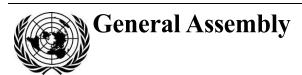
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World social situation 2025: a new policy consensus to accelerate social progress

Note by the Secretariat

Summary

The present note contains the main findings of the World Social Report 2025: A New Policy Consensus to Accelerate Social Progress. The world is facing a social crisis defined by insecurity, inequality and distrust. The World Social Report 2025 examines this global crisis and offers policy recommendations to overcome current social challenges and accelerate the implementation of existing commitments, including the Sustainable Development Goals.

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I. Introduction

- 1. Thirty years ago, world leaders convened in Copenhagen for the first World Summit for Social Development and launched an ambitious, people-centred agenda to promote social progress, justice and the betterment of the human condition. The world has seen extraordinary social and economic progress since then. Unprecedented gains in reducing extreme poverty and improvements in material well-being have demonstrated the transformative potential of collective action.
- 2. Societies across the world are facing deep challenges, however. Inequalities remain stubbornly high, many people struggle to earn adequate incomes in precarious jobs and insecurity is on the rise. Frustration with the status quo is fuelling distrust and straining the very foundations of global solidarity. The evidence presented in the *World Social Report 2025* underscores the need for urgent action: the risks of allowing the vicious cycle of economic insecurity, inequality and declining trust to persist are too high.
- 3. Governments and the international community have the power to chart a different path. The *World Social Report 2025* makes the case for a new policy consensus based on three principles: equity, economic security for all and solidarity. These mutually reinforcing principles are essential to strengthen not only the social dimension, but also the economic and environmental dimensions, of sustainable development. The objectives of such a consensus are set out in the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development, adopted in 1995, and in the 2030 Agenda for Sustainable Development. Renewed momentum and agreement are now needed to deliver on the commitments made in 1995 and to accelerate the implementation of the Sustainable Development Goals more broadly.
- 4. The present note summarizes the main findings and recommendations of the World Social Report 2025.

II. Insecure livelihoods amid global transformations

- 5. Despite unprecedented improvements in material well-being, people around the world feel insecure. According to a recent evaluation of life satisfaction, 60 per cent of people worldwide are struggling and 12 per cent are suffering. For countless individuals and families, jobs are not reliable safeguards against shocks, nor are they pathways to secure livelihoods.
- 6. The urgency of preventing descents into poverty, which is difficult to escape, cannot be overstated. Over 800 million people live in extreme poverty, on an income of under \$3 a day. Almost 3 billion, more than a third of the world's population, live on between \$3 and \$8.30 a day. Even a small shock can send these people into extreme poverty, and any escape from poverty is often temporary. The recent crises, growing threats from climate change and escalating conflict make the universal need to strengthen resilience even more pressing. Nearly one in five people are at high risk

Most recent round of Gallup World Poll surveys, conducted in 142 countries and areas in 2023 and 2024.

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² Values close to this higher threshold (\$8.30) are common national poverty lines in upper-middle-income countries. The poverty estimates provided here were released in June 2025 and thus differ from those shown in the *World Social Report 2025*, which was published before June. The estimates provided here are available at https://pip.worldbank.org/home (accessed on 12 June 2025).

from climate-related disasters worldwide.³ One in seven people were exposed to conflict in 2024, with the number of State-based conflicts having doubled since 2010.⁴

