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Social Justice and Income Transfer, Challenges, and Solutions

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ABSTRACT

This study explores the multifaceted relationship between social justice and income transfer mechanisms through a systematic literature review. The background underscores social justice as a fundamental principle advocating for equal rights, opportunities, and fair treatment across diverse communities, emphasizing issues such as economic disparity, racial and gender inequality, and environmental injustice. The review aims to synthesize existing research on how income transfer policies particularly cash transfer programs and redistributive fiscal tools contribute to reducing inequality and fostering social cohesion. This was done by providing updated data from different sources and combined to present a narrative that is not made available to the public domain. Employing a systematic review methodology, the author analyzed peer-reviewed articles, policy reports, and case studies to identify effective income transfer strategies in both developed and developing contexts. Findings reveal that targeted cash transfer programs like Brazil's Bolsa Família and Mexico's Prospera have demonstrated substantial progress in alleviating poverty and promoting equitable opportunities. Additionally, progressive taxation and enhanced social safety nets are crucial for mitigating income disparities. The review concludes that well-designed income transfer policies, complemented by investments in human capital and inclusive growth initiatives, are vital for advancing social justice. The author highlights that integrating technological innovations and strengthening governance frameworks can amplify these effects, ultimately fostering more equitable and resilient societies. This evidence-based synthesis underscores the importance of comprehensive, context-sensitive approaches to income redistribution as a pathway to social justice.

Keywords: Social Justice, Income Transfer Policies, Poverty Alleviation, Income Inequality, Social Cohesion

INTRODUCTION

While different sources may articulate the concept of social justice in various words, they generally share key principles ensuring equal rights, opportunities, and fair treatment for all individuals (Hytten and Bettez, 2011). In the realm of philanthropy, the term "social justice" is frequently used, but what it truly signify remains a major concern. Most people have a general sense of it, yet succinctly defining it can be challenging without a quick explanation.

Several organizations have offered their interpretations. The United Nations describes social justice as the equitable and compassionate sharing of the benefits of economic progress. The National Association of Social Workers sees it as the belief that everyone should have equal access to economic, political, and social rights and opportunities, with social workers dedicated to removing barriers for those most in need (Amorim-Maia et al., 2022).

The Centre for Economic and Social Justice emphasizes that social justice involves economic fairness and the organization of society's institutions in a way that promotes individual and communal well-being, along with a collective responsibility to improve these systems continually (Bennett et al., 2021).

Major Social Justice Concerns

Social justice covers a broad spectrum of issues aimed at fair treatment regardless of race, gender, sexual orientation, disability, or economic background. Some of the most urgent topics include: Economic disparity, the widening wealth gap results in limited opportunities for marginalized populations. Racial discrimination, people of colour often face disproportionate challenges related to poverty, safety, and access to quality education, housing, and employment.

Gender inequality, women and girls frequently encounter discrimination and unequal opportunities in careers, education, and politics. Disability rights, individuals with disabilities often experience barriers to equal participation and face discrimination in workplaces and communities. Environmental justice, marginalized communities, especially those with low incomes or of colour, are more affected by pollution and climate impacts.

LITERATURE REVIEW

Fiscal tools can help diminish inequality, with some providing immediate benefits while others yield results over the longer term. Bourguignon (2006) emphasizes that, after years of relative neglect, economic inequality has now become a central issue in global policy discussions. In developed nations, concerns stem from the perceived effects of globalization and technological advances, as well as the costs associated with counteracting their impacts (Bourguignon and Platteau, 2023). Conversely, in developing countries where inequality tends to be more pronounced the challenge is whether it significantly hampers economic growth and poverty alleviation. In both contexts, redistributing income can not only promote greater fairness but also accelerate economic growth and, for developing nations, expedite efforts to reduce poverty.

In situations where economic growth is steady, but benefits are unevenly distributed favoring the non-poor over the poor there is a compelling argument for reallocating resources from the wealthy to the disadvantaged. For example, investing in better education for impoverished children, financed through taxes on the affluent, can help reduce inequality while supporting future economic development and poverty reduction efforts (Cammaerts, 2022).

Additionally, redistributive policies may help bridge the gap between rich and poor in societies with high inequality, where social unrest or the rise of populist movements could undermine long-term growth. Recognizing that a more equitable distribution of resources can foster development is one thing; having the appropriate tools to achieve this is another. Various instruments such as progressive taxes, cash transfer programs, investments in human capital, regulatory measures, and inclusive growth strategies are available, yet they are often underutilized in developing economies (Kaplan, Serafeim and Tugendhat, 2018).

