

# Policy

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# Bridging the Gap between Rich and Poor

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**Social Inequality as a Development Policy Challenge**

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# 1. Social inequality and its impact

Who speaks of poverty cannot keep silent on wealth. Fighting poverty and reducing social inequality are two closely interwoven aspects of sustainable development. This affects societies in the global North and South, as well as our global coexistence.

This policy document reflects on social inequality and poverty taking into consideration the work of partner organizations of *Brot für die Welt* ([Bread for the World](#)) worldwide. It promotes the problematization and combating of poverty in the specific context of societies in the Global South. Yet the reasons for social inequality and poverty are often systemic, that is, they are caused by our globalised economic system and the related (international) political economy. Likewise, mechanisms of social disadvantage act similarly in different contexts. For the political work of *Brot für die Welt* and its partner organisations, it is therefore important to recognize inequality, poverty and their inherent risks for globally sustainable development, as well as their causes and effects, and to address them as a problem both globally and in the North-South context.

Social inequality refers to the unequal distribution of and unequal access to material and non-material resources, and the resulting permanent and involuntary differences in opportunities for social, economic, cultural and political participation and the realisation of individual potential and rights. This structurally conditioned privileging or disadvantaging inequality cannot be equated with social diversity.

Societies are marked by the coexistence of people who contribute a great variety of talents, approaches and lifestyles, and who have different backgrounds or beliefs. This diversity constitutes the human wealth of a society. A central concern for *Brot für die Welt* is that, notwithstanding all diversity, equal rights and equal participation and equivalent opportunities for living and achievements are guaranteed. *Brot für die Welt* stands for the vision of a participatory society in which everyone »may have life, and have it to the full« (John 10: 10) (EWDE 2012, S.1). If equal rights, equal opportunities and equal participation are denied due to social inequality, *Brot für die Welt* considers this to be unjust.

The extent of social inequality is alarmingly high in many countries and at the global level. Together with partner organisations all over the world, *Brot für die Welt* observes that numerous negative effects result from this inequality,

both for the individual as well as for society at large. These negative effects are reason for addressing inequality. According to *Brot für die Welt*, the following issues are particularly noteworthy: (1) persistent poverty as a result of inequality, (2) the violation of human rights and human dignity, and (3) the threats to democracy and social coexistence.

## 1.1 Inequality hinders the overcoming of poverty

Great inequality in a society leads to poverty and to its constant reproduction. If children from poor families have no access to healthy food, health care, quality education and social networks, it will later prove difficult for them to access the labour market or means of production. They will not be able to participate in economic development. They inherit, so to speak, the poverty of their parents. The wider the gap between different social groups and their living environments, the less social mobility and opportunity for social advancement. Inequality directly contributes to people remaining trapped in a vicious circle of poverty, exclusion and lack of opportunities. Exclusion processes of this kind miss opportunities for broad-based economic development and prevent social transformation. The annual United Nations Millennium Development Goals Reports have repeatedly made clear that despite generally positive development trends in reducing hunger and poverty, access to drinking water or the provision of sanitary facilities, the particularly poor and marginalised population groups—especially those living in rural areas—are often not reached.

Inequality has long been justified as a necessary side effect of economic development, from which »growing out« of poverty could be expected. Thus, for instance, China's economic development over the last thirty years is considered a success story. Millions of new jobs have enabled an impressive reduction of poverty. At the same time, the inequality of income and wealth has increased dramatically. Economic development can induce poverty reduction—but must not necessarily do so. In India or South Africa, the broad poverty reducing effect of economic growth in recent years has largely failed to materialize. Economic growth led to jobless growth, that is, neither the levels of employment or of income saw any comprehensive increase, nor were the

higher state revenues adequately allocated to social protection and redistribution.

Calculations by the World Bank show, however, that the goal to end poverty by 2030, as agreed in the United Nations Sustainable Development Agenda, cannot be achieved if current trends of social inequality continue or worsen. Even many of the international actors who assume a continuation of the present growth model have recognized that reducing inequality is crucial in overcoming poverty (cf. The World Bank 2016, p. 9; World Inequality Lab 2017, p. 14).

The current prevailing model of development predominantly geared to economic growth is now fundamentally questioned because it produces inequality, poverty, social upheaval and ecological destruction. Not least the dramatic consequences of the climate crisis evidence that the limits to growth have already been reached, and in some cases exceeded. Given the limits of our planet, the link between overcoming poverty and the need to reduce inequality becomes all the more evident.

## 1.2 Inequality violates human dignity and human rights

Notwithstanding their diversity, all people have equal rights and the same human dignity. It is a matter of being acknowledged and treated as equals, regardless of socio-economic status, caste, ethnicity, gender identity and sexual orientation, state of health or religion. But under the conditions of current social inequality, the reality is often very different. The value of human life is measured with different standards. This is an attack on human dignity.

The situation in which, despite growing global wealth, such large numbers of people are still living in abject poverty and extreme inequality must be described, in the words of the philosopher Thomas Pogge, as one of the greatest human rights violations in the history of humanity (Pogge 2011, p. 308). Poverty means that people do not have a standard of living adequate for the health and well-being of themselves and their families, including food, clothing, housing, medical care, education and necessary social benefits, as defined in Article 25 of the Universal Declaration of Human Rights of 1948, and set out in the 1966 International Covenant on Economic, Social and Cultural Rights. Yet today, serious poverty could be avoided given that there are enough essential goods available for everyone. The increase alone in total assets of billionaires between 2016 and 2017 is seven times

the amount necessary in terms of figures to eradicate extreme poverty for everyone (cf. Oxfam 2018).

## 1.3 Inequality poses threats to democracy and social coexistence

Distinct social inequality not only disadvantages part of the population, but also has a direct adverse effect on the functioning of our democracy and social coexistence. Formal legal equality to exercise the right to vote is not a sufficient prerequisite for a working democracy. An analysis of the development of democracies in OECD states establishes the erosion of political equality caused by growing socio-economic differences, and the unequal educational and participatory opportunities they entail (cf. Merkel et al. 2015). Thus, it is less likely that the preferences of the majority are actually reflected in election results. This violation of the democratic concept can currently be regarded as one of the greatest challenges for societies with increasing inequality. Moreover, democracies are thus becoming more susceptible to targeted fake news and manipulation. Social inequality is instrumentalised for national populist objectives, resulting in the exclusion and discrimination of minorities, refugees and people with migrant backgrounds.

Whereas parts of the population are excluded from equal participation in political and societal life, inequality promotes the concentration of political power in the hands of a few. Milanović cites the situation in the United States as an example: »When average earners are denied access to a good education because they cannot afford to attend university; when the super rich influence the political agenda with their money—then these are the characteristics of plutocratic rule, whose stability can only be maintained with an ever-increasing security apparatus« (Milanovic 2015).

