



United Nations

Department of
Economic and
Social Affairs

WORLD SOCIAL REPORT 2020
INEQUALITY
IN A RAPIDLY
CHANGING
WORLD

EXECUTIVE SUMMARY

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

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INEQUALITY IN A RAPIDLY CHANGING WORLD



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EXECUTIVE SUMMARY

Fifteen years ago, the *Report on the World Social Situation 2005* warned that growing inequality could jeopardize the achievement of internationally agreed development goals. The report noted that the world was at a crossroads. If the vision of a shared future was to be carried forward, world leaders had to seize every opportunity to take bold and decisive action to reduce inequality (United Nations, 2005).

Inequality has since moved to the forefront of the policy debate. “Leave no one behind” is the rallying cry of the 2030 Agenda for Sustainable Development. Reducing inequality within and among countries is Goal 10 of the Sustainable Development Goals (SDGs) – with good reason. The extraordinary economic growth and widespread improvements in well-being observed over the last several decades have failed to close the deep divides within and across countries.

Powerful economic, social and environmental forces are affecting inequality. The implications of these global forces – or megatrends – are broad and varied. Some can help equalize opportunities, while others are exerting mounting pressure on income inequality, mainly through their effect on labour markets.

This report examines the impact of four such megatrends on inequality: technological innovation, climate change, urbanization and international migration. Technological change can be an engine of economic growth, offering new possibilities in health care, education, communication and productivity. But it can also exacerbate wage inequality and displace workers. The accelerating impacts of climate change are being felt around the world, but the poorest countries and groups are suffering most, especially those trying to eke out a living in rural areas. Urbanization offers unmatched opportunities, yet cities find poverty and wealth in close proximity, making high and growing levels of inequality all the more glaring. International migration allows millions of people to seek new opportunities and can help reduce global disparities, but only if it occurs

under orderly and safe conditions. While these megatrends and the policies aimed at managing them interact with each other in multiple ways, the focus of this report is exclusively on the direct effect of each megatrend on inequality.

Whether these megatrends are harnessed to encourage a more equitable and sustainable world, or allowed to exacerbate disparities and divisions, will largely determine the shape of our common future.

INEQUALITY: WHERE WE STAND TODAY

For the first time within the context of internationally agreed development goals, the 2030 Agenda includes targets to reduce inequality based on income.

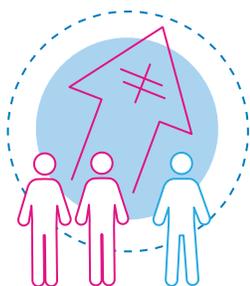
Income inequality has increased in most developed countries and in some middle-income countries, including China and India, since 1990. Countries where inequality has grown are home to more than two thirds (71 per cent) of the world population. Yet growing inequality is not a universal trend. The Gini coefficient of income inequality has declined in most countries of Latin America and the Caribbean and in several African and Asian countries over the last two decades.

Despite progress in some countries, income and wealth are increasingly concentrated at the top. The share of income going to the richest 1 per cent of the population increased in 59 out of 100 countries with data from 1990 to 2015.¹ Meanwhile, the poorest 40 per cent earned less than 25 per cent of income in all 92 countries with data (United Nations, 2019a).

While economic inequality has grown within many countries, inequality among countries is declining in relative terms. Strong economic growth in China and other emerging economies in Asia has been the main driver of this decline. However, this convergence is not evenly distributed, and the differences among some countries and regions are still considerable. The average income of people living in Northern America is 16 times higher than that of people in sub-Saharan Africa, for example. Meeting the targets and Goals of the 2030 Agenda “for all nations and peoples” requires reducing these stark disparities.

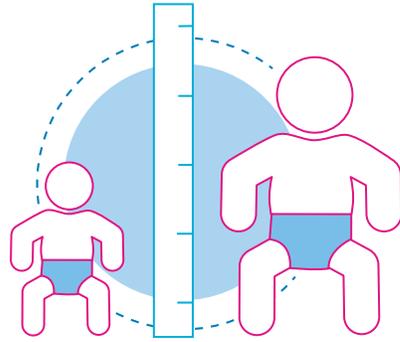
The 2030 Agenda also calls for ensuring equal opportunity and draws attention to attributes and circumstances that affect access to opportunity, namely age, sex,

WHETHER THESE MEGATRENDS ARE HARNESSSED TO ENCOURAGE A MORE EQUITABLE AND SUSTAINABLE WORLD, OR ALLOWED TO EXACERBATE DISPARITIES AND DIVISIONS, WILL LARGELY DETERMINE THE SHAPE OF OUR COMMON FUTURE



Two thirds of the world's population live in countries where inequality has grown

¹ World Inequality Database. Available at <https://wid.world/data> (accessed on 6 November 2019).



