Chapter 2

Inequality in key aspects of well-being

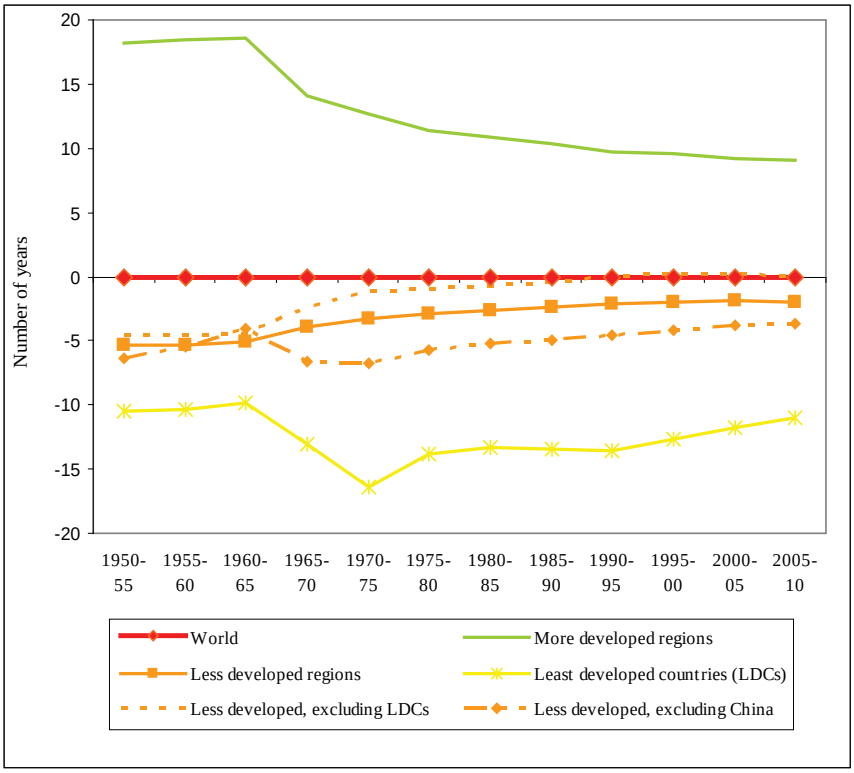
The present chapter analyses disparities across and within countries in several dimensions of well-being, namely, life expectancy at birth, child survival, nutrition and educational attainment. Although inequality in health and educational outcomes across countries remains large, the past two decades have seen a shift towards convergence, as poorer countries have continued to make notable progress in improving their levels of human development. However, this good news is tempered by the persistence of large inequalities in health and education within and across both social groups and regions within countries. Spatial disparities may not have increased in all countries but they have remained high, as have inequalities in education and health. However, as with economic inequalities, trends are far from universal.

I. Health inequalities: Life expectancy at birth, child mortality and nutrition

Life expectancy at birth is a widely-used indicator of human well-being. Disparities in length of life reflect inequalities in health risks and in access to health services; life expectancy is also a marker of a country's economic and political situation, including its level of stability and human security. Over time, disparities in life expectancy at birth have declined across major areas and geographical regions, due to improvements in standards of living, nutrition, public hygiene, levels of education (especially female education) and technology, particularly simple and low-cost health interventions in the developing world (see figures II.1 and II.2). As a result, there have been marked reductions in deaths due to infectious diseases, congenital and prenatal conditions, and other ill-defined causes.

The absolute gap in life expectancy at birth between the more- and the less-developed regions shrank from 23 years in 1950-1955 to 13 years in 1980-1985, and further, to just under 10 years, in 2005-2010. Life expectancy has improved more slowly in the least developed countries, particularly during the

Figure II.1. Trends in the gap in life expectancy at birth between each major area and the world average, 1950 – 2010 (both sexes)

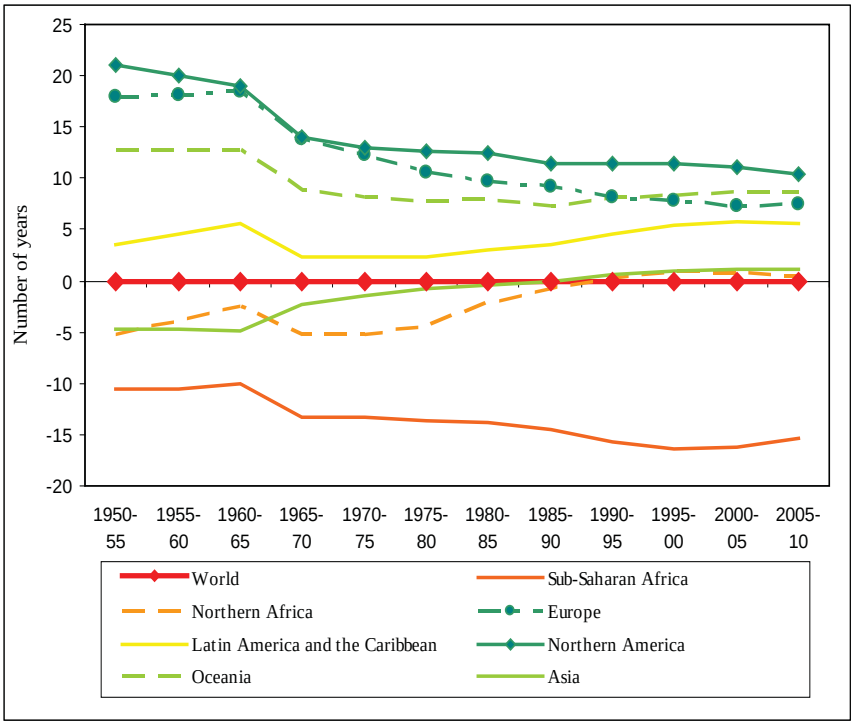


Source: United Nations, Department of Economic and Social Affairs, Population Division (2013) World Population Prospects: The 2012 Revision, CD-ROM Edition

'lost decades' (1980s and 1990s) of declines in incomes and public expenditure. Since 2000, however, stronger economic growth has gone hand-in-hand with faster progress in health, but the recovery has not been sufficient enough to reduce the gap with other developing countries significantly.