This increases the risk that populist currents will gain importance when people feel their sense of justice has been violated, and do not see their interests represented by political elites they perceive as distanced.

Extreme inequality increases the potential for social conflict and threatens political and societal stability. The negative effects that can be observed in societies marked by strong inequality include, in addition to the low political participation of poorer population groups, a loss of confidence in politics, increasing fear as well as poorer physical

and mental health, and higher crime and violence (cf. Wilkinson/Pickett 2009).<sup>1</sup>

Economic inequality between several social groups, which is considered as systematic, is one cause of social conflicts

or aggravates them culminating in violent conflicts, war and civil war (ISSC 2016, p. 10). Economic inequality between different regions, countries and continents moreover increases migration.

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<sup>1</sup> Wilkinson and Pickett refer in their study (23 countries) to the negative statistical context for higher inequality with the following health and social indicators: physical and mental health, drug abuse, education, delinquency,

obesity, social mobility, trust and communal life, violence, teenage pregnancies, well-being of children (cf. Wilkinson/Pickett 2009).

## 2. The extent of social inequality and its causes

Many statistics distinguish between three levels at which social inequality is observed: (1) inequality among people living in the same country, (2) inequality among the average of various countries, and (3) global inequality among people all over the world, regardless of national borders. It is particularly important for *Brot für die Welt* to highlight horizontal inequality among specific social groups, such as between women and men, or between people of different faith and origin.

Inequality has different dimensions. Often paramount is the economic inequality, measured in terms of income, consumption or wealth. In addition, the non-economic dimensions of inequality are essential. These can be described as unequal participation in politics or society due to power imbalances, different legal status, unequal access to education and health services. The result is for instance inequality in nutrition, health and educational status or life expectancy.

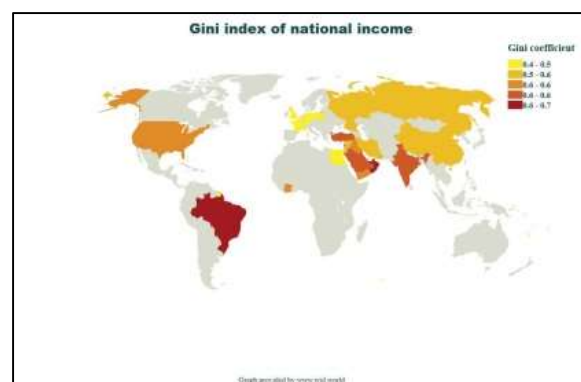
These different dimensions are often mutually reinforcing. Thus, a low income, for instance, often correlates with lower education and health status, as well as lower life expectancy and lower political participation both at national and global level. For instance, the average life expectancy in Japan is 35 years higher than in Chad (UN Population Division 2018), and varies within the USA by more than twenty years between economically well-off regions in Colorado and poor regions in North and South Dakota, which are predominantly inhabited by Native Americans (Guardian 2017). However, these correlations are neither inevitable nor linear, but are affected by many other factors, in particular political decisions and social institutions.

The time at which inequality is observed can also be differentiated: unequal start and opportunity, procedural inequality or outcome inequality.

The distinction between primary income distribution emerging from the labour market, and secondary income distribution after taxes and transfers moreover allows the distribution effects of market development, and fiscal as well as socio-political interventions to be considered separately.

### 2.1 Economic inequality in individual countries and around the world (vertical inequality)

Since 1980 the polarisation of income and wealth **within individual states** has increased in almost every country, though to different extents and speeds. National income inequality varies considerably among the world regions. It is lowest in European countries, and highest in the Middle East and Latin America (WID 2018).



Most evident are differences between Western Europe and the USA, which in 1980 still had relatively similar levels of inequality. Subsequently, inequality has increased in the USA more rapidly. A more differentiated analysis of the rather similar data of primary and very different data of secondary income distribution shows that political decisions play an important role here.

But lately there have been some positive developments too. Between 2011 and 2016, for example, in more than half of the 92 countries with comparable data, the bottom 40 per cent of the population experienced a wage increase that was higher than the overall national average (ECOSOC 2019). Following a steep rise in poverty and inequality in the 1980s and 1990s in the context of debt crisis and structural adjustment, some countries in Latin America and the Caribbean were able to successfully reduce poverty and inequality from the mid-2000s onwards. This is mainly due to a changed structural wage development and poverty-oriented social and labour policy, including strengthened collective wage negotiations as well as extended social protection systems from the beginning of the new millennium (cf. WB 2016, pp.103 ff., CEPAL 2018, pp. 18 f.). In addition, some countries (such as Brazil, Bolivia and Ecuador) have adopted affirmative action policies for discriminated popu-

lation groups, which have helped to improve their opportunities for participation and recognize their equal rights. Yet the trend for reducing inequality is now stagnating (WB 2016, p. 83), and even reversing in some countries due to changes in political strategies.

Further outstanding cases are India and China, each with a very high economic growth rate. In India, the culturally entrenched inequality of the caste system has hardly changed, or rather exacerbated with the new super rich. In China, Mao's egalitarian socialism hardly helped people out of poverty. The new growth-oriented economic model reduced poverty and at the same time accepted an extreme increase in inequality.

The landscape of global poverty has become more complex overall. Now the majority of extremely poor people no longer live in the poorest countries, but in the most populous middle-income countries (WB 2018). As a result, **inequality among the average per-capita-income of individual states** has declined in the recent decades.

**Global inequality** among all people, without considering national borders, has also slightly diminished. The Gini-coefficient<sup>2</sup> of global inequality fell from 69.7 in 1988 to the still extremely high 62.5 in 2013 (WB 2016, p.81). It seems paradoxical that of all things the high growth rates, that exacerbate national inequality in populous countries, such as China and India, have contributed to a slight overall reduction in global inequality (Bourguignon 2015).

Yet a major proportion of the global population continues to be excluded from participating in general prosperity gains, or is falling even further behind. According to the World Bank Report, in 2015 736 million people were still living in **extreme poverty**, that is with a daily income below the international poverty line of 1.9 US\$ PPP, as defined by the World Bank.<sup>3</sup> In Sub-Saharan Africa, this affects 41 per cent of the population. And many of those who are no longer visible in the statistics as extremely poor live in very precarious conditions and can easily fall back into extreme poverty.

For *Brot für die Welt*, **hunger** is the expression of the most extreme form of poverty. According to the FAO (2019), in

2018 821.6 million people suffered from chronic undernourishment. This figure also clearly indicates the limited information value of international poverty figures based on the poverty line of 1.9 US\$ PPP. Based on a definition of **multidimensional poverty**, which—like the Human Development Index—includes not only income poverty but also health, education and life expectancy, the current figure of people living in poverty amounts to 1,334 billion (UNDP 2018). With a poverty line of 3.2 US\$ PPP, which the World Bank regards relevant in lower middle-income countries, the number of people living in poverty even increases to 1.932 billion (WB 2018).

