

INEQUALITY AND POVERTY: CONCERN, CONSENSUS, CURRENT SITUATION, CONSEQUENCES AND COMMITMENT

Natalia MOTILI

Catedra Economie Generală și Relații Economice Internaționale

Subiectul inechităţii preocupă minţile oamenilor mai de demult. În articolul de față această problemă este cercetată sub câteva unghiuri de vedere: *consensus*, care a fost atins de-a lungul istoriei umanității privind “inechitatea”; *situația curentă* cu dovezi asupra existenței inechității în societate și descrierea formelor prin care ea se manifestă; *consecințe* – cu urmările nesoluționării inechității și *angajament* – invitație pentru comunitatea internațională, guverne și indivizi de a include în agenda lor eradicarea inechității. Se atrage atenția asupra existenței legăturii dintre inechitate și sărăcie. Eradicarea sărăciei, în conformitate cu Obiectivele de Dezvoltare ale Mileniului, este considerată scopul Nr.1 pentru comunitatea internațională pentru următorii opt ani și, fără abordarea inechității, eradicarea sărăciei nu va fi posibilă.

During the history of humankind the questions of inequality periodically interested individuals, groups of people and entire nations. Thus, Jean Jacques Rousseau prepared a discourse in 1754 on a subject proposed by the Academy of Dijon: “What is the Origin of Inequality Among Men, And is it Authorized by Natural Law?”. He considered this subject “as one of the most interesting questions philosophy can propose and unhappily for us, one of the most thorny that philosophers can have to solve”. Jean Jacques Rousseau discovered that “*there is hardly any inequality in the state of nature, all the inequality which now prevails owes its strength and growth to the development of our faculties and the advance of the human mind, and becomes at last permanent and legitimate by the establishment of property and laws.*” He also came to conclusion that “*moral inequality, authorized by positive right alone, clashes with natural right, whenever it is not proportionate to physical inequality; a distinction which sufficiently determines what we ought to think of that species of inequality which prevails in all civilized, countries; since it is plainly contrary to the law of nature, however defined, that children should command old men, fools wise men, and that the privileged few should gorge themselves with superfluities, while the starving multitude are in want of the bare necessities of life*”.

Inequality attracted attention not only of philosophers, but also of sociologists, economists and politicians. As a result of their works, inequality is usually considered in two big groups: that of economic inequality and that of social inequality, which are strongly linked with each other. “Inequality means different things to different people”- states World Bank on its website on Inequality, Poverty and Socio-Economic Performance. This is true. But more and more often nowadays “inequality” instead of its original meaning of “lack of evenness” (Merriam-Webster Online Dictionary) or “Lack of equality” (The American Heritage Dictionary of the English Language) bears a connotation of “lack of quality”. People who are different in age, income or nationality are viewed as “having no value” just because they are different. Yes, we are different. But according to the Bible we were created different, but equal in value, because all of us are created in God’s image.

Consensus: This truth that “all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness” was recognized in the Continental Congress on July 4, 1776 and written in the The Declaration of Independence of The United States of America.

The Universal Declaration of Human Rights resolution adopted almost unanimously by the United Nations General Assembly in 1948, also outlines that “everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status” (Article 2) because “all human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood” (Article 1).

Europeans stipulated the same idea of non-discrimination in Convention for Protection of Human Rights and Fundamental Freedoms, Article 14, “The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status”.

At the World Summit for Social Development, held in March 1995 in Copenhagen, Governments reached a new consensus on the need to put people at the centre of development which was summarized in Copenhagen Declaration on Social Development. Governments committed themselves “to promoting social integration by fostering societies that are stable, safe and just and that are based on the promotion and protection of all human rights, as well as on non-discrimination, tolerance, respect for diversity, equality of opportunity, solidarity, security, and participation of all people, including disadvantaged and vulnerable groups and persons” (Part C: Commitments, Commitment 4 “Promote social integration based on the enhancement and protection of all human rights”).

But it is not enough just to adopt such documents that promote equality among men. According to Eleanor Roosevelt “at all times, day by day, we have to continue fighting for freedom of religion, freedom of speech, and freedom from want - for these are things that must be gained in peace as well as in war”.

