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*“Ensuring Equity: the importance of wealth redistribution in a globalised world”, delivered by H.E. Marie-Louise Coleiro Preca, President of Malta, at the University of Warwick*

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23<sup>rd</sup> November 2017

**Professor Simon Swain, Pro Vice-Chancellor**

**Professor Nick Vaughan-Williams**

**Distinguished faculty**

**Dear students and friends**

**It is my pleasure to join you today, to deliver this lecture, entitled ‘Ensuring Equity - the importance of wealth redistribution in a globalized world’.**

**A topic which hopefully will explore the urgent need for peace, prosperity, and wellbeing to be more equitably enjoyed by all, in our increasingly globalized world.**

**We are all aware that the world is undergoing massive transformations across the social, political, economic and cultural spheres of our lives.**

**There has also been an international downturn within the economic sector that began with the 2008 financial and economic crisis, and which has affected, and is still affecting, the livelihoods of a growing number of people across our countries.**

In fact, according to the “World Employment Social Outlook Report for 2017”, conducted by the International Labour Organisation, global unemployment has risen by 3.7 million.

Labour market conditions have also been deteriorating, and a new class of working poor has emerged.

On the other hand, economies are changing at an accelerated rate, and are being affected by the demands of new technologies and industrial developments.

However, these have, unfortunately, come, in some instances, at the expense of dignified opportunities for quality employment, combined with restricted social security systems and reduced prospects for financial and economic stability.

Therefore, we are witnessing an escalation in inequality, discrimination, and poverty.

The latest Eurostat figures for the 28 Member States give us some worrying indicators. We are told that:

- 17.3 % of the population are facing income poverty;
- 10.5 % live in households with very low work intensity;
- 8.1 % are severely materially deprived;

- **37.3 % cannot afford unexpected financial expenses.**

**These indicators are truly worrying, in particular, because we know that the European Union is the world's largest trading block, which accounts for 16% of all global trade.**

**From this scenario, we know that the flow of wealth exists ..... and prosperity is truly possible.**

**Therefore, why are we witnessing such a sharp increase in the risk of poverty, exclusion, and precarity, in one of the most prosperous parts of the world?**

**I believe that we must learn to effectively guide our own development, and ensure that wealth is fairly distributed, so as to make sure that there is total respect for human dignity.**

**We cannot be satisfied with our own wellbeing, if we know that the wellbeing of others is not being upheld in a satisfactory way.**

**I also believe that, the more socio-economic stability we individually enjoy, then the more responsibility we must shoulder, to ensure that the socio-economic potential of the more vulnerable members of our society is also being safeguarded and guaranteed.**

**This is how the principles of social justice should be put into practical action.**

**We cannot afford to ignore the injustices taking place all around us.**

**Each and everyone one of us, should make it our business to address inequalities.**

**We should unite to take responsibility at all levels to address inequalities with the necessary strong action.**

**We are all deeply interconnected as humanity.**

**In the realization of this interconnectedness, we can then start acknowledging that doing nothing to address inequalities, makes us complicit in those processes that actually encourage inequalities.**

**We cannot afford to continue to be complacent.**

**If we acknowledge the reality, of our human interconnectedness and interdependence, I am convinced that many of us will find the courage to rise up against the many inequalities surrounding us.**

**Once we acknowledge that we are also responsible for the wellbeing of our vulnerable brothers and sisters, no matter who they are or where they come from, then, I believe that we have discovered the essence of our humanity.**

**The challenges presently facing our world offer us a precious opportunity, to explore new ways of building inclusive societies, which prioritise equitable and equal prosperity for all.**

**I believe that we must be guided, in all our endeavours, by a fundamental respect for human dignity.**

**I also believe that we must be guided by an urge for constructive dialogue.**

**Above all, we must be guided by the principles of peace. To achieve peace, we must follow sustainable pathways for the future development of our world and humanity.**

**The creation of opportunities for dignified and quality employment, is an essential component, in this future vision for fairness, inclusion and sustainable peace.**

**Without such efforts, we have no chance of overcoming the complex economic, social, and political crises, which are currently being faced by our societies.**

**In this context, I believe it is necessary for us to urgently address the challenges of precarity, by making it possible for millions of people, who are currently trapped in cycles of inequality and injustice, to improve their quality of life.**

**In this way, we shall also be responding to the mandate set out by the United Nations' Agenda 2030, and its seventeen Sustainable Development Goals.**

**The United Nations' Agenda 2030, which has been agreed upon by all the leaders of our world in 2015, is an ideal framework to address the challenges of inequalities, and to ensure the sustainable future of our world.**

The first and most crucial of the Sustainable Development Goals is the eradication of poverty. We can only move forward, as one world, by making a concerted and powerful effort to address the effects of precarity and poverty.