## 2.2 Inequality among different social groups (horizontal inequality)

Looking at inequality in individual countries, we often find specific features that correlate with the social situation of people. In the majority of cases, these include the place of residence (urban/rural or different regions), gender and ethnicity. In addition, in some countries there is also skin colour, religious groups, caste, class, groups of sexual identity and orientation, age groups, state of health or a migrant background. These features are not the causes of inequality, but the existence of such systematic contexts is a clear indication of different kinds of discrimination, or unresolved historical discrimination of specific population groups resulting in their systematic deprivation.

The most widespread form of horizontal inequality is the inequality between women and men. In most countries, women are severely underrepresented in significant positions in politics, economy and society. The global gender pay gap still sees women earning 23 per cent less than men, and moreover they shoulder the majority of unpaid jobs, for instance, in education and care. In many countries, laws and institutions, and in most countries conventions and/or traditions, prevent equal opportunities for women and girls, often from an early age (cf. *Brot für die Welt 2018: Achieving gender equality*).

Another example among the many experiences of horizontal inequality is the situation of the people whose ancestors were exploited as slaves. As in most cases, horizontal inequality has many dimensions. It becomes evident in a different cultural values and diverging participation in economy, society and politics with impacts on all areas of life. In

<sup>2</sup> The Gini coefficient adopts a value between 0 (when every person receives the same income) and 100 (when one single person receives 100% of the total income i.e. maximal inequality). For example, Germany displays a Gini index value of 31.4 (2013).

<sup>3</sup> PPP stands for »purchasing power parity«, that is, the US\$ is converted to a common currency by using purchasing power parity exchange instead of official currency rates.



Brazil, for example, between 70 and 80 per cent of all murder victims are Afro-Brazilian men. The majority of them are between 15 and 29 years old and living in favelas. One reason of the high homicide rate is the illegitimate and discriminatory police violence (Amnesty International, Brazil 2017). This example illustrates how closely racial and class-specific discrimination are interrelated. Categories of discrimination such as gender, income, skin colour or ethnicity are intersectionally interwoven and create specific experiences of discrimination. Such intersectional analyses make the complex forms of social inequality visible.

### 2.3 Causes of inequality

Inequality is the outcome of power balance, political decisions and the resulting institutions. It is necessary to take into account a variety of factors at the local, national and international level.

In considering inequality among social groups, within a country or worldwide, one can neither proceed from a situation of equality nor from equal opportunities. Every historical moment of inequality was and is simultaneously the starting point for further development.

From a global perspective, colonialism has made a lasting contribution to the extreme inequality between countries, economies and societies, but also among groups within formerly colonised societies. To this day, former colonies remain extremely disadvantaged in the distribution of political, economic, material, cultural or rather knowledge-based power compared to the OECD member states. The same disadvantage also applies to indigenous peoples, descendants of slaves and (female) agricultural workers in their respective communities. By restricting the autonomous development of these groups, their non-equal treatment is permanently reinforced. At the international level, this becomes evident, for instance, in the dominance of the OECD member states in political negotiations or the historically assigned roles in the global economy, with trade relations that repeatedly disadvantage the numerous countries of the Global South. In addition, emerging states such as China or India are now also using their economic power to secure access to resources, markets and influence—creating new relationships of dependence in the process.

#### **Unequal starting situation, unequal access to resources**

People or specific social groups often have no resources, or are actively denied access to them. Exclusion and discrimination are not only the result of the individual behaviour of other members of society, but can also be institutionalised, for instance, by legislation or discriminatory social norms and traditions that perpetuate power and privilege. One example among many others is when women are denied land-ownership or the right to inherit; or when male family members are prioritized in times of food shortages. Thus, for instance, in Mozambique the proportion of women in rural population is higher than that of men. Nevertheless, very few women are in decision making positions. Land titles are predominantly held by men, though in fact they are often absent because they are working, for example, in factories in the nearest bigger cities or as migrant workers in South Africa. If a man dies, in most cases the property does not go to his widow but to male family members, such as his brothers.

Exclusion also frequently arises out of situations of social inequality when access to specific social resources are de facto handled in an exclusive way, such as access to means of production, to particular segments of the labour market, to good education or to the relevant (relationship) networks.

People with access to material, cultural and social resources not only have better conditions to participate in economic activity and to succeed in competitive (economic) systems. They also have the opportunity to use their resources to change the rules of the system on their terms and to their advantage—so that future accumulation of property and access to resources is facilitated (cf. Pogue 2011).

People at the lower end of the income distribution participate—if at all—under-proportionally in the progress of affluent societies or in policy making. Usually they have had a bad start in life, few opportunities for access and little negotiating power on the labour market or in the political arena. Inequality thus causes exclusion. Consequently, inequality further increases; it is part of the root cause and becomes consequence—a vicious circle.

A similar circle emerges regarding the degradation of the environment and in the context of the climate crisis. People suffering from poverty often work and live under precarious conditions, for instance, in unstable accommodation, on barren ground or in areas prone to flooding. Ecological destruction and natural disasters hit these most vulnerable populations hardest. This results in their further impoverishment, thus aggravating inequality.

On the wealthy side, extreme social inequality is reflected in all lifestyles that disregard the impacts of the production model and consumption patterns on the ecological balance. Ecological destruction and the climate crisis are thus further aggravated. This is especially pronounced in the context of mobility. For instance worldwide tourism in general, and especially the associated air traffic, contribute to every eleventh ton of CO<sub>2</sub>. Yet air travel remains a privilege of only a few. Only 2–5 per cent of the world population flies at all.

### **Power asymmetries in process and their institutionalisation**

A vivid example of power asymmetries are the extremely unequal relations among social partners on the labour market in many countries. They affect wages and work conditions—a crucial factor for inequality. Yet power asymmetry also has an impact on the political arena. Nobel laureate Joseph Stiglitz describes the influence of wealthy stakeholder groups on national political negotiation processes and public opinion: the top tier in particular possessed the means to influence economic, financial and social policies through party donations, media control and cost-intensive lobbying to their own advantage (cf. Stiglitz 2012). Such a barely controlled exertion of power by elites for their own benefit leads to a reinforcement of inequality (cf. Brot für die Welt (2016): Policy Work in and Concerning Emerging Countries).

