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The role of the United Nations in promoting a new global human order

Report on the implementation of the new global human order

Summary

The present report on the role of the United Nations in promoting a new global human order is submitted pursuant to General Assembly resolution 62/213. It briefly reviews the key features of the new global human order and highlights the common elements it shares with the Copenhagen Declaration and the Millennium Declaration. The report provides a succinct assessment of the implications of inequality for development and it reviews recent trends in inequality, its causes and its implications for economic and social development. The report concludes with a number of recommendations to address the negative implications of inequality for economic and social development.

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I. Introduction

1. The proposal for a new global human order was first introduced by the Government of Guyana at the World Summit for Social Development, held in Copenhagen in 1995. Since then, it has been supported at a number of international forums, including the Caribbean Community, the Non-Aligned Movement, the South Summit, the Organization of the Islamic Conference and the Group of 77.

2. The new global human order, which was first discussed in the General Assembly at its fifty-fifth session in 2000, is intended to promote multilateral approaches to the solution of global problems through the adoption of a holistic framework of development that focuses on integrating the economic, environmental, social, cultural and political aspects of development while highlighting its multidimensional character. It seeks to take account of development experience and to identify critical gaps that need to be addressed in the fashioning of this holistic approach.

3. Many of the ideas encapsulated in the new order are contained in the Copenhagen Declaration and Programme of Action adopted at the World Summit for Social Development, which established a consensus to place people at the centre of sustainable development, promote productive employment and foster social integration to achieve societies for all. The World Summit also introduced the notion of social integration into international policy discourse. Social integration, which calls for respect for human rights, the elimination of all forms of discrimination, the provision of equal opportunities and the fulfilment of the needs of the disadvantaged and vulnerable, is one of the elements of the new global human order.

4. The concept of a new global human order, with its emphasis on reversing the growing disparities between rich and poor countries and its focus on human development, also echoes the central vision of the Millennium Declaration. This entails growth with equity, the eradication of poverty, the expansion of productive employment, the promotion of gender equality and social integration. A long-term approach that is people-centred and aimed at promoting the social and economic welfare of people is also necessary. The emphasis on human development and closing the gap between the rich and the poor, both between and within countries, are among the most promising aspects of the concept.

5. The present report provides a succinct assessment of the implications of inequality for development. It reviews recent trends in inequality, its causes and its implications, both within and among countries, for economic and social development. It should be read in conjunction with the *Report of the World Social Situation 2005: The Inequality Predicament*,[1] which provides a comprehensive review of the issues cited in the present report. Another comprehensive survey of inequality is set out in the *World Development Report 2006: Equity and Development*.[2]

[1] *The Inequality Predicament: Report on the World Social Situation 2005*, United Nations publication, Sales No. E.05.IV.5.

[2] World Bank, *World Development Report 2006: Equity and Development* (New York, the World Bank and Oxford University Press, 2006).

II. Trends in inequality

6. Inequality is commonly viewed from three perspectives. “Within-country inequality” refers to the gap between the rich and the poor within a country and can be measured at the individual or household level. Two other dimensions of within-country inequality are spatial and horizontal inequality, namely inequality between regions (e.g., rural-urban) and between ethnic or cultural groups or men and women. “International inequality” refers to the gap in average income between countries. “Global inequality” refers to inequality at the individual or household level worldwide.

7. No clear consensus has emerged on the magnitude or trend of global inequality, although there is broad agreement that it is too high. It is estimated that the wealthiest 5 per cent of the population receive roughly one third of global income, while the poorest 5 per cent receive a mere 0.2 per cent.[3] There is considerable controversy over the evolution of global inequality, with some studies claiming that it has risen over the past few decades and others claiming that it has declined. The diversity in conclusions across studies is the result of different methodological choices in the construction of the yearly global income distributions.[4] While, in relative terms, the gap between the poorest and the richest quintile narrowed between 1980 and 2007, it widened in absolute terms.

