and political stability. The COVID-19 pandemic has further exacerbated existing inequalities in income and access to services and resources, leaving vulnerable

groups at risk of becoming even poorer and more vulnerable in the absence of universal social protection floors. Reducing inequalities requires reasserting the role of the State as the guarantor of equal economic and social rights, and implementing policies to equitably redistribute resources. This is first and foremost a political process. At the national level, it necessitates structural reforms in economies and institutions, and social and legal changes to end all forms of discrimination, supported by global mechanisms (SDG 17).

Impact of COVID-19 on SDG 10 in the Arab region



Poverty and inequality were already on the rise in the Arab region prior to the COVID-19 crisis. The region was characterized as the most unequal globally,¹ and was witnessing the world's only increase in extreme poverty.²

Despite a lack of data on SDG 10 indicators, the pandemic has highlighted structural inequalities across the region, as vulnerabilities surged and response measures aimed to fill pre-existing gaps.

Slow progress on SDG 10 in the region is linked to structural issues related to wealth distribution, taxation and public spending. Income inequality is one of the highest globally and inequalities abound within Arab countries. The concentration of wealth, in the absence of comprehensive and transparent data on income and capital, has long plagued Arab countries. It has also directly impacted countries' ability to generate sufficient revenue through taxation, and to enhance public spending. An added layer is corruption and elite capture of wealth and resources. These challenges have long frustrated the reform of pertinent institutions, and compromised the role of the State as the sole duty bearer for guaranteeing equal social and economic rights for all. These institutions are now in the spotlight

as the State is called upon to play a larger role in the response to the pandemic.

In addition, as a result of the pandemic, the poor are projected to get poorer given the absence of safety nets, which will further widen the gap between rich and poor in the region. In response to the pandemic, Arab countries have improvised various measures and expanded social protection systems. However, it remains unclear to what extent these measures are sustainable in the long term. The pandemic may therefore be a wake-up call that resources must be managed and distributed differently, and that a rights-based approach to social protection is key to reducing inequalities.

Inequality in access to employment has translated into job losses in the 'most at risk' sectors, such as hospitality and food services, manufacturing, retail, and business and administrative activities, where 18.2 million individuals in the region are employed.³ A higher toll is projected for the informal economy, where an estimated 89 per cent of workers are expected to be significantly impacted by lockdown measures.⁴ Inequality in access to decent employment means that job losses for employees

1 Facundo Alvaredo, Lydia Assouad and Thomas Picketty, Measuring inequality in the Middle East 1990-2016: The world's most unequal region?, 2018.

2 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020, p. 14.

3 Estimates from International Labour Organization, ILO Monitor: COVID-19 and the World of Work, fourth edition, 27 May 2020.

4 Ibid.

who were already lacking social protection coverage and job security has put them at greater risk of falling into poverty or has increased their vulnerability.

Inequality in access to health services has been compounded by the pandemic. One third of Arab countries have fewer than 10 health-care providers per 10,000 people, while the richest third have at least 50 providers per 10,000 people and, in some cases, over 70.⁵ Similar trends are observed with hospital beds, intensive care units and primary care, with stark differences both between and within countries.⁶ While 61 per cent of the region's population can access health services without suffering deep financial hardship, this rate varies significantly among countries, from as high as 77 per cent in Kuwait to as low as 22 per cent in Somalia.⁷

Inequality in access to and quality of education is high in the region and is expected to increase, particularly for girls, owing to the pandemic. Over 16 million children were already out of school prior to the pandemic because of conflict and/or poverty.⁸ Despite the important efforts that Arab Governments have deployed to ensure education continuity, substantial shares of students were not reached by remote learning programmes in the spring of 2020. The majority of students who cannot access remote learning opportunities come from rural areas and/or poor households, further increasing inequalities in the region.

Prior to the pandemic, income inequality had already been on the rise in the region. Arab countries whose economies were already suffering were hit hard by the COVID-19 crisis. The region's gross domestic product (GDP) is expected to fall by about \$152 billion as a result of a forecasted 5.7 per cent contraction in growth between 2019 and 2020.⁹ This will exacerbate inequality and poverty, thus affecting SDG 10 and all other SDGs.