At the rate of progress observed from the 1990s to the 2010s, it will take more than four decades to close the stunting gap between ethnic groups

disability, race, ethnicity, origin, religion and economic or other status. While high and growing income inequality is fuelling polarized political debates around the globe, a consensus has indeed emerged that all should enjoy equal access to opportunity – that one’s chances to succeed in life should not be determined by circumstances beyond an individual’s control.

Major progress in fulfilling basic needs – through improved child health and increased completion of primary education, for example – has moderated inequalities among some population groups. However, unless progress accelerates, children from those groups that are furthest behind will remain behind by 2030. At the rate of progress observed from the 1990s to the 2010s, it will take more than four decades to close the stunting gap related to ethnicity, for instance.

Evidence suggests that gaps in more advanced accomplishments persist or are widening. For example, disparities in secondary school attendance by ethnic group, wealth quintile and educational level of the household head have increased since the 1990s in developing countries with data.² Gaps in learning outcomes are large and persistent as well.

Such inequalities have historical roots, but often continue even after the conditions that generated them change. Ethnic minorities, for instance, often remain disadvantaged even in countries where special efforts are made to promote their inclusion. Members of groups that suffered from discrimination in the past start off with fewer assets and lower levels of social and human capital than other groups. While prejudice and discrimination are decried around the globe, they remain pervasive obstacles to equal opportunity – and to the achievement of the SDGs.

Highly unequal societies are less effective at reducing poverty than those with low levels of inequality. They also grow more slowly and are less successful at sustaining economic growth. Disparities in health and education make it challenging for people to break out of the cycle of poverty, leading to the transmission of disadvantage from one generation to the next.

² Calculations based on Demographic and Health Survey (DHS) and Multiple Indicator Cluster Survey (MICS) data. For more information, see chapter 1 of this report.

Without appropriate policies and institutions in place, inequalities concentrate political influence among those who are already better off, which tends to preserve or even widen opportunity gaps. Growing political influence among the more fortunate erodes trust in the ability of Governments to address the needs of the majority. This lack of trust, in turn, can destabilize political systems and hinder the functioning of democracy. Today, popular discontent is high even in countries that have fully recovered from the 2008 financial and economic crisis and have benefited from steady growth in recent years.

Yet rising inequality is not inevitable. Inequality levels and trends differ among countries that are at similar levels of development and equally exposed to trade, technological innovation and even the effects of climate change. National policies and institutions do matter.

THE TECHNOLOGICAL REVOLUTION: WINNERS AND LOSERS

The world is in the midst of rapid, revolutionary and often disruptive technological breakthroughs. Advances in biology and genetics, robotics and artificial intelligence, 3D printing and other digital technologies are transforming economies and societies, with unfolding and often unforeseen consequences.

For all its promise, technological change tends to create winners and losers. And its current pace brings new and urgent policy challenges for navigating uncharted territories. Much depends on how these policies play out, especially on the degree to which Governments and international institutions address distributional effects and maximize the benefits and opportunities that new technologies can bring.

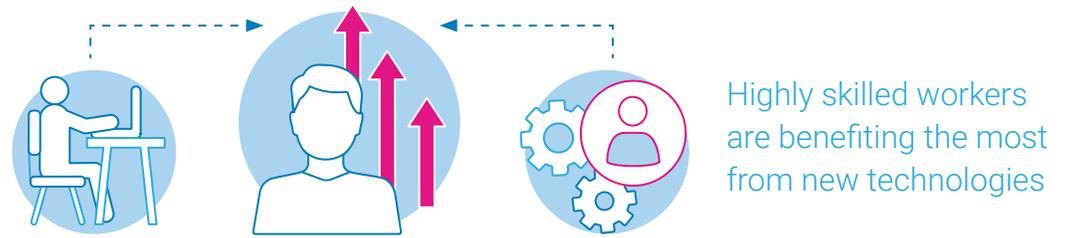
In the world of work, emphasis has focused largely on the potential implications of technological change for job destruction. Yet technologies usually replace specific tasks, rather than entire jobs. Often ignored is the fact that new technologies also generate new jobs and tasks, including those necessary to use, test, supervise and market new products and services.