Current situation: In 2007, 231 years after signing The Declaration of Independence of The United States of America, 57 years after stipulating respect for human rights in Convention for Protection of Human Rights and Fundamental Freedoms and 12 years after agreeing on Copenhagen Declaration on Social Development, can we tell that the principle of “equality” is respected in the world we live?

The United Nations 2005 Report on the World Social Situation: the Inequality Predicament cries out “No”. The report has found that much of the world is trapped in an “inequality predicament”. Despite considerable economic growth and improvement in living standards in recent years in many regions, the world is more unequal today than it was 10 years ago. Not only the Report discovers that disparities exist in almost all spheres of life, but it also raises alarm over this persisting and deepening inequality worldwide. As a result of ten-year review of the implementation of the Copenhagen Declaration, uneven progress in many areas of social development (e.g., access to health and education) was discovered, while in the area of inequality, an important regression was registered.

Lack of equality was also confirmed by 2005 Human Development Report that had as a theme “International cooperation at a crossroads: Aid, trade and security in an unequal world”. It found inequalities both within and between countries. Thus, the poorest 40% of the world's population (2.5 mln. people living on less than 2\$ a day) receive only 5% of global income, while 54% of global income goes to the richest 10% of population. The report points out that unequal distribution of income, measured in Gini-coefficient, in the last 20 years has worsened. The Report gives figure of 450 mln. people whose conditions have deteriorated over the past fifteen years.

World Development Report 2006: Equity and Development, developed by the World Bank, also brings proofs to the existence of inequality in the world. It describes situation as “inequality traps” in which individuals, families and entire social groups had become stuck in a cycle of deprivation which is marked by higher rates of unemployment, low incomes and high child mortality rates.

So, there is no doubt - inequality exists in the world we live. It exists at the level of households, countries and global level. Inequality takes different shapes and forms, such as gender inequality, race inequality, income inequality. Many “faces of gender inequality” or to be more precisely, seven types, were identified by Amartya Sen among which: mortality inequality, natality inequality, basic facility inequality, special opportunity inequality, professional inequality, ownership inequality and household inequality (2001). Global income inequality even got a special term – that of “new inequality” and it is “probably greater now than it has ever been in human history” (The UC Atlas of Global Inequality). There are about 115 million children still denied even the most basic primary education, most of whom live in Sub-Saharan Africa and South Asia (International Council on Social Welfare). There is a wide divide in access to high technologies - with 163 internet host sites per 1000 people in the United States, compared to only 0.31 internet host sites in Africa (BBC, 2001). Thus it becomes evident, that inequality not only exists – it matters.

Concern: “Inequality matters” - convinces Anthony Shorrocks, Director of the World Institute for Development Economics Research of the United Nations University, while introducing three new studies on growth, inequality and poverty at UN Headquarters in New York.

“Inequality matters” – insists Nancy Birdsall, President of Center for Global Development, and explains why in her 2005 WIDER Annual lecture “Why Inequality Matters in a Globalizing World”. According to her, inequality “inhibits growth, undermines good public policy and undermines collective decision making and social institutions critical to healthy society”. According to William Easterly, “high inequality is independently a large and statistically significant barrier to developing the mechanisms by which prosperity is achieved” (2002).

“Inequality matters” – calls to attention World Bank in the World Development Report 2006, because of the powerful interactions between economic performance, inequalities and poverty, that has been referred to as the “growth-poverty-inequality triangle” for income dimension of well-being. According to Namrita Talwar (2004) inequality is important and more attention should be given to it while designing economic development policies for poverty alleviation. Felix Naschold in his paper “Why Inequality Matters for Poverty?” also views inequality and poverty as being intrinsically linked and considers that by reducing inequality poverty reduction can be achieved.

But what is more important, “inequality kills” (UC Atlas of Global Inequality). Looking at infant mortality, the number of children who die around the time of childbirth is twenty times higher in sub-Saharan Africa and South Asia than in the rich industrial countries. Galbraith, James K. had courage to call “inequality” in the age of globalization “a perfect crime” (2002).

“Inequality matters” because it is a fundamental issue for human development. 2005 Human Development Report: International cooperation at a crossroads: Aid, trade and security in an unequal world underlies that extreme inequality both within countries and between countries is one of the main barriers to human development. These findings urge countries to focus on reducing inequality issue - between rich and poor persons, between men and women, between countries.