- 7. Living on more than \$8.30 a day does not guarantee economic security. With a persistently large share of workers in the informal sector and an increasing number in precarious jobs, economic instability is widespread. Almost 60 per cent of people worldwide are very worried about losing their jobs or not finding a job. 5 Even workers who may have expected to join a secure middle class following the path of the previous generation find themselves struggling for economic stability.
- 8. Informal employment remains the most prevalent form of labour market participation in low- and middle-income countries. In 2024, workers in the informal sector represented 88 per cent of all workers in sub-Saharan Africa, 66 per cent in Asia and the Pacific and 51 per cent in Latin America. Despite early expectations that informal employment would decline and eventually disappear with economic growth and development, the share of workers in the informal sector has remained stagnant in African countries and declined only slightly in Asian and Latin American countries since 2010.
- 9. A large majority of workers remain informally employed for long periods of time often throughout their lives. While formal wage workers rarely transition to informal jobs, the risk of downward mobility from formal to informal employment is significant for self-employed workers in the formal sector, particularly those in low-skilled jobs. There is thus a great social and economic divide between wage workers in formal employment, whose chances of moving to more insecure self-employment or informal employment are low, and the rest of the labour force.
- 10. Growing job instability and the rise of precarious work, even in the formal sector, are driving income insecurity among workers in high-income countries as well. While part-time, temporary and casual work, including in the growing gig economy, offer workers a choice regarding when (and even where) to work, the majority of workers resort to these forms of employment due to a lack of salaried jobs under standard contracts.
- 11. It is commonly suggested that flexibility and employment insecurity are an inevitable result of the digital revolution, global integration and other ongoing transformations a necessary response to business needs and worker preferences. Labour market flexibility can be a positive trend for employers and employees alike, if accompanied by the universal social protection and labour rights that promote decent work. In practice, however, flexibility often comes at the expense of income security, employment protections and workers' rights. Moreover, the expansion of such flexibility reinforces the progressive commodification of work. Digitalization and the rise of the gig economy can exacerbate this commodification, as they make it easier to render workers invisible.
- 12. The growing rift between labour market regulations that were designed for full-time jobs under standard contracts and ongoing changes in the world of work is an important driver of insecurity. This rift undermines the relationship between workers,

³ World Bank Group, *Poverty, Prosperity and Planet Report 2024: Pathways Out of the Polycrisis* (Washington, D.C., 2024).

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⁴ Siri Aas Rustad, "Conflict trends: a global overview, 1946–2023", Peace Research Institute Oslo (PRIO) paper (Oslo, PRIO, 2024).

⁵ World Values Survey Association, "World values survey wave 7 (2017–2022)". The survey covered 65 countries and areas, including 23 high-income countries, 41 middle-income countries and areas and 1 low-income country.

⁶ International Labour Organization, ILOSTAT database. Available at: https://ilostat.ilo.org (accessed on 13 June 2025).

employers and Governments, along with people's trust in institutions. It is also a root cause of the persistently high levels of inequality around the globe.

III. Persistent inequality and exclusion worldwide

13. Since 1990, income inequality has increased in most high-income countries and in some middle-income countries, including China and India. Countries where inequality, as measured by the Gini coefficient, has grown are home to two thirds of the world's population (see table below). Growing inequality is not a universal trend, however. Income inequality has declined in most countries in Latin America and in several African and Asian countries over the past three decades.

Trends in income inequality by region, 1990 to 2022

(Number of countries by observed trend in the Gini coefficient)

	Africa	Asia	Latin America and the Caribbean	Europe, Northern America, Oceania and Japan	Total	Percentage of countries	Percentage of total population ^a
Rising inequality	9	13	4	26	52	40.6	65.3
Decreasing inequality	24	12	16	14	66	51.6	27.0
No trend b	2	2	-	6	10	7.8	7.7
Total	35	27	20	46	128	100.0	100.0

Source: World Institute for Development Economics Research, World Income Inequality Database, version 28, November 2023. Available at: www.wider.unu.edu/database/previous-versions-wiid (accessed between September and October 2024).

Note: The period covered comprises 1990 to the latest year for which data were available for each of the 128 countries with recorded data.

- ^a Percentage of the total population of the 128 countries with recorded data, which accounted for over 90 per cent of the world's population in 2022.
- ^b Includes countries where inequality has remained relatively constant as well as countries where inequality has fluctuated, but where there is no clear upward or downward trend during the period that is, where the difference in the Gini coefficient for the starting and most recent years is less than 0.5 points.
- 14. While it is still too soon to assess the full effect of the coronavirus disease (COVID-19) pandemic and other recent crises, the data available suggest that income inequality remained stable or even declined in the first years of the pandemic in several high-income countries. In contrast, low-income countries with limited fiscal space saw poverty and in all likelihood inequality increase.⁷
- 15. Despite some positive trends, income and wealth are increasingly concentrated at the top. From 1990 to 2022, the share of income going to the richest 1 per cent of the population increased or remained stable in 60 per cent of countries with recorded data. Today, the world's richest 1 per cent own more wealth than 95 per cent of humanity.⁸
- 16. The rapid technological breakthroughs of recent decades have contributed to the rise in incomes among the highest earners. In the world of work, highly skilled workers have so far benefited the most from new technologies. While the effects of

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World Social Report 2025: A New Policy Consensus to Accelerate Social Progress (United Nations publication, 2025).

