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SDG 10: Reduced inequalities

Introduction

Inequality has become one of the defining global challenges of the twenty-first century. The inclusion of SDG 10 in the 2030 Agenda reflects a recognition that disparities in income, wealth, and opportunity are no longer peripheral to development debates, but central to understanding how societies function and how global governance should evolve. At the same time, focusing solely on extreme poverty has proven insufficient: large segments of the world population remain economically insecure, while the benefits of global growth continue to be distributed unevenly.

Recent evidence underscores that global inequality operates through two interconnected channels: gaps between countries and disparities within them. While the first has narrowed in relative terms - largely because of rapid growth in several populous emerging economies - the second has grown in many parts of the world, reshaping social and political dynamics. Wealth inequality is even more pronounced, with a small fraction of the global population controlling a disproportionate share of assets, reinforcing long-term patterns of advantage and disadvantage (Barrientos & Malerba 2025).

These trends matter not only for fairness, but also for political participation, social cohesion, and the global response to climate change. They raise complex governance questions: how national policies can counteract widening disparities, and how international rules on taxation, capital flows or trade may amplify or reduce them. Against this backdrop, SDG 10 represents an attempt to re-anchor global development around inclusion, equity, and shared responsibility.

Although contemporary societies have developed intricate economic, political and technological systems, the benefits produced by these structures are distributed along deeply uneven lines. Across countries and within them, the concentration of income and assets among a narrow segment of the population contrasts sharply with the insecurity experienced by many who remain excluded from meaningful economic participation. Yet material disparities represent only part of the picture. Patterns of inequality are embedded not only in vertical



dimensions - differences among individuals or households - but also in persistent group-based disadvantages shaped by gender, ethnicity, religion, or region. These horizontal inequalities, often rooted in historically produced hierarchies, influence access to education, political representation, security and basic services, and therefore shape life chances in ways that extend far beyond income alone (Stewart 2016). Together, these overlapping inequalities reinforce one another, creating systems in which prosperity and vulnerability are unevenly reproduced across generations.

In response to the increasing recognition that inequality was no longer a passing anomaly but rather a structural aspect of the global economy, Sustainable Development Goal 10 was added to the 2030 Agenda. SDG 10 was intended as a truly universal commitment, requiring every state to address inequalities in income, opportunity, and power within its own borders, in contrast to the Millennium Development Goals, which subtly positioned developing nations as the primary sites of action (Ghosh et al., 2023). The conflict that existed during the discussions is also reflected in its design, as some states highlighted differential commitments based on past patterns of advantage, while others insisted on shared global responsibility. SDG 10 ultimately seeks to bridge both perspectives by targeting inequality “within and among countries,” capturing not only the concentration of economic resources but also the exclusion of entire social groups.

SDG 10 is especially challenging since it acknowledges the systemic nature of inequality while providing targets that are aspirational and broad rather than prescriptive. The goal addresses two intertwined dimensions: *vertical inequalities*, associated with the accumulation of wealth and income at the top, and *horizontal inequalities*, which manifest along lines of identity, geography, and social status (Ghosh et al. 2023). These forms of disadvantage reinforce each other across generations. Yet the goal stops short of mandating large-scale redistribution; instead, it urges countries to expand opportunities, strengthen social protection, and redesign regulatory environments in ways that prevent exclusion from recurring.

In practice, however, the volume’s contributors argue that SDG 10 cannot be realized without acknowledging the deeper mechanisms that reproduce inequality globally. The ability of many states to moderate inequality has been undermined by market-oriented reforms, technical advancements, and decades of weak countervailing institutions (Bader & Bieri 2023). Furthermore, inequality is not limited to income; it also influences the distribution of political voice, vulnerability to climate dangers, and access to environmental resources. Therefore, a change from viewing inequality as a single economic indicator to a complex, mutually



reinforcing system that influences how societies evolve and how the costs of global crises are distributed is required by the universal framing of SDG 10.