Consequences: Speaking about inequality, essayist Matthew Arnold (1822-1888) pointed out the effects that inequality has on the society: “Our inequality materializes our upper class, vulgarizes our middle class, brutalizes our lower class”. Inequality affects all segments of human life and development, and especially it is visible in the economic sphere. Lester Thurow (1999) was wondering: “How does one put together a democracy based on the concept of equality while running an economy with ever greater degrees of economic inequality?”. In his article “The Struggle Against World Poverty: Why Inequality Matters” (2002) Andrew Mack, Head of the Human Security Centre at the Liu Centre for the Study of Global Issues, University of British Columbia identifies four consequences of inequality. In his opinion, first of all, high levels of income inequality can slow national growth rates, largely because the productive potential of the poor is not realized. Secondly, high inequality levels undermine the effectiveness of growth strategies in reducing poverty. Third growing inequality in the developing world is associated with increased criminal violence and - where the inequality is between groups - with armed conflict as well. Fourth, high and increasing inequality and social exclusion increase the risks of a backlash against the very market reforms.

Three researchers from Harvard University bring arguments to injustice of inequality, presenting inequality as being detrimental to growth, because “it enables the rich to subvert the political, regulatory and legal institutions of society for their own benefit” (2002, Harvard University). Inequality pushes people into a vicious circle. Deprived of public goods and access to them marginalized people have extremely small opportunities to improve their social position in the society. Disadvantaged have weak chances to defend themselves, thus their inequality becoming even deeper.

Inequality should be viewed as lack of enjoyment by a person his/her fundamental rights and freedoms. Inequality leads to lack in opportunities in various spheres of human life, such as education, health, work and as result hinder full realization of individual’s potential. A huge gap appears between what a person is and what a person can be. As a result all “inequalised” persons (may be it is appropriate to introduce a new term that would actually mean “deprive a person his fundamental rights and freedoms”) instead of being a potential “benefit” for the society become its burden.

Inequality is regarded as a powerful brake on accelerated progress towards the Millennium Development Goals. If it will be perpetuated, efforts to achieve the Millennium Development Goals will fail, letting poverty to dominate the world. Thus, according to the World Development Report 2006: Equity and Development reducing inequality becomes central to tackling poverty and bringing about sustainable economic growth. “We will not be able to advance the development agenda without addressing the challenges of inequality within and between countries,” said José Antonio Ocampo, Under-Secretary General for Economic and Social Affairs, at launching the United Nations Report on the World Social Situation 2005: the Inequality Predicament. The Report stresses out that “inequality predicament will be perpetuated, frustrating efforts to achieve the Millennium Development Goals” as long as international community will fail to achieve commitments on social development agreed upon at the Social Summit in Copenhagen in 1995.

Commitment: It becomes evident that first of all inequality constitutes denial of basic human rights. This problem can not be solved worldwide without involvement of international community. Attacking inequality

should be not only a concern, it should become primary objective and commitment for each country separately and for the whole world. Over the years, several prominent economists (e.g. Adam Smith, Friedrich Hayek) have agreed that given the complexity of issue of inequality, easy solutions can not be found. It seems that centuries after we should agree with them. But we should not stop looking for solutions to tackle inequality – French government considers that it should be “an all-out, on-going, long-term commitment”.

International NGOs are also concerned with increasing inequality. Thus, the European Peacebuilding Liaison Office (EPLO) and International Alert and Saferworld are two examples of organizations that proposed amendments to the European Union Development Policy Statement according to which common vision of equitable globalization should be positive force for change by contributing “to eradicate poverty and promote social justice and human security by the more equitable sharing of the opportunities”.

2005 Human Development Report calls governments to expressly commit themselves to targets for reducing inequality. As long as governments will not be committed to inequality “eradication”, it will be difficult to “eradicate” poverty and achieve other substantial improvements in lives of the citizens. When governments are not accountable for accomplishing their promises, individuals are deprived of their human rights, which become pure aspirations. Example of Moldova proves that some governments do not treat their citizens according to the law. According to Center for Journalist Investigation from Moldova, till April 2006 Republic of Moldova was condemned by The European Court for Human Rights in 31 cases and draw attention of the Government of Moldova about another more than 200 claims. Such examples should be an alarm for the governments which do not respect provisions of the basic country laws, such as Constitution, that guarantee protection of citizens by the government, and not their abuse by the government. Another example of inequality is so called “parliamentary immunity”. According to the Law about Status of the Member of the Parliament in Moldova, chapter II – “Parliamentary immunity”, Art.10. (1) “members of Parliament may not be detained for questioning, put under arrest, searched or put on trial without Parliament's assent, after prior hearing of the member in question”. Although, according to the Constitution of Moldova, Title II: Fundamental Rights, Freedoms and Duties, Chapter I: General Provisions, Article 16. Equality of Rights, (2) “All citizens of the Republic of Moldova are equal before the law and the public authorities, without any discrimination as to race, nationality, ethnic origin, language, religion, sex, political choice, personal property or social origin”. As long as countries will have “double standards” in view of human rights respect, inequality will be “the king” of the situation. Message is similar to that of George Orwell in his “Animal Farm” that “all animals are equal, but some animals are more equal than others”.

