Study Guide for ECOSOC at MUN Flensburg 2023
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Dear Participant,

It is with great pleasure that we welcome you to the upcoming conference of MUN Flensburg. As you may already know, the aim of this conference is to simulate how the United Nations operates, providing a platform for delegates to engage in constructive dialogue and exchange of ideas regarding global issues. Furthermore, you will be challenged to think critically and creatively as you work towards finding solutions to some of the world's most pressing issues.

You belong to an outstanding group of participants representing countries and organisations from all over the world, and we are confident that your contribution will add significant value to the conference. We encourage you to engage in the discussions with an open mind and to actively participate in your committee.

We have organised a comprehensive program that will offer you opportunities to learn from experts in various fields, engage in meaningful debates, and network with other delegates. The conference promises to be an exciting and rewarding experience.

To help you with your preparation for the conference the chairs and us have written guides for the topics of "Creating Sustainable and Resilient Cities" and "Reducing Income Inequality in the World". They give you a solid introduction to the topic and the problems connected to it. Some terms in the study guide are marked in bold. The explanation to these terms can be found in the glossary of the respective study guide. Furthermore, we want to encourage you to use the study guides as a jumping off point for your own research.

If at any point you have questions, please do not hesitate to contact us through our email address (academic-content@mun-flensburg.de).

We look forward to seeing you at MUN Flensburg 2023 and are excited about the valuable contributions you will make.

Best regards,

Paula Barredo, Annick Poirot and Aral Sezgin (Secretariat of MUN Flensburg 2023)

1. Creating Resilient and Sustainable Cities

1.1 Introduction

So-called **superblocks** reduce the traffic and the associated noise and pollutants emitted in Barcelona's residential neighbourhoods, and create space for cyclists, plants and community on the street. In Lagos, cargo bikes from We-cyclers collect recycling waste from poor households, who receive point, which they can exchange for essential goods. In this way, the company fights against Lagos' garbage problem and helps poor households at the same time. Two examples that show how different problems of cities around the world and their solutions can be.

In this respect, sustainable urban development is an extremely broad field that has to address a wide range of problems, but which can also be very creative in finding solutions and involve a wide variety of actors from the population, the economy and politics in the process.

Creative solutions are desperately needed with the United Nations predicting that 70% of the world's population will live in cities by 2050. Already today, cities are facing major social problems that will continue to worsen without appropriate political action. Major problems include poverty, housing shortages and lack of access to drinking water. At the same time, cities are among the largest CO_2 emitters in the world, so their sustainable development can and must make an important contribution to climate protection. Likewise, environmental problems, such as air pollution and **soil sealing**, affect the direct quality of life in cities. The UN is aware of the issue of sustainable urban development and has therefore included it in the Sustainable Development Goals (SDGs). SDG 11, for example, aims to create sustainable cities and communities.

The Covid-19 pandemic has highlighted an additional urgency for sustainable urban development, as people living in the **slums** of cities in the Global South were hit particularly hard. There, the cramped living conditions made it impossible to socially distance. At the same time hygienic conditions and access to health care were inadequate. These conditions must be improved in order to meet the basic needs of the people living there. This shows that sustainable urban development has to encompass not only ecological and economic aspects, but also social ones.

Overall, there are major differences in the challenges that cities around the world have to overcome. This must be taken into account when setting goals, implementing, financing and monitoring measures.

1.2 Background

The 21st century is the century of urbanisation, as already today half of the world's population lives in cities. A number which is predicted to increase to over 75%. Some of the cities are still being built today, such as Putrajaya, Malaysia, Sejong, South Korea; others are much older like Istanbul, London, and Delhi.

A city can be defined as the following:

A permanent and densely settled place with boundaries that are administratively defined, a city is the accomplishment of a population whose members work primarily on non-agricultural tasks (Goodall, 1987, p. 99).

Though clearly the most dominant and recognizable features of the man-made world, cities are not universally admired, much less revered, for their accomplishments. They are, instead, respected as centres of economic and political power and sometimes as repositories of great cultural achievement. At the same time, social inequalities and societal problems are especially visible in cities.