Even in the years following the pandemic, evidence suggests that the imbalance in how wealth is accumulated has continued to widen. While large parts of the world grappled with the social and economic aftershocks of COVID-19, the fortunes of the wealthiest individuals expanded at an extraordinary pace. Recent assessments indicate that the number of billionaires and the scale of their combined wealth have grown markedly, underscoring how global crises often amplify pre-existing disparities rather than moderate them. This pattern highlights a broader structural dynamic: the capacity to benefit from periods of volatility is highly uneven, reinforcing advantages at the very top while households with limited financial resilience struggle to regain stability. In this sense, the post-pandemic decade has further revealed how fragile the ambition of reducing inequality remains (Collins 2024).

Evolution of Global Inequality

Global inequality is far from being a static state; rather, it has seen a number of significant changes influenced by changes in institutional frameworks, economic geography, and unequal vulnerability to shocks around the world. . While inequality has long accompanied complex societies, its modern configuration reflects the interplay of cross-country divergence, partial convergence, structural heterogeneity, and the unequal distribution of capabilities. From a conceptual standpoint, scholars increasingly emphasize that global inequality must be analyzed at the level of world citizens, rather than solely through comparisons of national averages. Guerriero and Kapeller (2024) argue that global interpersonal inequality captures the realities of an interconnected world where production chains, financial flows, and institutional arrangements transcend borders. National boundaries therefore tell only part of the story, while global measures illuminate the structural forces shaping development trajectories across the world.

The evolution of global inequality reflects a complex sequence of shifts:

During the 19th and early 20th centuries, industrialization in Europe and North America accelerated far more rapidly than in the rest of the world, producing a sharp widening of income gaps. As Guerriero and Kapeller (2024) note, both rapid productivity growth in industrialized regions and colonial extraction in subordinated economies entrenched structural asymmetries in economic power and opportunity, contributing to the rise of global interpersonal inequality during this period.



In the late 20th century, many low-income countries continued to experience slow convergence, yet the broader conditions for transformation gradually emerged. Decolonization, institutional reforms in Asia, and growing integration into global markets began to reshape development trajectories, laying the groundwork for later reductions in between-country inequality (Guerriero & Kapeller 2024).

From 1990 to 2019, sustained growth in East and South Asia - combined with moderate improvements in other regions - produced the first broad-based narrowing of global income gaps in nearly two centuries. According to García Rojas, Yonzan and Lakner (2025), the global Gini index fell from roughly 70 in 1990 to about 62 in 2019, driven almost entirely by declining between-country inequality.¹ Population-weighted within-country inequality remained broadly stable, contributing little to the aggregate trend. Yet this convergence did not uniformly translate into expanded capabilities. As Rambaldi (2022) emphasizes in her reading of Sen, rising average incomes do not automatically enhance substantive freedoms - political liberties, social protections, and gendered opportunities often remained unequal, and distributional patterns within countries continued to constrain the life chances of vulnerable populations. Rising inequality thus becomes a question of justice as much as economics: it lowers mobility, erodes social cohesion, and affects the capacity of people and communities to flourish.

This period of convergence was abruptly interrupted by the COVID-19 pandemic. In 2020, global interpersonal inequality increased, marking its largest single-year rise since at least 1990. The World Bank's decomposition shows that the increase was overwhelmingly driven by rising between-country inequality, as many low and middle-income economies experienced larger income contractions than high-income countries. Meanwhile, within-country inequality declined on average, in part because emergency social protection in some countries disproportionately supported lower-income households. Without this intra-national equalizing effect, the rise in global inequality would have been more than 50% larger (Garcia Rojas et al. 2025).

The Shared Socioeconomic Pathways (SSPs), a collection of five internally consistent socioeconomic scenarios that depict alternate global futures, are being used more and more in forecasts to evaluate global inequality in the future. Each SSP specifies long-run trajectories for population, economic growth, technological development, energy systems, and land use *without* climate impacts or mitigation policies, enabling structured analysis of development under

¹ The World Bank's Poverty and Inequality Platform (PIP) provides harmonized global interpersonal income distributions from 1990 onward for robust trend estimation, confirming the decline was propelled by rapid income growth in populous emerging economies, especially China.



different constraints (O'Neill et al. 2014; Calvin et al. 2016). SSPs are quantified through integrated assessment models such as GCAM, which simulate the interactions between energy, land use, economy and emissions to produce scenario-consistent projection:

- (i) SSP1 (Sustainability) depicts a world of inclusive growth, strong human development, and low challenges to both mitigation and adaptation.
- (ii) SSP4 (Inequality, “A Road Divided”) represents a world of deepening inequalities: high-income regions prosper and decarbonize, while low-income regions stagnate, face persistent energy poverty, and experience weak institutional capacity. SSP4 is characterized by low challenges to mitigation but high challenges to adaptation, and its baseline reaches radiative forcing of $\sim 6.4 \text{ W/m}^2$ by 2100 (Calvin et al. 2016).