At present, important differences are found across countries in how jobs are being redesigned and tasks regrouped into new or existing jobs. Whether the automation of tasks inevitably leads to the disappearance of jobs is as much a technological question as it is an institutional one. Regulations and institutions influence the profitability of regrouping tasks into new jobs and the ability of workers to upgrade their skills to take on new responsibilities.

So far, highly skilled workers are benefiting the most from new technologies. Job disruption – and, at times, destruction – is affecting mainly low-skilled and middle-skilled workers in routine manual and cognitive tasks. Moreover, in many countries, the extraordinary gains brought about by new technologies are being

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captured by a small number of dominant companies. If these trends continue, they will lead to even greater polarization of the labour force, with less demand for middle-skilled workers. They will also intensify wage inequality.

Automation has led to a reduction in jobs in routine-intensive occupations and is likely to continue affecting them. However, there is no solid evidence to suggest that recent technological advances have led to massive increases in joblessness or that they will make work obsolete. Where new technologies are pushing wage and income inequality higher, they are doing so mainly through increasing workforce polarization and non-standard working arrangements that often lack the benefits and stability of regular jobs.

Digital innovation and artificial intelligence are opening up opportunities in sectors such as education, health and banking, with far-reaching implications for equality. The use of the Internet and mobile phones, for instance, is enabling more people in developing countries to access financial services. Open online courses can help democratize access to education. Mobile health applications make health-care delivery and monitoring systems available to underserved areas and populations. Improvements in data availability brought about by new technologies can enhance governance and facilitate participation, helping individuals and groups to voice their opinions and organize on behalf of common causes.

The potential of new technologies to foster sustainable development can only be realized, however, if everyone has access to them. Regrettably, new technologies are reinforcing various forms of inequality and creating new “digital divides”. Close to 87 per cent of the population of developed countries have Internet access, compared to 19 per cent in the least developed countries.³ Access to basic technologies such as mobile phones has improved rapidly, but gaps in access to the Internet and computers persist. The potential of new technologies is particularly strong for youth, but it can also widen the divide between younger and older people.

The speed of diffusion is important. Given the comparative advantage that “first movers” enjoy in many sectors linked to new technologies, gaps in access can push poorer countries and disadvantaged groups further behind. Many of the benefits

³ ITU Statistics (International Telecommunication Union). Available at www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.

from new technologies that developing countries could realize may not materialize if Governments and leading firms, which are often located in developed countries, fail to reduce barriers to the entry and diffusion of such technologies.

The deployment of new technologies can exacerbate inequalities instead of reducing them, even in contexts of broad accessibility. Gaps in education can widen, for instance, if new technologies primarily benefit those pursuing tertiary education, or if they disproportionately improve the learning outcomes of children in wealthier households.

In sum, as in any process of rapid structural change, technological innovation can be disruptive. But its effects are not set in stone. Proactive policies and supportive institutions can help ensure that technological dividends are broadly shared.

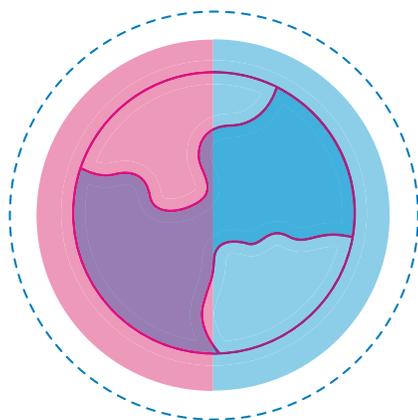
Three key policy interventions are called for. First, invest in skills that enable workers to perform new tasks over a lifetime of changing work environments. Once-and-for-all education at a young age is no longer sufficient. Second, support people through work and life transitions, including through universal access to social protection. Third, strengthen efforts to bridge technological divides within and among countries.

