DELHI SCHOOL OF ARTIFICIAL INTELLIGENCE

# 10 REDUCED INEQUALITIES


Equal opportunity to reduce inequalities of outcomes

# Artificial Intelligence for Reduced Inequalities

SDG 10 currently has only 1 out of 10 targets (10.b resources flow for development) on track. Before the pandemic, the forecasted inequality stood at -0.8% but has now risen to 4.4%, posing challenges for countries in achieving their SDG agenda.

Furthermore, discrimination based on age, gender, religion, race, or belief affects one in six people globally. In 2023, there was a record high of 35.8 million refugees, and over 8,000 migrant deaths were recorded worldwide.

The connection between AI and SDG 10 is extensively documented in various AI use case repositories from the UN: 14 use cases out of 40 in AI for Good: Innovate for Impact, and approximately 110 use cases out of 408 in the UN Activities on AI. These use cases encompass a range of topics, including the monitoring of weather events or conflicts for at-risk communities.

By consolidating information from diverse sources such as official reports and social media, AI can assist governments and NGOs in effectively tracking situations in different communities to identify risks and take appropriate action. Additionally, AI has the potential to aid refugee support by helping to identify welcoming communities, creating chatbots to assist, and optimizing refugee camps, among other applications. While these use cases are valuable in illustrating the synergy between AI and SDG 10, it is crucial not to overlook the associated risks for inequalities.

**Firstly, the majority of AI solution ownership is concentrated in a few countries (primarily in the Global North) or large companies, leading to the centralization of benefits in specific locations and unequal distribution of ownership and value, potentially exacerbating inequalities.** For instance, the training of AI models using data from individuals or small and medium- sized enterprises (SMEs) often occurs without financial compensation for sharing their content and work. Secondly, the development of AI solutions typically reflects the needs and values defined by the developer, potentially resulting in significant biases, particularly as much of the technology is concentrated in specific geographic locations. While this matter has been discussed from a gender perspective, it also applies to country diversity and under represented communities. Lastly, while AI can monitor at-risk populations for their benefit, it can also be misused by malicious organizations to achieve the opposite outcome, endangering these populations. There is a legitimate concern that AI could be employed for surveillance of humanitarian efforts, perpetuating hate towards minorities, and providing tools to monitor populations and restrict freedoms.

## Key Considerations for Stakeholders

- **Ownership sharing:** To reduce the risk of monopoly on technologies, new business models should be considered, where value is shared differently to minimize the increase in inequalities and reward all contributors.

- **User-centric:** Align the development of AI solutions with the "Recommendation on the Ethics of Artificial Intelligence" from UNESCO to ensure that human dignity is maintained.

## Impact

AI could act as an (positive) enabler for 90% of the SDG 10 targets and act as an inhibitor (negative) for 70% of the targets.

## Use case 1

Aggregating various data points from social media to assess critical situations for minorities and support in case of problems or risks.


## Use case 2

Using an AI platform to help refugees find the best information in their time of need by leveraging chatbots.

## Use case 3

Training AI to recognize biases in historical data to develop new solutions that are more inclusive.

# Reduced inequalities

- Despite the economic disruptions of the pandemic, the global share of people living on less than half the median income has been declining due to social assistance programmes. However, workers' wages have not kept pace with productivity, and labour's share of GDP has resumed its long-term decline.
- A historic reversal is threatening improvements in inequality among countries. The economies of half the world's most vulnerable countries have been growing at slower rates than those of wealthy countries.
- More people died on migration routes in 2023 than in any other year on record. The number of refugees worldwide reached a historic high.
- Developing countries are not fairly represented in international economic decision-making. Strengthening their voice and participation is crucial to ensuring a more inclusive and equitable global economic system.

Displaced people in Goma, Democratic Republic of the Congo, where over 7 million people have been internally displaced.