The framework of the global institutional order is also impacted by the differences in power and influence, for instance in form of the dominance of rich (groups of) countries<sup>4</sup> in negotiating international treaties (e.g. trade agreements), in entering into international agreements (e.g. fisheries agreements), or in defining policies and strategies of international organisations. In some organisations, such as the World Bank (WB) and the International Monetary Fund (IMF), voting rights are tied to the equity shares held. At the IMF, the USA alone and the EU states together thus possess a blocking minority. This is one of the reasons why China is trying to initiate alternative structures under its own supremacy, such as the Asian Infrastructure Investment Bank (AIIB) and the »Belt and Road Initiative«. At the United Nations, the principle »one country, one vote« and the principle of consensus applies to major decisions. But even there, decisions are de facto influenced by power imbalances and dependencies. Moreover, there is considerable

influence from the private sector, for example, through international business associations or large philanthropic foundations such as the Bill & Melinda Gates Foundation (BMGF), whose political influence on the United Nations and non-governmental organisations is increasing.

### **National institutions and politics**

The principal factor at national level that can contribute to reinforcing or reducing economic and social inequality is the economic system based on the fiscal and social policies.

In the 1980s and 1990s, many countries, especially in Asia, Latin America and Eastern Europe, were obliged under pressure of the debt crisis to reform their economic systems: deregulation, privatisation, liberalisation of trade and the financial sector, flexibilization of labour markets, tax holidays and tax reductions for companies and a restricted governmental social policy appeared on the agenda. These political measures all together contributed to increasing inequality.

Subsequently, it can be observed how the gap between the income from labour and capital has widened more and more worldwide—and continues to do so. During these past three decades, the proportion of income from labour has decreased in most of the countries, whereas the proportion of income from capital has increased. Inequality has also increased among different wage groups. On average the incomes of low earners and the middle class have grown considerably more slowly than those of the highest earning ten per cent of the income pyramid. Digitalisation and technological change further exacerbate inequality because innovators, shareholders and investors and a small group of highly qualified employees in the IT industry gain greatly; while others who draw their income from low-skilled jobs benefit to a much lesser extent, or even lose out.

At the same time, the flexibilization of the labour market, a minimum wage that is too low and the declining power of the trade unions also lead to increased inequality, or rather to a growth in the income share of the top ten per cent. Deregulation of the labour market benefits the higher income groups and reduces the negotiating power of employees and workers from the low-income segment (IMF 2015, p. 26).

In many countries, the government does not fulfil its obligation to safeguard the common good. There is a lack of economic and fiscal regulation, of investment in equal opportunities for all and of any redistributive measures. Since

<sup>4</sup> Such as the OECD member states, the European Union or the Group of Seven (G7), which allow the former colonial powers to assert their interests.

the 1980s, huge amounts of capital have been transferred from the public to the private sector in almost all countries of the world. State assets have decreased while private net assets have increased. In addition, public revenue from taxes and other sources is often too low in countries with low or middle income. Corporate tax evasion and a ruinous tax and subsidy race among states to attract investments via tax incentives and state subsidies are undermining the national budgets of low-income countries. One example of this are the *maquiladoras*, the Central American factories of international companies, especially in textile industry, which produce mostly duty free for the US market. These sweatshops basically exist in a legal vacuum where the prevailing national labour legislation is not applicable and controlled. The companies produce cheaply with low personnel costs; the production materials are supplied also duty free by the purchasers of the final product.

There are numerous other cases involving problems with corruption and nepotism. As a result, the scope for public investments and for creating political options to correct the exceptionally unequal primary income distribution is shrinking. This also leads to a lack of investments in public services such as education, health and social protection, which could help to reduce the extreme inequality of opportunities.

### Global investments and politics

Global factors and their direct and indirect impacts on international and national inequality must also be taken into account.

These include several elements of the world economic order, such as unfair conditions in world trade, unfair free trade agreements, asymmetric protectionism or the subsidisation of export commodities. The externalisation of production costs, especially in terms of local and global environmental pollution, must also be mentioned. This imposes immense costs for entire societies both at home and abroad, while yielding great profits for a select few.

Some multinational enterprises have achieved a market dominance that allows them to set profit-maximising pricing. They often also control the market through aggressive ousting, and denial of market access to other actors. Through lobbying, they also exert influence on the framework conditions for the whole sector. This becomes very evident in the raw materials sector, which is especially in-

clined to form monopolies due to geological and technological factors. Yet, at the same time targeted outsourcing is used to outsource corporate responsibility for the ecological and social impacts of raw material procurements and work-intensive production flows. As a new global actor, China is now particularly interested in securing its growth-oriented economic system through cheap imports of raw material. Here, the close cooperation between a national elite and international actors often provides profits for a few, while the population of the country producing the raw materials hardly benefits at all (cf. Brot für die Welt 2017). Investments into large agricultural areas for the production of agricultural raw materials often lead to land conflicts and the displacement of local small farmers, or exacerbate the lack of access to land for the poorer population groups (land grabbing). The use of patents and intellectual property rights also predominantly benefits large companies from industrial countries, whereas the effects for the poor are negative. Conflicts arise because strong emerging economies such as China and India try to evade or ignore patent rights. Controversial in this context is India's generic production, which enables a cost-effective drug-supply not only for India but for the entire Global South. However, due to the pressure of pharmaceutical corporations this is becoming increasingly restricted,

Another economical cause for growing inequality is financialisation: the increasing significance of the financial sector in relation to the real economy (i.e. financial investors in relation to entrepreneurs), which was facilitated by the deregulation and opening of former nationally regulated and restricted financial markets. The extremely rapid spread of new financial instruments, the increasing prioritization of corporate policies based on shareholder values, the increasing significance of institutional investors on the financial markets (insurance companies, hedge funds, pension funds, etc.), the dramatic expansion of credit and investment business in the form of mortgages and securitisation of credits and deposits as well as the enormous profits from tax-free financial speculation: all these financial trends promote the unequal distribution of capital assets.

At international level, there is a lack of political will to establish appropriate guidelines and regulations. So far, the international community has only managed to agree on vague statements of intent with no binding resolutions, obligations or control. The initiatives taken by the Group of Twenty (G20) and the OECD to avoid capital flight, money laundering, illegal tax evasion and legal tax avoidance have been steps into the right direction, but remain far too weak.

### 3. Principles and Values of Brot für die Welt

The principles and values of *Brot für die Welt* as an agency of the Protestant Churches in Germany are derived from the biblical perspectives on social inequality and poverty. The prophetic tradition of the Old Testament describes great social inequality and life in poverty that threaten one's existence as not intended by God. Inequality is blamed on those at the top of the social pyramid because they benefit from the poverty of the others. Worshippers who are not on the path of justice are rejected by God and are abusing the Lord's name (Amos 5: 11–6,14). Israel's social legislation identifies social inequality as irreconcilable with the concept of being God's chosen people. Welfare for the poor and measures of retributive justice are firmly anchored in Israeli social practice.<sup>5</sup>

God's special closeness to the poor and His exaltation of those considered to be »low« by human standards are a constant motif pervading the Old and the New Testaments. The first Christian community shared its faith and goods, thus setting standards in dealing with inequality that have repeatedly inspired individuals and movements throughout the history of Christianity. The Apostle Paul made clear in his First Epistle to the Corinthians that the sisterly and brotherly breaking of bread and sharing of wine at the Lord's Supper equalled the sharing of everyday goods, which may not abolish the social inequality between enslaved and free people in everyday life, but still can change it and call it into question from the point of view of the gospel (1 Cor 11: 17–34).