These scenario families allow global inequality projections to be tied to specific growth pathways, demographic profiles, and structural divergences.

Projections to mid-century show that global inequality’s future is highly path-dependent. Under a business-as-usual trajectory aligned with recent historical patterns, global inequality is projected to stagnate and then rise slightly, producing what Kanbur et al. describe as a “global inequality boomerang.” This occurs because countries that powered convergence in the past - such as China - now occupy the upper half of the global income distribution; continued rapid growth mechanically widens global inequality unless poorer countries accelerate. By contrast, an optimistic SSP1-type scenario, marked by inclusive growth and falling within-country inequality, would reduce the global Gini toward the mid-50s by 2050. Conversely, a pessimistic SSP4-type scenario, characterized by sluggish growth in poorer regions and rising domestic inequality, could push global inequality modestly upward from current levels (García Rojas et al. 2025).

Why Has Inequality Increased So Dramatically?

Understanding why inequality has risen so sharply in recent decades requires examining the interaction of structural economic forces, institutional transformations and global realignments. Contemporary research converges on the view that inequality is not the product of a single mechanism but rather the outcome of mutually reinforcing dynamics that have reshaped income distribution within and across countries.

A first driver concerns the deep structural shifts in the global economy. Guerriero and Kapeller (2024) highlight that the processes of global integration - trade expansion, value-chain fragmentation, capital mobility - have woven national economies into a shared system where distributional outcomes depend increasingly on global trends rather than domestic decisions alone. In this context, the distinction between national and global inequality becomes blurred:



outcomes for workers and firms are shaped by technological diffusion, global price competition and production relocation.

According to Đideliija Čolaković and Taleb (2024), technological change - especially skill-biased automation - has reallocated returns from routine labor to high-skill workers and capital owners. Globalization has similarly exposed low-skilled labor in advanced economies to competition from lower-wage regions, compressing wages at the bottom and middle of the distribution. The weakening of labor market institutions - including declining unionization and stagnant minimum wages - has further reduced countervailing power, allowing a larger share of national income to flow to capital. Finally, demographic shifts, assortative mating and the growing concentration of wealth amplify these patterns, creating persistent structural gaps.

At the same time, the transformation of fiscal and social policy has contributed meaningfully to the upward trajectory of inequality. Many economies underwent policy retrenchment, reducing progressivity in taxation and scaling back redistributive transfers. Đideliija Čolaković and Taleb (2024) show that these institutional choices have eroded the buffering role of the welfare state, particularly in economies facing economic liberalization and sectoral transformation. Where redistribution weakened, inequality rose more sharply - underscoring the centrality of political choices in shaping distributional trends.

Taken together, these findings show that the dramatic rise in inequality reflects the cumulative effect of technological, institutional, fiscal, demographic and global forces, reinforced by periodic crises. While global convergence has narrowed the distance between nations, the unequal distribution of economic and political power within countries - and the erosion of countervailing mechanisms - has allowed disparities to grow. Inequality, in short, has increased not because of one dominant factor but because a constellation of systemic dynamics has reshaped how societies generate, distribute and sustain prosperity.

Moreover, as Bader and Bieri (2023) argue, the resurgence of inequality since the late twentieth century is inseparable from broader political and economic transformations that have reshaped how societies allocate opportunities and risks. They contend that the last decades have been marked by a dual process: on the one hand, deepening vertical inequalities driven by the concentration of wealth and income at the top; on the other, persistent horizontal inequalities, rooted in gender, race, class, caste and geography, which determine who benefits from markets and who absorbs their externalities. These dynamics are reinforced by the erosion of countervailing institutions, the weakening of labor protections, and the dismantling of redistributive systems accompanying neoliberal reforms across many regions. The result, as they stress, is a world “drifting apart,” where economic gains accrue increasingly to globally



connected elites while large segments of the population face stagnant incomes, insecure livelihoods and declining public services.

