



European Elections 2019

solidar

Position Paper 4/6

ADVANCING SOCIAL JUSTICE IN EUROPE
SOLIDAR CALLS TO TAKE ACTION TO REDUCE INEQUALITY

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The 2030 Agenda: a global call to transform the world and reduce inequality

With the adoption of the 2030 Agenda for Sustainable Development (2030 Agenda) and its 17 Sustainable Development Goals (SDGs) at the United Nation General Assembly on September 2015, world's leaders – including all the EU Member States - have committed to transform the current development model - that exacerbates inequalities and produces environmental degradation - into a model that “leaves no one behind” and that respects the planetary boundaries.

The fight against inequality stands prominently among the SDGs. With SDG 10 «Reduce inequality within and among countries», the international community, including the EU, has acknowledged that inequalities are a global social, political and economic problem for all countries and economies to address and have committed, among others, to

- progressively achieve and sustain **income growth** of the bottom 40 per cent of the population at a rate higher than the national average (SDG 10.1);
- empower and promote the **social, economic and political inclusion** of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (SDG 10.2);
- **Ensure equal opportunity and reduce inequalities of outcome** (SDG 10.3);
- Adopt policies, especially **fiscal, wage and social protection policies**, and progressively achieve greater equality (SDG 10.4).

Walking the talk: is inequality reducing?

Beyond the commitments, since 2015, the pace of progress on SDG 10 has been very slow both globally and at the European level.

The same EU acknowledges that hasn't done enough to tackle inequalities: *“In 2017, income inequality in the EU Member States declined for the first time since the financial crisis. However,*

inequalities in earnings are still too large with a continued concentration of wealth at the top”¹.

Income inequality has unacceptable social consequences as it leads to differences in people's well-being and quality of life. As of today, in the EU Member States 43 million people cannot afford a regular quality meal every second day² and, in 2016, 2.5% of the population aged 16 and above reported unmet needs for medical care, mainly due to the costs of health care services³.

This is unacceptable anywhere and especially in one of the wealthiest areas of the world which should lead the way towards the eradication of inequalities. The EU finds itself at a crossroad. There is only one right path out of it and it is taking serious action against inequalities. It's making the achievement of the Sustainable Development Goals the underpinned guiding light of the agenda of the European institutions for the 5 years.

SOLIDAR and SOLIDAR Foundation firmly demand the European institutions to set the achievement of SDG 10 as the overarching priority for the mandate ahead.

Inequalities and the decline in social mobility pose a risk to our overall economic development and social cohesion. As a result, people lose trust into a better future and thus in democratic institutions, which are not considered able to create positive change in society. These dynamics are key drivers for the popularity of agendas based on fear instead of solutions, as the ones offered by nationalists. Restoring trust into European institutions will only be possible with a strong commitment to tackle inequalities.

However, the social aspects behind the crisis of representative democracy are not stressed out enough. This is why SOLIDAR and SOLIDAR Foundation are running a campaign to raise awareness on what stands behind nationalism – it is fear stemming from social issues. The issues are real and we need the EU to respond with an agenda based on social progress for all and respecting the planet boundaries.

1. https://ec.europa.eu/commission/sites/beta-political/files/rp_sustainable_europe_30-01_en_web.pdf

2. https://ec.europa.eu/food/safety/food_waste_en

3. <https://ec.europa.eu/eurostat/documents/3217494/9237449/KS-01-18-656-EN-N.pdf/2b2a096b-3bd6-4939-8ef3-11cfc14b9329>

Globally, the wealth of the richest have risen dramatically and some statistics arrive to predict that, by 2030, the richest 1% will own two-thirds of global wealth. Moreover, the richest as well as the corporations are enjoying very beneficial tax level⁴. This limited taxation, together with shameful levels of tax evasion, affects the capacity of governments to mobilise the necessary domestic resources to pay for quality, affordable, accessible and adequate education and healthcare for its people⁵. These figures prove that the Social AAA that Juncker promised for the EU was never delivered. Tax justice is social justice and it is a vital element of a cohesive society. Over the next 5 years, European leaders must commit to a more harmonized and fair taxation system. One that fosters equal opportunities for all, not the revenues of a happy few.