8. The results of recent direct price level comparisons across 148 countries in 2005 have led to major revisions of purchasing power parity exchange rates, particularly for China and India. The recalculation of international and global inequalities using the new purchasing power parities, shows that inequalities are substantially higher than previously thought. This revision of price comparisons has led to a downward revision of the estimates of the gross domestic product (GDP) for China, India and several other countries. Based on these new figures, global inequality is now estimated at 70 rather than 65 Gini points. The richest decile receives 57 per cent of global income, while the bottom quintile shares less than 1 per cent.[5]

9. Many studies have found that, in the majority of countries, within-country inequality has risen in the last two decades.[6] Current levels of income inequality are unacceptably high and are growing in many countries. The ongoing economic crisis is affecting middle- and low-income groups disproportionately, thus contributing to growing gaps between the rich and the poor. Interregional inequality is also on the rise, especially in large countries such as China and India.[7] In some countries, there

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[3] Branko Milanovic, “Global Income Inequality: What it is and why it matters”, Department of Economic and Social Affairs, Working Paper No. 26 (August. 2006).

[4] Sudhir Anand and Paul Segal, “What do we know about global income inequality?”, *Journal of Economic Literature*, vol. 46, No. 1 (2008).

[5] Branko Milanovic, “Global inequality recalculated: The effect of the new 2005 PPP estimates on global inequality”, Policy Research Working Paper No. 5061 (Washington, D.C., World Bank, 2009).

[6] International Institute for Labour Studies, *World of Work Report 2008: Income inequalities in the age of financial liberalization* (Geneva, International Labour Organization, 2008); Udaya R. Wagle, “Does Low Inequality Cause Low Poverty? Evidence from High-Income and Developing Countries”, *Poverty and Public Policy*, vol. 2, No. 3 (2010).

[7] Branko Milanovic, “Half a World: Regional inequality in five great federations”, *Journal of the Asia Pacific Economy*, vol. 10, No. 4 (2005); Parthapratim Pal and Jayati Ghosh, “Inequality in India: A survey of recent trends”, Department of Economic and Social Affairs, Working Paper No. 45 (2007); Shenggen Fan, Ravi Kanbur and Xiaobo Zhang, eds., *Regional Inequality in China: Trends, Explanations and Policy Responses* (Routledge, 2008).

is inequality among various ethnic, religious and cultural groups. Gender inequality is also prevalent in various forms worldwide, with poorer outcomes for women relative to men according to most social development indicators.

10. In addition to the above-mentioned three perspectives on inequality, spatial and horizontal inequality is a serious concern in many countries. While numerous studies focus on individual or vertical income inequality, inequality between groups and regions can be political, social and economic. Most countries have cultural variation within their borders, and rarely are all cultural groups equal in terms of well-being. Rural-urban differences are an important form of spatial differentiation that is associated with different opportunities and resources, contributing to inequitable outcomes. Global immigration has increased the salience of horizontal inequality; people of different cultural backgrounds now live and work in closer proximity to each other, raising awareness of inequality between groups.[8]

11. Gender inequality remains a persistent problem in social, economic and political life. While primary school enrolment rates are approaching gender parity, secondary education rates represent a continuing challenge in many developing regions. Men outnumber women in paid employment, and women are disproportionately relegated to vulnerable forms of employment in most developing regions. However, women's representation in national parliaments is growing, particularly in countries where gender-based quotas or similar policies have been implemented. The global share of women in parliament grew from 11 per cent in 1995 to 19 per cent in 2010, an increase of 67 per cent.[9]

12. Girls suffer disproportionately from high levels of inequality. While enrolment is lower for both boys and girls living in poverty relative to their wealthier counterparts, the gap in education between boys and girls is far greater among those living in poverty than among those who are better off.[9]

13. During the period from 1990 to 2000,[10] more than two thirds of the countries for which data were available recorded an increase in income inequality. While developed countries, on average, had lower levels of income inequality than developing countries, the levels in the Republic of Korea, the United Kingdom of Great Britain and Northern Ireland and the United States of America were almost as high as the highest levels in other regions. In Asia and the Pacific, China and the Lao People's Democratic Republic both experienced substantial increases in inequality during the 10-year period. Most of Central and Eastern Europe experienced increases.[11] In Latin America and the Caribbean, the Plurinational State of Bolivia and Colombia experienced the largest increase, with the highest overall level being recorded in Panama.

14. Although inequality is rising in most countries, some have successfully reduced income inequality. There are data for only a few countries in the Middle East, but among those with available statistics, Yemen and Jordan recorded declines

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[8] Frances Stewart, "Horizontal Inequalities: A neglected dimension of development", Centre for Research on Inequality, Human Security and Ethnicity, Working Paper No. 1 (2006). Available from http://www.crise.ox.ac.uk/pubs/workingpaper1.pdf.

