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NAME OF THE MEETING: *Strengthening the three pillars of social development: poverty eradication, full and productive employment and decent work for all, and social inclusion*

AGENDA ITEM: *Moderated Panel Discussion*

Inequality is both a *cause* and a *consequence* of the failures to ensure decent work, poverty reduction, and social inclusion.

Inequality is the root cause that links all three issues (and others like climate change) and ending it should be one of the main priorities of governments and many stakeholders.

We know there is enough money to fight inequality, end poverty and achieve social inclusion. But it is in the hands of ultra-rich and big corporations.

In our brief for FFD Conference in Sevilla, **since 2015 the top 1% has gained $33.9 trillion**. Enough to end poverty 22 times over. **Meanwhile 3.7 billion live in poverty, 750 million people go to bed hungry** and we still need **123 years to achieve gender equality.**

Tackling inequality accelerates poverty reduction. Current estimates of the World Bank show that if we combine a 2% economic growth with a 2% reduction in inequality extreme poverty could be reduced three times faster. Meaning 646 million less people living in poverty.

Therefore, **poverty reduction without tackling inequality only produces short-term gains which is often captured by a miniscule minority**. If wealth continues to concentrate at the top, any improvement for the poor is quickly undone.

Today the Extraordinary Committee of Independent experts on Global Inequality – commissioned by President Cyril Ramaphosa for SAF G20's Presidency and chaired by Prof Joseph Stiglitz states that

a. 83% of all countries, accounting for 90% of the world's population, meet the WBG definition of high inequality.
b. Countries with high inequality are 7X more likely to experience democratic decline then equal countries.
c. Richest 1% captured 40% of new wealth since 2000; in contrast wealth of bottom 50% only increased by 1%

Same as poverty, the lack of **decent work** and **social inclusion are symptoms of this imbalance**: when wealth and decision-making power are concentrated in a few hands, the majority faces shorter lives, low wages, precarious work, and exclusion from opportunities.

Benefits and **lion's share of the production benefits are concentrated among the top of corporations who only redistribute it to its shareholders**. This is a vicious cycle.

We also need to focus on **social inclusion.** Inclusion policies — such as gender equality laws, social protection, collective bargaining, and taxation reforms — **redistribute power and opportunity**.

To tackle inequality we need to focus on five elements.

1. **Taxing the super-rich and implementing progressive taxes instead of regressive ones**.
2. **Stop the privatization of public services** under what is called the Wall Street Consensus and focus on the provision of public universal services.
3. **Deliver universal, high quality public services**- Ring-fence and re-target public spending to social outcomes. As the recent CSO statement on Public Services endorsed by over 110 organizations highlights, When everyone can access high quality, public services societies become more equal and cohesive.
4. **Ensure Labour rights**: **workers (mostly women in the Global South)** create enormous value and receive only a tiny share of profits. By ensuring **living wages**, safe conditions, and labour rights, decent work redistributes value more fairly between workers and capital owners.
5. **Universal care provision by the states**. This will lead to social, economic and gender justice, and to the end of inequality and poverty.

We need to **transition from Private Profit to Public Power**. We need to revert the constant privatization of public services as evidence all over the word show us its harmful effects in societies, specially among women, girls and marginalised communities.

Inequality is a political choice by governments. Same as the provision of decent work and social protection or public services. It is quite clear: when governments and corporations prioritize profit over people, workers are underpaid, social protection is weakened, and public services are underfunded.

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