Direct income redistribution involves taxing the wealthy and providing transfers to the poorest segments of society as a straightforward means of mitigating inequality and alleviating poverty in the short term. These measures are especially relevant when economic growth benefits do not reach impoverished populations. However, in many cases, the scale of such interventions is insufficient to produce substantial impact. On average, taxes on personal income and cash benefits to the poor constitute nearly ten times less of GDP in developing countries compared to advanced economies (Saher et al., 2024).

The effectiveness of conditional cash transfer programs has demonstrated that targeted cash assistance can be delivered efficiently to impoverished households in developing regions. These programs often require recipients to meet specific conditions, such as ensuring children receive vaccinations or attend school regularly. Initiatives like Mexico's Prospera (formerly Progresa) and Brazil's Bolsa Família, along with pilot projects in sub-Saharan Africa, showcase notable progress over the past decade and a half in redistribution efforts. Advances in technology, particularly mobile money, promise further improvements in reaching and assisting the poor (Aron and Muellbauer, 2019).

Nevertheless, their current scope remains limited, typically accounting for only about 0.5% of GDP in middle-income countries, and still in pilot phases in poorer nations. Scaling up these programs will require additional resources, which could be generated through higher and more effective income taxation on the wealthy. The widespread adoption of banking, credit, and debit cards among higher-income groups in many countries facilitates better income tracking and tax collection, potentially reducing evasion and encouraging governments in developing economies to prioritize direct taxation (Qureshi, 2020).

Developing countries tend to depend more heavily on indirect taxes such as levies on goods and services compared to advanced economies. While such taxes are often deemed regressive because they tax consumption rather than income, their impact on poverty can be complex. Depending on tax rates and household consumption patterns, indirect taxes may inadvertently deepen poverty, especially if basic goods like food and fuel are taxed or subsidized. Targeted income transfers are generally more effective and cost-efficient than subsidies in reaching the truly needy, as demonstrated by pilot programs in India that replaced food subsidies with direct benefit transfers (Muralidharan, Niehaus and Sukhtankar, 2017).

In sum, expanding redistribution efforts is justified in developing economies experiencing steady growth but slow poverty decline. While political resistance and administrative limitations pose challenges, advancements in technology can enhance government capacity to implement these measures effectively.

Beyond redistribution, improving opportunities for the poor is crucial. While income redistribution reduces inequality and can foster social cohesion, it does not directly stimulate economic growth. Instead, investing in human capital through education, health care, microcredit, and infrastructure empowers the poor to generate their own income over time. Social safety nets, such as employment guarantee schemes like India's Mahatma Gandhi National Rural Employment Guarantee, help prevent vulnerable populations from falling into poverty traps during adverse shocks. Conditional cash transfers have also proven effective in encouraging behaviors like school attendance and better nutrition, but adequate facilities must be in place to meet the increased demand generated by such programs (Breitkreuz et al., 2017).

Resources must be both accessible and financed appropriately. The same principle applies to other initiatives aimed at enhancing opportunities for the poor. Funding these programs through progressive taxes, complemented by cash transfer incentives to low-income households, can reduce inequality and poverty in the short term while helping these households increase their income over the medium and long term (BAIK, 2024).

Strategies aimed at increasing equality and promoting growth predominantly involve raising resources progressively and investing them in programs that benefit the poorest either now or in the future. Alternatively, policies that do not rely on redistribution may also attain similar goals. However, before implementing redistributive measures, governments should consider improving the inclusiveness of their growth strategies, particularly by fostering employment opportunities for unskilled workers (Labeeque and Sanaullah, 2019).

Beyond straightforward redistribution, other policy options exist. For example, minimum wage laws though contentious in advanced economies due to potential negative impacts on employment when set too high can promote income equality. In developing countries, these policies might also enhance labor productivity by improving workers' physical conditions, as suggested by the efficiency wage theory. The notable decline in inequality in Brazil around the turn of the century, coinciding with rapid economic growth, has been partly attributed to substantial increases in the minimum wage (Komatsu, Dias and Menezes Filho, 2024).

The figure 1 below highlights the extent to which wealth is concentrated among the top 10% in various countries. Countries with higher percentages indicate more pronounced income disparities, suggesting that a significant portion of national income is controlled by a small elite. Analyzing the top 20 countries reveals notable differences. Some nations may have extremely high percentages, pointing to entrenched economic inequalities, while others may have comparatively lower disparities, reflecting different economic structures or social policies.