Warning against the lure of wealth is an essential feature of the New Testament in the variety of its scriptures—idol worship of »mammon« and serving the true God are mutually exclusive. Jesus himself identifies in an unparalleled way with the so-called »least«. He identifies with those at the very bottom of the social strata (Mt 25:31–46), thus overcoming inequality and exclusion through his conscious devotion to the marginalised and stigmatised of his time. In his actions, he deepens God's justice. The perspective of the Kingdom of God where »the first will be last, and the last first« turns previous categories upside down. With his call to discipleship, Jesus puts into perspective the human commitment to property, origin, family and status. Having »life

and having it abundantly«, the promises of Jesus according to the Gospel of John (John 10, 10) encompass a life in dignity and freedom from the daily struggles for survival and exclusion—but go very much deeper, beyond the economic and material dimension: they aim at a comprehensively reconciled life in justice with God and the community of creation.

*Brot für die Welt* is committed to this perspective of identifying with the poorest of the poor at the side of Jesus Christ. Since its foundation in 1959, *Brot für die Welt* has pursued the goal of providing a framework for this hope for justice (EKD 1997, BfW 2000, EWDE 2011, BfW 2018). Accordingly, *Brot für die Welt* follows an understanding of justice described by philosopher John Rawls in the twentieth century: he applies two principles to the context of justice and equality. Rawls starts from the assumption that (a) everyone has an equal right to the comprehensive system of basic liberties. Furthermore, (b), social and economic inequalities are permissible in society as long as they work to the benefit of the least advantaged (difference principle) and are linked to positions and offices that are in principle accessible to everyone (fair equality of opportunity). Behind this is a concept of justice that Rawls characterises as follows: »All social values—liberty and opportunity, income and wealth, and the social foundations of self-respect—are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone's advantage. Injustice, then, is simply inequalities that are not to the benefit of all.« (Rawls 1971: 54). Inequality is therefore only preferable to equality if everyone benefits from it—but above all those who are worst off. Thus, the living conditions of the least privileged people become a central factor in assessing, how fair or unfair the distribution of wealth, power and other social values is in a society.

Rawls initially only applied his *Theory of Justice* to national societies. Yet today, as humanity is interwoven in a community of cooperation and risk, social justice must also be spelled out at the global level. In view of tangible and dramatic poverty, inequalities are always and everywhere unjustified, if transfers could alleviate the suffering of the least

<sup>5</sup> Deuteronomy 15, 4-18: Frequent sabbatical years of grants and release for all loans and slaves, mercy/charity for the poor / Deuteronomy 5, 12-15: All-encompassing Sabbath rule including unfree people, subordinates, and »foreigners« as well as animals in remembrance of their own past as slaves in

Egypt / Deuteronomy 24, 6-22: Protective rights for the poor for loans and their collection, right to the second harvest for the poor.

privileged (cf. Pogge 2011). Social justice in the world community therefore implies the obligation of states to design international cooperative relations in a such way that they benefit everyone involved, but above all the deprived. Poverty and inequality in the world today trace back to an unfair world order, which has been substantially designed and preserved by the rich and powerful countries. The citizens of Germany, represented by their elected government, are thus jointly responsible for inequalities and injustice in the world (cf. Pogge 2011).

### What are the implications for *Brot für die Welt*?

In its cooperation with its partners, *Brot für die Welt* focuses above all on the most disadvantaged people: they are the ones with whom steps are to be taken towards a fair and sustainable society. Actions are guided by the understanding that, although people are not the same, they are all entitled to equal rights.

*A society that takes seriously the idea that people are God's own likeness can never be a class society. People are of equal value and have equal rights. (EKD 2018)*

entitled to equal rights.

It is not a matter of defining any form of inequality as unfair. After all,

a society that strives for complete economic equality is not necessarily per se socially fair. Likewise, the various life choices of people—an expression of human freedom—may lead to different levels of economic prosperity, provided they are based on choice and not the result of coercion. But *Brot für die Welt* considers it unjust when equal rights, equal opportunities and equal participation are denied due to social inequality. Respect, protection and the guarantee of universal human rights provide the central framework of reference. Avoidable emergencies and shortages, which continue alongside abundance, violate economic, social and cultural human rights. For those in need, these are fundamental violations of human dignity, which compel *Brot für die Welt* to take action (BfdW 2018).

*Brot für die Welt* therefore conducts ethical-conceptual and political work within the framework of the ecumenic and international discourse on justice and on overcoming inequality; at national level through the chambers of the Protestant Church of Germany; at global level through the Lutheran World Federation, the World Council of Churches and the ACT Alliance; at European level via ACT Europe and EuroDiaconia, with whom the *Brot für die Welt* is associated. Together, these networks take a stand for social

justice and for the reduction of social inequality with statements such as the LWF Assembly Resolution 2017 and campaigns like the Zacchaeus Campaign for Tax Justice.

### The 2030 Agenda

*Brot für die Welt* recognizes the United Nations 2030 Agenda for Sustainable Development, in which governments worldwide have committed themselves to achieve 17 Sustainable Development Goals (SDGs) by 2030, as the central reference framework for development cooperation. Ending poverty in all its forms everywhere is embedded in SDG 1, and reducing inequality within and among countries in SDG 10.

The 2030 Agenda states explicitly that sustainable development can only be achieved if all development goals are pursued simultaneously, and not when individual sectors are pursued in isolation. Thus, the 2030 Agenda also confirms that the eradication of poverty and reduction of inequality are closely entwined.

The 2030 Agenda also emphasizes that a goal can only be considered achieved, if »no one will be left behind« (as stipulated in the preamble of *Transforming Our World: The 2030 Agenda for Sustainable Development*). Hence, the World Community can no longer be satisfied with an improvement of average values of prosperity indicators while poverty and extreme inequality continue unabated.

The targets of SDG 10 provide clear instructions for main areas of action with which *Brot für die Welt* can identify: (1) the distribution of income should change: in line with the principle of »leaving no one behind«, the incomes of the bottom 40 per cent of the population should increase more strongly than the national average. In this way, the worst-off will catch up and income inequality will be continuously reduced. (2) Moreover, SDG 10 is about the inclusion and autonomy of all people, irrespective of age, gender, disability, race, ethnicity, origin, religion or economic or other status. The abolition of discriminatory laws, policies and practices and the active promotion of appropriate legislation, policies and other measures should create equal opportunities and reduce inequality of outcomes. Multiple deprivation, which particularly affects certain social groups, should be contained across the board. (3) Further political measures to reduce (income) inequality concern especially fiscal, wage and social protection reforms. Global financial markets should be regulated and monitored. (4) Moreover, better representation and increased participation for developing countries in decision-making in global international economic and financial institutions should be ensured in

order to deliver more effective, credible, accountable and legitimate institutions. (5) The implementation of a planned and well-managed migration policy should also facilitate orderly, safe, regulated and responsible migration and mobility of people, thus contributing to an international social balance.