Cities as we know them today are a comparatively recent invention. For the better part of human history, including most of the time for which we have no written records, people did not live in cities or anything like them. Cities as we know them today have only developed in the last three centuries. The reason that cities have become an intensely discussed issue in the 21st century is that it has become more complex than just housing people in a densely packed area. Providing sustainably for a large population in a relatively small space is no easy fit. It includes managing housing problems, access to public transportation, providing green areas, making the city more inclusive and many other issues.

Cities are also places of diversity. This means that not only opinions on political matters are diverse but also humans, ranging from gender to point of origin (birthplace), which adds another layer of complexity. However, this diversity is also subject to many opposite opinions, for example if there is a

minority present in an administrative boundary of a city, the issues concerning minorities are also issues of the city. These are just a few of the sociological issues a city encounters.

However, according to the Sustainable Development Goals (SDGs) of the UN, the issues that most cities are facing can be summarised as follows: Only 52% of the world's urban population have access to public transport within walking distance and it is provided in only 37% of the cities. Similarly, only 45% of the urban population have convenient access to green public spaces and only 38% of cities have such spaces. 82% of cities are collecting solid waste, but only 55% further process it in controlled facilities. Uncollected and not safely processed waste is a source of plastic pollution as well as greenhouse gas emissions and poses a big risk for the spread of diseases.

Especially affected by these and other issues like limited access to clean water and sanitation, overcrowded living spaces and forced evictions, are slums. Over 1 billion people live in slums around the world, but mainly in three regions: Central and Southern Asia, Eastern and South Eastern Asia and Sub-Saharan Africa. The reasons behind slum formation in developing regions are many: rapid urbanisation, ineffective planning, lack of affordable housing options for low-income households, dysfunctional urban, land and housing policies, a lack of housing finance, and poverty.

1.3 Current Situation

The UN has dealt with the topic of sustainable and resilient cities several times over the past decade. First of all it has dedicated a Sustainable Development Goals (SDG) to the issue: SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable. This includes several sub-targets which in turn have **indicators** through which progress on the SDG can be measured. For instance, it refers to access to affordable and safe housing and transport, **inclusivity** in urban planning, the protection of cultural and natural world heritage, the reduction of the effects of disasters, the lowering of cities' environmental impact and the provision of safe green public spaces. Progress towards the achievement of these sub-targets is monitored in the yearly Sustainable Development Goals Report. The 2022 report shows that progress has been made on several issues. For instance, more cities than ever are monitoring their air pollution levels which is the first step to improving air quality. The number of countries working on local disaster risk reduction strategies has also increased. However, the number of slum residents is at an all time high as well.

This means that there is still a long way to go until SDG 11 is achieved. Two documents helping with the preparation and implementation of related policies are the New Urban Agenda and the Sendai Framework on Risk Reduction.

The New Urban Agenda (NUA) is the result of the Habitat III conference that took place in October 2016 in Quito, Ecuador. It was the third global conference dedicated to sustainable urbanisation. These conferences take place in a bi-decennial cycle, so every 20 years. The NUA is therefore the successor of the Habitat Agenda of Istanbul which was created in 1996.

The New Urban Agenda outlines a vision for sustainable cities and human settlements that are socially inclusive, economically prosperous, and environmentally sustainable. It emphasises the need for affordable and adequate housing, basic services, and infrastructure, as well as the promotion of sustainable urban mobility, resource efficiency, and climate resilience. In addition, the agenda calls for strengthened **urban governance**, including the participation of communities and stakeholders in decision-making processes, and the promotion of partnerships and cooperation among all levels of government, the private sector, civil society, and academia.

Progress on the NUA is monitored in quadrennial reports which also include recommendations on how to move forward on the matter. The past two reports, which were issued in 2018 and 2022, addressed numerous shortcomings like the lack of long-term and predictable financing, the need to further develop integrated urban policies on a national level and to implement them and the necessity to

strengthen local and regional governments as well as to include them better in national planning processes. However progress has been made on the international interconnection of cities for them to share tools and experiences with the implementation of the NUA. For example, the online platform City2City has been established. Additionally, there are different networks that focus on specific parts of the NUA like the Global Platform for Sustainable Cities and United for Smart Sustainable Cities Initiative.