CLIMATE CHANGE: EXACERBATING POVERTY AND INEQUALITY

Climate change is accelerating environmental degradation and increasing the frequency and intensity of extreme weather events, among other impacts. The effects of both gradual environmental degradation and sudden shocks, such as hurricanes and floods, disproportionately affect vulnerable populations. Whether they impinge on infrastructure, livelihoods, resources, health or even the loss of lives and homes, these impacts are by no means uniform across countries or population groups.

Rising temperatures have adversely affected economic growth in countries located in the tropics, which tend to be poorer than countries located in more temperate climate zones. They have made the world's poorest countries poorer. The ratio between the income of the richest and poorest 10 per cent of the global population is 25 per cent

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The ratio between the income of the richest and poorest 10 per cent of the global population is 25 per cent larger than it would be in a world without global warming

larger than it would be in a world without global warming (Diffenbaugh and Burke, 2019). Unaddressed, climate change may even reverse current progress in reducing inequality among countries.

Within countries, people living in poverty and other disadvantaged groups – including indigenous peoples and small landholders – are disproportionately exposed to climate change. A majority of people in these groups live in rural areas and are highly dependent on agricultural, fishing and other ecosystem-related income. Their lives and livelihoods are finely attuned to environmental conditions that are now changing rapidly. People living in poverty are also more affected by infectious and respiratory diseases that climate change will aggravate. Similarly, they are more susceptible to damage from climate change than their richer counterparts living in the same regions. Finally, they have fewer resources to help them cope with and recover from both sudden- and slow-onset effects of climate change.

Climate change is affecting both the prevalence and depth of poverty, thereby contributing to inequality. It is making it harder for people to escape poverty and is increasing their vulnerability to falling into poverty, due to price shocks caused by sudden changes in agricultural production, natural disasters and environmentally triggered health problems. Estimates suggest that even under a low-impact scenario where powerful mitigation and adaptation strategies are successful, between 3 million and 16 million people will fall into poverty by 2030 because of climate change. Under a high-impact scenario, those figures could rise to between 35 million and 122 million (Hallegatte and others, 2016).

Climate change is also having an impact on intergenerational inequality. The disruptions caused by climate change are likely to reduce the livelihood opportunities of future generations, especially in countries hardest hit, and exacerbate downward intergenerational mobility.

Climate action and the transition to green economies bring opportunities to reduce poverty and inequality. Economic restructuring brought about by the greening of economies will result in the loss of lower-skilled jobs in carbon-intensive sectors. However, with carefully designed adaptation strategies, it can result in the creation of many new jobs worldwide and overall net gains.

A just, equality-enhancing transition towards green economies calls for the integration of climate action with macroeconomic, labour and social policies aimed at job creation, skills development and adequate support for those who will be harmed. Policies aimed at reducing poverty and inequality, in turn, can help reduce the negative effects of climate change and provide the means for low-income households to engage in environmentally sustainable livelihoods.

URBANIZATION: EXPANDING OPPORTUNITIES BUT DEEPER DIVIDES

Geography matters. Where people are born and live has a lasting influence on their opportunities in life. Access to safe drinking water, electricity, health care, good schools, decent work and other goals envisioned in the 2030 Agenda have a clear spatial dimension. Regional inequalities within countries are often larger than inequalities among countries.

Disparities between rural and urban areas stand out. The rural-urban divide is closing in some countries but widening in others. The gap in levels of stunting among children, for instance, has declined in 35 out of 53 developing countries with data – and has increased in the remaining 18 – since the 1990s. The difference between the percentage of urban and rural residents that have access to electricity has increased in 23 out of 55 countries with data.⁴

For the first time in history, more people now live in urban than in rural areas. Over the next three decades, all population growth is expected to occur in cities which will also draw in rural populations through migration. This transformation has implications for every aspect of sustainable development, including inequalities. Cities are catalysts for economic growth, innovation and employment. However, urban areas are more unequal than rural areas. In most cities and towns, areas characterized by high levels of wealth and modern infrastructure coexist with pockets of severe deprivation, often side by side.

