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## **IPU - Redressing inequalities: Delivering on dignity and well-being for all**

*Bangladesh, 5 April 2016*

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**“Human rights are not only violated by terrorism,  
repression or assassination, but also by unfair economic  
structures that create huge inequalities”**

*Pope Francis*

It is precisely with this point that I intend to begin. In this famous phrase, Pope Francis expresses well what we are discussing here.

Development issues are connected to human rights issues, and human rights have been constantly threatened by growing levels of inequalities in our societies, which compromise equal

opportunities for everyone, a goal that all of us, all without exception, should be actively working to achieve.

Social inequalities have a direct impact on human well-being and create a fertile ground for economic, social and political instability.

The international community is aware of this matter and has responded to it by agreeing to take decisive measures, proposing “the 2030 Agenda for Sustainable Development”, which is formed of 17 Sustainable Development Goals (SDGs) and comprising 169 targets.

SDG 10 is the one that calls on us to work concertedly to reduce inequalities within and among countries. It is inspired, above all, by the success of the Millennium Development Goals, which have been noteworthy in recent decades in terms of reducing global poverty.

Data available in the World Bank’s Poverty and Equity DataBank and PovcalNet shows that between 1993 and 2011 the number

of people living on less than US\$1.25 per day fell from 1.93 billion to 1.01 billion, a reduction of 48%.

That is the path we must follow.

Inequality is a global problem that needs global, concerted solutions.

The strategic view of this SDG is broad and based on an idea of poverty as a multidimensional phenomenon. It is based on three lines of action: the eradication of poverty in all its forms; the reduction of socio-economic inequalities; and the fight against all types of discrimination.

Achieving this SDG therefore involves cross-cutting efforts by societies to pursue equal opportunities for those who are most excluded from the path to development.

SDG 10 is also one of the most complex of the 2030 Agenda and its targets have a structural and instrumental scope for achieving all 16 Sustainable Development Goals.

Each country should therefore work substantially on SDG 10, fighting against economic, social and political inequalities so that the entire agenda for poverty eradication and sustainable development can be highly successful.

Furthermore, it is very important in this process for the beneficiaries of the policies that form SDG 10 to be able to actively participate in the decisions that directly relate to them.

I consider it to be absolutely fundamental for Governments to encourage the creation of representation platforms for the most vulnerable social groups so that they can intervene, in an organised and conscious manner, in defining the actual policies that target them.

I believe that growth and the economic model that underlies it are crucial in the fight to eradicate poverty and reduce inequalities.

However, in the Western world, globalisation and technology have significantly changed labour relations standards and, in my opinion, the education system has not kept in step with the

demands arising from those new standards. I firmly believe that education has had and will always have a fundamental role in reducing inequalities, in that it is the greatest driver of social mobility and is a crucial factor in speeding up productivity, economic growth and employment.

Another important factor in reducing inequalities is the taxation applied in the different economies.

Less progressive tax systems are a reason for inequalities to get worse.

In this area, the inequalities generated by gross earnings are joined by inequalities arising from a lack of progressive taxation, which is considered suitable for correcting imbalances in earnings.

In many countries, including Portugal, indirect taxes have gained prominence in relation to direct taxes, which are normally far more progressive.

All this is driven by solely political considerations, in an attempt to create an illusion in taxpayers' perception of the tax burden, which is always perceived as lower in indirect taxation.

In Portugal, we also have experience of providing a social reintegration allowance, which consists of a social benefit for the poorest people.

This benefit, used in the right way and with a transitory nature, is itself a measure that boosts social mobility.

Nonetheless, this instrument should be used moderately, and not permanently, or else it may run the risk of its primary goal, which has fair intentions, being undermined and distorted when it is actually implemented, and we could fall into a handout model.

I shall finish as I started, with a quotation by Pope Francis:

*“Growth in justice requires more than economic growth, while presupposing such growth: it requires decisions, programmes, mechanisms and processes specifically geared to a better distribution of income, the creation of sources of employment and an integral promotion of the poor which goes beyond a simple welfare mentality.”*