



INTERNATIONAL INEQUALITIES





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1 WHAT IS INEQUALITY

Inequality is the state of not being equal, for example in terms of income or wealth. People with higher income will usually have better access to services and opportunities. They also have a lower chance of their basic human rights being violated. Whether an individual is born into a wealthy family or wealthy society is a matter of chance. In these Big Ideas we are focussing on economic and social inequality. (Of course many other types of inequality exist – e.g. in terms of gender, ability, sexuality, ethnicity).

What is global inequality

Since 2020, the world has witnessed the wealth of the top five billionaires doubling, while nearly five billion people globally have slid into poverty. The stark reality persists – it would take 230 years to eradicate poverty, instead a trillionaire could emerge within a decade. (Oxfam, Inequality Inc. Report, 2024). Globally there are a tiny number of super-rich people, most of them live in the Global North. "Despite representing only 21% of the global population, wealthy countries in the Global North commandeer 69% of global wealth and host 74% of the world's billionaire wealth" (Oxfam, Inequality Inc. Report, 2024). "The richest 20% of countries are now around 30 times wealthier than the poorest 20%" (Background presentation to the Nobel Prize in Economic Science 2024)¹.

What is international inequality

Income inequality can be measured between countries, identifying high-income countries and low-income countries. It can also be measured within countries. Currently inequality, in terms of income, is decreasing between nations, but the gap remains huge: according to the list created by the IMF between 2019 and 2022 on income per capita, if you lived in one of the 30 richest countries in the world in 2018, you earned on average 82 times more than the average person in the 30 poorest countries in the world. That is, to be born in one of the 30 richest countries in the world is to earn in four days what an inhabitant of the 30 poorest countries earns in a year. Moreover, inequality within countries is on the increase – there is a widening gap between rich and poor. Inequality can have a negative effect on both a person's well-being and their life expectancy.

11 https://www.nobelorize.org/uploads/2024/10/popular-economicsciencesprize2024.pdf







Countries may get richer and richer but still have lots of inequality (and poverty). In other words, economic growth alone (GDP²) doesn't necessarily improve everyone's lives. It depends on how the wealth is distributed. For example, the difference in Life Expectancy between rich and poor regions in the US is more than 20 years³.

The UN adopted the Human Development Index (HDI⁴) to encourage countries to focus on people, rather than just economic growth. The HDI does this by measuring *health*, *education and standard of living* to roughly indicate the '*well-being*'⁵ of ordinary people (or a country's state of development). The HDI has shown that countries can do better for their people because of the choices their governments make e.g. by providing free public health and education for all



Learning outcomes

 Students can explain what global inequality is. They can identify some current inequalities between and within countries. Students can explain the function of the HDI.

2 IS INEQUALITY NATURAL?

Ideas of fairness & equality seem to be innate in humans. Research shows that even very young children have an awareness of and response to inequality. While inequality has been a feature of many human societies (mainly in modern Western capitalist cultures) throughout history, there have also been movements to redress this inspired by the ideal of equality. Across the world and through history people have tried to equalise power and wealth - from the Yellow Turban Rebellion (China 184 AD) and Mazkadism (Persia 488 AD) to the French, Russian, Chinese, and Cuban Revolutions (C18,19 &20).

- [2] GDP = Gross Domestic Product. Governments often use this economic indicator to measure growth.
- 3 https://www.theguardian.com/ineguality/2017/may/08/life-expectancy-gap-rich-poor-us-regions-more-than-20-years
- [4] http://hdr.undp.org/en/content/human-development-index-hdi







Many of the C20 African liberation struggles (e.g Tanzania, Ghana) sought to address social and economic inequality.

While it may seem that inequality is a typical feature of all human cultures, there are in fact many indigenous cultures in the world where equality is the norm. Although there are thousands of unique indigenous cultures, they are very similar in that they are based on respect - for the natural processes of the ecosystems in which they live, for all living and nonliving beings, and a sense of responsibility to preserve them for future generations. Decisions are based on the principle of the well-being of the whole community, not individuals, with consideration for how future generations will be affected. The natural consequence is that in such cultures there is virtually no inequality in any form - gender, economic, social, etc.