The urban divide has economic, social and spatial dimensions. Economically, the Gini coefficient of income is larger in cities than in rural areas in most developed and developing countries. Socially, rapid urbanization has led to growing concerns about deteriorating health conditions. Even if maternal and child health are generally better in urban than in rural areas, they are at times worse in urban slums and other poor neighbourhoods of cities than in rural areas. Unregulated land and housing markets as well as poor urban planning can concentrate disadvantages in specific locations and lead to a vicious cycle of exclusion and marginalization. Slums are the most visible symptom of exclusion in divided cities. In 2016, one in four urban residents, or over one billion people, lived in slums.

THE CURRENT SPEED OF URBANIZATION IN DEVELOPING COUNTRIES AND ITS EFFECTS ON INEQUALITY MAKES URBAN GOVERNANCE AND ADEQUATE PLANNING INCREASINGLY URGENT



Income inequality is usually larger in cities than in rural areas

⁴ Calculations based on DHS and MICS data. For more information, see chapter 4 of this report.

Yet levels of inequality and poverty vary greatly by city, even within a single country. Although spatial segregation and exclusion, based on income, race, migratory status or other factors, are common to many urban areas, cities are unique, with different histories and patterns. Inequalities have increased in some as they have grown and developed but have declined in others.

In an increasingly urban world, innovative planning and city management are essential to reduce inequality and achieve all other development goals. Too often, Governments merely react to urbanization once imbalances in the process have become blatant. The current speed of urbanization, especially in poor countries, makes urban governance and appropriate urban design and planning increasingly urgent.

Four components are found in successful policy approaches to reduce inequality and promote inclusive cities. First, secure housing and land rights, with a focus on meeting the needs of people living in poverty, and provide equitable public services. Second, improve spatial connectivity and promote public transportation to facilitate equal access to the opportunities and amenities that cities offer. Third, promote access to decent work and formal employment. Fourth, strengthen the political and administrative capacities of local governments to respond quickly to increasingly complex challenges, including those related to climate change.

INTERNATIONAL MIGRATION: A FORCE FOR EQUALITY UNDER THE RIGHT CONDITIONS

International migration is a powerful symbol of global inequality, whether in terms of wages, opportunities or lifestyles. Millions of people move each year across countries and continents to seek better job opportunities, study, marry, reunite with family members or flee conflict or natural disasters.

Migration does not arise only from inequality or failed development: middle-income countries send more migrants abroad than low-income countries. In general, migration takes off once countries have started to grow economically and develop. Industrialization and urbanization have long been associated with massive displacements of people, mostly from rural to urban areas, but also across countries. As countries develop, more people have the economic means to migrate. Improvements in education and access to ideas, information and affordable transportation often increase the desire and opportunities to migrate.

International migration generally benefits most migrants and their countries of origin and destination. Yet its costs and benefits are not shared evenly across countries or within countries.

In countries of origin, benefits accrue through remittances and other transfers by migrant communities abroad. Remittances help to reduce the scale and severity of

poverty in these countries and even contribute to the reduction of inequality among countries. Indeed, more than 75 per cent of officially recorded remittances were received by low- and middle-income countries in 2018 (World Bank, 2019a).

Findings on the impact of remittances within countries are less conclusive. Wealthier and more skilled migrants send remittances less often than less skilled migrants, but the amounts wealthier migrants send are larger. Households at the lower end of the income distribution are disproportionately affected by the high transaction costs of sending money. Countries that restrict the immigration of less-skilled workers reduce the flow of remittances and their potential levelling effect.

The impact of migration on the labour markets of destination countries are at the core of current public debate. Concerns have been voiced over the negative effects of immigration on wages, based on the belief that migrants compete directly with native-born workers. However, less-skilled migrant workers often accept jobs that non-migrants are not willing to perform, including in agriculture, mining, construction and domestic work. Where migrants compete with less-skilled natives, immigration may indeed exert downward pressure on already low wages and push inequality higher. On the other hand, where they offer skills that are in short supply and services that non-migrants are not willing to provide, migrants may contribute to the smooth functioning of the labour market and even have a positive effect on employment.

