

delivered by the Secretary General:

# Social Contract for a new era a New Soc

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United Nations



We face the deepest global recession since World War II, and the broadest collapse in incomes since 1870. One hundred million more people could be pushed into extreme poverty. We could see famines of historic proportions. COVID19 has been likened to an x-ray, revealing fractures in the fragile skeleton of the societies we have built.

It is exposing fallacies and falsehoods everywhere:

- ! The lie that free markets can deliver healthcare for all;
- ! The fiction that unpaid care work is not work;
- ! The delusion that we live in a post-racist world;
- ! The myth that we are all in the same boat.

Because while we are all floating on the same sea, others are clinging to the floating debris.

## Inequality defines our time

More than 70 per cent of the world are living with rising income and wealth inequality. The 26 richest people in the world hold as much wealth as half the global population.

But income, pay and wealth are not the only things that depend on their gender, family and ethnic background, race, whether or not they have a disability, and other factors.

Multiple inequalities intersect and reinforce each other across the generations. The lives and

expectations of millions of people are largely determined by their circumstances at birth.

In this way, inequality works against human development for everyone. We all suffer its consequences. High levels of inequality are associated with economic instability, corruption, financial crises, increased crime and poor physical and mental health.

Discrimination, abuse and lack of access to justice define inequality for many, particularly indigenous people, migrants, refugees and minorities of all kinds. Such inequalities are a direct assault on human rights. Addressing inequality has therefore been a driving force throughout history for social justice, labour rights and gender equality.

The vision and promise of the United Nations is that food, healthcare, water and sanitation, education, decent work and social security are rights to which we are all entitled. Who can afford them, but basic human rights to which we are all entitled.

We work to reduce inequality, every day, everywhere. That vision is as important today as it was 75 years ago. It is at the heart of the 2030 Agenda for Sustainable Development, our agreed blueprint for peace and prosperity on a healthy planet, captured in SDG 10: reduce inequality within and between countries.

Even before the COVID-19 pandemic, many people around the globe understood that inequality was undermining their life chances and opportunities. They saw a world out of balance. They felt left behind. They saw economic policies channeling resources upwards to the privileged few.

Millions of people from all continents took to the streets to make their voices heard. High and rising inequalities were a common factor. The anger feeding two recent social movements reflects utter disillusionment with the status quo.

Women everywhere have called time on one of the most egregious examples of gender inequality: violence perpetrated by powerful men against women who are simply trying to do their jobs.

The anti-racism movement that has spread from the United States around the world in the 2010s is a sign that people have had enough:

Enough of inequality and discrimination that treats people as criminals on the basis of their skin colour;

Enough of the structural racism and systematic injustice that deny people their fundamental human rights.

These movements point to two of the historic sources of inequality in our world: colonialism and patriarchy .

The Global North, specifically my own continent of Europe, imposed colonial rule on much of the Global South for centuries, through violence and coercion. Colonialism created vast inequality within and between countries, including the evils of the Transatlantic slave trade and the apartheid regime here in South Africa.

After the Second World War, the creation of the United Nations was based on a new global consensus around equality and human dignity.

A wave of decolonization swept the world. But the legacy of colonialism still reverberates.

We see this in economic and social injustice, the rise of hate crimes and xenophobia; the persistence of institutionalized racism and white supremacy.

We see this in the global trade system. Economies that were colonized are at greater risk of getting locked into the production of raw materials and low-tech goods — a new form of colonialism. And we see this in global power relations.

Africa has been a double victim. First, as a target of the colonial project. Second, African countries are under-represented in the international institutions that were created after the Second World War, before most of them had won independence.

The nations that came out on top more than seven decades ago have refused to contemplate the reforms needed to change power relations in international institutions. The composition and voting rights in the United Nations Security Council and the boards of the Bretton Woods system are a case in point.

Inequality starts at the top: in global institutions. Addressing inequality must start by reforming them. Two of the sources of inequality in our world: millennia of patriarchy.

We live in a male-dominated world with a male-dominated culture. Everywhere, women are worse off than men, simply because they are women. Inequality and discrimination are the norm. Violence against women, including femicide, is at epidemic levels.





At the same time, by 2050, we estimate that accelerating climate change will affect millions of people through malnutrition, malaria and other diseases, migration, and extreme weather events.

This creates serious threats to inter-generational equality and `MXVWLFH 7RGD\·V \RXQJ FOLPDWH` protesters are on the frontlines of the fight against inequality.

The countries that are most affected by climate disruption did the least to contribute to global heating.

The green economy will be a new source of prosperity and employment. But let us not forget that some people will lose their jobs, particularly in the post





Labour representation is also critical to manage the challenges posed to jobs by technology and structural transformation – including the transition to a green economy. The Labour movement has a proud history of fighting inequality and working for the rights and dignity of all. The gradual integration of the informal sector into social protection frameworks is essential.

A changing world requires a new generation of social protection policies with new safety nets including Universal Health Coverage and the possibility of a Universal Basic Income .

Establishing minimum levels of social protection, and reversing chronic underinvestment in public services including education, healthcare, and internet access are essential.

But this is not enough to tackle entrenched inequalities.

We need affirmative action programmes and targeted policies to address and redress historic inequalities in gender, race or ethnicity that have been reinforced by social norms.

Taxation has also a role in the New Social Contract . Everyone – individuals and corporations – must pay their fair share. In some countries, there is a place for taxes that recognize that the wealthy and well-connected have benefitted enormously from the state, and from their fellow citizens.

Governments should also shift the tax burden from payrolls to carbon. Taxing carbon rather than people will increase output and employment, while reducing emissions.

We must break the vicious cycle of corruption , which is both a cause and effect of inequality.

Corruption reduces and wastes funds available for social protection; it weakens social norms and the rule of law.

Fighting corruption depends on accountability. The greatest guarantee of accountability is a vibrant civil society, including a free, independent media and responsible social media platforms that encourage healthy debate.

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The global political and economic system is not delivering on critical global public goods: public health, climate action, sustainable development, peace.

The COVID19 pandemic has brought home the tragic disconnect between self-interest and the common interest; and the huge gaps in governance structures and ethical frameworks.

To close those gaps, and to make the New Social Contract possible, we need a New Global Deal to ensure that power, wealth and opportunities are shared more broadly and fairly at the international level.

A new model for global governance must be based on full, inclusive and equal participation in global institutions.

Without that, we face even wider inequalities and gaps in solidarity – like those we see today in the fragmented global response to the COVID-19 pandemic. Developed countries are strongly invested in their own survival in the face of the pandemic. But they have failed to deliver enough support needed to help the developing world