[9] *Millennium Development Goals Report 2010* (United Nations publication, Sales No. E.10.I.7).

[10] This period was chosen based on data availability considerations, as it provided the most comprehensive picture of region variation.

[11] Only the Russian Federation, Kazakhstan and Slovenia did not experience increases in inequality during the period 1990-2000.

in inequality. In sub-Saharan Africa, close to two thirds of countries with available data registered declines, although overall levels remain among the highest worldwide.[12] In Europe, Denmark, France, Germany and Switzerland experienced declining inequality, while in Asia and the Pacific, Cambodia and the Philippines registered modest declines. Guyana has the lowest level of income inequality in Latin America and the Caribbean.

15. The wage gap between the highest and lowest decile earners increased in 18 out of 27 countries. Brazil, China, India and the United States had the highest wage disparities, while the Nordic countries and Belgium had the lowest.

16. The full extent to which the combined effects of the financial and economic crises will affect levels of inequality remains to be seen, although it is expected that inequality will increase within countries if the middle- and lower-income groups continue to be disproportionately hurt by the crises. Increases in the prices of basic commodities such as food hurt the poorest the most, since they spend the largest share of their income on food.

17. “International inequality” means inequality between countries. Economic differences between rich and poor countries are considerable. According to the United Nations Development Programme *Human Development Report 2004: Cultural liberty in today’s diverse world*, the GDP per capita in countries with high, medium and low human development was $24,806, $4,269 and $1,184 (purchasing power parity), respectively. A study by the World Institute for Development Economics Research at United Nations University reports that the richest 1 per cent of adults owned 40 per cent of global assets in the year 2000 and that the richest 10 per cent of adults accounted for 85 per cent of the world total. The bottom half of the world adult population owned barely 1 per cent of global wealth.[13]

18. If one weighs countries by their population, then inequality across countries has declined since 2001, largely owing to growing per capita income in India and China as well as rapid growth in Africa, Latin America and Central and Eastern Europe. However, if one treats countries equally, there has been increasing inequality.[14]

19. The economic crisis has caused growth in the richest countries to slow, on average, more than in poor countries. The crisis could thus contribute to a decline in international inequality, despite the fact that within-country disparities continue to grow. The final impact of the economic and financial crisis on international inequality remains to be seen.

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[12] International Institute for Labour Studies, *World of Work Report 2008: Income inequalities in the age of financial liberalization* (Geneva, International Labour Organization, 2008).

[13] James B. Davies, Susanna Sandström, Anthony Shorrocks and Edward N. Wolff, “The World Distribution of Household Wealth”, United Nations University, World Institute for Development Economics Research, Discussion Paper No. 2008/03 (2008).

[14] François Bourguignon, Victoria Levin and David Rosenblatt, “Declining International Inequality and Economic Divergence: Reviewing the evidence through different lenses”, *Économie Internationale*, vol. 100, No. 4 (2004).

III. Causes of inequality

20. Globalization, deregulation and liberalization have been identified as key factors contributing to rising income inequality.[15] The lack of equitable trade arrangements for developing countries makes it difficult for agricultural sectors to compete with their subsidized counterparts in developed countries and keeps global inequality unacceptably high.

21. There is evidence that financial globalization has contributed in part to growing income inequality owing to the increasing incidence of crises resulting from increased risk.[16] Recent research on the effect of systemic crises on inequality suggests that such crises have a negative effect on the income share for the bottom 40 per cent of earners but a positive effect on the income share for the top 20 per cent.[16] An important reason for this is that during post-crisis recovery, employers and workers are likely to renegotiate terms of employment. Since the crisis tends to place employers in a stronger bargaining position, this helps to keep wages down. The adverse impacts of crises on employment and income have been exacerbated by very restrictive or pro-cyclical macroeconomic policies in the last three decades aimed at keeping inflation at a very low level in all circumstances. Lack of adequate social protection has also contributed to economic insecurity and inequality.

22. It is commonly believed that the increased skill requirements for many jobs has contributed to growing inequality, as jobs for unskilled workers disappear or move abroad. A study conducted by the International Institute for Labour Studies of the International Labour Organization (ILO) revealed that rises in inequality are related to such economic factors as technology-induced shifts in the demand for skilled labour, foreign direct investment and tariff liberalization. Significantly, the same study found that human capital, measured in years of education, lowered inequality.[13]

23. There is evidence that privatization can also increase inequality by transferring public assets into private hands. An immediate effect of most privatizations is often loss of employment. This is not only because there tends to be substantial overstaffing in public enterprises, but also because the new owners typically prefer to begin with fewer employees than they need, so as to allow for greater flexibility. In addition, there are the linkage and multiplier effects of privatization-related changes. Employment conditions can be adversely affected in upstream and downstream activities, as well as in the local community, through the indirect demand effects of workers' incomes, especially in the absence of adequate social protection and public social spending cuts.