As a political action plan, the 2030 Agenda strives for the same just and sustainable global development as *Brot für die Welt* with its constitutive Christian, social and diaconal mission. The 2030 Agenda provides *Brot für die Welt* with a significant opportunity to fulfil its Christian responsibility in cooperation with both public and civil society actors.

## 4. The action fields of Brot für die Welt

*Brot für die Welt* considers the reduction of social inequality as a development goal in its own right, and at the same time as an elementary contribution to overcoming poverty. A variety of partner projects as well as the political and educational work of *Brot für die Welt* are closely connected to the issue of social inequality and should receive even more attention in the future. Priority is given to four fields of action.

### 4.1 Action field 1: Working towards a socio-economic paradigm shift

The existing economic order cements many elements that generate and reproduce poverty and inequality. The economic liberal promise that the free market will benefit all has not been fulfilled. The capitalist system is gradually accumulating wealth in the hands of a small minority and is increasing social inequality (cf. Piketty 2014). Profit-maximising actors tend to externalise the ecological and social costs of [economic] growth, to pass them on to society, to export them to other countries or to impose them on future generations. »Big owners hoard land; industrial fleets harvest fishing grounds; teachers and doctors hardly ever find

»Poverty is all too often revealed as the collateral damage of generating wealth.«

Wolfgang Sachs

their way to the indigenous minorities; and urban slums are populated with people displaced by dam and plantation projects.

If you also consider the effects of the global market, which is destroying the livelihoods of coconut farmers in Kerala with cheap imports of cooking oil, or the impacts of climate change, which cause the crop yields from fragile tropical soil to fall, then poverty is all too often revealed as collateral damage from the generation of wealth. Without a reform of wealth, there will be no alleviation of poverty« (Sachs 2017).

This confronts us with the task to radically rethink—and to counter the current ideology of growth with a new vision. We need a new guiding principle for sustainable development, and are therefore looking for ways forward to achieve a socially just and ecologically sustainable model of civilisation that respects the ecological limits of growth and the concept of a society and global community that act in solidarity. A peaceful and harmonious coexistence and the

preservation of cultural identity is essential and should not be at the expense of nature and other people. There are numerous approaches to this, both from the Global South and from Western industrialized countries. Examples are the Andean *Buen Vivir*, *Ubuntu* from Southern Africa or the Gross National Happiness used in Bhutan as an indicator of prosperity, or the basic elements of the Scandinavian economic and social models, or the concepts of the Economy for the Common Good, the Care Economy and the »wealth of time« (*Zeitwohlstand*) from the European Degrowth movement. Humanity's safe sphere of action lies between planetary boundaries on one side, and the fulfilment of basic needs and compliance with human rights on the other (cf. Raworth 2019). In order to shape a welfare-oriented economy in this sphere of action, a proactive steering policy is needed.

We support the work of our partners in this field of action and consider it important for *Brot für die Welt* to contribute to concepts that achieve a different economy and coexistence. This includes informing people about the connections between poverty and wealth, and encouraging a joint discussion on a paradigm shift in order to change course together.

With their aim to achieve a sustainable, socially and ecologically oriented political reorientation, *Brot für die Welt* and its partners therefore also contribute to national sustainability strategies for the 2030 Agenda. They demand ambitious indicators for each individual SDG and critically observe their overall implementation.

### 4.2 Action field 2: Empowering disadvantaged and excluded people

*Brot für die Welt* wants to help shape the bottom-up transformation of society. The starting point is the (self-) empowerment of disadvantaged and excluded people, the strengthening of their self-confidence, the perception of their own value and dignity, self-organisation, networking and advocacy in family and society, in economic life and in the political arena.

*Brot für die Welt* therefore supports the commitment of civil society partner organisations in reducing inequality at the local, national or international level. These partner organisations include self-help organisations and social movements, trade unions, non-governmental organisations, churches and church organisations.

Their commitment may take a variety of forms: legal groundwork, awareness-raising community work, social mobilisation or political lobbying and advocacy work. This includes commitment to gender justice, and opposition to racism and discrimination, oppression and exploitation of any kind. In view of the countless experiences of horizontal inequality, *Brot für die Welt* supports initiatives for affirmative action for people and groups subjected to discrimination and the political representation of interests in formulating anti-discrimination and empowerment policies («nothing about us without us!»). It is also necessary to demand social protection systems and their funding through progressive social insurance contribution and tax systems, not least to provide income-independent, needs-based access to food, health and education—as a prerequisite for autonomy and participation.

Especially in times of shrinking space for civil society, *Brot für die Welt* commits to standing by its partners in these action fields and supporting them financially, but also through backing and networking, even when social injustice and a scandalous distribution of economic power and income are maintained with the help of state violence (cf. *Brot für die Welt* 2000; EKD 1973).

The bottom-up transformation of society requires educational and public relations work—in Germany as well as in the contexts of our partners. This also includes promoting critical, alternative media in the North and South. For *Brot für die Welt*, it is important to inform people in Germany about the relationship between poverty and prosperity and to invite them to rethink their actions and to mindful individual action. *Brot für die Welt* supports partner organisations in using social media as a tool for critical information, mobilisation and networking and in sensitizing its users to the need for responsible behaviour. This includes, among other things, a critical approach to data security, fake news and the dangers of intentional manipulation, which stand in the way of equal participation.

The progressive constitutions of countries, rewritten by liberation movements after the colonial period or the ratification of international agreements, often offer good conditions for claiming the rights of broad sections of the population and take a stand against unfair treatment and social inequality. Social movements and civil society organisations inform people about their rights and monitor their practical implementation. Especially in rural areas, where access to information and education is difficult, they fulfil an extremely vital role. To empower the powerless, partner organisations use tools such as »Free Prior Informed Consent« (FPIC) and found new movements such as the »Right to say no«.<sup>6</sup> They remind local and national governments of their responsibility to the affected people when investors try to preserve and assert their interests without the prior consent of the local population.

»Poverty can not only be regarded as the lack of money—it is in particular the lack of power. This calls for more rights and more autonomy.«

Cornelia Füllkrug-Weitzel

The bottom-up transformation of society also means trying out alternative practices both, in the North as well as in the South every so often; practices such as local and regional economic cycles, economies based on solidarity, fair trade with political ambitions, or a different way of dealing with money through ethical investment (Fair World Fonds), and disseminating best practices.