Disparities in life expectancy have also declined across most geographical regions, with the notable exception of sub-Saharan Africa. Life expectancy at birth was about 14 years below the world average in 1980-1985 and over 16 years below in 1995-2000. Despite some progress since 2000, average life expectancy in sub-Saharan Africa is still 16 years below that of most countries in Asia. Most of the relative lack of improvement in sub-Saharan Africa can be traced to the ravages of the HIV/AIDS epidemic that swept through much of the continent. Additional factors, including civil wars and other violent conflicts, are also responsible, both directly and through their impact on nutrition (by disrupting food supplies) as well as on the provision of health services and basic infrastructure.

Figure II.2. Trends in the gap in life expectancy at birth between each region and the world average, 1950-2010 (both sexes)

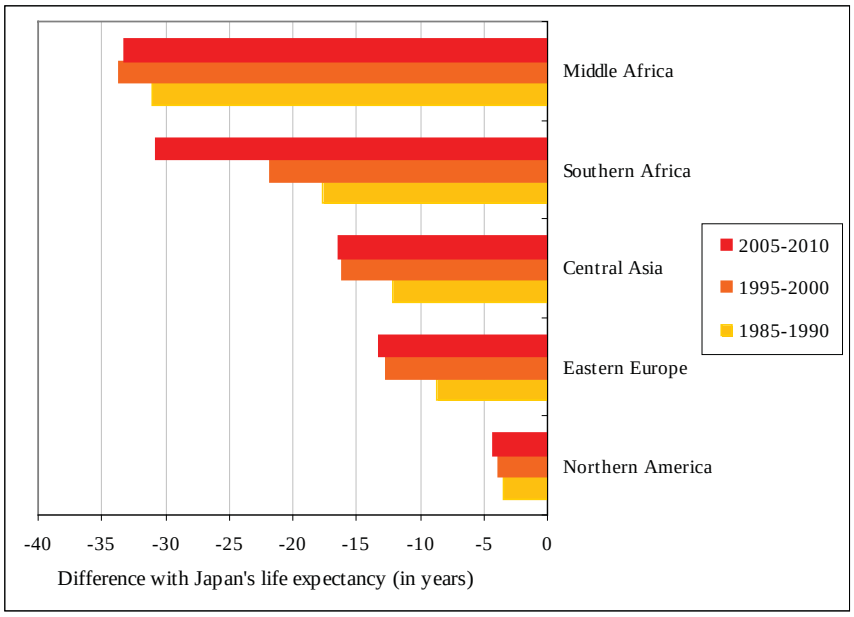


Source: United Nations, Department of Economic and Social Affairs, Population Division (2013) World Population Prospects: The 2012 Revision, CD-ROM Edition

Differences in life expectancy across some developing countries, countries with economies in transition and developed countries have actually increased since the 1980s. The mortality gap between Japan (a country with one of the lowest mortality rates in the world) and five world subregions has increased, as shown in figure II.3. The gap in life expectancy between Japan and the Russian Federation, for instance, increased from 9 years in 1985-1990 to close to 16 years in 2005-2010. A similar trend was observed in most of the countries of the former Soviet Union which suffered cutbacks in their health systems following the transition to market economies, and where public health suffered from the effects of high unemployment, growing inequality and other social impacts of the transition. The difference in life expectancy between Japan and Southern Africa increased from 18 to 31 years, mostly due to the impact of the AIDS epidemic in the latter, and remained high in Middle Africa.

One of the most important determinants of life expectancy, especially in countries with high mortality rates, is the health of infants and young children.

Figure II.3. Gap in life expectancy between Japan and selected subregions



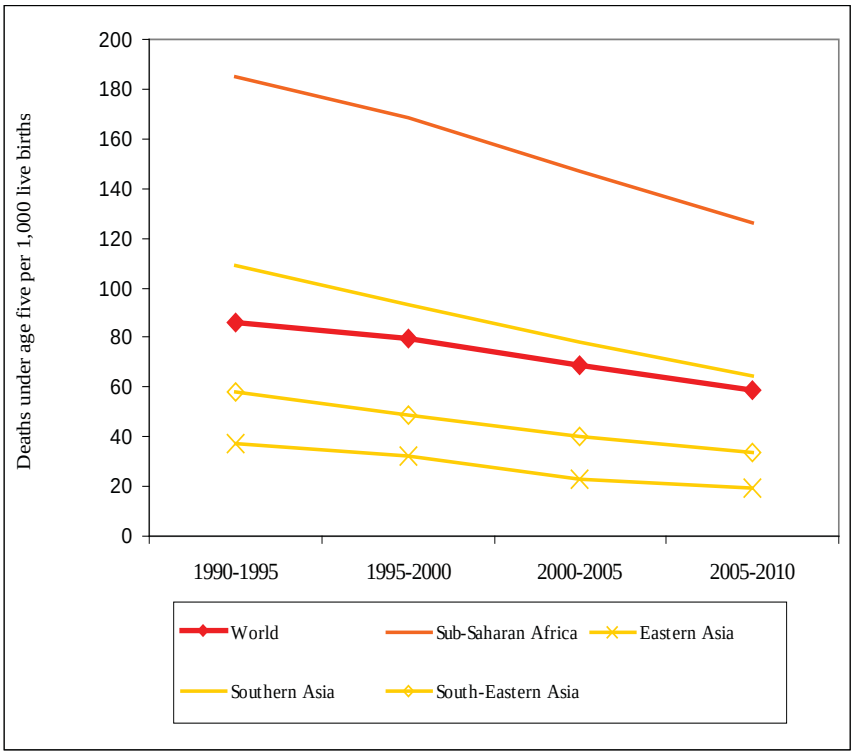
Source: United Nations, Department of Economic and Social Affairs, Population Division (2013) World Population Prospects: The 2012 Revision, CD-ROM Edition.

Note: The figure shows only those subregions in which life expectancy vis-à-vis Japan has declined. The gap between Japan and all other subregions has shrunk.

Figure II.4 shows that, while East and Southeast Asia have experienced significant declines in child mortality, the rate in sub-Saharan Africa has barely fallen. In recent years, the decline in child mortality has slowed in South Asia, such that the regional gaps in child mortality have remained significant. Increasingly, child mortality is concentrated in the poorest regions of the world, with sub-Saharan Africa (47 per cent) and South Asia (37 per cent) accounting for more than two thirds of all child deaths.