24. In the 1990s, privatizing of infrastructure was widely viewed as a viable alternative to State-operated utilities, and private investment in infrastructure expanded in developing countries. Privatization was intended to increase efficiency

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[15] See *The Inequality Predicament: Report on the world social situation*, United Nations publication, Sales No. E.05.IV.5; United Nations Development Programme, *Human Development Report 2005: International cooperation at a crossroads: Aid, trade and security in an unequal world* (New York, Oxford University Press, 2005).

[16] Nathan Fiala, "Unequal Growth: How systematic economic crises increase inequality" (2009). Available from http://www.nathanfiala.com/Unequal%20Growth%20How%20Systemic%20 Economic%20Crisis%20Increases%20Inequality.pdf.

and access. In many cases, that goal was achieved, but in cases where there was insufficient regulation, privatization had adverse effects on access to utilities by the poor and on overall inequality.[12] An ILO study found that utility privatization in developing countries significantly reduced employment, sometimes affecting up to 50 per cent of the workforce.[17]

25. Lack of decent employment opportunities and low-productivity economic structure have contributed to the persistence of inequality. Most developing countries have kept wages depressed and have progressively relaxed labour standards in order to attract foreign investment and remain competitive in the international markets. The declining strength of unions, relaxed labour standards and the neglect of agricultural development in recent decades have created an environment in which it is increasingly difficult for people on the low end of income distribution to improve their position.

26. Even during the economic expansion prior to the current global financial and economic crisis, the pace of job creation was slow — a situation often described as "jobless growth". Meanwhile, real wages stagnated in most countries, while executive earnings, especially in the financial sector, grew rapidly.

27. In many countries, the very rich have become richer. The gap in pay between executives and average employees is widening. In 2003, the Chief Executive Officers (CEOs) of the 15 largest companies in the United States earned 360 times more than their average employee in 2003. By 2007, they were earning 500 times more than the average worker.[12]

28. Inequality is passed down through generations because of inequitable access to opportunity. Children born into extremely poor households experience fewer and poorer educational opportunities and have poorer health owing to lack of access to health care. This lack of equal opportunity ensures that inequality will continue to transfer across generations if there are no interventions to prevent it.[2]

29. Corruption contributes to inequality in that it leads to resources being disproportionately allocated to the wealthier members of society at the expense of the poorest. It also promotes inefficiency in supplying basic social services to the population and in targeting the most needy.[18]

IV. Implications of inequality for economic and social development

30. It is generally held that moderate levels of inequality can spur economic growth and wealth creation because inequality rewards work effort, innovation and achievement, and encourages productivity. However, excessive inequality has many adverse implications and is associated with higher unemployment, diminished contribution of growth to poverty reduction, higher average crime rates, lower

[17] International Labour Organization, *Managing the Privatization and Restructuring of Public Utilities (water, gas and electricity)* (Geneva, 1999). Available from http://www.ilo.org/public/english/dialogue/sector/techmeet/tmpu99/tmpure2.htm.

[18] Rosa Alonso-Terme, Hamid Davoodi and Sanjeev Gupta, "Does Corruption Affect Income Inequality and Poverty?", International Monetary Fund, Working Paper No. 98/76 (1998).

average health status and more fragile democracy.[19] Inequality can contribute to social tension when the poorer segments of society feel a sense of deprivation, particularly when it is believed to be unjust.

31. Inequality can be viewed along different but interrelated dimensions, such as income, health and education; inequality in one dimension often coincides with and is causally related to inequality in others.