The Sendai Framework for Disaster Risk Reduction was adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan in 2015. Its goal is to significantly lower losses in lives, livelihoods and health as well as to reduce the economic, physical, social, cultural and environmental damages during and after technological and natural disasters. To achieve this it sets four priorities for action: (i) Understanding disaster risk; (ii) Strengthening disaster risk governance to manage disaster risk; (iii) Investing in disaster reduction for resilience and; (iv) Enhancing disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction. Additionally seven targets with a set of 38 indicators have been established to clarify what needs to be achieved until 2030. Even though it is a comprehensive framework implementation is lacking. Out of 195 countries that are tracked in the online monitor 156 countries have not started the implementation yet. 34 countries are in the process of implementation and only 5 countries have validated the targets.

Additionally, the achievement of SDG 11 is closely related to the Paris Agreement as cities are vital players in the fight against climate change. The Paris Agreement is a global treaty signed by 196 countries in 2015 with the goal of combating climate change. The agreement aims to limit global warming to well below 2 degrees Celsius above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5 degrees Celsius. Under the Paris Agreement, countries pledged to reduce their greenhouse gas emissions and to regularly report on their progress. The agreement also established a framework for providing financial and technological support to developing countries to help them transition to low-carbon economies and adapt to the impacts of climate change. The Paris Agreement is legally binding, but the specific emissions reduction targets are voluntary and set by each country, known as Nationally Determined Contributions (NDCs). So far, the NDCs set by countries around the world are being criticised for not being ambitious enough to limit global warming to well below 2 degrees Celsius. Cities are estimated to be responsible for up to 75% of the global greenhouse gas emissions. Therefore it is important to include cities in the implementation of NDCs. Measures to increase the sustainability of cities can help to reach both the Paris Agreement and SDG11.

To summarise the current situation: there are extensive frameworks on how to build sustainable and resilient cities with clear targets and indicators, but the implementation is lacking and needs more financing, resources and political intention.

1.4 Problems and approaches to solutions

As mentioned in the previous section, there are several institutional initiatives aiming at supporting or achieving SDG 11. However, the main critique is that these initiatives lack real implementation and that further measures are needed to achieve Sustainable and Resilient Cities. The last two reports of the New Urban Agenda (2018 & 2022) pointed to a lack of long-term and predictable financing, the necessity of integrated urban policies on a national level and the need to involve local and regional governments in the process of building sustainable and resilient cities.

One of the ways to address the lack of long and predictable financing is by using Private-Public Partnerships (PPPs). PPPs are, typically, arrangements between a public and a private institution which set a long-term contract in which both collaborate. The idea is to achieve a goal in the most effective and efficient way. Thus, private organisations provide expertise, monitoring and maintenance, while public institutions retain ownership and establish regulations. Besides that, private organisations might

supplement the lack of public funding, enhance innovative forms of financing, promote accountability by sharing risks with the public sector and encourage public-private dialogue.

Another way to improve long term and predictable financing is by using green **bonds**. Green bonds are usually issued in the same way as traditional bonds, the difference now is that green bonds specifically target projects that meet specific environmental or social criteria. This kind of financing helps governments to better target new initiatives and proposals from the private and civil sector, while establishing relations with very clear objectives and time-frames.

Finally, the use of **crowdfunding** has also been proposed as an alternative to traditional forms of financing which often do not target small-scale infrastructure, community-led projects and social enterprises.

Moving now to the necessity to develop integrated urban policies at a national level, several proposals have been discussed in the NUA reports, among others, the need to involve multi-stakeholder consultations, develop a national policy framework, foster interagency collaboration, and strengthen institutional capacities.

By engaging in multi-stakeholder consultations, states can develop integrated urban policies through a consultative process that involves different stakeholders, including local communities, private sector representatives, civil society organisations, and academic experts. Such consultations can help identify key urban development issues, priorities, and potential solutions.

Besides that, developing a national policy framework for urban development that outlines the key objectives, principles, and strategies for achieving sustainable urbanisation, can help guide decision-making and resource allocation across different levels of government and can ensure a coordinated and integrated approach to urban development.

Another way to move closer to integrated urban policies is through fostering collaboration between different government agencies, including housing, transportation, environment, and social services. Such collaboration would ensure that policies and programs are integrated and complementary, and can help avoid duplication of efforts.

Finally, strengthening institutional capacities of government agencies responsible for urban development, including building their technical expertise, human resources, and financial resources, can help ensure that policies and programs are effectively implemented and that resources are used efficiently.

To come to our last point, in order to involve local and regional governments in the process of building sustainable and resilient cities, we need to go through a decentralisation of powers and a support for local and regional governments to further build their capacities.