How do horizontal inequalities compound these challenges?

Horizontal inequalities - persistent disparities between groups defined by gender, ethnicity, indigeneity, migration status, disability or geography - do not simply coexist alongside vertical income and wealth gaps. They structure how opportunities, risks and resources are distributed, determining who benefits from economic and environmental change and who disproportionately absorbs its costs. It is observed in the broader SDG-10 literature that group-based hierarchies systematically restrict access to assets, essential services and political representation, reinforcing a global pattern in which privilege accumulates at the top while marginalization becomes entrenched across social categories (Bader & Bieri 2023).

A central mechanism through which such inequalities compound broader developmental challenges is the differentiated allocation of environmental and socio-economic risk. High-emitting affluent groups generate most of the climate-related harm, while the effects - polluted air, extreme weather, resource stress - fall most heavily on those already disadvantaged. Women, racial and ethnic minorities, and Indigenous peoples frequently face elevated exposure to ecological hazards, a burden linked to historical processes of colonial extraction and unequal land governance (Ghosh et al. 2023).

Domestically, environmental injustice exhibits a similar logic: toxic facilities and hazardous infrastructure are disproportionately located in low-income and minority neighborhoods. Gendered divisions of labor intensify these patterns, as reliance on polluting household fuels exposes women to higher health risks while simultaneously expanding the unpaid care workload. For Indigenous communities, violations of land rights - whether via mining, energy projects or conservation-related displacement - further reinforce inherited vulnerabilities (Kupfer 2023).

Institutional arrangements amplify these disparities. It is observed that the erosion of labor protections, social transfers and other countervailing institutions has reduced the buffers that previously mitigated group-based disadvantage. Where such mechanisms weaken, marginalized groups encounter reduced access to high-quality education, healthcare, credit and legal protection - resources central to transforming economic participation into sustained wellbeing. Similar processes occur in environmental governance, where under-representation of vulnerable communities often results in weaker regulatory enforcement in their localities,



shifting ecological and economic burdens toward those least equipped to resist or adapt (Bader & Bieri 2023).

Spatial dimensions further shape horizontal inequalities. Urban housing regimes, zoning practices and infrastructural investments frequently reproduce racialized or migration-based segregation. Yet alternative governance models - such as sanctuary practices observed in some cities - illustrate how urban spaces can expand political belonging and challenge exclusionary legal categories (Filipcevic Cordes 2023). Even interventions designed to advance sustainability - carbon pricing, conservation zones, renewable energy projects - can unintentionally deepen group-based disadvantage if equity considerations are overlooked. Without measures ensuring secure land tenure, fair benefit-sharing and meaningful participation in decision-making, such initiatives risk displacing communities or imposing regressive economic burdens. The cumulative message is clear: mitigating horizontal inequalities requires systemic redesign, including ex-ante equity assessments, robust protective institutions, inclusive governance, and deliberate alignment of SDG objectives to ensure that environmental and economic transitions expand rather than constrain the capabilities of marginalized groups (Ghosh et al. 2023; Kupfer 2023).

The Missing Link: Inequality and Environment

A quiet but consequential omission sits at the heart of SDG 10: although the goal focuses on reducing inequality within and between countries, it says almost nothing about the environment. This silence is striking, because environmental impacts and social hierarchies are deeply entangled. Climate change is not only an ecological issue - it is a justice issue. Its causes, harms, and proposed solutions consistently mirror patterns of privilege and marginalization. The paradox is evident everywhere. Those who contribute least to global emissions - low-income households, indigenous communities, and many nations of the Global South - face the earliest and most severe consequences of climate disruption. Meanwhile, the groups most responsible for high-carbon lifestyles possess the wealth, mobility, and political insulation that soften the blow. This imbalance produces what scholars describe as an inversion of responsibility and vulnerability: the carbon-light suffer the carbon-heavy consequences (Harlan et al. 2015).

