

**Commission for Social Development, 43<sup>rd</sup> session  
Agenda item 3(a)**

**Presentation of the outcome of the Fourth Meeting of the  
International Forum for Social Development, held in New-York, 5-6 October  
2004**

**on**

***Equity, Inequalities and Interdependence***

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**Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,**

**Allow me to present the main findings of an informal debate that was held last October in the context of the last meeting of the International Forum for Social Development. The Forum was an initiative of the Department of Economic and Social Affairs. The subject of the October 2004 meeting, *Equity, Inequalities and Interdependence*, was chosen in relation with the work of our Division on the review of the commitments and recommendations adopted in 1995 in Copenhagen and reaffirmed in Geneva in 2000.**

**As you are certainly aware, the World Summit for Social Development placed at the core of social development the promotion of**

**equity and equality. Equality being understood as equality in the enjoyment of fundamental rights and freedoms, and equality in opportunities, notably with regard to education, work and, more generally, the realization of one's potentialities and aspirations. And equity being understood as the degree of equality in the living conditions of people, particularly in income and wealth, that a society deems desirable or tolerable. Reduction of inequalities, then, is justified by equity considerations.**

**And, as you are also aware, the Social Summit placed the realization of these values of equity and equality in an economic and political framework of freedom, openness and interdependence. In 1995, the fundamental links between development, the well-being of individuals and nations, and the basic principles of a market economy were already fully recognized.**

**Thus, in a nutshell, the debate of this last Forum was on a question that is of concern to all of us, that is the manner and extent to which Member States and the international community as a whole have managed, and could manage to integrate, or reconcile, economic freedom with equity and equality, or social justice. Some years or decades ago, one would have called this question, and objective, growth with equity.**

**Now, Mr. Chairman, a few points, as a fuller summary of the debate of this Forum is available in the back of this room.**

**Inequalities have increased during recent decades, both within and among countries. This is an observation that is documented in the Report of the Secretary General on the 10-year review of Copenhagen. But there are two important caveats, or reasons for hope. First, some forms of equality, most importantly equality between women and men, while requiring still considerable efforts, and while not immune to setbacks and**

reversals, are, it seems, on an ascending path. Secondly, some countries, developed and developing, have managed to maintain stable, or even to improve their distribution of income among social groups, while participating fully in the world economy. Domestic policies thus do matter, notably on tax systems.

However, in a number of countries, both inequality and extreme poverty have increased. In some other countries inequalities, in income, assets and also opportunities have risen, but extreme poverty has been reduced. In still other cases, the distribution of income has been stable or made more equal, but the incidence of extreme poverty, also called exclusion, or marginalization, has increased. There seems to be very few examples, if any, of countries having succeeded on all fronts: reduction of inequalities, reduction of extreme poverty, economic growth, and participation in the world economy.

Among the lessons that ought to be drawn from these facts, one is that reduction of inequalities and reduction of poverty are mutually reinforcing objectives and policies. This was clearly stated by the Social Summit. Also, at a certain point, inequality impairs growth, development, and therefore the reduction of poverty. One has to stress again the need for an integrated and comprehensive approach to development. The Forum, in this connection, had a critical look at the respective merits of targeted policies versus comprehensive socio-economic policies.

On the notion of openness of economies and societies, and the resulting interdependence, the Forum noted that the free interplay of economic agents and forces, now across borders, inevitably creates inequalities and inequities. These can be corrected and even prevented, to the extent deemed desirable, by a mix of national policies and international cooperation, without hampering economic dynamism. Lately, the forces

**that dominate the world economy, and benefit the most from the fruits of human activity, have not been balanced enough by forces with different interests and perspectives. And the social groups and countries with limited power have lost control over their destinies. Democracy and social progress, nationally and internationally, require balances and compromises among different values and interests. A space has to be reopened for effective global social policy and for a development strategy that will promote economic growth and equity in an interdependent world.**

**Mr. Chairman, the United Nations should be able to contribute to the elaboration of a conceptual and political framework that will prevent the increase of inequality, within and among countries. In that sense, the central message of the World Summit for Social Development would be best kept alive and adapted to the realities of our times. Crucial is the involvement of all actors, public and private, powerful and powerless. Crucial also is a better understanding of the effects of macroeconomic policies, and of trade arrangements, on social structures and social conditions. Today, the two trends, an aggravation of inequalities within countries and the same widening of inequalities among countries, are linked and mutually reinforcing. I hope, Mr. Chairman, that the Commission's debate will help the international community in finding paths to control this alarming trend.**

**Before concluding, Mr. Chairman, I wish to pay a special tribute to Mr. Jacques Baudot who not only conceived the International Forum but who also provided the intellectual leadership that made the Forum so successful over its four years of existence.**

**Thank you.**