Time to take action for fight inequality

To revert the trend and achieve Equality and Social Justice, SOLIDAR demands to speed up the implementation of SDG 10 both globally and internally. This would benefit European people and uphold European institutions' credibility towards people, in the EU and globally.

As for this to happen, SOLIDAR demands

- **The prioritization of Policy Coherence for Sustainable Development**
By taking into account the interlinkages between the different sustainability dimensions (environmental, social, economic and governance), and support coherence between different policy areas, sectors and levels of decision-making.

By making sure that EU policies do not cause harm to third countries nor create poverty or increase inequality in other parts of the world. Among others, the blind faith in the effectiveness and efficiency of Public –Private-Partnership (PPP) for the provision of public services, such as health and education, should be put under serious scrutiny given the existing evidence about their impact on inequality⁶.

- **The effective promotion of tax justice** and to end harmful practices that exacerbate inequalities, namely tax avoidance and tax evasions. Tax heavens must be banned.

Indeed, in the EU, the loss of **tax revenue** to the EU through aggressive corporate tax planning is around €50-70 billion of euros per year⁷.

In Developing Countries, conservative estimates have found that one type of corporate tax avoidance alone is costing developing countries between US \$70 billion and \$120 billion per year. **Every dollar lost to tax havens, is a dollar that could have been invested in public services** - to pay doctors and teachers, fund vaccinations, or invest in school seats for children⁸.

Only a united European Union can take effective actions to stop these practices that are stealing public resources needed to ensure access to quality health, education, well-functioning and save public transports and infrastructures and an adequate income for all. For example, it has been thanks to the action undertaken by the European Commission that Apple had to pay €13 billion, plus interest, of unpaid Irish taxes from 2004–14 to the Irish people.

- **To foster social investments and support the set up and the scale up of fully fledged Social protection Floors⁹ and Systems** as an effective and efficient way to promote equal of opportunities and equality of outcomes; In the EU, **social transfers** reduced the at-risk-of-poverty rate among the population of the EU-28 from 26.0% before transfers to 17.3 % after transfers, thereby lifting 8.7 % of the population above the poverty threshold; without social transfers these people would be at-risk-of-poverty (EUROSTAT, 2017).

4. <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620599/bp-public-good-or-private-wealth-210119-summ-en.pdf>

5. See SOLIDAR, Behind Nationalism, <http://www.solidar.org/en/activities/behind-nationalism-solidar-work-overturning-far-right-arguments-against-the-eu>

6. <http://www.solidar.org/en/publications/private-sector-mismatching-development-with-economic-growth>

7. https://ec.europa.eu/info/sites/info/files/file_import/european-semester-thematic-factsheet_curbing-aggressive-tax-planning_en.pdf

8. <http://www.solidar.org/en/news/achieving-the-sdgs-needs-fair-taxation-ngos-call-on-the-eu-to-end-tax-havens>

9. The ILO Recommendation 202 defines Social Protection Floors as a set of guarantees including access to essential health care, and income support measures during the whole life-cycle (childhood, adulthood, and elderlyhood).

Eager to know more?

Check out our publications

- [SOLIDAR, Fighting Inequalities is not a game!](#)
- [SOLIDAR, Make Europe Sustainable for All: a growing movement to fight inequalities](#)
- [SOLIDAR, Private sector: Mismatching development with economic growth?](#)
- [SOLIDAR, Achieving the SDGs needs fair taxation: NGOs call on the EU to #EndTaxHavens](#)
- [SOLIDAR, Making Decent Work and Social Protection a Reality for All by 2030](#)
- [Report of the Independent Commission for Sustainable Equality](#)

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