In developing regions, the emigration of skilled workers is a cause for concern. It can lead to shortages of professionals with key skills, such as teachers, doctors and nurses. It can hamper economic growth and essentially subsidize richer countries with highly trained workers. But positive feedback effects are possible as well. Migrants abroad and those who return can generate flows of knowledge, foreign direct investment and trade. In China, India and the Republic of Korea, for instance, migrants abroad and returnees have been a driving force in the growth of the software industry and other high-tech manufacturing industries. Whether the emigration of skilled workers constitutes a net loss or a net gain – including through the flows of knowledge and investment it generates – depends on the country of origin. However, it is safe to assume that countries of destination may gain, even more than sending countries, from the inflow of skills. Skilled migration may contribute to rising international inequality if high-income countries, typically countries of destination, gain more than low-income countries.

The 2030 Agenda highlights the role that migration can play in reducing inequality. Yet the equalizing effects of migration are far from guaranteed. To a large extent, the degree to which developing countries – and migrants themselves – benefit from migration, and whether migration reduces or exacerbates inequalities, depends on the conditions under which migration takes place.

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Most destination countries in developed regions encourage the admission of highly skilled migrants while offering few avenues for the legal entry of less-skilled or educated migrants. Offering legal pathways for migration to less-educated workers can benefit both developed and developing countries. Moreover, actively promoting their integration and that of their families, through access to health care, education and other services, can benefit society at large. Establishing mechanisms for the formal recognition of educational credentials earned abroad would also help increase migrants' contributions. In order to fill specific job gaps, Governments in destination countries may also consider funding training in countries of origin. Doing so would equip migrants for success in destination countries and prevent shortages of skills in their countries of origin.

The high cost of transferring money prevents people in poverty from fully reaping the benefits of migration. Meeting the SDG target of reducing the transaction costs of migrant remittances to less than 3 per cent of the amount sent and eliminating remittance corridors with costs higher than 5 per cent by 2030 can help workers and their families keep more of their earnings.

PROMOTING EQUALITY AND SOCIAL JUSTICE IN A CHANGING WORLD

The 2030 Agenda recognizes that major challenges are interrelated and require integrated solutions. Without decisive action to manage megatrends in a strategic and coordinated way, the world will see inequalities widen. Conversely, addressing inequalities now will allow us to seize opportunities presented by these transformative changes for the world as a whole and protect disadvantaged groups from falling further behind.

Policymaking through an equality lens

The megatrends examined in this report are having an impact on the reduction of inequalities and on the achievement of all other SDGs. However, their course is not set. It is neither possible nor desirable to hold back technological change, urbanization or migration, but their effects can be managed to encourage more equitable and sustainable societies. Climate change cannot be turned around in the short term and has already exacted significant and possibly irreversible changes. Still, social considerations can be part of adaptation and mitigation policies as countries transition to green economies.

The evidence summarized in this report shows that these megatrends can be managed in ways that ensure their benefits are broadly shared and their negative effects do not fall disproportionately on those who lack the resources to cope and recover. Applying an equality lens to policymaking calls for policies and regulations

that leverage the potential of new technologies to reduce poverty and create jobs while addressing existing technological divides. It requires policies that build the resilience of people living in poverty to climate change. It means addressing the spatial, economic and social divides within cities, making urbanization more inclusive and ensuring that rural areas are not left behind. And it calls for facilitating safe, orderly and regular migration and promoting its positive impacts.

Applying an equality lens also means that Governments should reconsider policies that aggravate the harmful effects of these trends. While technological change may have contributed to workforce polarization and increased wage inequality, for instance, financial and labour market deregulation, declines in income tax progressivity and weakened social protection have also exacerbated these trends in some countries.

Finally, applying an equality lens means redoubling efforts to address the root causes of inequality now.

Reducing inequality within countries: what experience can teach us

Mixed success in reducing inequalities within countries calls for a rethinking of strategies. Clearly, no single set of policies is applicable to all countries and contexts. Instead, this report highlights three building blocks of a coherent and integrated policy strategy to reduce inequality in many of its dimensions.

① Promote equal access to opportunities

Universal access to quality education, in particular, expands opportunities and encourages a more equal distribution of capabilities. However, the educational system has often served to reinforce inequalities rather than help to level the playing field.

Supporting people in realizing their potential also requires the promotion of full employment and decent work. Yet the contrast between looming and transformative changes in the world of work and the preparedness of Governments and the international community to manage them is stark. Governments can address these disconnects by increasing investments in labour market institutions and policies and supporting new forms of collective representation, ensuring that those who work under non-standard employment contracts or outside the formal sector have a voice.