Child mortality, particularly neonatal mortality (death in the first month of life), correlates strongly with the health and nutrition of the mother, as well as with the accessibility of both basic and emergency health services. There are very wide differences in the percentage of births attended by skilled health personnel, ranging from nearly 100 per cent in most advanced economies as well as in East and Central Asia, to only 50 per cent of deliveries in South Asia and sub-Saharan Africa (United Nations, 2013). Inequalities in nutritional intake, use of health-care services and access to infrastructural amenities are very important in determining disparities in child mortality.

Figure II.4. Child mortality by region for both sexes combined, 1990-2010



Source: United Nations, Department of Economic and Social Affairs, Population Division (2013). World Population Prospects: The 2012 Revision, DVD Edition.

Within countries, there is also a strong association between income, health outcomes and the use of health-care services, even in countries with comprehensive public-health programmes. On average, children in the lowest 20 per cent of households by income in developing countries are three times less likely than those in wealthier households to have been delivered by skilled health personnel, nearly three times more likely to be underweight, and twice as likely to die before their fifth birthday (United Nations, 2012; Case, Lubotsky and Paxson 2002; Cutler, Lleras-Muney and Vogl, 2008).

Nutrition also remains an area of significant global disparity. It is estimated that there has been reasonable progress globally in reducing the number and proportion of people undernourished, although most of the improvement has occurred in East and Southeast Asia (Food and Agriculture Organization of the United Nations (FAO), World Food Programme (WFP) and International Fund for Agricultural Development (IFAD), 2012; United Nations, 2013). The pace of change has been much slower in Southern Asia and sub-Saharan Africa

which, considered together, are now estimated to account for the majority of all undernourished people in the world. Similarly, significant disparities in hunger still persist within and across countries. While progress has been made against hunger over the past decade, the FAO estimated that 842 million people did not have access to adequate food in 2011-2013. Progress in reducing hunger has been relatively swift in South-Eastern Asia, Eastern Asia, the Caucasus and Central Asia, and Latin America, but hunger remains acute in South Asia and sub-Saharan Africa. Poor, or inadequate, nutrition is closely linked to poverty, and contributes to health and educational inequalities. For example, maternal malnutrition is linked to low birth weight and poor prenatal and postnatal health in mother and child. In 2011, an estimated 16 per cent of all children below the age of five globally (some 101 million children) were underweight. In 1990, the number of underweight children stood at 159 million.

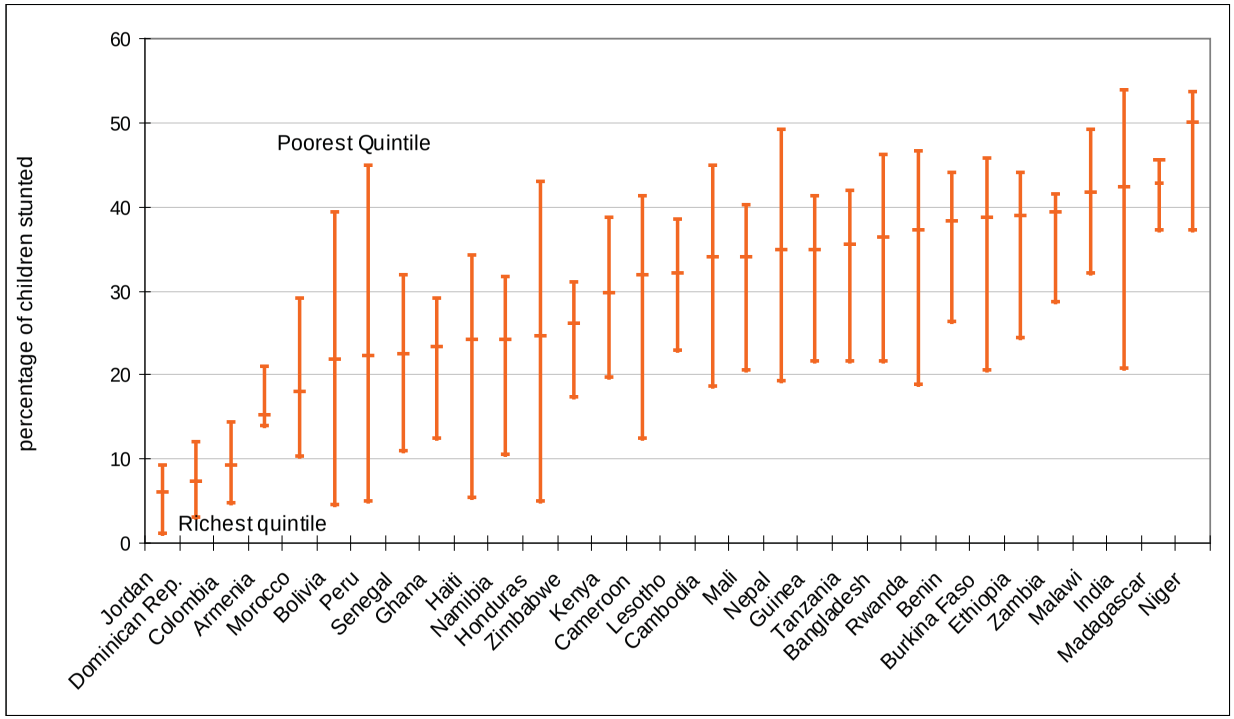
Survey data on the proportion of children's stunting (low height for age) also show large disparities between poor and rich households, both in countries with overall high levels of stunting and in countries with low levels (figure II.5). Disparities are particularly severe in Latin American countries such as Bolivia, Honduras and Peru, with the prevalence of stunting being nine times higher among children from poorer households compared to children from richer households. Differences across countries in stunting and malnutrition, however, are not necessarily correlated with each country's income. For instance, Morocco and India are both lower-middle income countries, yet in Morocco, where disparities between income groups are smaller, average levels of stunting are three times lower than in India. Moreover, levels of stunting in Jordan are lower than in Colombia, even though income per capita is significantly higher in the latter. These examples suggest that policy plays an important role in national health outcomes.