High income concentration among the top 10% can have multiple effects, including reduced social mobility, increased social tensions, and potential impacts on economic growth. It raises questions about the fairness and sustainability of current economic systems.

Countries with elevated disparities might need to consider policy interventions such as progressive taxation, social welfare programs, or reforms aimed at promoting equitable wealth distribution to mitigate these disparities. It would be insightful to examine how these disparities relate to other metrics such as poverty rates, health outcomes, or levels of social mobility within these countries. While the figure focuses on 2021, understanding whether income disparities are widening or narrowing over time can inform future policy directions and economic forecasts.

In summary, this figure serves as a powerful visual representation of global income inequality, prompting critical discussions on its causes, consequences, and potential solutions. Addressing such disparities is vital for fostering more equitable and sustainable economic development worldwide.

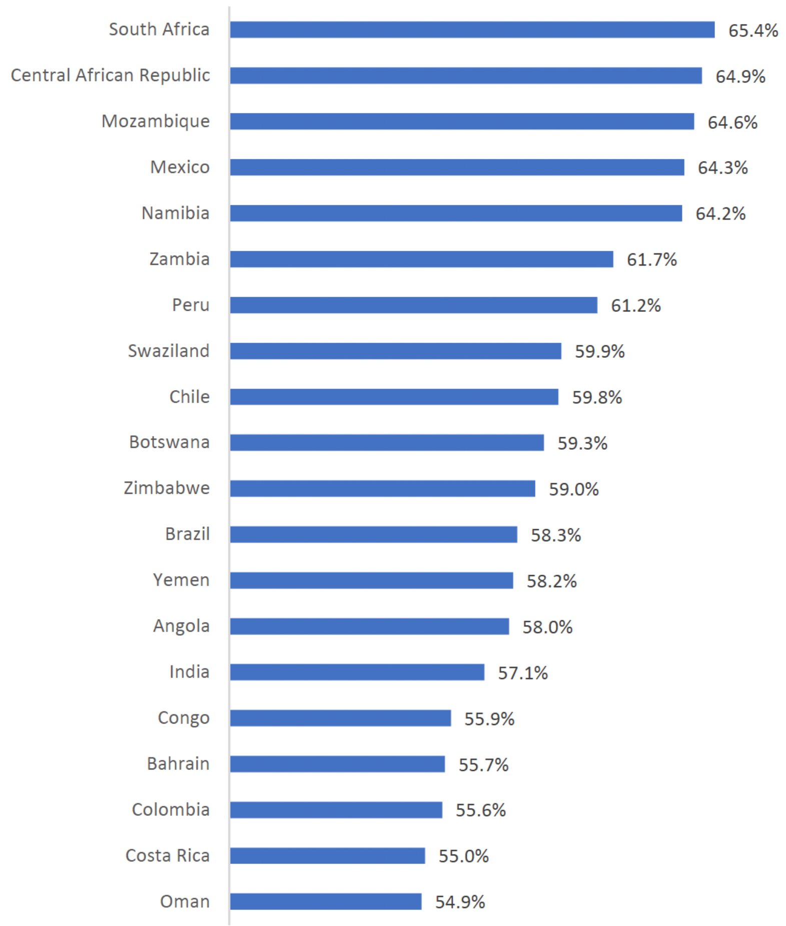

Figure 1. Top 20 Countries with Highest Income Disparities (Percentage of Total Income Held by the Top 10% Wealthiest Individuals in 2021).
Source: Emerging Markets Forum, 2023.

Although different sources may express it in various ways, the fundamental principles of social justice remain consistent, advocating for equal rights, opportunities, and fair treatment for everyone. In the fields of philanthropy and activism, the term "social justice" is often used, but understanding its full meaning can be complex. While many people have a general idea, providing a concise definition can be difficult if asked spontaneously.

The scope of social justice encompasses numerous issues aimed at ensuring equitable treatment regardless of race, gender, sexual orientation, ability, or socioeconomic status. Key concerns include, economic inequality, the growing wealth gap limits opportunities for marginalized populations. Racial disparities, people of color often face higher rates of poverty, violence, and discrimination in employment, housing, and education. Gender inequality, women and girls have historically been denied equal rights and continue to face discrimination in workplaces, politics, and other sectors.