We must be mindful of the fact that, while data from the International Labour Organisation tells us that the absolute number of working poor has been declining over recent years, however, the rate of this reduction is now slowing exponentially.

According to the "World Employment and Social Outlook - Trends 2017" published by ILO, we find that:

*"In emerging and developing countries, the share of workers living in moderate or extreme poverty is expected to fall from 29.4 percent in 2016 to 28.7 percent in 2017. However, progress in reducing working poverty rates is slowing.*

*The absolute number of working poor has also been declining over recent years, but the rate of that reduction is now also slowing, and in developing countries the number is on the rise."*

Moreover, social unrest and discontent is undergoing a marked increase in certain countries, which is another cause for the migration phenomenon.

The same report "World Employment Social Outlook Report for 2017", says that:

*"Discontent with the social situation and lack of decent job opportunities are both factors, among others, that play a role in a person's decision to migrate."*

**For these reasons, we must recognize the right of each individual to dignified and quality employment. This can only come about by ensuring equity, equality, and inclusion, which subsequently can lead to sustainable peace.**

**Sustainable peace can ensure successful outcomes to effective social inclusion and economic growth. All this can only be possible within a culture that truly values the importance of peace.**

**Another factor that must be addressed is the growing cultural diversity, which is evident across our global communities and societies. Such cultural diversity is often portrayed as a cause for concern.**

**This perceived concern creates social tensions when citizens are anxious due to persistent unemployment and mounting inequalities.**

**The threats of extremism and intolerance breed a dangerous atmosphere of fear and suspicion, which cannot be ignored. Unfortunately, we have seen the effects of extremism and intolerance in many of our countries.**

**To address these challenges, and to benefit from the positive potential which cultural diversity makes possible, I believe that we need to work together to create more inclusive and resilient societies.**

**The international community should certainly unite and come together, to ensure proper investment in strategies to address social exclusion, which, many a time is prevalent due to poverty and precarity.**

**Migration is also an effect of such inequalities. If the International community manages to effectively address poverty and precarity, then migration can be well managed and can be an effective source of opportunity to all of our countries.**

**Where migration was and is well managed, it has created economic and socio-economic benefits. This is evident from a recent report from the Organisation for Economic Co-operation and Development (OECD), that migrants account for some 70 percent of the increase in the European workforce, over the past decade.**

**This fact shows that migrants are effective net contributors to our countries, in terms of taxes and social contributions. This report gives us reason to state that it is an ill-informed perception to say that migrants are net receivers of benefits.**

**Another benefit from well-managed migration is also that of boosting our working-age demographic, particularly in the light of Europe's ageing population, and subsequently, unsustainable welfare and pension systems.**

**By creating inclusive and resilient societies, we will be more capable of combatting social fragmentation; to positively resolve conflict; and to uphold the rights and freedoms that are enshrined in the Universal Declaration of Human Rights.**

**We must strive towards a culture of peace, by strengthening the tools and the institutions that are necessary to ensure the full and free participation of each person as an active member of society.**



**The equitable distribution of wealth, which such participation demands, must be made a reality, to sustain the necessary change for the sake of all humanity.**

**We must recognise, and be convinced, that equitable distribution of wealth and peaceful development, are always possible, and are profoundly interlinked.**

**I believe that it is our duty, as active citizens, to stand up for the necessary social transformation for the equitable redistribution of wealth.**

**We cannot be complacent, when, according to the OECD, 70.1% of the world's population holds only 3% of global wealth.**

**We cannot be complacent, while the world's wealthiest individuals total only 8.6% of the global population, but own 85.6% of the world's wealth, according to indicators from Credit Suisse Global Wealth Report 2017.**