Poor health during childhood has a strong impact on opportunities and outcomes over the life course. A longitudinal study conducted in Guatemala to assess the effects of stunting during childhood showed that stunted children, compared with non-stunted children who were given nutritional supplements during the first 36 months of their lives, completed less schooling, scored lower on cognitive skills' tests as adults, made less money and were less likely to be employed in higher-paying jobs (Hoddinott and others, 2011).

II. Inequalities in education

Educational achievement is a critical dimension of human well-being, not only in its own right but also as an important input to a person's empowerment, capabilities and full participation in society. It is also a major driver of income and health outcomes. People who lack education or basic literacy skills face higher risks of ill-health and insecure employment, and are more likely to live in poverty. Education is one of the main determinants of future economic

Figure II.5. Proportion of children stunted by income quintile, late 2000s



Source: Calculations based on data from Demographic and Health Surveys.

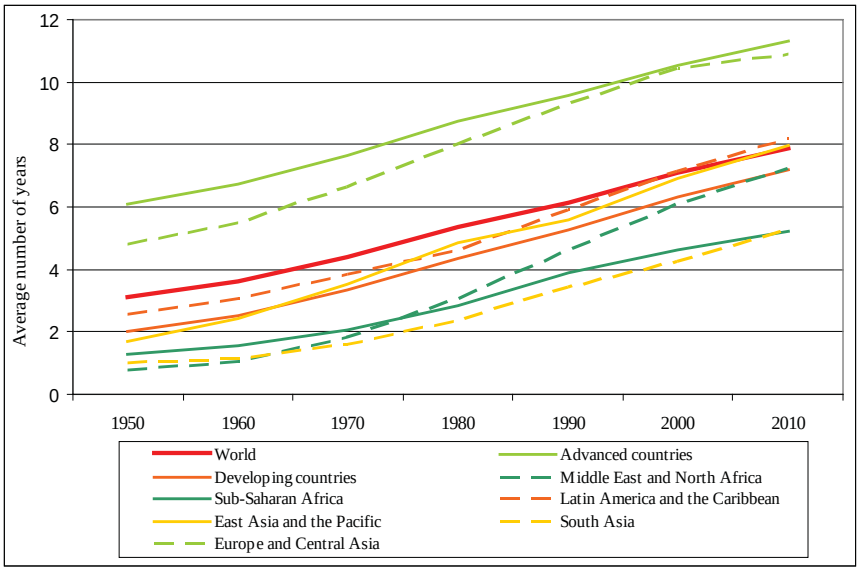
Note: Stunting is defined as having a height for age below two standard deviations from the reference population.

opportunity, as there is a strong connection between levels of educational attainment and upward social and economic mobility. Investments in both the quality and quantity of education at all levels are, therefore, important for equalizing opportunities and reducing inequalities. Where declines in wage inequalities have been observed, these can be attributed largely to the expansion of coverage of basic and higher education (López-Calva and Lustig, 2010; Cornia, forthcoming).

Despite the remarkable progress in expanding access to primary education around the world, the number of school-age children out of school remains staggering. In 2011, an estimated 57 million children of primary school age still were not enrolled in school, although the number was down from 102 million in 2000 (UNESCO, 2012). More than half of those children reside in sub-Saharan Africa. Reducing inequality in education will, therefore, require getting those children into school and ensuring that they complete their schooling. UNESCO has estimated that one in four children who enter primary school will probably drop out before reaching the last grade of primary school. The persistence of high drop-out rates in developing countries is a key contributor to educational inequality.

Differences between developed and developing countries in educational attainment, measured by average years of schooling, have declined in the last 50 years due to the expansion of primary schooling worldwide. The average years of schooling among the global population aged over 15 years more than doubled,

Figure II.6. Average years of schooling completed by the population aged 15 years and over, 1950-2010



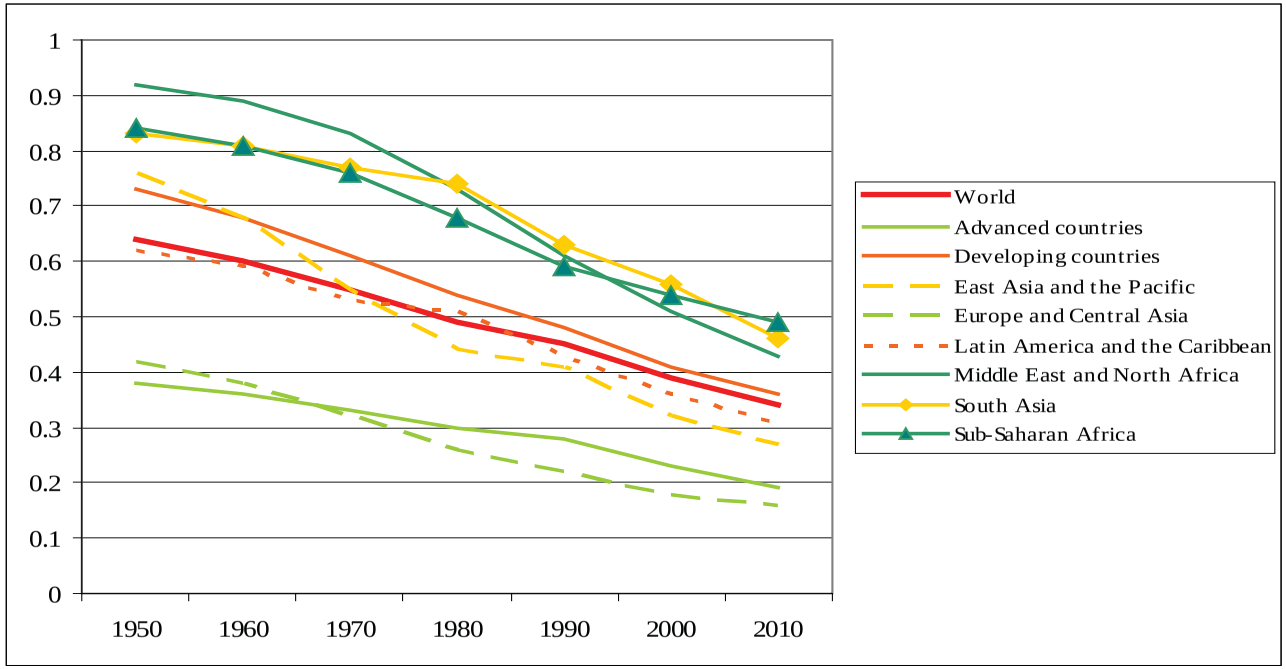
Source: Barro and Lee, 2012.

from 3.12 years in 1950 to 7.9 years in 2010 (shown in figure II.6, based on a dataset for 146 countries). In developing countries, the average number of years of schooling increased from 2.0 years to 7.2 years, and the average rose from 6.1 years to 11.3 years in advanced economies. Such improvements have been evident in all regions, with the greatest progress seen in the Middle East and North Africa, East Asia and the Pacific, and Europe and Central Asia. Primary-school enrolment and completion rates among girls and boys have improved significantly since the 1990s, as a result of the Millennium Development Goals campaign to achieve universal primary education and increase participation in post-primary education in developing countries.