Increased networking among partner organisations creates synergies and enables us to represent our concerns more effectively. New forms of social mobilisation have the potential to penetrate rigid political patterns and entrenched social inequalities. The student protests for free education in South Africa [#RhodesMustFall#FeesMustFall] are one example. They illustrate a strong intersectionality of different forms of social inequality, not only by criticising Eurocentric perspectives at universities, but also by questioning gender roles, revealing racism and showing solidarity with educationally alienated people.

inform the local population in due time and ask for their consent to an investment project that may affect them or their territories. »Right to say no« emerged in South Africa from the protests against the mining companies, and demands the right of the affected population to stop such projects.

<sup>6</sup> Free, Prior and Informed Consent (FPIC) is a specific right that pertains to indigenous peoples and is recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). It obliges the ratifying states to

inform the local population in due time and ask for their consent to an investment project that may affect them or their territories. »Right to say no« emerged in South Africa from the protests against the mining companies, and demands the right of the affected population to stop such projects.



### 4.3 Action field 3: Demanding policies that serve the common good

Empirical studies on the development of inequality show great heterogeneity in the development and dynamics in different countries and regions worldwide. Political choices lead to a situation of more or less inequality. The state as the incarnation of a social contract has the mandate to ensure that coexistence is oriented towards the common good. Many governments, however, do not fulfil this role sufficiently.

*Brot für die Welt* therefore supports partner organisations in getting involved in local, regional and national politics. By implementing exemplary practices that strengthen particularly deprived population groups with policy proposals, social mobilisation and protest, monitoring and sending feedback to public authorities, they represent the concerns of those at the bottom of distribution pyramid. Demanding and implementing equal participation regardless of income, religion or gender is a crucial element in reducing inequality.

Inequality is a cross-sectoral issue. Political decisions in the most diverse sectors can have a considerable impact on social inequality, for instance in agriculture, in the water sector or in transportation. Based on their respective expertise and taking into account their grassroots experiences, our partners conduct important analytical work and introduce this into the national political dialogue. There is a great deal of experience, for example, with regard to privatisation projects in the field of basic infrastructure, which are criticised by partners in various countries. Thus, the initiative of one of our South African partner organisations («Hands Off Our Grants») is helping to call into question the privatisation of the administration of social transfers. Illegal deductions by private service providers (for water supply, insurance and other services) from the accounts of benefit recipients have now been stopped and will have to be refunded.

*Brot für die Welt* encourages its partners to take a critical look at the distributive effects of policies in the sectors in which they are active.

*Brot für die Welt* moreover sees particular potential in reducing social inequality by committing to the following subject areas:

#### **Gender equality, anti-discrimination and inclusion**

The causes and effects of marginalisation connected to gender, ethnic or religious affiliation, sexual orientation, health status, or other specific features must be recognized and eradicated. In this respect, the work of *Brot für die Welt* focuses on legal equality, inclusion in all spheres of life, equal access to and control over resources, equal participation and decision-making power, autonomous choice of lifestyle and life without violence. *Brot für die Welt* also works toward changing the social balance of power as well as ways of thinking and acting that contribute to maintaining inequality among social groups.

#### **Labour market policy and digitalisation**

In view of such power imbalances on the labour market, it is imperative to advance the self-organisation of employees and to demand labour rights. Strengthened trade unions and alliances of employees in both the formal and the informal sector gain negotiating power in demanding better wages and dignified working conditions.

*Brot für die Welt* encourages partner organisations in their political lobbying and advocacy work for a regulation and shaping of the economy for the common good. Many partners campaign for adequate minimum wages, fair wage policies or the reduction of entry barriers to the labour market.

Others demand active labour market policies from their governments—including access to education and training to prevent negative distribution effects of digitalisation and technological change for less educated employees and in traditional economic sectors. They are committed to enabling better social and economic participation in digitalisation for the deprived population groups in the Global South, and to minimize grievances and risks. This requires closing the digital divide by means of a publicly regulated and—if need be—publicly funded infrastructure, and to take regulative measures to prevent negative developments and the emergence of digital monopolies.

Optimistic expectations of digitalisation prevail in terms of new income opportunities and greater social participation of deprived population groups (owing e.g. to online working platforms, digital payment systems or the emergence of private start-ups). Still, it is indispensable to establish whether existing inequalities are really reduced—or if central development concerns are actually being overlooked. Governments and civil societies in the countries of the South should be supported in analysing trends that are attributed to digitalisation and whose impacts are still unknown. This

will enable them to develop appropriate legislative proposals or regulations for the digital economy.

### **Fiscal policy**

Fiscal policy is about achieving fiscal justice through effective and progressive national tax systems, such as increasing taxation on high capital income, assets, inheritance and corporate profits and by avoiding ruinous tax (cutting) competition. Civil society also takes a critical look at government spending and its distribution effects. Partner organisations trace, for example, government spending and its (distribution) effects and can thus make an important contribution to the issue of social inequality.

### **Social policy: health, education and social protection**

Adequately designed social policy can ensure that low income does not automatically lead to low life expectancy, poor nutrition and health status, a lack of education and the associated missed opportunities this entails.

*Brot für die Welt* advocates a social policy that overcomes exclusion processes and the reproduction of poverty and inequality so that social mobility becomes possible once again. Reliable social protection systems (i.e., social transfers for children, adults with insufficient access to the labour market and the elderly) and the availability of public services of appropriate quality (education and health) create the basic conditions that make participation and self-help possible and reduce inequality of opportunities.<sup>7</sup>

Social policy also represents a corrective intervention in the unequal distribution of income that arises on the market. A redistributive framework for taxation, social services and social transfers could immediately contribute to reducing inequality.

Social protection is a key instrument in fighting inequality and poverty and also in achieving social cohesion. Through progressive taxation and socio-political principles, such as the solidarity principle, it helps to move the wealthy and society at large to take responsibility for the common good (cf. EWDE (2019): *Soziale Sicherheit und Existenzsicherung in Deutschland und weltweit*).

*Brot für die Welt* therefore supports partners who are committed to providing access to high-quality social services such as education, health, social protection and decent

work. In doing so, *Brot für die Welt* strengthens the political commitment of its partners in the national dialogue for social protection and for the right to health and education.

## **4.4 Action field 4: Demanding international responsibility**

*Brot für die Welt* emphasizes the responsibility of the international community for the common good. It identifies power asymmetries in economy and politics and calls for the regulation of international financial markets and economic relations as well the reform of those international institutions that perpetuate inequality. International politics play a major role in developing the frameworks that facilitate a fair balance of interests.

*Brot für die Welt* is working with great urgency to reduce international policies that further substantiate inequality among and within countries. In its political work with the German government, the European Union and international bodies such as the World Bank and the International Monetary Fund, *Brot für die Welt* regularly raises the issue of the distributive effects of political decisions.