Yet inequality shapes more than exposure - it determines resilience. Social systems place some communities directly in harm's way: near polluting industrial zones, in flood-prone neighborhoods, or on degraded lands treated as "sacrifice zones" for energy and resource



extraction. In cities, heatwaves disproportionately kill residents of low-income districts, where trees are sparse, air conditioning is unaffordable, and housing traps heat. The physical hazard may be the same for everyone, but the outcome is decisively unequal. Environmental solutions can deepen these disparities if they are designed without justice in mind. Large renewable energy projects may preserve ecosystems yet displace indigenous peoples. Market-based climate policies can shift burdens onto those least able to bear them. Even adaptation strategies - intended to protect vulnerable populations - may exclude precisely these communities from planning processes, leaving them with little influence over decisions that reshape their environments and livelihoods (Harlan et al. 2015).

The missing environmental dimension of SDG 10 is not a minor gap - it is the place where the agenda risks falling apart. Inequality amplifies environmental harm, and environmental harm accelerates inequality. Addressing one without the other is not only inefficient; it is logically impossible. The integration of justice-based environmental approaches is therefore essential for the credibility and coherence of the entire SDG framework.

Capitalism, Money, and Systemic Inequality

The amount of income produced by capitalist systems varies, but so does the composition of that income - that is, the distribution of labor and capital gains among individuals. When ownership of capital is concentrated at the top while most people rely primarily on labor income, inequality becomes structurally embedded, and economic growth alone cannot realign income composition or meaningfully reduce disparities. In societies where capital income is held overwhelmingly by the rich and labor income dominates for everyone else, inequality tends to remain persistently high. This pattern - captured by what Ranaldi and Milanović term *income-factor concentration* - defines “classical capitalism,” a system in which sharp divisions between capital owners and workers reliably produce elevated interpersonal inequality. By contrast, in “liberal capitalism,” where individuals receive more mixed combinations of labor and capital income, class boundaries are less rigid, and overall inequality is generally lower (Ranaldi & Milanović 2020).

From this perspective, policies aimed solely at boosting aggregate income cannot meaningfully reduce inequality if they leave the underlying distribution of capital and labor income intact. Because compositional inequality and interpersonal inequality tend to move in tandem, countries where capital is concentrated at the top consistently exhibit higher overall inequality, a pattern especially visible in Latin America, while the institutional models of



Central and Northern Europe demonstrate how different arrangements can temper these dynamics. The policy implications are therefore profound: if disparities are rooted in how societies structure the ownership of productive assets, then effective solutions must target this foundational architecture. Such reforms may involve broadening access to capital income, strengthening labor's share, or curbing the extreme concentration of returns among top earners. Yet these interventions face formidable political barriers, as concentrated wealth typically brings concentrated political influence - making it difficult to advance policies that would meaningfully challenge the advantages of those who benefit most from existing structures (Ranaldi & Milanović 2020).

Migration as Redistribution

One often-overlooked mechanism for reducing inequality operates through international migration itself. When people move from low-income to higher-income regions, their individual earnings typically rise, and part of these gains is transferred back to their countries of origin in the form of remittances. Over the past two decades, remittances have expanded more than sevenfold and reached USD 626 billion in 2022, demonstrating both their scale and their resilience during global shocks such as the COVID-19 pandemic. A comprehensive meta-analysis of 578 estimates across 45 empirical studies finds that remittances generally exert a small but measurable inequality-reducing effect globally, although this average masks substantial regional variation. In Latin America, Eastern Europe, and parts of East Asia, remittances demonstrably narrow income disparities, whereas in South Asia - where high migration costs restrict mobility primarily to better-off households - they can reinforce unequal structures instead of mitigating them (Anwar, Mang & Plaza 2024).

However, the redistributive potential of migration extends beyond household finances. The political environment in destination countries plays a decisive role in shaping whether migration reduces or exacerbates inequality. Immigration can trigger strong political reactions: rising salience of immigration issues often empowers anti-immigrant parties, which in turn advocate more restrictive integration policies and reduced access to welfare or labor-market opportunities for migrants (Hangartner & Spirig, 2024). These policy shifts can have far-reaching distributional effects, not only by limiting migrants' access to economic opportunities but also by restructuring welfare systems in ways that deepen divides between citizens and non-citizens or between different socioeconomic groups.