32. The disparity in life expectancy across countries is a stark example of how differences in well-being are manifested in lost years of life. Life expectancy surpasses 80 years in Japan and Sweden, but in many African countries it remains below 50 years. The Commission on Social Determinants of Health, convened by the World Health Organization (WHO) in 2005, found that while the unequal distribution of health care is a key determinant of health inequity, unequal living conditions contribute in large part to the high burden of illness and premature loss of life worldwide. In its final report in 2008, the Commission concluded that reducing health inequities is an ethical imperative.[20]

33. Although they are distinct concepts, inequality and poverty are also interrelated. The term "degree of inequality" refers to the unequal distribution of resources within a society and the resulting disparity in outcomes. "Poverty" refers to the lack of basic resources needed to maintain a minimal standard of living. High levels of inequality do not necessarily result in higher levels of absolute poverty because measures of inequality refer to the distribution of income rather than the share of income accruing to the poor. Poverty and inequality are correlated, particularly in developed countries, where poverty tends to be measured in relative rather than in absolute terms. This correlation is weaker in developing countries, where poverty is more commonly measured in absolute terms.

34. There is strong evidence that countries with a more equal distribution of assets and income can grow faster than countries with a higher degree of inequality. High inequality tends to blunt the poverty-reducing effects of economic growth, while greater equality benefits social development, including health, education and gender equality. Many of the Millennium Development Goal indicators are insensitive to levels of inequality and have the potential to mask the impact of growing inequality on social development. For example, poverty line measures will not necessarily change as inequality increases. In fact, absolute poverty can decline even as inequality increases.

35. High levels of within-country inequality can hurt economic growth through rent-seeking; a weaker middle class, with less economic and political influence and opportunity; and political instability. Inequality also contributes to market inefficiencies and failures. Investment opportunities are likely to be more readily available to those with wealth and influence, even if they do not offer the highest returns.[2]

36. The impact of economic growth on poverty reduction is diminished in countries with high levels of inequality. A recent study found that economic growth had no effect on poverty in developed countries, highlighting the importance of

[19] Robert H. Wade, "Should We Worry about Income Inequality?", *Global Inequality*, David Held and Ayse Kaya, eds., Cambridge, Polity Press, 2007.

[20] Commission on Social Determinants of Health, *Closing the gap in a generation: Health equity through action on the social determinants of health*, Geneva, World Health Organization, 2008.

income distribution in poverty eradication.[21] The same study found that inequality, however, does significantly contribute to higher poverty in both developed and developing countries.

37. When there are social, economic and political inequalities coinciding with cultural differences, culture can become a powerful mobilizing agent for a range of political disturbances, including violent conflict and civil war. However, it is important to emphasize that the presence of severe horizontal inequalities does not produce wide-scale violence as such, but rather makes multi-ethnic countries more vulnerable to the emergence of violent conflicts along ethnic lines.[22]

38. Gender inequality reduces growth and development by lowering overall human capital. Estimates indicate that the per capita growth rates of countries that are not on track to meet Millennium Development Goal 3 on gender equality are likely to be 0.1 to 0.3 percentage points lower as a result. Gender inequality in education also impedes social development progress towards reducing child mortality. By 2015, gender inequality is estimated to increase under-five mortality by 15 per 1,000.[23]

39. The relationship between inequality and economic growth and between inequality and political instability points to the strategic significance of moderate to low levels of inequality. High levels of inequality and the associated poverty and economic dysfunction may contribute to State failure and several related outcomes that could spill over to neighbouring countries and, in worst case situations, lead to military intervention. Terrorism, international criminal groups, mass migration and drug trafficking are some of the potential problems precipitated by State failure.[24]

40. The Millennium Development Goals have been faulted by some for failing to adequately take into account the implications of inequality for development.[25] For example, while the national average for school attendance may be declining in a certain country, school attendance could be increasing for the wealthiest quintiles but declining for the poorest. The *Millennium Development Goals Report 2010*[9] shows that, while 39 per cent of girls in the poorest quintile are out of school, only 11 per cent in the wealthiest quintile are out of school. National averages can mask gross disparities. This is also true of urban and rural differences. A country could potentially meet a Millennium Development Goal based on progress in its urban areas alone.

41. Inequalities continue to pose major barriers to attaining universal primary education. Children from the poorest 20 per cent of households account for over 40 per cent of all out-of-school children in many developing countries. In most, children from the wealthiest 20 per cent of households achieve primary education

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[21] Udaya R. Wagle, “Does Low Inequality Cause Low Poverty? Evidence from High-Income and Developing Countries”, *Poverty and Public Policy*, vol. 2, No. 3 (2010).

[22] Gudrun Østby, “Polarization, Horizontal Inequalities and Violent Civil Conflict”, *Journal of Peace Research*, vol. 45, No. 2 (2008).

