

SDG 10



Reducing inequality within countries and between countries

VERÓNICA SERAFINI GEOGHEGAN

Inequality is persistent and hinders economic growth, reduction of poverty and, ultimately, the possibilities of development. In order to reduce inequality universal policies must be applied with special attention to the needs of disadvantaged populations.

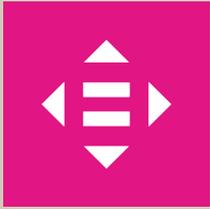


Introduction

DECIDAMOS, CADEP and OXFAM, three non-governmental organizations in Paraguay, made an alliance to create synergies between the civil society, the private sector and local governments to implement concerted and sustainable actions oriented to provide a positive impact on accomplishing SDGs 1, 2, 10 and 13 in Paraguay. This effort is supported by the international cooperation of the European Union.

In this project, CADEP elaborates reports that monitor the progress made by Paraguay in terms of complying with the mentioned SDGs. Indicators for each SDG is calculated with data of the National Household Survey, 2017. Also, these reports include policies, programs and actions implemented by the Paraguay government on each one of the SDGs: ending poverty (1), zero hunger (2), reducing inequalities (10) and action for climate (13).

SDG 10



Reducing inequality

Inequality threatens economic growth and development. It affects poverty reduction and may increase levels of violence, diseases and environmental degradation.

Inequality is growing in the world. Currently 10% of the richest of the population keeps 40% of the total world income, while the poorest 10% gets only between 2 and 7% of those income.

Income inequality increased 11% among developing countries in the 1990-2010 period (UNDP-PNUD 2019). By 2016, income in North America was 3.5 greater than the world average, while income in Europe was twice the world average. Income in Sub-Saharan Africa and South Asia is under the world average, while income in Latin America and the Caribbean is above the world average (Banco Mundial, 2018, p. 38).

1 THE SITUATION IN PARAGUAY

Paraguay has high and persistence rates of inequality. These rates have been above the average in Latin America, one of the most unequal regions in the world, surpassed only by Sub-Sahara Africa. Average income inequality in Paraguay measured by the Gini Index Coefficient has been 0.51 in between 2010 and 2014¹. Average income inequality in Latin America, for the same period has been 0.49 (Commitment to Equity [CEQ], 2017, p. 7).

The Gini Index Coefficient in Paraguay has decreased from 0.542 in 1997, to 0.488 in 2017, indicating a 10% reduction in income inequality. A comparison of this coefficient between 2016 and 2017 results in a constant value of near 0.48 (DGEEC, 2018).

Historically, the country's ability to reduce inequalities has been limited due to the low capacity of collecting taxes. Low tax pressure² becomes an important barrier for the growth of public investment oriented to bridge important existing gaps in health, education and infrastructure (CEQ, 2017, p. 8).

As observed in Table 1, the Gini Index is showing a worsening income inequality in recent years, in Paraguay.

Table 1.
Evolution of Gini Index by area of residence, 2012-2017

Years	Total	Urban	Rural
2012	0.477	0.421	0.512
2013	0.482	0.456	0.482
2014	0.511	0.470	0.554
2015	0.478	0.454	0.454
2016	0.482	0.448	0.491
2017	0.488	0.464	0.493

Source: DGEEC, 2018.

1 Gini Index Coefficient: 0= total equality; 1= total inequality

2 Tax collection/GDP

2 POLICIES AND PROGRAMS

Inequality is not on the public agenda of Paraguay. The Constitution of Paraguay contemplates “equality of persons” (Art. 46), meaning no discrimination and the removal, by the State, of all obstacles that promote or keep conditions of inequality. However, there are no explicit policies oriented to reduce inequalities.

Disability is one of the few causes of inequality that has a specific rule. In 2004 the National Congress sanctioned Law 2479 / 2004 “..that establishes the mandatory incorporation of persons with disabilities in public institutions”.

This Law establishes that all public agencies that have fifty or more officials must include no less than 2% of people with disabilities within their staff. To be a beneficiary of this Law, the applicant must present a 40% disability as minimum. Also, persons with disabilities must receive the same salaries, enjoy the same benefits and be subject to the same retirement scheme, corresponding to public officers with no disabilities.

Some modifications were introduced to Law 2479, with the enactment of Law 3585/2008. Thus, mandatory percentage of people with disabilities in public offices went up from 2% to 5% and the minimum percentage of disability to be considered a beneficiary of the law, was reduced from 40% to 33%.

In 2009, the Secretariat of Public Administration (SFP) presented a “Guide for inclusive and non-discriminatory practices in the public service”. This material presents a regulatory framework for specific practices that serves as an orientation to public officers on this matter.

This Guide only applies to employment practices in the public sector. Other areas such as work in the private sector, education, health and transportation do not have similar regulations.