⁸ Jackson Gandour, Rebecca Riddell and Nabil Ahmed, "Multilateralism in an era of global oligarchy: how extreme inequality undermines international cooperation", media briefing (Oxfam International, 2024).

generative artificial intelligence cannot be predicted with certainty, preliminary assessments point to unequal effects across skill levels and by gender, with a sustained hollowing-out of tasks requiring an intermediate skill level.

- 17. Climate change is also slowing the pace of poverty reduction and exacerbating inequality between countries and across generations. At the global level, it is estimated that the poorest 50 per cent of people accounted for only 12 per cent of global emissions in 2019, but, in the coming years, they are expected to bear 75 per cent of the income losses caused by climate-related shocks.⁹
- 18. With its central pledge that no one will be left behind and its aspiration to promote the social, economic and political inclusion of all, the 2030 Agenda highlights attributes that can influence inequality and the risk of exclusion, including sex, disability status, race, ethnicity, origin and economic status. Overall, there has been some success in promoting inclusion and recognizing the rights of some disadvantaged groups. However, gains have not been fast enough, especially for those who remain furthest behind. Unless progress accelerates, many people, including whole population groups, will be left behind by 2030 and for decades to come.
- 19. Even as some inequalities between population groups decrease, other inequalities persist or grow. For instance, the gap in wage levels between men and women persists even in countries where women surpass men in educational attainment. Women perform a disproportionate amount of unpaid domestic and care work, which limits their participation in paid employment, restricts their career advancement and reduces their lifetime earnings, contributing to persistent inequality in the division of labour between men and women. In the informal economy, women are overrepresented in the most precarious positions, heightening their risk of working poverty and economic insecurity.
- 20. There are significant knowledge gaps regarding the groups that are furthest behind. Many are statistically invisible excluded from data collection or grossly undercounted. Little is known, for instance, about the situation of homeless persons, persons in institutions such as prisons, persons in refugee camps, mobile and nomadic populations, internally displaced persons, populations in insecure or isolated areas and persons living in urban slums.

IV. Declining trust and weakening social cohesion

- 21. Societies are increasingly divided, with trust in institutions and social cohesion eroding in many parts of the world. These trends are causing alarm and have risen to prominence on global agendas: the World Economic Forum has identified societal polarization as one of the top five global risks from 2025 to 2027. ¹⁰ In many countries, hostility between different population groups is growing. Support for extreme political positions is rising, exacerbating another top global risk: misinformation and disinformation.
- 22. Since the late 1990s, trust in institutions has declined alongside societal polarization in most countries with recorded data. Currently, over half of people in countries with recorded data have little or no trust in their Government. 11 Trust has been declining from one generation to the next and is very low among people born in

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⁹ Lucas Chancel, Philipp Bothe and Tancrède Voituriez, Climate Inequality Report 2023: Fair Taxes for a Sustainable Future in the Global South, World Inequality Lab Study 2023/1 (World Inequality Lab, 2023).

¹⁰ World Economic Forum, The Global Risks Report 2025 (Geneva, 2025).

World Values Survey Association, "World values survey wave 7 (2017-2022)".

- the twenty-first century. Without action to prevent this generational decline, trust in government is likely to decline even further in coming decades.
- 23. Trust between people is also low. Less than 30 per cent of the population in countries with recorded data think that most people can be trusted. This deep lack of trust hinders cooperation and reduces civic engagement.
- 24. The spread of misinformation and disinformation, facilitated by digital technologies, is reinforcing divisions and fuelling distrust. While digital platforms hold great potential to connect and inform people, they also allow the spread of disinformation, deceit and hate speech, often at a speed too fast to effectively counter. Social media has been leveraged to obstruct dialogue, incite violence, and stoke conflicts. Often, users find themselves immersed in siloed echo chambers, where they are exposed to news and opinions that align with their views and may radicalize them. Platform algorithms facilitate the creation of such echo chambers and reward content that is more extreme and generates more polarized engagement by giving it greater visibility.
- 25. Rising insecurity and entrenched inequality have contributed to a crisis in confidence in institutions that strains the very foundations of solidarity and collective action. Breaking this vicious cycle requires decisive, coordinated efforts to rebuild trust, strengthen public institutions and advance inclusive policies.