As Hangartner and Spirig emphasize, the *indirect* political consequences of immigration frequently outweigh any direct labor-market effects, influencing everything from social protection to public spending preferences and perceptions of deservingness (2024). Under restrictive political conditions, migration can thus reproduce or intensify inequalities rather than alleviating them. Conversely, more inclusive governance arrangements - such as timely access to employment, education, welfare benefits, and citizenship - can support migrants' economic integration and enhance the equalizing effects of remittances.

Taken together, these insights suggest that migration functions as a redistributive mechanism only under the right conditions. Remittances can lift incomes and, in many regions, reduce inequality, but their impact hinges on who is able to migrate and under what constraints. Likewise, the broader political context determines whether migrants are incorporated into destination societies on equitable terms. In this sense, migration is not inherently equalizing; it becomes so only when economic mobility is broadly accessible and when political institutions act to extend - not restrict - opportunities and rights.

The Urban Politics of Belonging and Exclusion

Cities do not simply distribute infrastructure; they also distribute recognition, security, and the right to dwell without fear. Therefore, design and law co-produce belonging public areas and transit systems can pull communities into the urban fold, while immigration laws and divided jurisdictions can push them out. In summary, status and standing are just as important to urban inequality as streets and stations.

In Toronto, a decade of “sanctuary city” commitments expose this tension with unusual clarity. Municipal promises to provide services “without fear” sit uneasily alongside national immigration controls, uneven implementation, and austerity-strained systems most visibly in the 2023 shelter crisis. The result is a set of paradoxes that structure everyday life for non-status residents: *irregularization* (people are made “irregular” by policy and practice), *access* (services exist but are precariously navigated), *jurisdiction* (cities deliver inclusion without the power to guarantee it), and *regularization* (pathways to secure status remain narrow and discretionary). These dynamics reveal how belonging is continuously negotiated - and often withheld through the intersecting logics of planning, policing, and status governance (Gilbert & Sotomayor 2024).

A different vantage on the politics of belonging emerges from Medellín's long arc of social urbanism. There, Integrated Urban Projects (PIUs) and the Metrocable were designed to



physically stitch hillside neighborhoods into the city's core while investing in public space, libraries, and neighborhood-serving amenities. Beyond mobility gains, these interventions cultivated symbolic inclusion - visible pride, new community hubs, and a sense that historically neglected districts *matter*. Yet the same interventions also attracted formal investment, raised land values, and seeded risks of displacement, reminding that inclusion through design can shade into exclusion through markets if redistribution and protections do not accompany place-making (Bamonte 2024).

Toronto and Medellín reveal urban belonging as a moving boundary - not a fixed state - shaped by mundane interfaces like shelter beds, fare gates, plazas, and paperwork, where dignity is affirmed or denied (Gilbert & Sotomayor 2024; Bamonte 2024). Contemporary urban inequality thus exceeds uneven development or segregation: it hinges on recognition, protection, and secure rights to inhabit cities without fear. Sanctuary cities challenge national immigration regimes but cannot fully escape nation-state constraints, tying inequality to belonging and participation. Key lessons emerge cities must design for presence, turning stations, plazas, and libraries into anchors of visibility and connection; ensure protection via "don't ask" protocols, legal support, and anti-displacement safeguards; and build capacity through intergovernmental coordination to sustain local efforts.

Pathways to Transition: putting justice at the center

If the twentieth century was defined by our ability to expand economic output, the twenty-first is increasingly defined by the need to change course without leaving people behind. Emerging research makes one point unmistakably clear: a credible pathway to reduced inequality in a net-zero world cannot be built on the assumption that climate ambition and social fairness can be sequenced. Justice must shape the design of transitions from the outset - structuring how policies allocate resources, whose voices shape decisions, and how societies distribute risks and opportunities across communities (EEA 2024).

