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Increased income inequalities are a threat to social cohesion

Motion for a resolution

tabled by the Committee on Social Affairs, Health and Sustainable Development

This motion has not been discussed in the Assembly and commits only those who have signed it

The enjoyment of socio-economic rights – and the benefits they incur – is not ensured for all Europeans. Across Greater Europe, income inequality has been on the rise: It is estimated that as much as 40% of the population at the lower end of the distribution has benefited little from economic growth in many countries in recent decades. Income inequality is at its highest in OECD countries in the past half century, and wealth is even more unequally distributed than income (with the bottom 40% owning only 3% of total household wealth).

As highlighted by the Parliamentary Assembly previously, income inequalities are not only caused by the crisis having dominated Europe over the past decade, but have structural causes, such as globalisation, technological developments, shrinking manufacturing sectors in Europe, demographic trends, the transformation of family structures and increased migration. The consequences of inequality go far beyond people's present material well-being. Those disadvantaged have reduced capacity to improve their position and that of their children in the future, and find themselves trapped in "cycles of disadvantage". Moreover, tax and benefit systems are less and less effective in redistributing market income, especially in times of economic austerity.

There is scientific evidence that egalitarian societies are associated with higher levels of economic growth and political inclusion and that income inequalities negatively impact economic growth, as we can see through studies carried out both by the OECD and the European Commission. Inequality is therefore more than a simple matter of social policy but touches fundamental socio-economic patterns. The Assembly should contribute to the debate on deeply rooted inequalities in our society and propose measures to deal with this problem.