Gender inequality and identity-based discrimination have been further entrenched. Women, migrants and other disadvantaged groups and communities in the region suffer from discriminatory behaviour and intersecting inequalities, rendering them more vulnerable to the impact of the COVID-19 crisis. The imposed lockdowns have compounded their marginalization given their high presence in the informal sector, with no social protection benefits and low job security. The loss of livelihoods has increased violence against women in the region and harmful practices against girls. The stigmatization of migrants, especially irregular migrants, owing to the misconception that they are COVID-19 carriers has discouraged them from coming forward for COVID-19 testing, diagnosis, treatment and other services, resulting in delayed health-seeking behaviours and leading to more costly treatment or severe forms of the disease. Although there is no data on the number of infected migrant workers in the region, it is certain that their poor housing and working conditions are likely to expose them to occupational safety and health hazards, making them at greater risk of contracting and spreading the virus.

Measures taken by Arab Governments

1. Efforts to mitigate the impact of school closures have proliferated across the region. For example, several Arab countries, including Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, the State of Palestine, Qatar, Saudi Arabia, the Sudan, the Syrian Arab Republic, Tunisia, the United Arab Emirates and Yemen, with the support of national and international education actors, have focused on accelerated innovation in the education sector to support learning continuity, combining high tech versus low tech and low cost solutions aimed at reaching the most vulnerable and disadvantaged children. These initiatives range from radio, television, digital technology and take-home packages to building

the capacity of teachers in handling changes in teaching and learning.

Ministries of education in many Arab countries, such as Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia and the Sudan, have established strategic partnership with mobile network operators to: ensure free access for all to education content and platforms for students and teachers; reach the most vulnerable through offline or low connectivity solutions; use online and offline technologies for data collection on participation and quality of reach, among other aspects; and provide solutions for individualized high-stake exams to avoid fraudulent practices and other problematic issues.

5 Global Health Security Index, available at <https://www.ghsindex.org>.

6 Ibid.

7 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020, p. 6.

8 United Nations Coordinated Appeal. Global Humanitarian Response Plan: COVID-19. Available at <https://www.unocha.org/sites/unocha/files/Global-Humanitarian-Response-Plan-COVID-19.pdf>.

9 International Monetary Fund, Regional Economic Outlook Update, 2020.

2. Several Arab Governments have used technological innovations to address inequalities in access to services and resources. For example, in Morocco, the Ministry of Agriculture created a digital platform for presenting and marketing local products from women's cooperatives. Moreover, to prepare for de-confinement, the Ministry of Agriculture has set up a protocol on procedures to be adopted at the level of farms and units for the valorisation, packaging and processing of agricultural products. In Egypt, the Ministry of Communication and Information Systems launched a package of educational programmes for women to prepare them for the labour market, including new technological tools to help women in the areas of e-marketing and e-commerce to ensure that they are empowered economically. Egypt further announced that mobile payments will be piloted in Luxor and Port-Said for the transfer of pensions.

3. Some Arab Governments have targeted support packages at the most vulnerable groups to alleviate inequalities in access to resources and services. For example, the Tunisian Ministry of Women, Family, Children and Seniors announced that a line of credit was opened for domestic workers to mitigate the pandemic's effects on the most economically vulnerable

Positive steps to include migrants in response and support measures

Qatar and Saudi Arabia are providing free screening and testing for migrant workers.

Bahrain, Kuwait, Lebanon, Morocco and the United Arab Emirates have extended migrant working visas or amnesties, and taken other steps to alleviate constraints faced by migrant workers and their families. ILO Protecting migrant workers during the COVID-19 pandemic Recommendations for Policy-makers and Constituents.

Source: ILO, Protecting migrant workers during the COVID-19 pandemic, 2020.

groups, in partnership with the Tunisian Development Bank and the Professional Association of Microfinance Institutions. The credit, at a reduced interest rate, is capped at 1,000 Tunisian dinars, repayable over 24 months with a two-month grace period. In some countries like Egypt, cash transfers have been introduced or enhanced to alleviate poverty and reduce inequality, with a focus on informal workers who registered with the Ministry of Labour and Manpower.

Most at risk of being left behind

A detailed review of the Arab region revealed that SDG 10 targets will not be met by 2030 for the following groups,¹⁰ whose vulnerability has been amplified by the pandemic. This is especially true for groups that suffer from intersecting inequalities, and for marginalized groups within already marginalized communities, including women with disabilities and female migrant workers.



