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Statement submitted by International Presentation Association of the Sisters of the Presentation of the Blessed Virgin Mary, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 30 and 31 of Economic and Social Council resolution 1996/31.

* E/2012/100.



Statement

Addressing root causes of inequality

Sustainable and inclusive growth demands people-centred and biocentric development, and cannot be achieved without addressing the issue of inequality. The United Nations publication entitled *The Inequality Predicament* states that “A healthy, well-educated, adequately employed and socially protected citizenry contributes to social cohesion. Improved access by the poor to public assets and services ... and income transfer programmes to sustain the poorest families are essential to changing the structure of opportunities and are key to reducing the intergenerational transmission of poverty and inequality.”

A study by the Helsinki-based World Institute for Development Economics Research of the United Nations University shows that the richest 1 per cent of adults owned 40 per cent of global assets in 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.

According to one of the reports of the United Nations Centre for Human Settlements, one of the fundamental roles of the Governments in a democracy is to build equality and it should be perceived by the citizens that inclusion and equality are fundamental objectives of public authorities.

Professor John Langmore of Australia, one of the more than 15,000 signatories to the campaign “Support the Social Protection Floor Initiative”, has commented, “There can be no doubt about the benefits of social protection. It can prevent or alleviate poverty and reduce inequality and injustice. The net costs of social protection mechanisms are likely to be offset in due course by a better motivated, nourished, educated and healthier workforce. Reduction of inequality and despair reduces social tensions. The benefits of national social security schemes are shown by their universal use in successful developed countries.”

The recent report entitled *Social Protection Floor for a Fair and Inclusive Globalization* states that about 5.1 billion people, 75 per cent of the world population, are not covered by adequate social security.

Another issue that needs urgent attention to achieve sustainable growth is corporate social responsibility and accountability. We affirm the effort of the United Nations Global Compact involving a number of social actors to influence the action of companies. However, establishing a mandatory global policy framework calling for companies to implement sustainability issues is imperative.

Therefore, we call upon the participants in the annual ministerial review to consider the following recommendations:

- Ensuring implementation of a universal social protection floor tailored to national needs, investing domestically a minimum of 4 per cent of gross domestic product in the social protection floor, implementing innovative financing mechanisms, such as a financial transaction tax, and using its resources to support vulnerable countries to implement the social protection floor

- Reducing military expenditure and using its resources for sustainable and inclusive growth. In the words of the United Nations Secretary-General, “Every year the world spends \$1.4 trillion on weapons. With a fraction of that we could cut poverty, fund schools, provide health care and protect our environment”
 - Establishing a mandatory global policy framework that ensures responsibility and accountability of national and multinational corporations
 - Ensuring progressive taxation
 - Ensuring a policy framework for sustainable consumption and production patterns.
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