Across countries, the experience of recent decades shows that climate policies implemented without a justice lens often impose disproportionate burdens on those least equipped to absorb them. Rising energy prices, regressive compliance costs, "green" retrofits that trigger rent increases, or renewable energy projects that displace communities are now well-documented features of poorly governed transitions. To avoid repeating these patterns, European environmental governance highlights four interlinked dimensions - distributional, procedural, recognition, and restorative justice - as essential benchmarks for assessing



whether a transition genuinely reduces rather than reinforces inequality (EEA 2024). These principles make visible whose needs are prioritized, who participates in shaping reforms, and whether longstanding harms are meaningfully acknowledged and repaired - elements that become particularly important when transitions alter land use, labor markets, or local economies.

At the same time, transitions reshape the material foundations of everyday life. They affect the availability of good jobs, the affordability of essential goods and services, access to finance for households and firms, and the distribution of skills and technological capabilities. Frameworks developed to evaluate economic equity within transitions identify five core dimensions - employment, affordability, accessibility, finance, and capacity - and stress that inequities can deepen if reforms focus solely on technological solutions without ensuring that people can realistically participate in and benefit from change (WEF 2024). In practice, this means sequencing policies so that support mechanisms - such as wage insurance, skills pacts, or subsidized credit - precede the introduction of new regulatory obligations. It also means recognizing that small firms, tenants, and low-income households frequently lack the liquidity, credit access, or bargaining power required to comply with ambitious climate measures unless explicit equity safeguards are embedded in policy design.

Evidence from social-policy research further underscores that climate action, social protection, and development trajectories are inseparable. When climate shocks erode assets, displace workers, or disrupt livelihoods, households without robust safety nets face heightened risks of long-term impoverishment. UNRISD therefore emphasizes adaptive social protection, livelihood diversification into decent low-carbon work, and rights-based approaches as essential elements of transitions capable of reducing inequality while building resilience (UNRISD 2024). These insights highlight a broader political-economy reality: reforms succeed when they confront vested interests, align incentives across levels of government, and strengthen institutions that protect vulnerable groups during structural change.

These principles translate into several practical design choices that determine whether transitions lower or raise inequality. Measures to support housing retrofits, for instance, can be paired with rent-stabilization policies, targeted rebates, and low-interest finance to ensure that low-income tenants and small landlords can benefit from improved efficiency rather than face displacement (EEA 2024; WEF 2024). Carbon-pricing reforms can recycle revenues progressively, fund public transport and home-efficiency programs, or exempt essential uses during the early phases of implementation so that climate policy does not deepen affordability constraints (UNRISD 2024; WEF 2024). Employment transitions can be made predictable and



fair through early announcements of phase-outs, co-designed regional diversification plans, wage-insurance schemes, and reskilling pathways that genuinely match emerging labor-market demand (UNRISD 2024; WEF 2024). Community-led adaptation - anchored in secure land rights, local participation, and integrated social-protection systems - can strengthen resilience in places facing the front lines of climate risk (UNRISD 2024). And democratic processes that shift from consultation to co-decision, including citizen assemblies and structured social dialogue, can correct the persistent under-representation of groups historically excluded from climate governance (EEA 2024; Bucelli & McKnight 2021).

This points to a transition model rooted in institutionalized fairness rather than discretionary compensation. Hard-wiring justice into major policy objectives by conducting ex-ante and ex-post assessments of distributional and procedural impacts, sequencing reforms so that support precedes obligations, and aligning climate action with social protection are among the most consistent predictors of socially sustainable outcomes (EEA 2024; UNRISD 2024). Complementing these measures with capability-based and power-aware diagnostics helps ensure that transitions do not reproduce existing hierarchies under a “green” label but instead broaden real opportunities across social groups (Bucelli & McKnight 2021).

Ultimately, transitions earn public trust and endure politically when justice is built in, not bolted on. When equity becomes the default logic shaping design, governance, and finance, climate ambition and social inclusion cease to be competing goals. They become mutually reinforcing pillars of a development pathway capable of lowering inequality while safeguarding the ecological conditions on which societies depend (EEA 2024; WEF 2024; UNRISD 2024).

Challenges in a Crisis-Prone World

The world is entering an era defined less by isolated shocks and more by the constant overlap of crises - geopolitical tensions, climate-related disasters, economic volatility, digital disruption, and social fragmentation. These pressures do not affect all societies equally. Instead, they expose long-standing structural divides and deepen vulnerabilities that already shape how communities confront uncertainty. Recent global assessments underline that insecurity, rising inequality, and declining trust in public institutions are becoming systemic features of the global landscape, rather than temporary deviations (UN DESA 2025).