In 2018, the Ministry of Women launched the Fourth National Equality Plan. Its general objective is to “move towards real and effective equality, clearing obstacles that hinder or prevent it and eliminating all forms of discrimination” (Ministerio de la Mujer, 2018).

Specific objectives of this Plan include achieving the legal elimination of female discrimination, and developing mechanisms for equal access and permanence of women in public decision making. Other specific objectives are: i) creating conditions for a life without violence; ii) conditions for women’s access to justice free of sexist stereotypes; and iii) conditions for the empowerment and economic autonomy of women (Ministerio de la Mujer, 2018).

The Agrarian Statute, approved in 2002, gives priority to female heads of household in the adjudication of public land. However, men have been the main recipients of pub-

lic land provided by the National Institute for Rural and Land Development (INDERT). It should be noticed that Paraguay is one of the most unequal countries in the world in terms of land distribution (Guereña, 2017).

Some important programs are focused on poor or vulnerable segments of the population, because of public resources involved in those programs. However, it seems that these programs have had little or no effect on income distribution since growth in coverage of these programs coincided with increasing income inequality, measured by the Gini Index.

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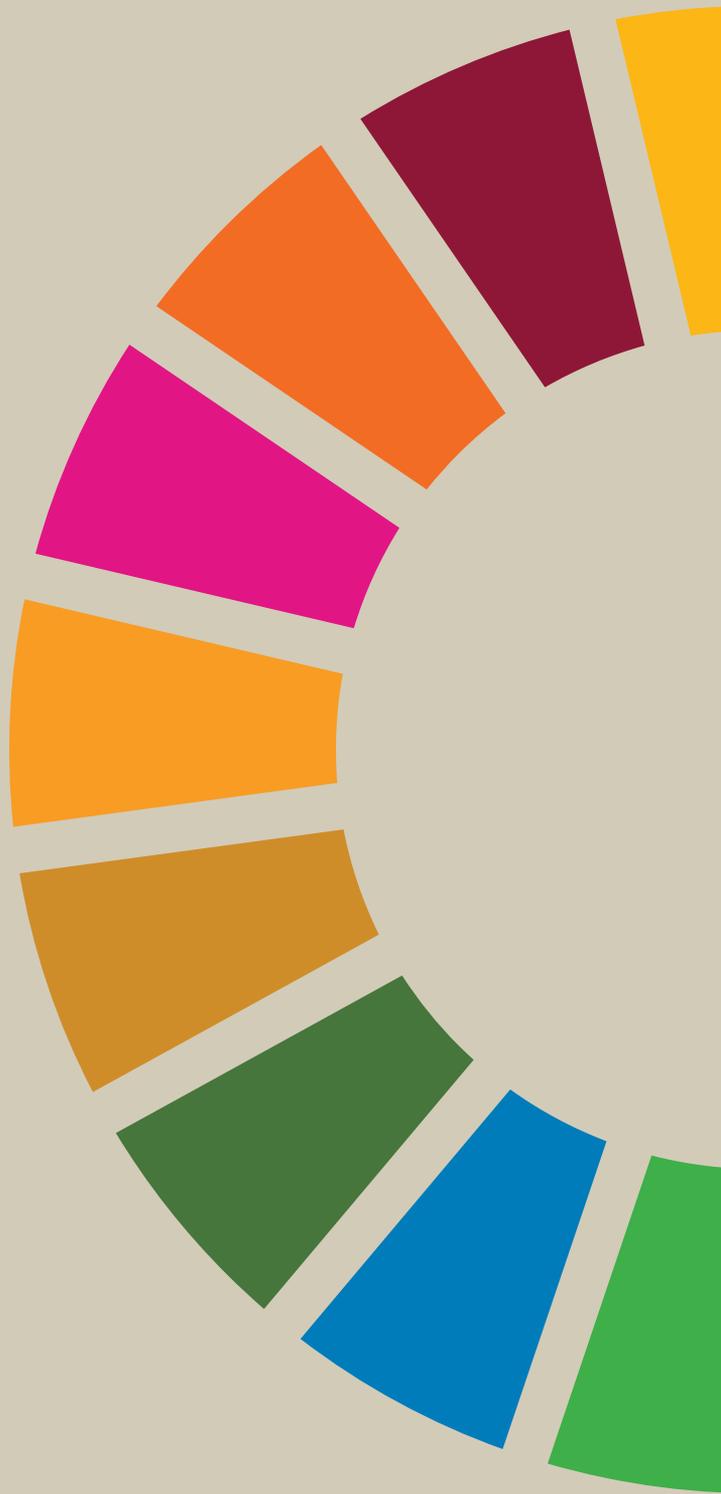
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Piribebuy 1058, Asunción - Paraguay
Phones 452 520 / 454 140 / 496 813
cadep@cadep.org.py
www.cadep.org.py

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