Women and girls: More women are expected to fall into poverty during the pandemic, severely affecting female-headed households in the region. This is compounded by underlying gender biases in government policies that consider men as the main heads of households. The pandemic is expected to result in the loss of 1.7 million jobs in the Arab region, including approximately 700,000 jobs held by women. Projections indicate that the informal sector will be particularly impacted by the pandemic. Women constitute 61.8 per cent of workers in the informal sector in the Arab region and will therefore suffer disproportionately.¹¹

The Arab region is also characterized by high illiteracy rates among women, which constrains their ability to access comprehensive information about the pandemic on prevention and response, and to seek help and services. Nearly half of the 84 million women in the region are not connected to the Internet or have access to a mobile phone. In times of crises or pandemics, this renders them excluded, especially since most of information is communicated through online platforms and cell phone messaging.¹²



The poor: The number of poor people is estimated to increase by 14.3 million, swelling to 115 million overall, equivalent to almost a quarter of the total Arab population. Many of the newly poor were recently in the middle-class and, if their impoverishment is prolonged, social and political stability might be impacted.¹³



Persons with disabilities: As funds and health budgets are redirected towards the COVID-19 emergency, non-COVID-related medical services are expected to be negatively affected. Close to 60 million people who live

10 ESCWA, Arab Sustainable Development Report, 2020.

11 ESCWA, The Impact of COVID-19 on Gender Equality in the Arab region, 2020, p. 3.

12 Ibid., p. 4.

13 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020, p. 2.

with one or more disabilities in the Arab region are at risk of suffering disproportionately.

 **Migrants:** Representing 40 per cent of all workers in the Arab region, migrants will be negatively affected by the pandemic in terms of access to services, employment and ability to return to their countries of origin. A decrease in remittances will have a two-way damaging effect on Arab economies and on migrants and their families, putting millions of people in and outside the region at risk of extreme poverty and increased vulnerability.¹⁴ Women migrant workers are suffering disproportionately given that they are over-represented in the informal economy and domestic work, and among undocumented workers in many countries.

 **Refugees and internally displaced persons (IDPs):** The impact of the pandemic has been extreme for the 26 million refugees and IDPs hosted in the region, given that many live in informal settlements or camps, with inadequate access to critical health-care services, water or sanitation.¹⁵

 **Children:** Children are not primarily the most affected by the pandemic health-wise; however, their lives have changed profoundly owing to the crisis. The potential losses that may accrue in learning for today's young generation, and for the development of their human capital, are hard to imagine. Even prior to the pandemic, children's learning was in crisis, and the pandemic has only sharpened these inequities, hitting schoolchildren in poorer countries particularly hard.

 **Young people:** Young people are at a higher risk of mental health concerns owing to lockdowns and physical distancing measures. The economic slowdown resulting from the crisis will further exacerbate their vulnerability in the labour market, as young people are five times more likely to be unemployed than older generations.¹⁶

 **Older persons:** 32 million older persons in the Arab region are increasingly vulnerable because of the pandemic.¹⁷ Older persons in the region are not only impacted by the medical effects of the virus owing to underlying medical conditions, but also by the non-medical effects of the pandemic. The absence of universal or comprehensive old-age pensions and

health insurance in most Arab countries forces many older persons to remain financially dependent on family members, who may already be poor or slipping into poverty owing to the economic impact of the pandemic, thus making older persons even more vulnerable.

 **Informal workers:** Informal workers, who depend on daily wages, have been hit hard by the pandemic and its consequent lockdowns. They have small or no safety nets to fall back on when they find themselves suddenly out of work. This situation undermines food security and nutrition status, particularly for this group of vulnerable people.