Following the financial crisis, social inequality has become a central topic of political debate. Renowned economists like Stiglitz (2001) argue that stagnating wages for the majority, combined with the rising accumulation of assets among the wealthy, fueled the speculative growth bubble that ultimately burst. The primary burden of these economic consequences falls on middle- and low-income workers, especially in nations that have implemented stringent austerity policies. This has led to high unemployment rates, declining real incomes, and prolonged recessions. With financial markets reopening and stock markets flourishing again supported by central banks inequality seems to be widening across many regions.

Not only progressive and left-leaning commentators are voicing concerns about this trend. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), cautioned that increasing inequality could hinder economic growth, weaken social cohesion, and even trigger political instability (Lagarde, 2017). Similarly, the authors of the World Economic Forum's recent Global Risks Report consider the widening wealth gap as the most significant threat to the global economy (McLennan, 2022).

Trends in Income and Wealth Distribution

The rise of Neoliberal policies since the 1980s has profoundly altered income levels and wealth distribution worldwide over the past quarter-century, often to the disadvantage of those with fewer resources. While several countries in Asia are making progress toward Western economic standards, the gains tend to benefit primarily the social and economic elites particularly the top 10 percent and, to a lesser extent, a burgeoning middle class. Conversely, the bottom 40 percent of earners see minimal benefits. Estimates suggest that the wealthiest 20 percent of the global population earn roughly fifty times more than the poorest 20 percent (Dauderstädt and Keltek, 2011). In contrast, within Germany, this ratio is approximately 4.5 to 1.

Growing income inequality is driven by three main trends. First, there has been a noticeable global shift in income distribution favoring profits over wages. While returns on investments have often experienced double-digit growth, average earnings for workers have remained stagnant. An additional important factor is that, although wages for employees covered by collective bargaining agreements have continued to rise, a growing number of workers in insecure or non-standard employment have faced reductions in their actual earnings. Collectively, in developed nations, the share of labor income in gross domestic product declined from 74% in 1980 to 65% in 2010 (Stockhammer, 2013). Similar declines in wage ratios are also evident in emerging and developing economies for instance, in Mexico, Turkey, and South Korea, the wage gap has narrowed by at least 20 percentage points (Elveren and Topbaş, 2024). Meanwhile, entities within the financial sector have reaped substantial gains from capital investments, but these profits often lack real economic value and do not reflect a productivity breakthrough. Since the 1980s, income from investments has grown more rapidly than the overall economies within OECD countries, leading to wealth concentration and a shrinking middle class (Piketty, 2015).

Second, there have been significant increases in income disparities at the upper end. For example, in the United States, top executives in 1970 earned about 30 times the average worker's salary; today, that ratio has skyrocketed to over 300. Similarly, in the UK, CEOs of (Financial Times Stock Exchange) FTSE 100 companies in 2013 earned approximately 120 times more than their average employees. In many regions, economic growth has become disconnected from the material well-being of the majority. Since 2009, 95% of all income gains in the U.S. have gone to the wealthiest 1% (Stiglitz, 2016). Historically, between 1976 and 2007, this top 1% captured 58% of income growth (Atkinson, Piketty and Saez, 2011). This trend extends across other OECD nations, as the World Top Income Database shows that the income share of the richest percentile has increased in nearly every country since the 1980s. Even traditionally egalitarian countries like Sweden and Norway saw increases exceeding 50%, while in China and Portugal, the rise was over 100% (Bowman et al., 2015).

Third, tax policies and social transfer programs have become less effective in mitigating income disparity. Over recent decades, many countries have reduced their progressive tax rates, particularly at higher income levels. In the U.S., such taxes have nearly disappeared at the top income brackets (Green and King, 2013). The tendency for investment income to be taxed at lower rates than earned income exacerbates inequality. For instance, in Germany, capital gains are taxed at 25%, whereas top income earners face a 42% rate. Interestingly, Latin America has been an exception; despite high levels of inequality, the disparity has lessened in 14 out of 20 South American countries from 1990 to 2013. Contributing factors include improved secondary education, proactive minimum wage policies, and government-led wealth redistribution initiatives targeting the poor (UNDESA, 2012).

Wealth inequality far surpasses income inequality. Nearly half of all assets are owned by just 1% of the population. Even more strikingly, the wealthiest 85 individuals globally possess more combined wealth than the poorest 50% of the world's population (Fuentes-Nieva and Galasso, 2014). This disparity is largely fueled by the principles of financial capitalism and widespread tax evasion. A significant portion of the assets held by the wealthy is stored in tax havens estimated at around $18.5 billion in offshore accounts where they evade taxation (Shaxson, 2018). This includes about one-third of the assets of individuals with net worth exceeding one million dollars (Ötsch, 2012).