As average educational levels have been increasing in all regions since the 1950s, educational inequality within regions has been declining (figure II.7). A relatively new indicator used to access the distribution of human capital and welfare, *the Gini coefficient of the distribution of school attainment for the world*, declined from a high of 0.64 in 1950 to 0.34 in 2010, indicating that inequality in educational attainment has been declining in most countries. Educational Ginis are similar to the Gini coefficients used to measure the distribution of income or wealth. They range from 0, which represents perfect equality, to 1, which represents perfect inequality. The advanced countries have the lowest Gini index of education (0.19 in 2010), while the developing countries have seen a faster decline over the period (from 0.72 in 1950 to 0.37 in 2010).

The largest regional declines in educational inequality occurred in East Asia and the Pacific, and in the Middle East and North Africa. Inequality has not fallen markedly in Europe and Central Asia, in part, because the region already had high average schooling levels and, hence, relatively low educational Gini coefficients, and had also reached gender parity in education over most of the period. Although gender gaps have been closing, in particular at the primary-school level, gender remains an important determinant of differences in educational attainment across the developing world. Sub-Saharan Africa has seen some of the greatest gains, with its ratio of years of schooling of females to males increasing from 67.2 per cent in 1990 to 80 per cent in 2010, although remaining well below parity. In both Latin America and the Caribbean, and Europe and Central Asia, the gender ratios are now around 98 per cent, and in East Asia and the Pacific, the ratio is 88.3 per cent (Barro and Lee, 2012). The gender gap in education, as also evidenced by the fact that educational Gini for women tend to be much higher than those for men in most regions (see table II.1), accounts for much of the remaining inequality in education. Since forces underlying educational disparities often involve the interplay of structural, institutional, geographical, cultural and household factors, policies to reduce such disparities often vary across countries. Some common policies that have contributed to narrowing gender gaps in education include abolishing school fees, reducing costs, improving school facilities to make them ‘girl-friendly’, purging school curriculums of gender biases, providing conditional cash transfers, and building rural infrastructure to reduce the amount of time rural women and girls spend collecting water and firewood.

Figure II.7. Gini index of education of the population aged 15 years and over (1950-2010)



Source: Wail, Said and Abdelhak, (2011).

Table II.1. Gini coefficients of educational inequality by sex in some regions

	Male		Female	
	1950	2010	1950	2010
Europe and Central Asia	0.38	0.15	0.44	0.17
Middle East and North Africa	0.89	0.38	0.95	0.49
South Asia	0.74	0.37	0.93	0.57
Sub-Saharan Africa	0.79	0.43	0.89	0.54
Latin America and the Caribbean	0.60	0.30	0.65	0.31

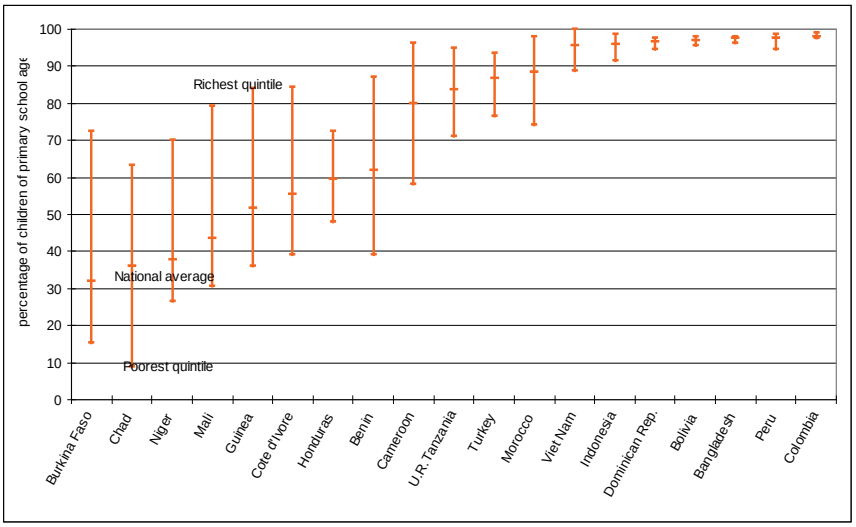
Source: Wail, Said and Abdelhalak, (2011).

The available evidence suggests that within-country disparities in education are also narrowing. An analysis of trends in educational inequality since the 1970s, measured in years of schooling, shows declining disparities in most countries (UNDP, 2011). In contrast with trends in income inequality, within-country educational inequality declined most in Europe and Central Asia, followed by Eastern Asia, and Latin America and the Caribbean (*ibid*).

Despite a general trend towards narrowing disparities, primary and secondary school attendance and completion still differ markedly within countries by wealth quintile, particularly at lower levels of attendance, as illustrated using recent data from Demographic and Health Surveys (DHS) for a sample of 19 developing countries (figures II.8 and II.9).[1] In Chad, for instance, only 9 per cent of children from the poorest households were attending primary school in 2004, compared with 63 per cent of children from the richest households. In most other sub-Saharan African countries shown in the figures, children from the poorest households were at least twice as likely to be out of school as children from the richest households. Even countries close to achieving universal primary education, such as Turkey and Viet Nam, have been unable to reach poorer children and retain them in school. In addition, higher attendance does not necessarily imply a smaller disparity. For instance, average primary school attendance is higher in Chad than in Burkina Faso and is also higher in Morocco than in Turkey. Yet children in the poorest quintile are out of school more often in Chad than in Burkina Faso, and more often in Morocco than in Turkey.