[23] Dina Abu-Ghaida and Stephan Klasen, “The Costs of Missing the Millennium Development Goal on Gender Equity”, *World Development*, vol. 32, No. 7 (2004).

[24] Jeffrey D. Sachs, “The Strategic Significance of Global Inequality”, *The Washington Quarterly*, vol. 24, No. 3 (2001).

[25] Jan Vandemoortele, “The MDG conundrum: Meeting the targets without missing the point”, *Development Policy Review*, vol. 27, No. 4 (2009); Sakiko Fukuda-Parr, “Reducing inequality — the missing MDG: A content review of PRSPs and bilateral donor policy statements”, *IDS Bulletin*, vol. 41, No. 1 (2010).

while many from the poorest quintile do not. Income-based disparities intersect with wider inequalities: children from rural areas, slums and areas affected by or emerging from conflict, children with disabilities and other disadvantaged children face major obstacles in accessing good quality education. [26]

42. There is growing consensus that the increase in inequality in the United States over the last 30 years was an important cause of the financial meltdown that precipitated the global recession.[27] Prior to the onset of the financial crisis in the United States, income inequality had been on the rise for 30 years and had reached levels not seen since before the Great Depression. Between the mid-1970s and the early 2000s, the top 1 per cent of the population doubled its share of national income from 8 to 16 per cent. During that period, the middle class suffered wage and purchasing power stagnation. It compensated for this by borrowing: household debt increased from 48 per cent of GDP in the early 1980s to 100 per cent of GDP.[28] Excessive capital accumulation at the top combined with a demand for consumer credit in the middle — both products of rising inequality — contributed to risky investment in mortgage-backed securities that precipitated the financial crisis.

43. Inequality can impede the effectiveness of political institutions in reducing poverty.[21] High levels of inequality tend to lead to social and political arrangements that favour the interests of the wealthier segments of the population. This can lead to budgetary allocations and public services that benefit those with more influence rather than those living in poverty.

V. Conclusions and recommendations

44. There is strong evidence that economic policies such as financial liberalization, privatization and structural adjustment programmes have contributed to increases in income inequality. Efforts to actively reduce inequality therefore need to be considered when designing economic development policies, especially policies for poverty eradication.

45. Employment and labour market structures play an important role in determining the level of inequality within a society. The promotion of decent and productive employment for all has thus been identified as a key instrument for addressing the problem of inequality within countries. In addition, the structural transformation of labour markets is essential to reduce inequality and poverty, and the transition from lower to higher productivity work requires appropriate investment in education and training to develop the labour force.

46. A pro-poor growth agenda emphasizing agricultural productivity through investment in the agricultural sector can reduce inequality and poverty. Since the majority of the world's poor work in agriculture, it is essential to increase wages in this sector. Radical land reforms in the early phase of development can contribute

[26] See *Keeping the promise: a forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015: Report of the Secretary-General* (A/64/665).

[27] Branko Milanovic, "Two Views on the Cause of the Global Crisis", *Yale Global* (2009); Raghuram G. Rajan, *Fault Lines: How hidden fractures still threaten the world economy*, Princeton University Press, 2010.

[28] Branko Milanovic, "Two Views on the Cause of the Global Crisis", *Yale Global*, 2009.

significantly to the reduction of inequality as well as to the promotion of growth, thus ensuring “shared” growth.

47. Redistributive measures funded through progressive taxation are associated with greater equality. Redistributive policies such as minimum wages and policies funded through progressive taxation should be implemented to ensure that increases in productivity translate into reduced inequality and poverty. Universal social protection including basic health care, pensions and unemployment insurance, can help to insulate those on the lowest end of the income distribution from the worst effects of poverty.

48. As demonstrated in recent years, increased productivity does not always translate into higher wages. The relaxation of labour standards and regulations has contributed to the increase in earnings inequality. Labour standards and regulations must be strengthened, if inequality is to be reduced.

49. Policies that ensure that women and men have equal access to education, decent work and avenues of political participation and influence are essential to reducing poverty and inequality.

50. The international community might consider establishing a new international mechanism for equitable development that could support the international coordination of policies to address inequality. Currently, if a Government attempts to implement a new policy aimed at reducing inequality, it is likely to cause capital flight, with the end result of harming that country. Global policy coordination would help to overcome this problem. Such coordination has already been achieved by the United Nations Environment Programme and the World Trade Organization in respect of environment and trade issues.