Inequality and Economic Growth

The discourse around inequality is evolving. For decades, a neo-classical perspective has dominated, suggesting a fundamental opposition between economic growth and fair wealth distribution. Proponents of this view believe that redistributing income from the wealthy to the poor inevitably hampers economic growth, arguing that such redistribution discourages productivity and effort. They assert that inequality is, in fact, a necessary driver of economic expansion (Stiglitz, 2016).

Contrary to this belief, evidence indicates that inequality can impede economic growth, especially when it adversely affects access to education and healthcare or fosters social unrest that destabilizes political stability. Furthermore, microeconomic analyses often neglect the role of demand in markets. Since lower-wage earners tend to spend a higher proportion of their income on essentials, high levels of income inequality can lead to reduced overall demand in the economy. As income disparity widens, demand tends to decline correspondingly (Mdingi and Ho, 2021).

Recent financial crises have shifted public perception, viewing inequality more as an economic challenge than merely a social issue. For instance, a study by the IMF found a global link between low inequality levels and strong economic growth (EA, 2025). Follow-up research also indicated that redistributive policies initiated by states do not harm economic growth; in fact, they often support it (Ostry, Berg and Tsangarides, 2014). These findings echo analyses of historical crises such as the Great Depression and the 2007-2008 Great Recession, both of which involved steep increases in inequality combined with mounting debt among low- and middle-income earners (Kumhof, Rancière and Winant, 2015).

Inequality and Social Progress

Beyond economic implications, severe inequality hampers long-term growth prospects and increases the vulnerability of economies to crises. It also diminishes the effectiveness of growth in reducing poverty (Gietel-Basten and Snow, 2025). Countries like South Korea and Taiwan in the 1960s and 70s, which initially had relatively equal income distributions before experiencing rapid growth, achieved notable reductions in poverty. Similarly, recent examples from Latin America show that decreasing inequality during periods of economic development enhances social outcomes (Claveria, 2025).

Research also indicates that rising income inequality reduces social mobility. Even in nations traditionally characterized by high social mobility, such as the United States, the future opportunities for young people increasingly depend on their parents' socioeconomic status. This phenomenon, dubbed the 'Great Gatsby Curve' by Alan Krueger, highlights how children raised in poverty are more likely to remain poor into adulthood, with the wealthy often remaining within their social circles (Sakri, Sumner and Yusuf, 2023).

The presence of the 'Great Gatsby Curve' has also given rise to the saying: "to live the American Dream, you might have to move to Norway." This idea is also evident in Germany, where opportunities for social mobility are increasingly limited for children from lower socio-economic backgrounds or less educated families. In their 2009 bestseller, The Spirit Level – Why More Equal Societies Almost Always Do Better, British researchers Richard Wilkinson and Kate Pickett examined the connection between income inequality and various social issues. Their findings suggest that higher inequality correlates with a range of problems, including mental health issues, shorter lifespans, substance abuse, obesity, poor academic performance, teenage pregnancy, and higher murder rates. Countries with significant income disparities, such as the USA and the UK, tend to face more severe societal challenges compared to more egalitarian nations like Japan or Scandinavian countries. Societies marked by inequality are often less empathetic, socially colder, and more aggressive (Durlauf, Kourtellos and Tan, 2022).

Advocates of free market efficiency believe that income distribution results are favorable only when they mirror the natural outcomes of market forces. They argue that individuals should be compensated strictly according to their contribution to national prosperity. If social norms demand corrective measures, they contend that such interventions should be limited to taxation and fiscal policies that do not directly interfere with market revenues. The main goal is to promote fairer access to markets, for example, through investments in education and healthcare, which enhance social mobility and economic efficiency (Fix, 2022).

Immediate policy measures also include setting minimum wages, tackling gender pay gaps, and establishing earnings caps for executives. The government can further reduce inequality via redistribution through taxes and public spending. Although primarily the responsibility of national governments, international cooperation is crucial particularly to combat cross-border capital flight and tax evasion by multinational corporations and wealthy individuals, which contribute to the growing concentration of wealth (Milner, 2019).

Government-led redistribution through progressive taxation and direct transfers plays a significant role in narrowing income disparities. Conditional cash transfer programs such as Brazil's Bolsa Família or the Social Protection Floor in Brazil target the lowest income groups, providing essential health services and basic income guarantees (Neves et al., 2022).