1 In Demographic and Health Surveys, the proxy for wealth is a composite index of a household's living standards, estimated by its ownership of selected durable assets (material used for construction, access to water and sanitation, and ownership of a television, a bicycle and other goods).

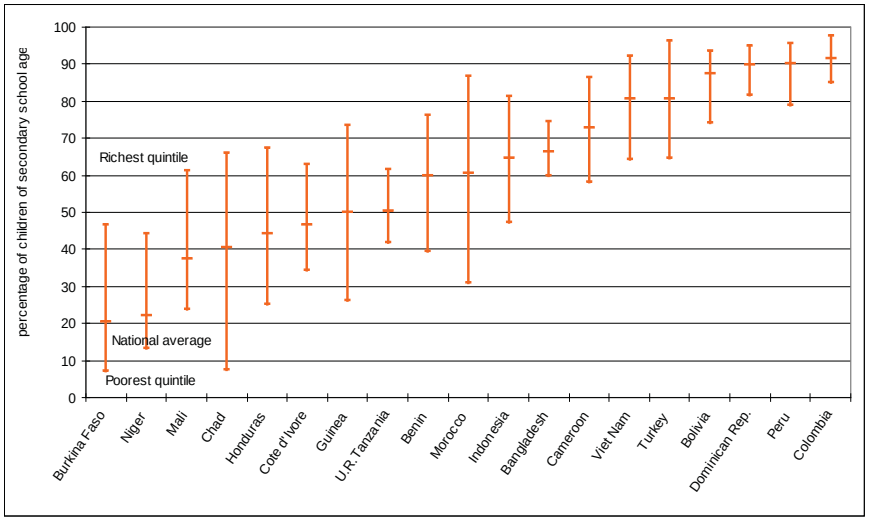
Figure II.8. Proportion of children attending primary school by wealth quintile, late 2000s



Source: Calculations based on data from Demographic and Health Surveys.

Note: Primary school age differs by country. Information on country-specific school systems has been used to obtain each country's age range for primary school attendance.

Figure II.9. Proportion of children attending secondary school by wealth quintile, late 2000s



Source: Calculations based on data from Demographic and Health Surveys.

Note: Secondary school age differs by country. Information on country-specific school systems has been used to obtain each country's age range for secondary school attendance.

Household poverty has been found to be the single most important factor in keeping children out of school. An analysis of household surveys conducted in 63 developing countries between 2005 and 2011 found that children and adolescents from poorer households were at least three times more likely to be out of school than their richer counterparts (United Nations, 2013). Location and gender also matter. Rural children were nearly twice as likely as urban children to be out of school. Girls were more likely to be out of school than boys at both the primary and the secondary educational levels. Income and wealth also have a direct impact on educational outcomes, particularly in countries where education is not provided free of charge. They also affect education indirectly, as malnutrition, disease and lack of stimulation are heightened by household deprivation. All of these are factors that undermine the linguistic, cognitive and social skills that children develop even before entering school, and which form the foundations for lifelong learning and for economic as well as other opportunities. Additionally, family income and location are correlated significantly with educational quality (UNESCO, 2010; 2011). Poor-quality education affects educational outcomes adversely and contributes to higher dropout rates among children living in poverty (Sabates and others, 2010).

Barriers at the primary level are magnified at the secondary level (figure II.9). Income disparities in secondary school attendance are larger in most countries than those observed in primary school, with the difference being greater where national average attendance is higher. Distance to school, the opportunity costs of being in school and the quality of education all play larger roles in access to, and completion of, secondary education among poor groups, particularly in developing countries. Disparities in secondary and higher education are increasingly powerful forces driving inequalities, given that their roles are more and more vital in the development of the skills that are needed to participate in the global economy.

Although formal secondary schooling is the most effective means of acquiring work and life skills, young people in less-developed countries, rural or remote areas, and with socioeconomically disadvantaged or immigrant backgrounds, are more likely than others to be disadvantaged in access to secondary education. In developing countries, young adolescents from the poorest 20 per cent of households are three times more likely than those in the wealthiest 20 per cent of households to be out of school (United Nations, 2013). Young adolescents living in rural areas are 9 per cent more likely to be out of school than those living in urban areas. Moreover, young girls are more likely than their male counterparts to be out of school. In countries of the OECD, 15-year-old students from socioeconomically disadvantaged backgrounds, immigrant backgrounds or living in rural areas often perform less well than other students. These disadvantaged students are also more likely to attend schools that lack adequate resources and have less favourable teacher-to-student ratios.

Despite the undisputed value of education, it should be borne in mind that it does not always provide a route out of poverty. School attendance and

completion do not necessarily reflect adequate learning or job-preparedness, and access to productive employment and other assets is influenced by factors other than education. These facts illustrate the urgency of debates over the quality of education, learning outcomes and employment opportunities. As chapter 4 explains, Governments of many countries and the international community are moving beyond expanding access to education as their only goal to focus on improving the quality of learning, thereby giving young people better skills to participate in the labour market.

