



## INEQUALITY – BRIDGING THE DIVIDE

Today, wherever people live, they don't have to look far to confront inequalities. Inequality in its various forms is an issue that will define our time. Confronting inequalities has moved to the forefront of many global policy debates as a consensus has emerged that all should enjoy equal access to opportunity. 'Leave no one behind' serves as the rallying cry of the 2030 Agenda for Sustainable Development.

Overall, since the 1990s total global inequality (inequality across all individuals in the world) **declined for the first time** since the 1820s. Reinforcing this trend, we have mostly seen income inequality between countries decline. Yet income inequality within countries has risen, this is the form of inequality people feel on a daily basis.

Inequalities are not only driven and measured by income, but are determined by other factors – gender, age, origin, ethnicity, disability, sexual orientation, class, and religion. These factors determine inequalities of opportunity which continue to persist, within and between countries. In some parts of the world, these divides are becoming more pronounced. Meanwhile, gaps in newer areas, such as **access to online and mobile technologies**, are emerging. The result is a complex mix of internal and external challenges that will continue to grow over the next twenty-five years.

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### ➤ INCOME INEQUALITY BETWEEN COUNTRIES HAS IMPROVED

For the most part we have seen income inequality between countries improve **in the last 25 years**, meaning average incomes in developing countries are increasing at a faster rate. This can be accredited to **strong economic growth** in China and other emerging economies in Asia. However, the gap between countries is still considerable. For example, the average income of people living in North America is **16 times higher** than that of people in sub-Saharan Africa.

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### ➤ INCOME INEQUALITY WITHIN COUNTRIES IS GETTING WORSE

Income inequality between countries has improved, yet income inequality within countries has become worse. Today, **71 percent** of the world's population live in countries where inequality has grown. This is especially important because inequalities within countries are the inequalities people feel day to day, month to month, year to year. This is how people stack up and compare themselves with their neighbours, family members, and society. Since 1990, income inequality has increased in most developed countries and in some middle-income countries, including China and India.

While **inequality has gone up** in the majority of countries over the past three decades, it has fallen in a few. In Latin America and the Caribbean, there has been a considerable decline, although levels remain high. In Africa and Asia, trends have been more varied, with greater similarities between emerging economies or landlocked developing countries, and between rural or urban areas, than within regions.

### ➤ THE VERY TOP

Despite progress in some regions, income and wealth are increasingly concentrated at the top. An Oxfam report shows that in the 10 years since the financial crisis, the number of billionaires has nearly doubled, and the fortunes of the world's super-rich have reached record levels. In 2018, the **26 richest people** in the world held as much wealth as half of the global population (the 3.8 billion poorest people), down from 43 people the year before.

This matters because rapid rises in incomes at the top are driving and exacerbating within country income inequality. From 1990 to 2015, the share of income going to the top **1 per cent** of the global population increased in 46 out of 57 countries with data. Meanwhile, in more than half of the 92 countries with data, the bottom **40 per cent** receive less than 25 per cent of overall income.

### ➤ IN YOUR SOCIETY, WHO YOU ARE, MATTERS

There are also inequalities within communities – and even families. Up to **30 per cent** of income inequality is due to inequality within households. When it comes to women and girls, progress is uneven. In many ways gender inequalities have been shrinking – the **gender pay gap**, for instance, has decreased for some women in certain occupations over the last couple of decades. However, at the same time, women and girls put in **12.5 billion hours of unpaid care work** each and every day – a contribution to the global economy of at least \$10.8 trillion a year, more than three times the size of the global tech industry.

Groups such as indigenous peoples, migrants and refugees, and ethnic and other minorities continue to suffer from discrimination, marginalisation, and lack of legal rights. This is pervasive across developing and developed countries alike and is not tied to income. For example, social protection has been significantly extended globally, yet persons with disabilities are **up to five times more likely** than average to incur catastrophic health expenditures. Additionally, a UNDESA report found that at the current rate of progress observed from the 1990s to the 2010s, it will take more than four decades to close the stunting gap between ethnic groups.

### ➤ MORE THAN INCOME

The measurements and impacts of inequality go far beyond income and purchasing power. Inequalities of opportunity affect a person's life expectancy and access to basic services such as healthcare, education, water, and sanitation. They can curtail a person's human rights, through discrimination, abuse and lack of access to justice. In 2018, we saw the world's **12th consecutive year of decline** in global freedom, with 71 countries suffering net declines in political and civil liberties.

**High levels of inequality of opportunity** discourage skills accumulation, choke economic and social mobility, and human development and, consequently, depress economic growth. It also entrenches uncertainty, vulnerability and insecurity, undermines trust in institutions and government, increases social discord and tensions and trigger violence and conflicts. There are growing evidence that high level of income and wealth inequality is propelling the rise of nativism and extreme forms of nationalism.

In addition, the evolution of issues such as **climate change, technology**, and urbanisation raise urgent policy challenges. For example, climate change is exacerbating environmental degradation, increasing the frequency and intensity of extreme weather events, and by no means impacting people uniformly. If climate change continues unaddressed it will **increase inequality within countries** and may even reverse current progress in reducing inequality between countries. Meanwhile, technology can be a great equaliser – by enhancing connectivity, financial inclusion, access to trade and public services, for instance – but those yet to be connected may experience further **marginalisation** as a result, especially as **progress is slowing**, even reversing, among some constituencies. With a global trend toward urbanisation, cities are becoming a growing site for inequalities. They find high

levels of wealth and modern infrastructure coexist with pockets of severe deprivation, often side by side. This makes gaping and increasing levels of inequality all the more glaring within cities.

### ➤ TACKLING INEQUALITIES

Rising inequality is not the only way forward. For example, between 2010 and 2016, the incomes of the **poorest 40 percent of the population** grew faster than those of the entire population in 60 out of 94 countries with data. This shows inequality is neither inevitable nor irreversible.

There is a clear need to pursue inclusive, equitable, and sustainable growth, ensuring a balance among economic, social, and environmental dimensions of sustainable development. However, inequality takes many forms and varies significantly across countries. While **Goal 10 of the Sustainable Development Goals** (SDG 10) and its targets provide a framework, the fight against inequality must be rooted in country-contexts, economic imperatives, and political realities. There is no scope for a one-size fits all approach, and national policies and institutions matter.



### FOR MORE INFORMATION



- [🔗 The Sustainable Development Goals](#)
- [🔗 UNDESA | World Social Report 2020 Inequality in a Rapidly Changing World](#)
- [🔗 UNDESA | Inequality](#)
- [🔗 UNDP | Human Development Report 2019](#)
- [🔗 UNDP | Global Multidimensional Poverty Index](#)
- [🔗 UN University | World Income Inequality Database](#)
- [🔗 World Bank | Poverty and Shared Prosperity 2016](#)