V. Case for a new policy consensus

- 26. Societies are held together by a delicate balance of shared responsibilities, rights, solidarity and protection. This balance is breaking under the strain of growing economic insecurity, staggering inequality, declining trust and rising polarization.
- 27. While recent crises have pushed insecurity and distrust into the spotlight, these social fractures have been building for decades. The rapid pace of globalization and the trajectory of technological change have benefited many people, but they have also destabilized lives and societies and strained the planet's resources.
- 28. Policy choices have shaped these ongoing global transformations and influenced their consequences. Specifically, decades of policies favouring deregulation, privatization and fiscal austerity have led to underinvestment in public institutions and services. While these market-oriented reforms were aimed at boosting economic growth and efficiency, their implementation often resulted in widening inequality and reduced protections for workers and their families, contributing to declining trust in institutions.
- 29. A new policy consensus aimed at promoting equity, economic security for all and solidarity must begin with the recognition that today's social challenges are deeply interconnected and cannot be addressed in isolation or through piecemeal approaches. Meeting these challenges and accelerating progress towards the Sustainable Development Goals will require far-reaching changes in policy, institutions, norms and mindsets. Strong social policies are essential but not sufficient on their own. What is needed is a broader reorientation of policymaking through a social lens, supported by institutions and norms that foster trust and social cohesion.

Policymaking through a social lens

30. Sustained social progress requires a whole-of-government approach and the comprehensive policy framework outlined in the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development. Coherent and integrated policy responses are essential to steer

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technological innovation, globalization, demographic trends and other global transformations towards the goals of eradicating poverty, reducing inequality, promoting inclusion, supporting social cohesion and creating decent work. Policy coherence is also critical to ensure that climate action and the transition to green economies prioritize people living in poverty and other disadvantaged groups, and to support resilience-building in the face of climate-related and other shocks.

31. However, some policy choices continue to exacerbate inequality rather than helping to reduce it. Namely, financial and labour market deregulation, declines in income tax progressivity and low corporate tax rates have reinforced inequality. Similarly, although fiscal policy should be a tool for poverty reduction, in many low-and middle-income countries inequitable fiscal systems are leaving people living in poverty even worse off. ¹²

Investing more – and better – in people

- 32. The experience of the past 30 years shows that social spending is a necessary investment in people and societies. Promoting equity within and across generations and providing income security require both more and better investments in people. They also call for the pooling and fair distribution of the risks that people face as they move through life.
- 33. Investing involves not only expanding access to public services but also enhancing their quality, improving learning and health outcomes, providing safe and adequate housing and ensuring that all services are reliable and responsive. Social protection programmes must be available to anyone in need, and the benefits provided must be adequate and accessible.

Focusing on decent work

- 34. Investing more and better requires a focus on creating not just employment, but also decent work. Currently, labour market policies place a strong focus on training, lifelong learning and other active labour market programmes to prepare workers for a changing labour market. While essential, these measures alone are insufficient.
- 35. More must be done to make sure that the labour market is fit for all workers. Promoting access to decent work requires strengthening collective bargaining, guaranteeing adequate wages, improving health and safety standards, and providing social protection to all workers, including those under non-standard contracts and in the informal sector.

Ensuring fair and progressive taxation

- 36. A fair and progressive tax system is essential to sustainably finance social investments. Broadening the redistributive impact of taxation entails raising taxes on the wealthiest individuals and corporations, including through more progressive direct taxation, and alleviating the tax burden of low-income groups. The challenges of generating tax revenue have been particularly acute in recent years, amid rising inflation and escalating debt burdens in low- and middle-income countries.
- 37. Income from wealth is generally taxed at lower rates than labour income. Given the amount of revenue that can be raised through wealth taxes on ultra-high-net-worth individuals, Governments should consider devoting resources to the implementation of such taxes.

