

## Introduction

History is teeming with cautionary tales of the unintended consequences of narrow economic interests overriding the needs of the people and the issues that matter most. It is also full of seminal moments when a visionary course was charted and society moved forward. One such moment occurred 60 years ago with the founding of the United Nations. Not long after its establishment, its Member States charted a visionary course of action by recognizing that freedom, justice and peace in the world is based on recognition of the inherent dignity, equality and inalienable rights of all.<sup>1</sup>

The year 2005 marks the commemoration of other seminal moments, including the fifth anniversary of the Millennium Summit of the United Nations and the tenth anniversary of the World Summit for Social Development. Together, these unprecedented gatherings of heads of State and Government represent a resounding affirmation of the need “to promote social progress and better standards of life in larger freedom”, as enshrined in the Charter of the United Nations.<sup>2</sup>

The timing of the World Summit for Social Development was significant. Public sentiment for the ideal of “equal opportunity for all” had been reawakened by the historic dismantling of apartheid, one of the most blatantly institutionalized forms of injustice and inequality ever in existence. The Summit was, above all, uniquely equipped to rally on behalf of those perennially at the bottom of the development ladder with a unified message that policies, in every realm and at all levels, must safeguard the standards of social justice. The convergence of these ideals characterized not only the end of a nationally systematized reign of oppression, but the beginning of a larger global struggle for social justice and equality.

This struggle, which has animated a great deal of debate and political action throughout the course of history, remains one of the dominant features of today’s world. There has never been any illusion that inequality would be wholly and systematically eliminated, but the struggle to achieve even a measure of success has become increasingly difficult, as the global commitment to one of the most basic principles of equality—that there should be a better balance between the wealthiest and the poorest—appears to be fading.

It is profoundly disturbing that in a world in which unprecedented levels of wealth, technical expertise and scientific and medical knowledge have been attained, it is the most vulnerable in society that consistently lose ground during economic booms. One of the most visible by-products of globalization is access to new kinds of wealth and its propensity to increase inequality. Globalization has helped to accentuate trends that show the wealthiest 20 per cent of the planet accounting for 86 per cent of all private consumption and the poorest accounting for just above 1 per cent. Unless some headway is made

in refocusing economic policies to help those left behind, progress towards poverty reduction remains uncertain.

The present *Report on the World Social Situation* traces the development and expansion of inequalities within and between countries, examining not only the distribution of income and wealth, but also opportunities, access, and political participation and influence, all of which have profound economic, social, political and cultural dimensions. It is argued in this *Report* that the rise in inequalities should not be considered in isolation or accepted with equanimity. The point is made that macroeconomic and trade liberalization policies, financial globalization and changes in labour market institutions cannot be disengaged from the struggle to achieve equality and social justice.

The trends highlighted in the *Report* demonstrate that rising inequalities are, at the most fundamental level, a clear and compelling manifestation of pervasive social injustice. Acknowledgment or recognition of such trends is not always coupled with coherent policies to halt or reverse them, however. Those following the current development discourse are well aware that there are deeply entrenched and strongly supported policies for economic growth that produce or exacerbate inequalities, and that efforts to protect poor people are routinely portrayed as increasing their burden on society.

As the *Report* illustrates, the global balance sheet on equality shows a critical deficit. One of the more ominous features of inequality is its intergenerational dimension, or the manner in which it is inherited by successive generations. Every society depends upon the transfer of knowledge and responsibility from one generation to another; however, inequality, poverty, unemployment and exclusion have the potential to alter or even arrest this natural course. Governments maintaining policies that sustain social fault lines run a substantial risk of exposing communities, countries and regions to various forms of social upheaval, potentially erasing the gains accruing from decades of social, economic and political investments.

Despite the fact that inequality exists in every realm and society, its mark is particularly disquieting in societies in which the political and economic institutions needed for long-term prosperity and stability are weak. Violence occurs more frequently in settings where there is an unequal distribution of scarce resources and power. The devastation wrought by such violence is deepened when societies turn a blind eye to atrocities such as genocide, slavery and the use of child soldiers in war. Similar to the legacy of apartheid, societies are likely to pay a heavy price for allowing poverty, unemployment and exclusion to continue to undermine the social fabric, contributing to persistent inequalities.

Notwithstanding the obstacles and setbacks, examples of recent efforts to attain equality are manifold. While some of the activity in this domain is directed towards equalizing wealth and income, much of it involves groups working to improve their status, win acceptance and secure the privileges

and advantages enjoyed by other groups. This is perhaps most evident in the realm of gender. The women's movement has sought to give more than half of the world's population a voice. Women have traditionally had fewer opportunities than men and have faced greater obstacles, but many are now receiving some support in their struggle to achieve the goals their societies project.

Most workers are deeply entrenched in the informal economy; however, there is no galvanizing voice to speak for them. Informal workers generally have no benefits, social protection, or sense of security to bequeath to the next generation. Efforts to strengthen voting traditions, unions and lobbying efforts lack widespread political support. Like the poor and excluded, informal workers remain disenfranchised from the larger political movements in the struggle for equality and disconnected from participatory efforts to advance a more inclusive globalization. Informal workers are a constituency often mentioned but seldom heard; though they comprise a significant portion of today's global economy, they are, for the most part, scattered and marginalized.

For many countries national policy space is increasingly being reduced by liberalization policies that tend to accentuate asymmetric globalization and inequalities. The gradual diminution of openness in governance is hindering the average citizen's ability to establish a connection between public policy and situations of inequality. In such circumstances, when social inequalities and gaps in income and wealth reach levels that provoke unrest, it is unlikely that those policies contributing to inequality will receive the critical attention they deserve. Unfortunately, society accommodates itself to these new realities, creating a predicament whereby the obstacles to social justice are so overwhelming that those on the wrong side of the inequality equation simply despair and give up.

The world today is at a crossroads. If the vision of a shared future is to be carried forward, world leaders must seize every opportunity to take bold and decisive action to reverse negative trends. If humankind remains committed to fostering social integration and preventing the crystallisation of segmented societies, which would inevitably lead to more social conflict, they must aim higher than what merely appears achievable. The total development agenda of the United Nations should serve as a guide in such endeavours, with particular attention given to the decisions and recommendations emanating from the World Summit for Social Development.

The Reverend Martin Luther King, Jr., once issued the following appeal: "Through our scientific genius we have made of the world a neighbourhood; now through our moral and spiritual genius we must make of it a brotherhood."<sup>3</sup> It is clearly within the realm of human possibility to meet this challenge. Policies can and should redress trends that are neither morally acceptable nor politically or economically sound. A reshaping of priorities and attendant policies and strategies would provide not only the mechanisms for

reducing inequalities but also the means to rectify injustices caused by shortsighted economic interests and political expediency. The evidence presented in this *Report* unflinchingly affirms the need to once again define the world in terms of its essential humanity and not solely in terms of its economic interests.

### Notes

- 1 United Nations, Universal Declaration of Human Rights, General Assembly resolution 217 A (III) of 10 December 1948 (DPI/511).
- 2 Preamble to the Charter of the United Nations (1945).
- 3 Martin Luther King, Jr., “Facing the challenge of a new age”, a speech presented in Montgomery, Alabama, on 3 December 1956.