 **Slum dwellers:** Pandemic containment in slums is limited owing to high-density living quarters, the large number of persons per dwelling, and a lack of adequate sanitation. One of the greatest problems with regard to the pandemic in the context of slums in the South, including the Arab region, is a lack of data on the number of people residing in slums, their living conditions, and their health status.¹⁸

 **Rural populations:** Most poor and food insecure people live in rural areas. Despite physical distance, relative isolation, lower population density and their own food production, they are particularly vulnerable to suffering severe effects from the pandemic and the ensuing economic contraction. Rural areas, particularly in the Arab region, are much less prepared to deal with the direct and indirect impact of the crisis.¹⁹

 **LDCs Least developed countries:** The Arab least developed countries have been disproportionately affected by the pandemic, owing to an absence of adequate health services and infrastructure. Furthermore, a lack of resources has prevented them from extending social protection programmes, such as cash transfers, to alleviate poverty stemming from lockdowns.

 **Countries at risk of or affected by humanitarian crises:** Not only do violence and conflict represent a significant impediment in responding to the pandemic, but an additional \$1.7 billion was required in 2020 alone to address the risks and impact of the COVID-19 crisis on the most vulnerable in these Arab countries.²⁰

14 Ibid, p. 14.

15 Ibid.

16 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020, p. 15.

17 International Labour Organization, ILOSTAT Database, 2017.

18 John Friesen and Peter Pelz, COVID-19 and slums: A pandemic highlights gaps in knowledge about urban poverty, JMIR public health and surveillance, vol. 6, No. 3, September 2020.

19 FAO, COVID-19 and rural poverty: Supporting and protecting the rural poor in times of pandemic, 2020.

20 United Nations, Global Humanitarian Response Plan: COVID-19, 2020.

Policy recommendations for ensuring an inclusive recovery and achieving SDG 10 by 2030

The Arab Sustainable Development Report 2020 identifies the following recommendations to accelerate the achievement of SDG 10 in the region.

These recommendations also facilitate the COVID-19 recovery, and enhance resilience to future shocks and crises.²¹

Strengthen the State's central role in resource redistribution, and as a guarantor of equal political, social and economic rights

Address political and economic deficits and social inequalities by applying redistributive policies, introducing reforms that support decent employment and job creation, and expanding the coverage of social protection systems to provide a minimum level of income security for all

Expand civic space and strengthen representative institutions

Push for regional and global partnerships in favour of the Arab least developed countries, including through debt relief mechanisms, and address the debt challenges of middle-income countries

Collect systematic data to study the distributional impact of public policy, primarily fiscal policy

Adopt an inclusive and gender-sensitive response to the pandemic to ensure that marginalized groups and communities are not left behind

Adopt migrant-inclusive health policies and provide migrant-friendly health services, including gender-sensitive, rights-based policies and measures, to ensure that no one is left behind. Including all migrants in the COVID-19 vaccination plans is critical because 'no one is safe until everyone is safe'

Democratize access to safe and secure remote learning for all children and young people, and accelerate access to and use and regulation of digital tools as drivers of change²²

21 For a comprehensive analysis of these recommendations, see ESCWA, Arab Sustainable Development Report, 2020.

22 UNICEF, COVID-19: Are children able to continue learning during school closures?, 2020, p. 1.



Key facts on SDG 10

GNI per capita

The gaps between GNI per capita and average household income are significant and widening, especially in middle-income countries such as Egypt and Iraq. In the former, households reported a real income growth of 30 per cent over a 25-year period compared to the 70 per cent growth in the economy as a whole.

x 20

Intraregional inequality is high and rising. In 2010, the average GNI per capita of Arab countries with a very high human development rating was 13 times that of countries with a low human development rating. By 2017, the gap was 20 times.

10%

50%

Inequality in the shares of national income between the top 10 per cent and the bottom 50 per cent is particularly high. For example, shares are, respectively, 68 per cent and 9 per cent in Qatar, 62 per cent and 8 per cent in Saudi Arabia, 57 per cent and 11 per cent in Lebanon, 53 per cent and 12 per cent in Bahrain, and 50 per cent and 14 per cent in Yemen.

Taxation

Taxation is generally regressive, consisting mainly of indirect taxes and/or taxes on rents. There is little evidence of more progressive taxation policies targeting wealthier groups. Progressive inheritance tax regimes are almost universally absent, contributing to further concentration of wealth and depriving States of additional public funds.



In 2015, 94 per cent of the urban population in the region used a basic drinking water service compared to 77.5 per cent of the rural population; only 80 per cent of people in rural areas could access electricity.

Source: ESCWA, Arab Sustainable Development Report, 2020.