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The adverse human rights impact of economic inequality By Blerim Mustafa

Increasing economic inequality is a defining challenge of our time. Economic growth can often be disproportionate and unequal, adversely affecting marginalized and disadvantaged groups in society. Economic inequality has had adverse economic, social and political impacts for social stability and cohesion, political participation, poverty reduction, as well as the enjoyment of human rights. The realization of human rights cannot be separated from broader questions of economic and social justice.

L'accroissement des inégalités économiques est un défi majeur de notre siècle. La croissance économique est souvent disproportionnée et inégale, ce qui pénalise les groupes marginalisés et défavorisés. Les inégalités économiques ont des répercussions négatives tant du point de vue économique, sociale et politique, en particulier en ce qui concerne la stabilité et la cohésion sociales, la participation politique, la réduction de la pauvreté, ainsi que le respect des droits de l'homme, qui ne peut être séparé des questions plus larges de justice économique et sociale.

El aumento de la desigualdad económica es un problema característico de nuestros tiempos. El crecimiento económico a menudo puede ser desproporcionado y desigual, lo cual afecta adversamente a los grupos marginados y desfavorecidos de la sociedad. La desigualdad económica ha tenido repercusiones económicas, sociales y políticas negativas para la cohesión y la estabilidad social, la participación política, la reducción de la pobreza y el disfrute de los derechos humanos. La realización de los derechos humanos no se puede separar de cuestiones más amplias de justicia económica y social.

Increasing economic inequality is a defining challenge of our time. In recent years, it has triggered analysis and reflection by many scholars, politicians and others on its causes and consequences on economic growth and efficiency, politics and democracy, human rights, individual behaviors, access to health, social cohesion and environmental degradation. The perception that the top 1% of income earners are gaining at the expense of the other 99% has resulted in widespread public debates in many countries on the social and [political repercussions of inequality](#).

Inequalities in income and wealth are often blamed for the deepening anxieties of the middle class in many developed economies. Market power among business elites and multinational companies – in pursuit of higher profits – are one of the key drivers to inequality as access to resources remain in the hands of powerful business groups, and not in the hands of the people and their elected representatives.

It has long been assumed that gross domestic product (GDP) growth would address income inequality and lift people out of poverty. But economic growth can often be disproportionate and unequal, adversely affecting marginalized and disadvantaged groups in society. If economic growth does not lead to an equitable spread of its benefits, most citizens specifically the collar workers, the middle class and rural dwellers will not enjoy commensurate improvements of their socio-economic living standards. In many countries, this has contributed to the rise of a crisis of legitimacy of governments and a crisis of democracy that has facilitated the surge of populism.

Inequality is an issue of social justice. People want to live in societies that are fair, equal and just and where their efforts bear fruit and contribute to enhancing their socio-economic status. They want to live in societies where competition does not preclude solidarity and where activity is not exclusively profit- but also people-oriented. The 1995 World Summit for Social Development held in Copenhagen stressed, *inter alia*, that a people-centered approach to development must be based on the principles of equity and equality, so that all individuals have access to resources and opportunities.¹ In the 1995 Copenhagen Declaration and Programme of Action, social justice, equity and equality reflect the concept of a just society ensuring the equitable distribution of income and greater access to resources through equity and equality of opportunity for all.²

However, with the global financial and economic crisis that swept the world in 2007-2008, inequality has risen in all world regions.³ In response to the adverse impact of the crisis, governments worldwide introduced fiscal austerity programs to reduce public at the expense of ballooning levels of sovereign debt that strangle economic growth. As highlighted in the United Nations (UN)'s *World Social Situation* report⁴, popular dissent is increasing while trust in governments is plummeting “*as people believe they are bearing the brunt of crises for which they have no responsibility and feel increasingly disenfranchised.*” It is estimated that national governments have spent, at least, [USD 117 trillion](#) to save the financial system and to bail out banks that were on the brink of bankruptcy.

The financial and economic crisis has likewise taken its toll on access to income. Statistics from the World Inequality Report 2018 confirm that this ominous trend affects all regions of the world. The real income growth of the bottom 40% of the population of major developed economies remains below the national average or has witnessed an incremental increase of no more than 1% of their total wealth. It is only in France that the richest 1% of the population collectively earn less before taxes than the poorest 50% of the population.⁵ Despite this, the overall trend regarding income growth in developed economies points to stagnation.

¹ United Nations, Report of the World Summit for Social Development. A/CONF.166/9. 19 April 1995.

² United Nations, “Annex I: Copenhagen Declaration on Social Development.” A/CONF.166/9. 14 March 1995.

³ “Across the OECD, since 1985 the Gini has increased in 17 of 22 countries (...),” according to Professor Stiglitz (see page 5 of his book entitled *The price of inequality: How today's divided society endangers our future*).

⁴ United Nations Department of Economic and Social Affairs, *Inequality Matters: Report on the World Social Situation 2013* (New York), pages 22-23.

⁵ The Economist, “How France redistributes more from rich to poor than Sweden,” 10 January 2019.

In this regard, it is foreseen that the adverse impact of austerity measures could further impact socio-economic living conditions in Europe; Oxfam estimates that an additional 15-25 million people in Europe could live in [poverty by 2025](#). [Professor Joseph Stiglitz](#) has likewise suggested that *“austerity has only crippled Europe's growth, with improvements in fiscal positions that are always disappointing. Worse, it is contributing to inequality that will make economic weakness longer-lived, and needlessly contributes to the suffering of the jobless and the poor for many years.”*

It is evident that economic inequality has had adverse economic, social and political impacts for social stability and cohesion, political participation, poverty reduction, as well as the enjoyment of human rights. In addition, economic inequalities impede the enjoyment of social, cultural and economic rights, thus contributing to persistent socio-economic disadvantages among social groups. As states are in need of fiscal stability to secure the provision of welfare benefits and redistributive fiscal policies to maintain social security, the dwindling of public resources impedes their ability to deliver basic public services. For instance, in the case of Greece, more than two million people – equivalent to 20% of the population – did not have access to adequate health insurance as underlined by former UN Independent Expert on the Promotion of a Democratic and Equitable International Order Professor [Alfred de Zayas](#).

In the outcome document of the 2012 Rio+20 UN Conference on Sustainable Development entitled *“The Future We Want,”* decision-makers committed themselves to achieve sustainable development by promoting *“sustained, inclusive and equitable economic growth”*, creating greater opportunities for all social segments of society so as to reduce wealth and income inequalities. [Social inclusion](#) was likewise identified as a key outcome. In this connection, it [was emphasized](#) that *“sustainable development must be inclusive and people-centred and recognized that broad public participation was essential to promoting sustainable development goals.”*

The realization of human rights cannot be separated from broader questions of economic and social justice. Inequality adversely impacts the enjoyment of human rights. The extent of inequality matters to human rights – specifically with regard to inequalities in the realization of specific rights. [Appropriate measures](#) to address the rise of economic inequality could include resource mobilization for social investment, distribution of income and wealth through targeted social transfers, progressive income taxation as well as the extension of social protection and decent work standards. Having a certain level of income helps people realize their economic, social, civic, political and cultural rights – whether related to health, education, housing, an adequate standard of living, the right to development as well as to political participation.

Governments are therefore required to address income and wealth inequality, and to prevent its further deterioration. Decision-makers must ensure the full enjoyment of human rights on a non-discriminatory and equal basis – among its citizens - in line with the provisions set forth in the 2030 Agenda for Sustainable Development, and in particular, Sustainable Development Goal (SDG) 10 on addressing inequalities.



SDG 10 Reduced Inequalities: Reduce inequality within and among countries.

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