Public expenditure on infrastructure, education, healthcare, and cultural services benefits society at large but does not inherently ensure wealth redistribution, as those with greater influence tend to secure more benefits. Effective redistribution policies require monitoring mechanisms to ensure that resources reach those most in need, especially in developing countries where corruption and weak governance often divert funds away from the intended populations (Kline and Moretti, 2014).

Tax policy is a primary tool ideally, progressive taxes should impose higher rates on the wealthy and on capital income, such as dividends and capital gains. Yet, many countries currently tax investment income at lower rates than earned income, exacerbating inequality. Introducing taxes on financial transactions, including capital gains, could generate significant revenue and promote fairness, as these transactions are often lightly taxed or untaxed (Kline and Moretti, 2014).

Over recent decades, reductions in corporate taxes, higher income taxes, and capital gains taxes have contributed to widening inequality, with some countries seeing investments decline despite tax cuts. To reverse this trend, policies should focus on correcting past errors, including imposing inheritance taxes and capital taxes to prevent wealth concentration, especially in economies with sluggish growth where returns on investment tend to favor the wealthy (Faccio and Iacono, 2022).

The 1983 report by the UN's World Commission on Environment and Development defined sustainable development as "a form of progress that satisfies present needs without compromising future generations' ability to meet their own." This concept challenges the neoliberal paradigm, advocating for a new approach to social organization based on principles that serve the majority. It emphasizes human dignity, wealth redistribution, participatory democracy, and gender equality, advocating regional integration and coordinated international negotiations on shared issues. It calls for the exchange of best practices among governments and promotes social security and inclusion for all, across generations. Sustainable development incorporates environmental considerations and integrates economic, social, ecological, and political dimensions (Borowy, 2013).

RESEARCH METHODOLOGY

A systematic literature review (SLR) is a rigorous and methodical research methodology used to identify, evaluate, and synthesize existing research on a specific topic. In the context of a study focusing on Social Justice and Income Transfer in Africa, Europe, and South America, an SLR provides a comprehensive understanding of the current state of knowledge, identifying gaps, debates, and consensus across different regions.

Objective and Scope Definition

The review begins by clearly defining the following research questions:

How do income transfer programs influence social justice in different regions?

What are the regional variations in policy approaches and outcomes?

The scope specifies the time frame, types of studies included empirical, theoretical, and relevant keywords. A systematic search was conducted across multiple academic databases such as Scopus, Web of Science, and JSTOR, using predefined search terms related to social justice, income transfer, social policies, and regional identifiers (Africa, Europe, South America).

Inclusion and exclusion criteria are established to filter relevant studies, ensuring transparency and reproducibility.

Study Selection and Data Extraction: After initial screening of titles and abstracts, full-text reviews were performed to select studies that meet the criteria. Data extraction involved collecting information on study design, region, type of income transfer program, outcomes related to social justice, and key findings.

Data Synthesis and Analysis

The findings are synthesized quantitatively and qualitatively using a meta-analysis. The review compares the effectiveness of income transfer policies across regions, analyze common challenges, or highlight differing socio-economic contexts influencing outcomes. The final report summarizes the evidence, discusses implications for policy and practice, and identifies gaps for future research.

SLR provides a comprehensive overview of existing research, reducing bias. Facilitates cross-regional comparisons of policy impacts. Identifies best practices and areas needing further investigation. SLR supports evidence-based policy formulation for social justice and income transfer programs.

Lastly, employing a systematic literature review in this study ensures a structured, transparent, and unbiased synthesis of knowledge on how income transfer strategies influence social justice across diverse contexts in Africa, Europe, and South America, ultimately informing policymakers and scholars alike.

RESULTS AND DISCUSSION

Addressing social justice issues involves overcoming systemic challenges such as income disparities, racial and gender discrimination, and limited access to essential services like education and healthcare. These problems are often worsened by institutional obstacles, including discriminatory laws and policies. Additional difficulties stem from societal factors like prejudice, low levels of public participation, and the spread of misinformation. On a global scale, issues like climate change, political unrest, and the digital divide further complicate efforts to establish fairness and equality (The Sustainable Development Goals Report, 2025).