**This gives us a deeper understanding of the data we have, from the Organisation for Economic Co-operation and Development, which states that the average income of the richest 10% of the world's population is about nine times that of the poorest 10%.**

**Furthermore, according to its latest report on Inequality and Income, the OECD has analysed trends in inequality and poverty, for advanced and emerging economies.**

**The report lists the drivers of growing inequalities, such as, and I quote: *“globalisation, skill-based technological change, and changes in countries' policy approaches.”***

**Moreover, we must address the reality that some parts of the world are exploited by other countries.**

**For example, there are alarming reports that more wealth is pouring out of the 48 countries which the World Bank classifies as “sub-Saharan Africa”, every year, than is being channeled in for development.**

**Some of these countries form part of some of the most impoverished regions of the world.**

**The findings of the “Honest Accounts 2017 Report”, compiled by a coalition of UK and African NGOs, calculate the movement of financial resources, into and out of Africa, and some key costs imposed on Africa by the rest of the world.**

**The report continues to underline that:**

***“The countries of Africa are collectively net creditors to the rest of the world, to the tune of 41.3 billion dollars in 2015. Thus, much more wealth is leaving the world’s most impoverished continent than is entering it.”***

**Commenting on this report, Aisha Dodwell, a campaigner for the NGO Global Justice Now, said, and I quote:**

***“This research shows that what African countries really need is for the rest of the world to stop systematically looting them. While the form of colonial plunder may have changed over time, its basic nature remains unchanged.”***

**We cannot allow, under the guise of investment and globalisation, for such a situation where impoverished countries are exploited by countries who should know better, and which, in the process, create economic turmoils and social tensions.**

**I believe that the most necessary investment should be an investment in the dignity of the peoples of the world, and in particular of impoverished countries, and in strategies for the fair redistribution of global prosperity.**

**Ultimately, the only way to achieve the critical mass and successfully challenge the structural and systematic oppressions, which are preventing us from achieving the goals of equitable distribution, are by focusing on the things that connect us together.**

**We must unite for change.**

**We cannot afford to ignore our responsibilities towards one another. We cannot afford to be small minded in our endeavours, by prioritising the short-term gratification of the few, over the sustainable prosperity, which is the right of the many.**

**Processes of economic globalisation have made us more interdependent than ever, but I believe we must also ask ourselves whether globalisation has actually united us ..... and if not, why?**

**We must find ways of addressing the negative effects created by prejudice, egocentrism, and materialistic consumerism.**

**We need to stand together to face and overcome the uncertainties of contemporary life.**

**Stories of inequality flood the media every day. We are confronted by the experiences of people who are denied their most fundamental rights; individuals and groups facing discrimination; stories of extreme poverty; those at risk because of the impact of climate change; and the suffering endured by individuals and families who are fleeing persecution and conflict.**

**Yet the explosion in access to information, created by globalisation due to global technological advances, has not directly led to an increased concern for other people's problems.**

**This global precariousness calls for strategies of global social inclusion, to address the inequalities that continue to hinder our progress towards more inclusive and peace-affirming societies, and hence, more resilient communities.**

**We cannot afford to exclude anybody from our dialogue, especially those who have, for too long, been absent from our discussions or been pushed to the margins of society.**

**We need to replace exploitation and oppression with effective access to justice, and democratic processes of participation, which can secure dignity for all humanity.**

**In conclusion, let me encourage you to commit yourselves, whatever your responsibilities, to be activists for fairness and justice.**

**I believe that the international community needs to move from words to effective action.**

**I believe that the empowerment of all individuals and communities can, and will, sow the seeds for a transformation that can bring entire societies and nations together, for more equitable patterns of distribution, for the benefit of all.**

**We must balance the benefits of globalisation with the powerful effects of grass-roots participation and change, and the contributions of civil society, working alongside governments, to achieve the equitable redistribution of wealth.**

**Finally, I would like to encourage you, as students to be the activists of change, by promoting a strong message of equality, equity, and inclusion.**

**In this context, you will be helping to build the kind of world that you will be proud to hand down to future generations.**

**Thank you for your attention.**