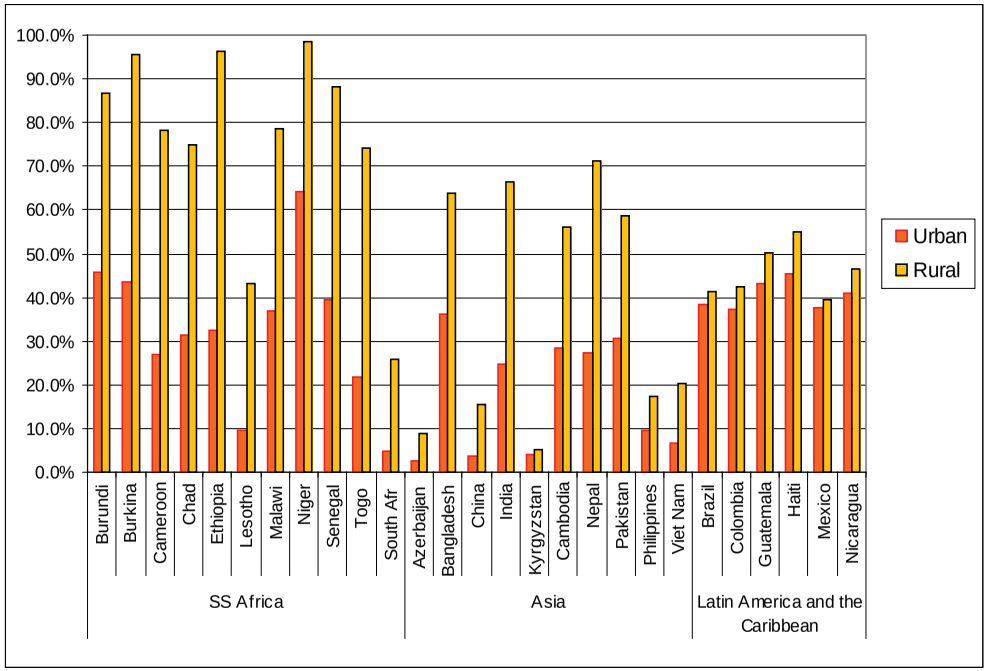
III. Spatial inequalities

Opportunity is strongly influenced by location. Where people are born and where they live have a lasting influence on their lifelong chances. While there is much heterogeneity across countries, spatial disparities are generally wide in all countries. Recent research indicates, for instance, that the poorest geographical regions of middle-income countries are, on average, as poor as low-income countries (Alkire, Roche and Seth, 2011). In Europe, intra-national disparities in educational attainment and achievement are often larger than disparities across countries (Ballas and others, 2012). Often, spatial inequalities account for a significant proportion of within-country inequalities. They constitute more than half of total income inequality in China, for instance, and over 30 per cent in India (ADB, 2012). Although improvements in communications technologies and reductions in transportation costs are reducing effective distances, on average, such improvements are not universal. In many developing countries, poor infrastructure, coupled with high transportation costs and congestion, makes even short distances difficult to travel for the majority of the population.

A. Disparities between urban and rural areas

In addition to geography, the unequal distribution of public and private assets is an important determinant of spatial disparities, which are particularly noteworthy between urban and rural areas. Natural resource endowments and location are drivers of the concentration of investment, employment opportunities and people. At the same time, the spatial concentration of activity leads to efficiency gains, economies of scale and further agglomeration. Thus, productivity tends to be higher in urban areas, and agglomeration reinforces the comparative advantage of cities. In addition to such advantages, urban residents have, on average, better access to education and health care – as well as to other basic services such as safe drinking water, basic sanitation, transportation and communication – than rural populations. For instance, in developing countries, 73 per cent of urban dwellers, and only 33 per cent of the rural population, had access to basic sanitation facilities in 2004 (WHO and UNICEF, 2006). Salaries and returns to assets are often higher in urban areas because of higher productivity, as well as better infrastructure and services.

Figure II.10. Incidence of Multidimensional Poverty Index (MPI) in selected countries, late 2000s



Source: Data provided by the Oxford Poverty & Human Development Initiative (OPHI). For more information on the MPI, including data at the national level, see [online]: http://www.ophi.org.uk/multidimensional-poverty-index/.

Note: Estimates for these countries show disparities similar to those found across a broader range of countries.

The evidence showing that poverty is higher in rural than in urban areas is broad. According to the World Bank, 75 per cent of those living in extreme income poverty resided in rural areas in 2002, despite the fact that only about 52 per cent of the world population were living in such areas (Ravallion, Chen and Sangraula, 2007). Based on more recent estimates of the Multidimensional Poverty Index (MPI), which considers overlapping deprivations in education, health and living standards, the greatest incidence of MPI poverty is still in rural rather than in urban areas of all developing countries with data (figure II.10), even in those countries where the overall prevalence of poverty is low - such as in the Central Asian countries shown in figure II.10.

Rural populations also receive lesser returns to human capital investments (Kanbur and Venables, 2005). The urban-rural gap in health, education, and other skills and household endowments, is compounded by factors such as wage differentials and employment opportunities (Nguyen and others, 2007). Such compound disadvantages, together with social and political exclusion, make rural populations more likely to experience long-term poverty in what it is often referred to as *spatial poverty traps* (Bird, Higgins and Harris, 2010; UN-Habitat, 2010).

B. An enduring rural-urban divide?

Despite persistent rural disadvantages, evidence from surveys suggests that improvements in education, health and nutrition during the last decade have often been achieved faster in rural rather than in urban areas of developing countries. According to Sumner (2012), progress in these dimensions in urban areas was very limited between the late 1990s and the late 2000s, with levels of education and health even declining in some large cities. DHS data for 33 developing countries showed, for instance, that the proportion of children underweight in rural areas declined from 30.7 per cent in the late 1990s to 28.3 per cent in the late 2000s while remaining almost constant, although at much lower levels–6.4 and 6.2 per cent–in urban areas (Sumner, 2012). Günther and Harttgen (2012) found that, in sub-Saharan Africa, adult mortality rose in urban areas, from an average 124.5 per thousand in the 1990s to 141.1 per thousand in the late 2000s, while declining in rural areas.

However, trends do vary significantly across countries. Rising urban-rural inequalities in China during the last few decades have been widely documented. The uneven distribution of economic growth, poverty reduction and public investment to the benefit of cities and industrial development resulted in significant increases in the absolute gap between urban and rural incomes between the early 1980s and the mid-2000s (Chaudhuri and Ravallion, 2006; Whyte, 2010). China's system of household registration (the *hukou* system), which restricts internal migration severely, has contributed to this income gap through the marginalization of rural residents and rural-to-urban migrants (Wang, 2010; Chan, 2011). Recent efforts by the central and local governments

to reduce inequalities and stimulate rural growth, through regional development plans, the reduction in regressive taxes and fees in rural areas, increased public investment in rural infrastructure and, to a lesser extent, in social services, as well as some initial attempts to reform the *hukou* system, may have started to bear fruit (Whyte, 2010; OECD 2010a). Namely, annual income growth in rural areas increased from 4 per cent in the early 2000s to over 8 per cent in 2006-2008, a growth rate similar to that registered in urban areas (Sun, 2010). OECD estimates indicate that the rise in inequality may have started to level off in 2005, with some indicators even showing declines in spatial inequality since 2006 (OECD, 2010a). Whether this apparent decline is the beginning of a long-term trend remains to be seen, particularly taking into account the country's economic slowdown in 2011 and 2012.