To this aim, a transfer of power and resources from national governments to local and regional stages, legal and institutional reforms that devolve decision-making authority, administrative responsibilities, and financial resources to the local and regional levels is needed. By giving local and regional governments greater autonomy, they can be more responsive to the needs and priorities of their communities.

Besides that, by providing training, technical assistance, and resources to help local and regional governments build their capacity to plan and implement sustainable urban development initiatives, we can be a step closer to developing better sustainable policies. Capacity building can include skills training in areas such as project management, stakeholder engagement, and financial management. It can also involve providing access to information, tools, and best practices to help local and regional governments make informed decisions and improve their governance practices.

Regarding this last point, in 2016 the United Nations launched the UN's Local2030 initiative, an initiative that aims to mobilise local governments, businesses, civil society, and other stakeholders to

work together to achieve the SDGs in their communities. Local2030 recognizes the critical role that regional governments play in achieving the SDGs, **particularly Goal 11 on Sustainable Cities and Communities.** In that regard, the initiative also works to strengthen the capacity of local governments to plan and implement sustainable development strategies, promote innovative solutions, and mobilise resources for sustainable urban development.

In terms of financing, the Local2030 initiative has supported several initiatives. For example, the creation of local hubs: *"spaces where communities—together with the UN system and external partners—identify their priorities with respect to the SDGs and implement innovative solutions that address local needs"* (https://www.local2030.org/local-action). Additionally, it has supported the *Cities Alliance*, *Sustainable Energy for All* (SEforALL) and *C40 Cities.* The Cities Alliance is a global partnership of cities and organisations working to promote sustainable urban development and poverty reduction. SEforALL is an initiative that aims to provide access to clean and affordable energy for all. Lastly C40 cities is *"a global network of mayors of the world's leading cities that are united in action to confront the climate crisis"* (https://www.c40.org/).

While the Local2030 initiative has been praised for its efforts to empower local and regional governments, promote sustainable development, and engage stakeholders, it has also faced some criticisms. One critique is that the initiative lacks a clear definition of what constitutes a "local" government and how it differs from a "regional" government. This can lead to confusion and a lack of clarity in terms of which level of government is responsible for implementing certain initiatives. Another critique is that the initiative places too much emphasis on partnerships with the private sector, potentially leading to a prioritisation of business interests over those of local communities. Additionally, some critics have argued that the Local2030 initiative lacks concrete actions and accountability measures to ensure that its goals are actually achieved. While the initiative includes a framework of indicators to track progress, some have argued that these indicators are too broad and may not capture the true impact of the initiative.

1.5   Guiding questions

- Which lessons can be learned from the Covid pandemic? How can these lessons be included in the development of national policies and in local urban planning?
- Which role does the concept "Right to the city" play? Should it be reinforced in international agreements on sustainable urban development? If so, how can it be done?
- How can the living conditions of slum residents be improved and their legal position regarding their housing be strengthened?
- How can smart city technologies be included?

Tip from the Chairs: Apart from the recommendations here given, we would like all the participants to come up with more solutions to the stated problem because we would personally like the committee to have more of a solution-oriented approach along with finding different ways and methods to look deeper into the problems and solving them as well. For extra readings, we would recommend the participants to go through the sources mentioned in the bibliography, although we do understand the time constraint in going through all of them. It is absolutely fine if you all cannot go through all the readings but we are simply recommending it for a deeper understanding of the topic as well as a deeper understanding of the committee as well.