Addressing inequality both within and among countries necessitates equitable resource distribution, investment in education and skills, social protection measures, efforts to stop discrimination, support for marginalized groups, and international cooperation for fair trade and financial systems.

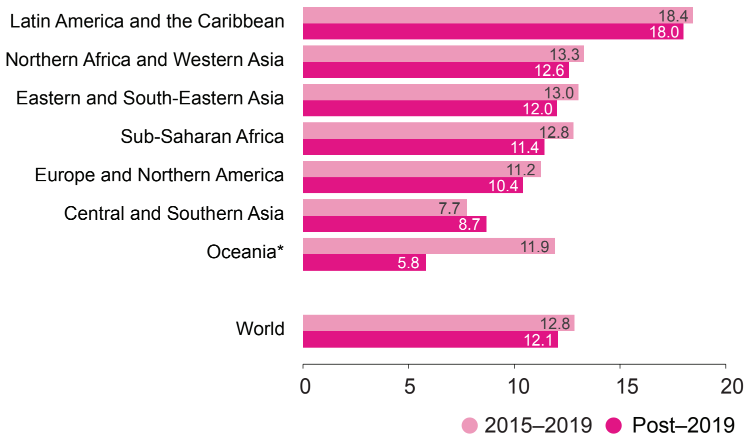
## The proportion of people living below half the median income is falling globally

Since 2000, two thirds of countries with data have reduced the proportion of their population living on less than half the median income. This trend continued during the pandemic. Data from 82 countries, representing 70 per cent of the world's population, indicate a slight decline in the proportion of people living below half the median income post-2019 compared to 2015–2019, dropping from 12.8 to 12.1 per cent.

Progress has occurred in all regions except Central and Southern Asia, where the proportion remains relatively low at 9 per cent. Social assistance programmes, particularly in wealthier countries, largely explain reduced inequality during the pandemic.

Latin America and the Caribbean has high levels of within-country inequality with at least 18 per cent of the population living on less than half the median income.

Proportion of population living on less than half the median income, 2015–2019 and post-2019 (percentage)




* Excluding Australia and New Zealand.

## Developing countries remain under-represented in international economic decision-making

Developing countries make up 74 per cent of United Nations General Assembly Members but have limited voice and participation in international economic decision-making, norm-setting and governance. At the World Bank's main lending arm, developing countries hold only 39 per cent of voting rights, far short of their 75 per cent share of the bank's membership. At the International Finance Corporation, the World Bank's private sector lending arm, developing countries have just over 32% voting rights.

The International Monetary Fund completed two general reviews of quotas in 2019 and 2023 without any changes to their distribution (which helps to determine voting rights), leaving developing countries with only 37 per cent of voting rights. Other international financial institutions, such as regional development banks, have not undertaken any voting rights reforms since 2015 or announced plans to do so. The Fourth International Conference on Financing for Development in 2025 presents an opportunity to address these shortcomings and strengthen the legitimacy of global governance.

## Remittance costs have fallen but not enough; digitalization could accelerate further decreases

Over the past decade, the cost of remittances has fallen significantly. The global average cost of sending $200 decreased from 7.42 per cent in 2016 to 6.18 per cent in 2023. This is still above the 3 per cent SDG target, however. In 2023, the highest costs for sending $200 in remittances were in Oceania (excluding Australia and New Zealand) and sub-Saharan Africa, at 8.33 per cent and 7.36 per cent, respectively, despite substantial progress in both regions since 2011.

Digital remittance services could help reach the target faster. In 2023, the global average cost of digital remittances was 4.84 per cent compared to 6.77 per cent for non-digital/cash-based remittances. Digital services comprised 30 per cent of all services in 2023. To achieve the SDG target, stakeholders could leverage digitalization to reduce costs, increase efficiency and improve remittance accessibility. Regulators need to address challenges such as limited competition, high compliance costs, account access barriers, transparency issues, and low digital and financial literacy.

# Global Youth AI Advisory Body

Delhi School of Artificial Intelligence