*Brot für die Welt* campaigns with its partners to reform the **global institutional (economic) order**. Only when the countries of the Global South participate equally in shaping the World Economic Order can it be ensured that their interests are also reflected there. This means reforming international economic institutions, establishing fair trade policies and trade agreements, appropriate foreign trade policies in OECD countries, responsible subsidy policies in high income countries and implementing mandatory corporate responsibility in global production chains. By reforming the World Trade Organisation (WTO), **trade policy** must become an instrument that promotes sustainable production and decent work.

An adequate **regulation of global financial markets** is the only option in preventing future crises, and in steering investments into long-term and sustainable sectors. To achieve this, a reform is imperative of the international financial architecture and its institutions as well a stronger political control of the financial sector. Moreover, it requires the mandatory introduction of criteria for responsible lending and borrowing to avoid excessive state debt. In addition, rights-based mechanisms must be established to solve new sovereign debt crises. Other important issues are the regulation of the shadow banking sector and the shrinking of the

<sup>7</sup> The International Community has committed time and again to the implementation of the human right to social security, for instance, with the ILO

Convention C 101, the Social Protection Floors Recommendation (No. 202) and in SDG 1.3.

speculative financial sector in general, which is moving further and further away from the real economy. In addition, increased international cooperation is needed for the fair taxation of international economic players. Tax evasion and avoidance, capital flight and corruption must be combated decisively. Greater international cooperation with low-income countries on fiscal policy could ensure the funding of social protection systems and common goods all over the world.

*Brot für die Welt* and its partners also call for the assumption of responsibility for the **active implementation of efficient measures** that contribute to the eradication of poverty and inequality. This is not only based on the joint commitment of the United Nations Member States to the 17 Sustainable Development Goals of the 2030 Agenda, including ending poverty and reducing inequality. The International Covenant on Economic, Social and Cultural Rights (1966) already recognizes the extraterritorial state obligations to implement human rights: »Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and cooperation, [...] with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means [...].« (Article 2.1, see also Article 11, Article 12).

#### 4.5 Instruments

*Brot für die Welt* is using its various instruments to address these fields of action and will be even more committed to reducing inequality in the future:

- The **financial support of partner organisations** that work for the empowerment of the disadvantaged through social mobilisation, lobbying and advocacy work as well as through measures to improve the opportunities of marginalised population groups in all spheres of life. This may imply that *Brot für die Welt* will have to reflect critically on funding standards so as to support creative partners more creatively and to strengthen small organisations. *Brot für die Welt* strives for equal partnerships that are reflected in its working methods and instruments (cf. *Brot für die Welt* (2018): *Unser Verständnis von partnerschaftlicher Zusammenarbeit*).
- **Personnel development** through the placement of experts in partner organisations active in the field of »social justice«. In future, experts in all fields should be made more aware of the issue of inequality.
- The **advisory support of partner organisations** concerning empowerment, social mobilisation, lobbying and advocacy work as well as distribution-relevant policies in the main action fields of *Brot für die Welt*.
- Awarding **scholarships** to strengthen the capacities of partner organisations.
- The **support of development policy organisations in Germany** that raise awareness of the links between poverty and prosperity, and campaign to bridge the growing gap.
- **Publicity work** that contributes to the understanding of development in terms of advancing the common good. It points out the links between poverty and prosperity and the need for changing structures. It communicates on equal terms with and about people, focusing on the equality of all people in their dignity and equal rights.
- Addressing **domestic and educational work**, social inequality and its causes. This raises the awareness of different target groups to the connection between poverty and wealth, encouraging the question of a fair transformation of our way of life and economic system.
- The political **advocacy and expert work** that strives to impact national and global agendas to reduce social inequality. It questions German, European and international policies with regard to their distributional effects. It supports partners and networks to make their voices heard more prominently in international forums.
- Strengthening the **capacities of church actors** in assuming their important role in church, social, and political debates with the aim of reducing all forms of poverty, inequality and marginalization. Interreligious cooperation is desired here.

Within the scope of its strategic planning, *Brot für die Welt* coherently brings together the different action fields and instruments so as to make an efficient overall contribution as an agency to reducing social inequality.



## 5. Summary and Outlook

Together with its partners worldwide, *Brot für die Welt* is observing the extent of social inequality with great concern—because inequality prevents the overcoming of poverty, and violates human rights and human dignity. Inequality threatens democracy, social coexistence and peace.

*Brot für die Welt* therefore campaigns for a diverse and solidary society and world community with equal participation for all. In terms of justice, it is imperative to reduce existing discrimination and to enable all members of society to have equal opportunities and equal living conditions (cf. EKD 1973).

Since the beginning, the biblical vision of justice and kinship has been the guiding principle of *Brot für die Welt*. The reduction of poverty and empowerment of the poorest of the poor has always been the main focus of this vision. Yet the collateral damage of both the historical and current generation of wealth—for which our elected governments are responsible and whose benefits we reap—turn many efforts time and again into a Sisyphean task.

In view of the conditions of the continuously growing inequality mentioned above, *Brot für die Welt* must continue to address both parties, and do so even more decisively in the future. This requires the further development of its profile as a pluralist, politically active development organisation, which focuses equally on and brings together the bottom-up transformation and the radical change of unjust structures. This also means constantly questioning our own actions and the role of *Brot für die Welt* to ensure the necessary coherence.

It is not only necessary to avert seriously misguided developments in national and international policies with joint political action. Proposals for a socially fair and ecologically sustainable transformation of the economy and society

must be tabled for the restructuring of international order and the governmental policies in North and South.

This applies in particular within the context of current exceptionally challenging developments, for which we need solutions. Crises, such as the climate crisis, raise new distributional issues, whose dimensions continue to be radically underestimated. We cannot wait until the livelihoods in entire regions are destroyed before clearly addressing the issue of burden-sharing. Fair and solidary solutions to the distributional issues of transformation costs could then become the first concrete steps on the way to a socio-ecological transformation.

The work of *Brot für die Welt* must focus clearly on changing the actions of people and the governments in the industrialized countries. The insatiable human quest for more and more, the constant competition for accumulating material and financial goods far beyond basic human needs is a sign of human bondage. The concept of sufficiency as a liberating and relieving principle of sustainable living must be strongly emphasized as a positive vision. The liberating change of awareness is an important prerequisite for a radical socio-ecological transformation. It requires further support for educational work and political communication.

In addition to its clear positioning as a strong voice against nationalist populism and egoism, *Brot für die Welt* will have to take a firmer stand in the future against totalitarian market trends and their influence against policies for the common good. A variety of international alliances offers *Brot für die Welt* the opportunity to take an active part in shaping societal debates on an alternative concept of prosperity/well-being as well as a political and economic system at the service of life, the common good and global justice.

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