1.6   Glossary

- **Bonds**: "Bonds are investment securities where an investor lends money to a company or a government for a set period of time, in exchange for regular interest payments. [At the end of the set period] the bond issuer returns the investor's money". (https://www.forbes.com/advisor/investing/what-is-a-bond/)
- **Crowdfunding**: "The term crowdfunding refers to the practice of getting a large number of people to each give small amounts of money in order to provide the finance for a project, typically using the internet". (https://dictionary.cambridge.org/dictionary/english/crowdfunding)
- **Inclusivity**: Inclusivity refers to measures that aim at including people who might otherwise be excluded or marginalised. It is often used in the context of including disabled people in environments that have typically been created for people without disabilities. However the concept can be used for all kinds of marginalised groups.
- **Indicators**: a value that shows what the situation is like in regards to specific concepts or areas of interest. For example low income is used as an indicator of poverty.
- **Soil sealing**: "Soil sealing can be defined as the destruction or covering of the ground by an impermeable material." https://www.eea.europa.eu/help/faq/what-is-soil-sealing-and
- Superblocks: Superblocks are a concept in traffic planning that aim at lowering the amount of cars and other motorised vehicles going through a residential area. Instead of being allowed to cross the residential area directly, cars have to use main roads outside surrounding it. This increases the traffic safety and lowers noise and air pollution within the residential area.
- **Urban Governance**: "Urban governance refers to how governments (local, regional and national) and stakeholders decide how to plan, finance and manage urban areas." https://gsdrc.org/topic-guides/urban-governance/concepts-and-debates/what-is-urban-governance/
- **Urbanisation**: "Urbanisation [defines] the process by which large numbers of people become permanently concentrated in relatively small areas, forming cities. https://www.britannica.com/topic/urbanization

1.7 Recommended Readings

United Nations (2016): The New Urban Agenda: Key Commitments, 20.10.20216, https://www.un.org/sustainabledevelopment/blog/2016/10/newurbanagenda/ (last access: 31.03.2023). – gives an overview of the NUA and its contents.

United Nations Office for Disaster Risk Reduction (2015): Reading the Sendai Framework for Disaster Risk Reduction, https://www.preventionweb.net/files/46694_readingsendaiframeworkfordisasterri.pdf (last access: 31.03.2023). – Discussion of the Sendai Framework.

United Nations Secretary General (2022): Progress in the Implementation of the New Urban Agenda, https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/278/72/PDF/N2227872.pdf?OpenElement (last access: 31.03.2023). – Quadrennial Report on the progress of the NUA which includes recommendations for the next for years.

1.8 References

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Habitat II (n.d.)I: The New Urban Agenda, https://habitat3.org/the-new-urban-agenda/ (last access: 17.04.2023). – Website of Habitat III where the drafts of the conferences can be found.

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Local 2030 (n.d.): Partnerships for the SDGs, https://sustainabledevelopment.un.org/partnerships/local2030 (last access: 17.04.2023). – Projects, partners, and initiatives of Local2030.

Sustainable Energy for All (n.d.): Programmes, https://www.seforall.org/impact-areas/programmes (last access: 17.04.2023). – Overview of SEforALL's work.

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United Nations (2015): Sendai Framework for Disaster Risk Reduction 2015-2030, Sendai, 18.03.2015, https://cdn.who.int/media/docs/default-source/health-security-preparedness/drr/sendai-framework-for-disaster-risk-reduction-2015-2030.pdf?sfvrsn=8aa55898_23&download=true (last access: 31.03.2023). – Full text of the Sendai Framework.

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United Nations (2022): The Sustainable Development Goals Report 2022, 07.07.2022, https://unstats.un.org/sdgs/report/2022/The-Sustainable-Development-Goals-Report-2022.pdf (last access: 31.03.2023). – Pages 48-50 give an overview of the progress on SDG 11.

United Nations Conference On Housing And Sustainable Urban Development (3rd: 2016 : Quito, Ecuador). (2017).

United Nations Conference on Housing and Sustainable Urban Development (2016): New Urban Agenda, Quito, 20.10.2016, https://habitat3.org/wp-content/uploads/NUA-English.pdf (last access: 31.03.2023). – Full text of the NUA.

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United Nations Office for Disaster Risk Reduction (2023): Measuring Implementation of the Sendai Framework, https://sendaimonitor.undrr.org/ (last access: 31.03.2023). – Overview of the implementation of the Sendai Framework (country and target status).

United Nations Office for Disaster Risk Reduction (2023): Monitoring Sendai Framework, https://www.undrr.org/monitoring-sendai-framework#Overview (last access: 31.03.2023). – Gives an overview of how the Sendai Framework is being monitored, which indicators are used and how they are related to the SDGs.

United Nations Secretary General (2022): Progress in the Implementation of the New Urban Agenda, https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/278/72/PDF/N2227872.pdf?OpenElement (last access: 31.03.2023). – Quadrennial Report on the progress of the NUA which includes recommendations for the next for years.