This growing fragility is occurring across multiple fronts simultaneously. Climate-related hazards now collide with debt distress, food-system instability, and the political consequences of strategic competition between major powers. The World Economic Forum’s



2025 Global Risks Report describes a world where environmental shocks, technological disruptions, and geopolitical fragmentation increasingly interact, creating feedback loops that challenge governance and social cohesion (WEF 2025). Meanwhile, public opinion surveys across dozens of countries show that citizens widely perceive inequality - particularly the outsized influence of wealthy actors - as a central factor driving political dissatisfaction and social unrest (Pew Research Center 2025).

Inequality also has profound implications for collective security. When crises hit, privileged groups can typically shield themselves through mobility, savings, digital access, or political influence, while low-income communities face higher exposure to displacement, job loss, and health impacts. Those least responsible for greenhouse gas emissions bear the gravest consequences, creating a widening justice gap at the very heart of global climate action (The Conversation 2025). These overlapping disparities extend across borders, where unequal access to finance, technology, and risk-management tools limits the capacity of many countries to respond effectively to environmental and economic shocks.

At the geopolitical level, the intensification of conflicts, the fragmentation of global value chains, and the weakening of multilateral cooperation further complicate national crisis responses. The UN's 2025 World Social Report highlights that insecurity - economic, social, and political - has become a defining experience for billions of people, with over half of the global population reporting low trust in their governments. This erosion of trust undermines the social contracts necessary to manage crises and build inclusive recovery pathways (UN DESA 2025).

As crises multiply, so do their political consequences. Heightened inequality can fuel populist backlashes, polarization, scapegoating, and democratic erosion. Conversely, more equal societies tend to exhibit higher social trust, stronger institutions, and greater resilience in the face of shocks. Globally, efforts to address these challenges now increasingly emphasize the need for new policy compacts grounded in equity, economic security, and solidarity - a shift captured in contemporary UN analyses that call for more coordinated action across social protection, climate governance, global finance, and peacebuilding. These perspectives suggest that reducing inequality is no longer merely a developmental aspiration; it is fast becoming a prerequisite for geopolitical stability, effective climate action, and sustainable global cooperation.

In short, today's crisis-prone world reveals a central paradox: inequality magnifies the harm of crises, yet crises also present rare opportunities to rebuild institutions, rethink policies, and pursue more inclusive models of development. Whether the coming decades are marked by



fragmentation or by renewed social progress will depend on how effectively governments confront the deep-rooted disparities that shape vulnerability and resilience across societies.

Summary

Inequality is not a natural condition of human societies. It is something we built through our institutions, our economic rules, and our political choices - and something we can therefore change. SDG 10 reminds us of this basic truth: that reducing inequality is not only about closing income gaps, but about ensuring that everyone can participate, decide, and thrive.

Across this article, one theme has emerged clearly: inequality is a system, not a symptom. It is produced by technological shifts that reward some while displacing others, by financial structures that concentrate wealth, by policies that weaken protections, and by persistent group-based disadvantages rooted in history. It shapes who breathes clean air, who can move safely through a city, who benefits from climate action, and who shoulders the risks of crisis. And in a world shaken by overlapping shocks - from extreme weather to geopolitical tensions - these divides become even more consequential.

Yet the story of inequality is not only a warning; it is also an invitation. We now understand far better how inequalities accumulate, and just as importantly, how they can be dismantled. Cities experimenting with inclusive planning, governments strengthening social protection, communities defending land and rights, and global efforts to embed justice into climate and economic transitions all point toward the same conclusion: change is possible when equity is treated as the starting point rather than an afterthought.

Reducing inequality, then, is about more than correcting unfairness. It is about building societies that are resilient in the face of crisis, confident in their institutions, and capable of long-term collective action. A more equal world is a more stable, sustainable, and humane one. The task ahead is challenging, but the path is visible: redesign systems so that dignity is not a privilege for the few, but a lived reality for all.



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