Today, the main aim of our global economic system (Capitalism) is to create wealth, rather than equality or well-being. In theory, the money made by successful individuals will 'trickle down' to the poor. However, because many millions of people are living in poverty, organisations like the World Bank say that: "We now know that nations with a widening gap between those who can and cannot access opportunities in life have difficulty sustaining economic growth and social stability over time" 6. Various quality of life indicators (such as the UN's HDI) have been developed and these may help achieve this 7. They cover things like child well-being, drug use, mental health, crime, levels of trust and involvement in community life.



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Learning outcomes

- Students know that ideas of fairness and equality seem to be innate in humans.
- They can name some examples of movements that aimed to create less unequal societies.
- They can present arguments for and against inequality in societies. They can explain what a Quality of Life indicator measures.

^[7] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Quality_of_life_indicators





^[6] https://www.worldbank.org/en/topic/isp/overview



3 THE CAUSES OF CURRENT INTERNATIONAL INEQUALITY

The economic inequality between high and low income countries today has its roots in historic processes (European colonisation was a decisive cause, as reflected in the studies of Nobel Prize winners in economics in 20248) and also our current trading and financial systems. International inequality grew dramatically during and after the Industrial Revolution, when the industrial countries' economies grew rapidly. The global economic system then locked Lower Income Countries into terms of trade and finance which were less favourable to them than to economically richer, more powerful countries. Today big companies in industrialised Higher Income Countries still buy cheap raw materials from Lower Income Countries to make expensive products (like mobile phones), which are then sold back to the Lower Income Countries. Many Lower Income Countries became indebted to financial institutions (e.g. World Bank), which are controlled by Higher Income Countries. It's difficult for the Lower Income Countries to get out of debt because of the high interest they have to pay. This money could be spent on developing the country, e.g. through investing in education, roads, and business.



Learning outcomes

• Students can give examples of how past and current international relationships impact global inequality.







INEQUALITY AND OTHER GLOBAL ISSUES

Inequality is directly linked to other global issues. In the following paragraphs, inequality will therefore be described in more detail in relation to poverty, education, health care and the environment.

4 INEQUALITY AND POVERTY

Inequality & Poverty are interlinked⁹. One consequence of global economic inequality is that many people who produce essential things we use everyday (like shoes), are paid so little they can't afford to buy them themselves. Millions of people live in **absolute poverty**¹⁰ – they can't afford basic necessities such as food, shelter and clothing. 648 million people in the world, about eight percent of the global population, live in extreme poverty, which means they subsist on less than US\$2.15 per day¹¹.

Indigenous peoples are the most affected by poverty. Due to colonisation and other factors, they currently represent only about 6% of the world's population, but proportionally three times more of them live in extreme poverty compared to other groups and cultures.

Relative poverty is where household income is a certain percentage below average (median) incomes.

Millions of people in both rich and poorer countries are affected by relative poverty, which has a range of different types of impacts on people. For example, it can restrict tangible things, like access to healthcare, but also things that are less easy to quantify, such as how individuals and families feel about themselves.



Learning outcomes

 Students can explain the difference between absolute and relative poverty.

[9] https://www.eapn.eu/what-is-poverty/causes-of-poverty-and-inequality

[10] https://blogs.worldbank.org/en/voices/adjustment-global-poverty-lines

[11] https://blogs.worldbank.org/en/developmenttalk/half-global-population-lives-less-us685-person-day







5 INEQUALITY AND EDUCATION

Education is crucial to reducing the poverty gap because, among other things, it increases skills and levels of pay. However 250 million children don't go to school (Unesco 2023) and 773 million adults are illiterate. According to UNESCO data, the female adult literacy rates in low-income countries was 53 percent in 2020, compared to 69 percent for men¹². Literacy reduces gender inequality and inequality overall¹³. So UN Sustainable Development Goal (SDG) 4 aims to deliver quality education to all children, and so eliminate Gender disparity. Training sufficient numbers of teachers is a key aspect of this.



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Learning outcomes

• Students know that many children are unable to go to school and can explain the role of education in addressing social and economic inequality.

6 INEQUALITY AND HEALTHCARE

Lack of access to healthcare is another important social inequality. For example, mortality in Afghanistan is 101 deaths per 1000 births, compared with Slovenia which is 1.5 deaths per 1000 births¹⁴. Many poorer countries cannot afford to invest in *Universal Healthcare*. Consequently 1 in 5 children globally do not have access to essential immunizations¹⁵.