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Nora Lustig, "Fiscal policy, income redistribution and poverty reduction in low- and middle-income countries", Center for Global Development Working Paper, No. 448 (Washington, D.C., Center for Global Development, 2017).

38. In a globalized and increasingly digitalized world, domestic efforts must be complemented by enhanced international tax cooperation, and the voice of developing countries in the international tax architecture should be amplified. Governments have already committed to engaging constructively in the negotiations on a United Nations framework convention on international tax cooperation and related protocols. More efforts are, however, needed to combat illicit financial flows and corruption.

Institutions and norms to promote social cohesion

- 39. Policy interventions alone are not sufficient to hold societies together in environments of trust and cooperation. Economic, social, political and cultural institutions shape social relations and the extent of solidarity between people and among social groups.
- 40. Inclusive and equitable economic and social institutions require political institutions that help to prevent and reduce the concentration of power and its arbitrary exercise. Grounding equity in constitutional and legal frameworks and promoting equal access to justice, property rights and markets including the labour, housing, land and credit markets support the fair and just exercise of power.
- 41. Ensuring that all people are officially recognized and counted, starting with civil registration and legal identification, is an essential first step to promote equity and ensure that every member of society participates actively in economic, social and political life. People's sense of belonging and their trust in institutions are also influenced by whether they have a say in decision-making. Participatory governance helps to ensure that institutions are responsive to the needs of citizens. The same can be true of participatory labour market institutions. Workers who can participate in their company's decision-making and in collective bargaining, for instance, have a stronger sense of job security and higher levels of civic engagement and political participation than those who do not.
- 42. Normative and institutional change is a whole-of-society process and is often the result of the development of broad coalitions of stakeholders. The enormous political and social influence of corporations is undeniable, just as the importance of civil society cannot be overlooked. Nonetheless, Governments play a central role in creating an enabling environment for institutional change. Only Governments can guarantee the rule of law; establish fair and clear legal, administrative and regulatory environments; and exercise their mandate to provide services and infrastructure at the scale needed. Action by Governments is crucial in curtailing the excessive concentration of power and influence that ultimately undermines trust and solidarity.
- 43. In an era of growing global interdependence, national Governments are facing mounting constraints in their ability to drive institutional change. Economic policies, labour standards and regulatory frameworks are increasingly shaped by global forces that limit the policy space of individual States. Competition between countries to attract investment, particularly through lower taxes and deregulation, has created a race to the bottom in terms of fair wages, corporate accountability and social protection. This reality underscores the urgent need for coordinated, multilateral action.

VI. Stronger international cooperation

44. While there has been progress in bringing social issues to the forefront of global and national policy debates, the world is not on track to eradicate poverty, achieve decent work for all, reduce inequality or achieve many other Sustainable Development Goals by 2030. Inequality, poverty, insecurity – and the distrust that

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- they generate are eroding the social fabric and hindering our ability to act collectively to achieve common goals. The current social situation is not sustainable.
- 45. The upcoming Second World Summit for Social Development offers a critical opportunity for immediate and coordinated action to address the present social challenges and lay a solid foundation to achieve the Sustainable Development Goals.
- 46. The Copenhagen Declaration on Social Development and the 2030 Agenda outlined objectives that remain relevant and continue to serve as guiding frameworks for what must be accomplished. The Second World Summit for Social Development provides a key opportunity to reach agreement on the concrete political steps and cooperation needed to achieve these long-standing objectives to gain clarity on how we must collectively promote equity, security, resilience and cohesion.
- 47. The Second World Summit for Social Development provides a powerful platform to make the pledge of integrated policymaking a reality and increase investment in people. The Summit must help to mobilize cooperation and concrete action in order to close gaps in access to and, to a greater extent, in the quality of education, healthcare, housing and other services; promote decent work for all, including through investment in labour market institutions; and expand social protection coverage. The Summit can reinvigorate the spirit of dialogue and reaffirm the unique role of the multilateral system as a space for global deliberation.
- 48. The Second World Summit for Social Development is not an end point but, rather, a step in a long-term process. Its success will be measured not only by the commitments to be made in 2025 but also by sustained efforts to make them a reality in the decades ahead. The current geopolitical context presents formidable challenges, which call for even greater resolve and stronger international cooperation.

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