Systemic and Institutional Barriers

The study found the following systemic institutional barriers to social justice and income transfer. Income Disparities: Significant wealth gaps and economic inequalities restrict equitable access to opportunities such as education, healthcare, and housing. Discriminatory Legislation: Laws and policies that sustain disparities based on race, gender, age, sexual orientation, and other identities act as institutional hurdles to justice. Limited Resource Access: Unequal availability of vital resources, including quality education, affordable healthcare, and safe housing, leaves marginalized groups at a disadvantage. Criminal Justice Disparities: Unequal treatment within criminal justice systems results in persistent inequalities and injustices (Manduca, 2018).

Social and Cultural Barriers

The study found some social and cultural barriers that affects the social justice and income transfer. Prejudice and Bias: Deep-rooted stereotypes and biases related to race, gender, religion, nationality, and other identities perpetuate social injustice. Low Civic Engagement: Insufficient public involvement and the marginalization of certain voices hinder the development and enforcement of fair policies (Khullar and Chokshi, 2018). Spread of Misinformation: Rapid dissemination of false or misleading information, often amplified through digital platforms, hampers efforts to address social issues effectively. Figure 2 below presents some key social justice challenges.

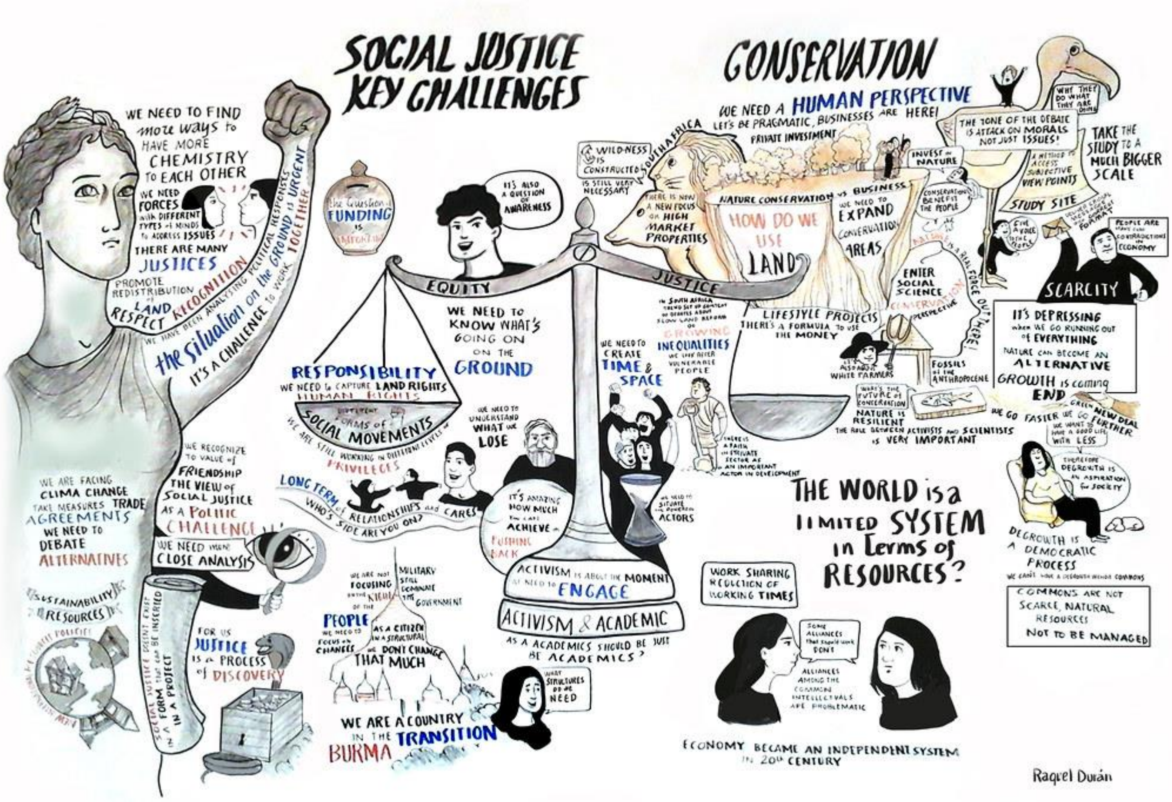

Figure 2. Key Social Justice Challenges.
Source: STEPS Centre, 2015 https://www.flickr.com/photos/stepscentre/21284444550.

The study found that, while human rights have the potential to address economic inequality, overcoming four major conceptual, normative, strategic, and methodological hurdles is essential. Over recent months, open Global Rights has convened prominent practitioners from diverse sectors to explore economic inequality through a human rights lens (Dancy and Fariss, 2024).