By comparison, in the Czech Republic, for example health care is available by law to all residents, not only for basic healthcare, but also, in the view of many foreign systems, for "extra" care such as post-operative rehabilitations in spas.

- [12] https://www.statista.com/chart/30787/global-adult-literacy-rates/
- [13] https://ourworldindata.org/literacy
- 14] https://www.cia.gov/the-world-factbook/field/infant-mortality-rate/country-comparison/
- 15] https://www.cdc.gov/globalhealth/immunization/data/fast-facts.html







However, things can improve. The WHO declared *Universal Healthcare* a basic human right in 1948. Under-five mortality rates fell rapidly between 2000-2015, declining by 44% globally. Death from Malaria also halved in this period. UN SDG Goal 3, *Good Health* aims to ensure healthy lives and well-being for all people. Although, more than half the world lacked access to essential health services¹⁶. Research has found that citizens who have access to affordable healthcare form a more productive workforce, strengthening the local economy, helping to lift countries out of poverty.



Learning outcomes

- Students can explain the connection between international inequality and access to health.
- They know that some countries can afford much better healthcare systems than others.
- They know that Universal Healthcare can help lift countries out of poverty.

7

INEQUALITY AND ENVIRONMENT

Inequality is also strongly linked to the environment. Indeed, pollution and environmental degradation exacerbate inequality and widen the gap between rich and poor. For example, most pollution-related infrastructures (e.g. mining mines, pipelines, radioactive storage sites or waste incinerators) are deliberately built by governments on indigenous territories.

Research shows that more unequal societies are associated with higher carbon emissions¹⁷. Manufacturing things to meet 'consumer demand' impacts on the environment.

[16] https://www.bmj.com/content/382/bmj.p2160

17] https://www.theguardian.com/inequality/2017/jul/04/is-inequality-bad-for-the-environment







At the same time, environmental problems can exacerbate inequality 18 , widening the gap between rich and poor. Poor countries (and people) are more vulnerable to the negative impacts of Climate Change and have fewer resources to adapt than richer ones, who produce much more of the CO2. Climate Change is causing more droughts and floods which increase poverty. Out of 258 million people facing high levels of acute food insecurity, over two thirds — 174 million — are there because of climate and conflict (United Nation).



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Learning outcomes

• Students can give some examples of the connections between global inequality and environmental issues.

8 INEQUALITY AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Following concern about rising inequality, governments worldwide came together under the United Nations, and established the Sustainable Development Goals. The SDGs approach is innovative because **the targets apply to all 193 countries**. Goal 10 is "To reduce inequalities within and between countries" by 2030¹⁹. This includes: increasing the income of poor people faster than the national average, reducing the cost for migrants to send money home, and allowing poor countries export goods 'duty-free'. It aims to give poorer countries more say in the global institutions who set the rules, like the World Bank and the IMF. National governments are also supposed to give aid and invest more in poor countries. SDG10 works in tandem with targets on Health and Education to reduce inequality.

NB the SDGs are also known as the 'Global Goals'.



[19] https://sdgs.un.org/goals









Learning outcomes

Students can outline the significance of the SDGs, specifically Goal 10.

INEQUALITY AND CIVIL SOCIETY

Many groups and organisations are taking action on income inequality. The Jubilee Debt Campaign worked to cancel the debt of the poorest countries. Between 2000-2015 the global Jubilee campaign achieved \$130 billion debt cancellation for developing countries.

One solution to inequality is Fairtrade. Fairtrade is a global movement, with a large presence in the EU, and is a more just and fair international trade system. It pays higher prices for commodities produced in developing countries, such as coffee and cocoa. A Fairtrade Premium is paid into community funds for farmers and workers to use as they see fit, whether this is education, healthcare or infrastructure in the community.

The Global Campaign for Education²⁰ (with members in over 120 countries) is based on the idea that education brings more equality of opportunity. It works to ensure that all children have access to quality primary education.



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Learning outcomes

- Students can describe some actions to reduce global inequality and their impact.
- Students understand that actions they can take as individuals are important as part of making a global difference.
- They are able to identify a small specific action that they can take (individually or collectively).

[20] https://campaignforeducation.org/en/







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