2. Reducing Income Inequality in the World

2.1 Introduction

Income inequality is a pressing issue that affects societies around the world. It refers to the unequal distribution of income among individuals or households in each society, often resulting in some individuals earning significantly more than others. For instance, in the period of 2020-2022 the richest 1% of the world population has accumulated almost two-thirds of all new wealth created in this time. This means that they have claimed almost the double amount of the remaining 99% of the world population.

Income inequality can have a range of negative effects on society, such as reduced social mobility, increased poverty, and decreased economic growth. As a result, policymakers and academics alike have focused on identifying solutions to reduce income inequality and promote greater economic and social equality.

Income inequality can be measured in a variety of ways, including the Gini coefficient, which ranges from 0 to 1, with 0 representing perfect equality and 1 representing perfect inequality. Income inequality can have a range of negative consequences, including reduced economic growth, social unrest, and political instability.

2.2 Background

2.2.1 Causes of Inequality

There are several factors that contribute to income inequality, including technological change, globalization, education, taxation and discrimination.

Technological Change: Advances in technology have led to significant changes in the labour market, with the emergence of new industries and the automation of many jobs. This has led to significant shifts in the demand for labour, with highly skilled workers commanding higher wages and less skilled workers seeing stagnant or declining wages.

Globalization: The rise of globalization has led to increased competition in many industries, which has put downward pressure on wages in developed countries. At the same time, globalization has led to increased economic growth in many developing countries, creating new opportunities for workers but also exacerbating income inequality between countries.

Education: Education is a key determinant of income, with individuals who have higher levels of education typically earning higher wages. However, access to education is often unequal, with disadvantaged groups facing barriers to accessing quality education.

Taxation: Tax policies can either exacerbate or reduce income inequality. Progressive tax policies that place a higher burden on higher earners can help to reduce income inequality, while regressive tax policies that place a higher burden on lower earners can exacerbate it.

Discrimination: Lower income, for some social groups, is related to discrimination on the basis of gender, race or disability amongst others. For instance, in the USA the income of an average black household is 42% lower than the average income of a white household. Globally, women earned 37% less than men in similar positions in 2021. Women and girls ability to work in paid jobs is still limited

by the high amount of unpaid care work they do everyday. This work amounts to 12.5 billion hours per day. Additionally, marginalised people often work in the **informal economy** which has no labour protection regulations.

2.2.2 Consequences of Income Inequality

Income inequality has a range of negative consequences. Firstly, income inequality is closely related to poverty, as excessive wealth and extreme poverty coexist in many countries. Poverty comes with negative consequences for the effected individuals. It is closely related to hunger and malnutrition as well as poor health and low education. Less income also means less opportunities to participate in society and decision-making.

Secondly, high levels of income inequality can lead to reduced economic growth, as lower-income individuals have less disposable income to spend on goods and services, which can lead to lower **aggregate demand.**

Thirdly, high levels of income inequality can lead to social unrest, as lower-income individuals may feel that the system is rigged against them and that their opportunities for upward mobility are limited. This is reflected in the correlation of high income inequality and high crime and imprisonment rates. The everyday struggle as well as the lack of perspectives can lead to disillusion and dissatisfaction with the political system which can lead to the support of extremist parties and movements. Therefore income inequality can be a driver of political instability.

2.3 Current Situation

Over the past decades income inequality between countries has lowered, however this is not reflected in the development within countries. In most parts of the world income inequality within countries has risen. The notable exception being the region of Latin America and the Caribbean where a decline of income inequality could be observed.

Income inequality rises in time of crises. This was the case after the financial crisis of 2008 as well as during the Covid-19 pandemic. People with very high income have disproportionately profited from the covid pandemic. In contrast many low-income households have suffered additionally as their income sources were obstructed by lockdowns and economic recession.

The UN has recognized the importance of inequality and the Agenda 2030 with its Sustainable Development Goals (SDGs) can be regarded as a comprehensive framework to fight against inequalities. The SDGs foster sustainable development and strive for inclusive economic growth. Moreover, SDG 10 is specifically dedicated to the reduction of inequality within and amongst countries. One target included in SDG 10 is to achieve income growth of the bottom 40 per cent of the population at a rate higher than the national average. SDG 1 addresses poverty reduction which is also closely related to high income inequality. Additionally, SDG 5 deals with the gender dimension of income inequality. To guide the work against inequalities within the UN system the "Shared Framework for Action to Put Equality and Non-discrimination at the Heart of Sustainable Development" was developed. It sets out a common approach for the systematic integration of inequality, discrimination and equity issues into the United Nations support for Member States in the implementation of the 2030 Agenda. It includes policies and programmes supporting the reduction of inequalities and suggests tools to assess and monitor the initiate level of inequalities as well as the progress of reduction. While the Shared Framework targets all forms of inequality and discrimination it does support measures which are suitable for reducing income inequality like the introduction of progressive taxation, the setup of social protection systems or the protection of labour rights.