In setting the stage for this dialogue, this article highlighted that the increasing gap between the wealthy and the poor worldwide alongside the concentration of wealth within a small elite is a critical public policy challenge of our era and a defining characteristic of the current global economic system. A recent Oxfam and Policy and Practice Report (2025), underscores the severity of this crisis, revealing that the richest 1% now possess more wealth than the rest of the population combined. Despite this, the human rights community has largely overlooked the implications of this trend.

The contributors to this ongoing debate are among a growing group of human rights experts and advocates who are beginning to address this silence. Building on these discussions, this article identifies vital tasks for the human rights movement to confront the conceptual, normative, strategic, and methodological issues raised by economic inequality.

Understanding Economic Inequality as a Human Rights Issue

As Fukuda-Parr (2019) notes that many current debates view extreme economic inequality primarily as a threat to human rights because it affects access to political participation and essential goods and services like health, education, and housing. She urges a broader perspective that recognizes extreme inequality as an inherent injustice. Conversely, Moyn (2014) argues that even perfectly fulfilled human rights can coexist with profound inequality.

This prompts the question: what is the true relationship between severe economic inequality and human rights is it an intrinsic injustice, an instrumental threat, or an independent issue? Economic inequality becomes a human rights concern when it acts as a cause or consequence of rights violations. Evidence from recent economic downturns illustrates this connection vividly. For instance Vacas-Soriano and Fernández-Macías (2018) states that in Spain, income inequality has surged since the 2008 financial crisis, making it one of Europe's most unequal nations. This trend is partly due to stagnant minimum wages below levels mandated by European social rights treaties and a tax system that favors the wealthy through evasion and avoidance. Thus, rising inequality in Spain reflects breaches of the government's obligations related to labor and fiscal policies, which, in turn, have led to increased disparities in access to healthcare, housing, and other social rights.

Research from other countries similarly indicates that extreme inequality can indirectly cause chronic human rights violations by fostering financial crises, conflicts, repression, and political manipulation. As Balakrishnan and Heintz (2020) point out, these conditions threaten the integrity of all human rights. Beyond being a mere symptom or a driver of rights violations extreme economic inequality be inherently incompatible with human rights standards.

Reducing inequality within and among nations is a key goal of the 17 Sustainable Development Goals (SDGs), with Goal 10 dedicated to gradually decreasing income disparities by 2030. This involves implementing fair fiscal policies, wage standards, social protections, and regulating global financial systems. As countries develop their SDG action plans, the human rights community has a crucial role in ensuring that effective inequality-reduction strategies are adopted and grounded in existing human rights and anti-discrimination commitments.

Global political leaders and international economic institutions like the World Bank and IMF have increasingly expressed concern about the negative impacts of extreme inequality. However, as Alston and Smith (2022) notes, these concerns have yet to translate into substantive policy reforms. Additionally, UN special rapporteurs and other human rights bodies are beginning to question whether extreme inequality aligns with human rights principles, advocating for a stronger response from the human rights framework. Human rights activists must play a vital role in urging these institutions to fulfill their accountability and governance responsibilities more effectively.

Widening economic gaps are characteristic of the current economic system, rather than accidental side effects. Wealth increasingly concentrates at the top, rather than "trickling down" to the broader population. While some philosophers argue that absolute deprivation is the key moral concern, human rights advocates on the ground recognize that state-sponsored concentration of wealth directly contributes to poverty and social injustice. Historically, policies aimed at creating a fairer distribution of resources can be implemented when there are sufficient social consensus and political will. If human rights are to serve as an effective counterforce to the polarization driven by neoliberal economic policies, their potential to promote equality must be more fully harnessed, rather than remaining passive witnesses to economic disparities.

CONCLUSION

The conclusion of the article emphasizes that addressing social justice and income inequality requires a comprehensive, multi-faceted approach rooted in evidence-based policies and collective action. Well-designed income transfer programs, progressive taxation, investments in human capital, and inclusive growth strategies are essential tools for reducing disparities and fostering social cohesion. The article highlights that leveraging technological innovations and strengthening governance frameworks can amplify the effectiveness of these interventions. Ultimately, achieving social justice depends on integrating context-sensitive policies that balance immediate poverty alleviation with sustainable opportunities for long-term societal equity. The study underscores that concerted efforts, informed by rigorous research and collaborative policymaking, are vital to building more equitable and resilient societies worldwide.

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