② Institute a macroeconomic policy environment conducive to reducing inequality

Fiscal and monetary policies can encourage greater equity. In addition to their direct impact on income distribution, they can also mobilize resources for social policies, including social protection. The way in which taxes and expenditures are allocated is at the heart of the social contract.

Universal access to effective social protection goes a long way towards reducing poverty and inequality, as substantiated by the evidence presented in this report. Social protection systems that provide unemployment and disability benefits, child benefits, old-age pensions and access to health care offer income security at all stages of the life cycle and minimize the risk of falling into poverty. Despite the value of social protection systems in building a more equitable society, comprehensive coverage was enjoyed by only 29 per cent of the world population in 2017 (ILO, 2017a).

③ Tackle prejudice and discrimination and promote the participation of disadvantaged groups in economic, social and political life

Social and economic policies will have limited impact on inequality if societies continue to discriminate on the basis of ethnicity, race, gender or other characteristics that should have no bearing on achievement or well-being.

Ending prejudice and discrimination is a long-term process. It requires reforming institutions and influencing social norms and behaviours. Constitutional changes, revision of discriminatory laws and policies, and the passage of new laws to prevent discrimination and promote the well-being of excluded groups can lay the groundwork for greater fairness.

However, all of these measures tend to challenge the status quo, and thus are likely to encounter resistance. In most cases, inaction is due not to the lack of sound technical advice or even adequate capacity. Rather, mobilizing support for policy responses that affect the balance of power can be most difficult. Understanding the political constraints to reducing inequality and devising ways to overcome them is key to breaking the current stalemate.

In general, policy frameworks grounded in universalism have enjoyed broader support than those focused narrowly on addressing the symptoms of poverty or disadvantage. While reducing inequalities may require measures targeted at specific groups to meet their special needs, a universal policy framework is necessary to address the root causes of inequality and ensure that policies enjoy sustained popular support.

Reducing inequality in an interconnected world

Governments and other national stakeholders are key players in creating more equitable societies. But large gaps in well-being and opportunities within and among countries are a national as well as a global problem, demanding integrated, multilateral solutions. One country's action on climate change or international migration – or lack thereof – has costs and benefits for other countries. The imbalance between top greenhouse gas-emitting countries and those suffering the most from the impacts of climate change is a well-documented injustice. None of these issues can be addressed unilaterally. Concerted, coordinated and multilateral action is also needed

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SUPPORT FOR
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to address other challenges that affect inequality within and among countries, namely tax evasion, cross-border financial flows, transnational crime, international trade and intellectual property rights.

At this critical juncture, however, multilateralism is under attack and trust in public institutions is flagging. Although the multilateral system may need adjusting, current global challenges call for strengthening it, rather than dismissing it altogether. Among other things, restoring trust in international problem-solving requires multilateral institutions that give adequate voice to regions and countries with growing influence in the global economy as well as to those groups and communities that are being left behind.

It is increasingly clear that reducing inequalities strengthens not only the social fabric but also the economic and environmental dimensions of sustainable development. However, this awareness has not yet been translated into the necessary normative changes. Instead, growing inequalities and overreliance on the capacity of markets to bring about social justice threaten the social contract in many countries. Beyond the urgent need to accelerate action, realizing the vision of the 2030 Agenda requires a reconsideration of the policy priorities that have perpetuated inequality as well as insecurity.

LARGE GAPS IN WELL-BEING AND OPPORTUNITIES WITHIN AND AMONG COUNTRIES ARE NATIONAL AS WELL AS GLOBAL PROBLEMS, DEMANDING INTEGRATED, MULTILATERAL SOLUTIONS

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Despite extraordinary economic growth and widespread improvements in well-being over recent decades, inequality remains high within and across countries.

Today, powerful economic, social and environmental forces are affecting inequality. The World Social Report 2020 examines the impact of four such global trends: technological innovation, climate change, urbanization and international migration.

Rising inequality is not inevitable, according to the report. National policies and institutions can help ensure that the benefits of these global trends are broadly shared and their negative effects do not fall disproportionately on those who lack the resources to cope and recover.

How these trends are addressed will largely determine the shape of our common future.



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