2.4 Problems and Approaches to Solutions

2.4.1 Strategies for Reducing Income Inequality

There are a variety of strategies that can be employed to reduce income inequality, ranging from educational and labour market policies to progressive taxation and social safety nets. While the effectiveness of these strategies may vary depending on the specific context and country, they can all contribute to reducing income inequality and promoting greater economic and social equality.

Education and skills development are important drivers of income inequality. Individuals with higher levels of education and skills are often able to secure higher-paying jobs, while those with lower levels of education and skills may struggle to find employment or may be limited to lower-paying jobs. As a result, investing in education and skills development can help to reduce income inequality by increasing the skills and earning potential of individuals.

One strategy for promoting education and skills development is through early childhood education and care programs. Research has shown that early childhood education can have a significant impact on children's cognitive and non-cognitive development, which can in turn lead to improved educational outcomes and higher earnings in adulthood. Investing in quality early childhood education and care programs can therefore help to reduce income inequality by levelling the playing field for children from disadvantaged backgrounds.

Another strategy is to invest in vocational education and training (VET) programs, which can provide individuals with the skills and training needed to secure higher-paying jobs. VET programs can also help to address skills shortages in certain industries, which can in turn lead to increased wages and reduced income inequality. However, it is important to ensure that VET programs are accessible and affordable for all individuals, particularly those from disadvantaged backgrounds.

Progressive taxation is another strategy for reducing income inequality. Progressive taxation involves levying higher taxes on individuals with higher incomes, while providing tax breaks or exemptions for those with lower incomes. By redistributing income from high earners to low earners, progressive taxation can help to reduce income inequality and promote greater economic and social equality.

One approach to progressive taxation is to introduce a progressive income tax system. Under a progressive income tax system, individuals with higher incomes are taxed at a higher rate than those with lower incomes. This can help to reduce income inequality by redistributing income from high earners to low earners. Another approach is to introduce a wealth tax, which involves levying a tax on individuals' net worth. This can help to reduce wealth inequality, which is closely linked to income inequality.

Social safety nets are another strategy for reducing income inequality. Social safety nets refer to a range of programs and policies designed to provide support to individuals and families in need, such as unemployment benefits, housing assistance, and food stamps. By providing a safety net for those who are struggling to make ends meet, social safety nets can help to reduce poverty and income inequality.

One approach to social safety nets is to introduce a universal basic income (UBI) program. Under a UBI program, all individuals would receive a basic income, regardless of their employment status or income level. This can help to reduce poverty and income inequality by providing a safety net for all individuals, regardless of their circumstances. However, implementing a UBI program can be challenging and may require significant financial resources.

Labour market policies are a further strategy for reducing income inequality. Labour market policies refer to a range of measures designed to promote employment and improve working conditions, such as **minimum wage** laws, collective bargaining, and worker protections. By ensuring that workers are paid fairly and have access to good jobs, labour market policies can help to reduce income inequality and promote greater economic and social equality.

One approach to labour market policies is to introduce a living wage, which is a minimum wage that is set at a level that is high enough to allow workers to meet their basic needs, such as housing, food, and healthcare. This can help to reduce poverty and income inequality by ensuring that workers are paid a fair wage that allows them to support themselves and their families.

Another approach is to promote collective bargaining, which involves workers negotiating with employers as a group to secure better wages and working conditions. Collective bargaining can help to reduce income inequality by giving workers more bargaining power and ensuring that they are paid fairly for their work. Unfortunately, the organization of workers is often undermined by intimidation.

Lastly, reducing income inequality is not just a domestic issue, but also a global one. Income inequality is often exacerbated by global economic and political structures that favour wealthy countries and multinational corporations at the expense of developing countries and their populations. Therefore, international cooperation is crucial for reducing income inequality and promoting greater economic and social equality.