Besides international community and central governments, negative consequences of inequalities of any kind (based on gender, income, ethnicity, etc.) should be addressed by the local authorities. Namely local governments are those who know “the face” of inequality since they are the most close to those “inequalised”. They can develop and respect appropriate public policies that should give a special consideration to the persons and groups that suffer the most from unequal treatment. Policy formulation should involve those who will be affected by it. Although such participation might slow the process, it is extremely important to let those affected express their opinion.

Reducing inequality in opportunities can become one of the most efficient tools in achieving progress in human development. But to be witness to this progress, each of us has to recall the basic truth that all of us “were created in image of God” – this will help us treating each other respectfully, or in other words “with respect”, leading to maximize inequalities that are inherent to each of us.

Conclusions: Current paper presents a concept of “inequality” under different perspectives, such as *concern* with the topic, *consensus* which was achieved during the centuries with view on inequality, *current situation* in the world related to inequality and poverty, *consequences* in the case inequality will persist and *commitment* that should be taken to tackle inequality and poverty. The paper introduces a new term - “to inequalise”, meaning “to deprive a person his fundamental rights and freedoms”. The paper brings together opinions of economists, philosophers and researches that agree that without tackling inequality, poverty reduction which constitutes primary goal of the Millennium Development Goals, will fail to be achieved.

Bibliography:

1. Constitution of Moldova, adopted on July 29, 1994, Art. 18.
2. Convention for Protection of Human Rights and Fundamental Freedoms, adopted on November 4, 1950, Article 14.

3. Copenhagen Declaration on Social Development, adopted at the World Summit for Social Development, Copenhagen, 6-12 March, 1995.
4. World Development Report 2006: Equity and Development, World Bank.
5. 2005 Report on the World Social Situation: the Inequality Predicament, the United Nations, launched on 25 August 2005.
6. 2005 Human Development Report: International cooperation at a crossroads: Aid, trade and security in an unequal world, UNDP, published on September 7, 2005.
7. 2003 Report on Trafficking in Human Beings in South Eastern Europe.

Other Sources:

1. Amendments to the *European Union Development Policy Statement* available at [http://www.eplo.org/documents/DPSAlertSWEPL0Sept05%20\(2\).doc](http://www.eplo.org/documents/DPSAlertSWEPL0Sept05%20(2).doc)
2. Arnold M., All the Best Quotes available at <http://chatna.com/author/arnold.htm>
3. BBC, 18 July, 2001 available at <http://news.bbc.co.uk/1/hi/business/1442073.stm>
4. Blue Letter Bible, Genesis 1:27 available at <http://www.blueletterbible.org/>
5. Center for Journalist Investigation, Moldova available at <http://www.investigatii.md/index.php?newsID=21>
6. Merriam-Webster Online Dictionary available at <http://www.m-w.com/dictionary/inequality>
7. Orwell G., *Animal Farm*, London, 1946 available at <http://www.online-literature.com/orwell/animalfarm/10>
8. Rousseau, Jean Jacques, “*What Is The Origin Of Inequality Among Men, And Is It Authorised By Natural Law?*” available at <http://www.constitution.org/jjr/ineq.htm>
9. UC Atlas of Global Inequality available at <http://ucatlas.ucsc.edu/home.html>
10. Web page on Eleanor Roosevelt available at <http://personalweb.smcvt.edu/smahady/erquotes.htm>
11. World Bank website on Inequality, Poverty and Socio-Economic Performance available at <http://www1.worldbank.org/prem/poverty/inequal/links.htm>

Prezentat la 19.01.2007