While most evidence regarding spatial disparities is highly aggregated and generally compares only major sub-national regions, or urban to rural areas, the economic and social landscape of cities and rural areas is very heterogeneous. Although spatial segregation or exclusion, be it by income, ethnic or national background, religion or other factors, is common to many cities, the way in which a population is spatially distributed differs by city and by country.[2]

C. Disparities within urban areas

Despite the comparative advantage of cities, urban areas are more unequal than rural areas. Firstly, social and economic conditions vary by city size. In general, larger cities (usually defined as those with a population of one million or over) are better served than smaller cities and towns in terms of social services and infrastructure, including safe drinking water, sanitation and electricity (National Research Council, 2003). Moreover, a comparison of large and small cities across 90 developing countries showed that adults in larger cities had more schooling than those in smaller cities (*ibid.*, figure V.6).

Secondly, within most cities and towns, high levels of wealth and modern infrastructure coexist with areas characterized by severe deprivation and lack of services in what UN-Habitat called the 'urban divide' (UN-Habitat, 2010). Such a divide has economic, social and political dimensions. Economically, the Gini coefficient of income is larger in cities than in rural areas in the large majority of developed and developing countries, with the important exception of China (*ibid.*). Socially, rapid rates of urbanization combined with inadequate infrastructure have led to growing concerns about deteriorating health conditions in urban areas. The evidence available on intra-urban disparities suggests that the health disadvantages

2 UN-Habitat's Global Urban Observatory monitors and documents urban segregation through its Monitoring Urban Inequities programme. For an overview of its findings, see the State of the World's Cities series, available [online] at http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387, and in particular, UN-Habitat (2010). See also the biannual Global Reports on Human Settlements, available [online] at http://www.unhabitat.org/categories.asp?catid=555.

suffered by the urban poor differ little from those experienced by rural residents. In a study of 20 countries in sub-Saharan Africa, Günther and Harttgen (2012) found that child mortality rates in urban slums were, on average, 1.65 times higher than in other urban areas. In three of these countries, child mortality was even higher in slums than in rural areas. In India, 52.6 per cent of urban children in the bottom wealth decile were stunted in 2000, while stunting affected only 26.1 per cent of urban children in the top half of the urban distribution and 40.8 per cent of rural children in the top half (Montgomery, 2009). Stunting was only slightly higher among rural children in the bottom decile (57.2 per cent) than among poor urban children (52.6 per cent). Similar disparities were found in Egypt and other developing countries in these and other indicators of maternal and child health (Montgomery, 2009). Thus, although there is an urban health advantage, health disparities are larger in urban than in rural areas, and the burden of disease borne by the urban poor is similar to that borne by rural populations.

Despite the advantages conferred by closer proximity to modern health care and other services in urban areas, such services may lie beyond the reach of people living in poverty due to economic constraints or other reasons. For example, poor households may lack the information or the agency needed to seek health care. In addition, poor city dwellers often live in close proximity to health services yet lack access to basic sanitation or safe drinking water, thereby facing a higher risk of contracting communicable diseases. The urban poor, especially those resident in slums, receive less water and sanitation services and electricity than other urban residents (National Research Council, 2003).

Many of the urban poor still live in poor-quality settlements or slums, where unmet basic needs—in terms of housing, infrastructure and services—are greatest, despite Millennium Development Goals achievements. In developing regions as a whole, the proportion of slum dwellers to the total urban population decreased from 39 per cent in 2000 to 33 per cent in 2012, due to the expanded provision of improved water sources, sanitation facilities, durable houses and sufficient living space (United Nations, 2013). The largest decreases were in Asia, where less than one third of urban residents are now considered to be living in slums. However, slum dwellers in sub-Saharan Africa still account for around 62 per cent of that region's urban population.

Slums are the clearest symptom of a divided city, yet urban poverty is found outside of slums as well. In India, the proportion of the population below the official poverty line was 44 per cent in areas officially classified as slums, close to 52 per cent in non-notified slums, and 23 per cent in other urban neighbourhoods (Chandrasekhar and Montgomery, 2010). In addition, over one quarter of households in slum areas have expenditure that is above the official poverty line, suggesting that many households in the slums are not poor—or, rather, that the official poverty line is set too low *(ibid.*). The challenges for slum dwellers arise from inadequate infrastructure, poor housing, hazardous location, social and economic exclusion, violence and insecurity. Slum dwellers are, therefore, disempowered on account of their location and are often discriminated against

in employment and access to public services. Like rural populations, urban slum dwellers are also victims of 'spatial poverty traps' due to their social, economic and political exclusion, which results in a severe waste of human potential.

Politically, persons from low-income households in both urban and rural areas have little or no political voice or formal representation, particularly if they live in settlements with no legal address. Differences in power, influence and access can help reinforce the urban divide and tilt public investment towards the interests of the elite. In addition, political voice can be controlled through relationships that trade access to benefits for electoral support. In Nairobi, for instance, 41 per cent of landlords in informal settlements in 2002 were found to be Government officials and 16 per cent elected politicians; many ran lucrative businesses on the side, selling water and access to sanitary facilities (Syagga, Mitullah and Karirah-Gitau, 2002). In Karachi, municipal officials provided water tankers with access to public water supplies, which were then sold at much higher prices (Rahman, 2008).

IV. Conclusion

Despite a general trend towards narrowing the disparities in life expectancy, child health and mortality, and primary and secondary school attendance and completion, health and educational outcomes still differ markedly across, and within, countries. Opportunities and children's futures depend strongly on income, wealth and place of residence. As with economic inequalities, trends vary significantly across countries and regions. Some countries have done better than others at closing human development gaps. Domestic policy measures, supported by international cooperation, have made a difference. However, shrinking inequalities are not always the outcome of widespread progress: in some countries, for instance, urban health indicators have stagnated—or even worsened—while rural health has improved.

As the international community shapes its vision for the development agenda after 2015, it is important to emphasize that addressing inequality is not merely a moral imperative. It is also necessary to unleash the full potential of each country's population and to bring development onto a sustainable path. Indeed, as the next chapter shows, there is growing evidence and recognition of the powerful and corrosive effects of inequality on poverty reduction, economic growth, social cohesion and stability.