One approach to international cooperation is to promote fair trade policies. Fair trade policies aim to ensure that producers in developing countries are paid a fair price for their goods and are not exploited by multinational corporations. By promoting fair trade policies, countries can help to reduce income inequality and promote greater economic and social equality between developed and developing countries.

Another approach is to provide development assistance to developing countries. Development assistance can help to address the root causes of income inequality, such as poverty and lack of access to education and healthcare. By providing development assistance, countries can help to reduce income inequality and promote greater economic and social equality between developed and developing countries.

A further approach is to introduce a global tax on multi-millionaire's income, a claim that has been made by Oxfam. This measure is based on the observation that multi-millionaires and billionaires have seen an extreme rise of their income and wealth over the past four decades. In the same time taxes on extremely high incomes have been cut in the assumption that the wealth of the extremely rich would trickle down and by this benefit the whole society. This has not been the case as the wages of the working population have not increased in a similar manner. Instead of cutting down on public expenditures which affects social security networks among others and will therefore likely lead to an increase in income inequality, Oxfam suggests to introduce an annual wealth tax of 5% for multi-millionaire's. This could raise $1.7 trillion. This would be enough money to lift 2 billion people out of poverty, fully fund the shortfalls on existing humanitarian appeals, deliver a 10-year plan to end hunger, support poorer countries being ravaged by climate impacts, and deliver universal healthcare and social protection for everyone living in low- and lower middle-income countries. Raising taxes for the extremely rich is always accompanied by the fear of them leaving the country to avoid high taxes. This is why an international approach on this is crucial. Coming up with a global tax is controversial. However, a global minimum tax rate for large multinational enterprises has recently been negotiated by the OECD and G20 countries and has been adopted by a total of 136 countries.

2.4.2 Challenges and Limitations

While there are a range of policy solutions that can help to reduce income inequality, there are also several challenges and limitations to implementing these policies. These include political will, economic trade-offs and globalization.

Implementing policies to reduce income inequality often requires political will, as these policies may be opposed by powerful interest groups who benefit from the status quo. As a result, policymakers may be hesitant to implement these policies, even if they are in the best interest of society as a whole. Implementing policies to reduce income inequality can also have economic trade-offs, such as higher taxes or increased labour costs. While these policies may help to reduce income inequality, they may also have unintended consequences, such as reduced economic growth or job losses.

The rise of globalization has made it more difficult to implement policies to reduce income inequality, as it has created a more competitive global labour market. As a result, policymakers may be hesitant to implement policies that could make their country less competitive in the global marketplace.

2.5 Guiding Questions

You can take the following questions into account when writing your position paper and/or your working paper.

- Which systems can be installed to fight against discrimination on the basis of gender, race, disability and other factors which lead to income inequality?
- Social mobility is an important factor, as the lack of it sustains low income over generations. How can **social mobility** be facilitated?
- How can the **post-colonial** dimension of income inequality between countries be addressed?
- Should global standards for taxes be set? If so, how could a system like this look like? (e.g. a global wealth tax for multi-millionaires)
- How can labour rights be better protected?
- Income inequality is an issue which is related to many other issues like gender equality, education and labour rights amongst others. These issues are all being addressed within the UN system. How can the efforts in these areas be coordinated in regards to reducing income inequality?

2.6 Glossary

- **Aggregate Demand** refers to the total demand of goods and services in an economy.
- **Discrimination** describes the intentional differentiated treatment of individuals or groups based on specific generalized traits. Usually this results in a disadvantage for the effected individuals or groups. Traits on the basis of which people are discriminated are amongst others gender, race, sexuality and disability.
- The **Informal Economy** is the sector of the economy which is not monitored by official institutions and not taxed. In developing countries it makes up a big part of the local economies. People working in the informal sector are not protected by any kind of security regulations.
- The **Minimum Wage** is the lowest remuneration an employer can legally pay their employee.
- **Post-Colonialism** refers to the time period after the Western colonialism in Africa, Asia and Latin America. It assumes that colonial structures are still existing today. They are reflected

for example in the power dynamics between different countries in international politics and in the global economy.

- **Social Mobility** describes the way in which individuals, families or groups can move through the hierarchy of a society. Most societies have a hierarchy of social groups associated with their level of income, education and culture. If it is possible for people to change into another social group this indicated social mobility.

2.7 Optional Reading

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