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Inequality Is Everywhere, but Not Inevitable.

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Structure

- Introduction / Quotes / Anecdotes
- Types of inequalities
- Methods of calculating inequality
- Inequality everywhere?
- Steps taken by India to reduce inequalities
- Recommendations to reduce inequalities or Way Forward
- Challenges and Conclusion

You can start with the quotes:

- "I'll fares the land, to hastening ills a prey, Where wealth accumulates, and men decay." - Oliver Goldsmith
- "No person, I think, ever saw a herd of buffalo, of which a few were fat and the great majority lean. No person ever saw a flock of birds, of which two or three were swimming in grease, and the others all skin and bone." - Henry George
- "The disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition is the great and most universal cause of the corruption of our moral sentiments." - Adam Smith
- "An imbalance between rich and poor is the oldest and most fatal ailment of all republics." –Plutarch
- "Our inequality materializes our upper class, vulgarizes our middle class, brutalizes our lower class." –Matthew Arnold
- "The poor have sometimes objected to being governed badly. The rich have always objected to being governed at all." –G. K. Chesterton

What are the types of Inequalities?

According to Joseph Rowntree Foundation, there are five types of inequality:

1. Political equality, in includes civic equality and equality before the law
2. Equality of outcome or result, meaning primarily equality of income and wealth
3. Equality of opportunity, or equality of access or of life chances

4. Equality of treatment, which can be taken to include or at least help to generate equality of agency and responsibility
5. Equality of membership in society or social equality

Political inequality refers to the unequal influence over decisions made by political bodies, the unequal outcomes of those decisions and access to public resources, such as publicly financed health, education, housing, financing, and other services. Political inequality is a subtype of power inequality, visible within the political processes of all kinds of political structures. In modern democracies, political inequality is simultaneously a dimension of democracy and a dimension of stratification.

Social inequality refers to relational processes in society that have the effect of limiting or harming a group's social status, social class, and social circle. Areas of social inequality include freedom of speech and assembly, the extent of property rights and access to education, health care, quality housing, traveling, transportation, vacationing and other social goods and services. Apart from that it can also be seen in the quality of family and neighbourhood life, occupation, job satisfaction, and access to credit. Social inequality can emerge through a society's understanding of appropriate gender roles, or through the prevalence of social stereotyping. It can also be established through discriminatory legislation. Social inequalities exist between ethnic or religious groups, classes and countries making the concept of social inequality a global phenomenon.

Income inequality counts as the differences in wages, interest, rent, dividends, realized capital gains, pensions, and unemployment benefits before taxes and transfers.

Female suffrage was fiercely resisted in the western nations, not just by the unenlightened but by some of the finer minds, such as the great constitutionalist A.V. Dicey.

Equality often conflicts with liberty, for example. The government cannot engineer greater equality in economic relations without damaging the freedom of the more thrusting citizens to get ahead.

While individual efforts, such as studying and working hard, innovating and venturing an enterprise should be rewarded, the bulk of global inequality is determined by the place of birth and the socioeconomic status of parents, limiting the opportunities available to poorer people. For example, a brilliant and hard-working person in sub-Saharan Africa will most likely live a much poorer and shorter life than an average European who does not work so hard. The equality of citizens was a basic element in the rise of the Greek city-state. But it was an impaired form of equality as it did not include women and slaves, and in some of the earlier cities it did not include the poorer citizens either.

What are the methods of calculating inequality?

Gini Coefficient

The Gini coefficient measures inequality across the whole of society rather than simply comparing different income groups. If all the income went to a single person (maximum inequality) and everyone else got nothing, the Gini coefficient would be equal to 1. If income was shared equally, and everyone got exactly the same, the Gini would equal 0. The lower the Gini value, the more equal a society. Most OECD countries have a coefficient lower than 0.32 with the lowest being 0.24. The UK, a fairly unequal society, scores 0.35 and the US, an even more unequal society, 0.38. In contrast, Denmark, a much more equal society, scores 0.25. The Gini coefficient can measure inequality before or after tax and before or after housing costs. It will change depending on what is measured.

Ratio Measures

Ratio measures compare how much people at one level of the income distribution have compared to people at another. For instance, the 20:20 ratio compares how much richer the top 20% of people are, compared to the bottom 20%. Common examples:

1. 50/10 ratio – describes inequality between the middle and the bottom of the income distribution
2. 90/10 – describes inequality between the top and the bottom
3. 90/50 – describes inequality between the top and the middle
4. 99/90 – describes inequality between the very top and the top

Gender Inequality in India: "Women are often paid less than men for doing the same job, despite working longer hours. For instance, in India, the wage gap is 32.6%. Even in societies that are considered to have achieved high levels of gender equality overall, there remain significant gender gaps in income and influence," the report pointed out. (Oxfam, 2017)

Inequality Everywhere? A look at inequality in different regions of the world

United States

According to report by the Congressional Budget Office, an analysis of the data over the last four decades from 1979 through 2007. Depending on the income measure, the inequality increased between 23 percent and 31 percent in the US. But from 2007 through 2014, the figure stabilized. Looking at market income, inequality increased by only 3 percent. After adding cash payments and in-kind transfers from government safety net programs, inequality actually fell over the period.

Russia

According to a report by Credit Suisse, Russia is the most unequal of all the world's major economies. The richest 10% of Russians own 87% of all the country's wealth compared with 76% in the US and 66% in China. According to another report by VTB Capital: 1% of the Russian population holds 46% of all the personal bank deposits in the country.

Britain

After increasing sharply through the 1980s, income inequality in Britain has fallen across most of the distribution over the past two decades, although incomes towards the very top have continued to pull away. The fall in inequality across most of the distribution largely reflects two episodes: a period of 'inclusive growth' in the late 1990s and early 2000s when inequality fell while incomes were growing strongly and the Great Recession and its aftermath.

Japan

According to a survey of global wealth by Credit Suisse: Japan is the most equal major economy in the world in terms of wealth distribution. Together with Japan's high average wealth, this relative equality means few adults have assets below US $10,000 [£7,800]. The proportion of the population with wealth above US $100,000 is seven times the global average.

But the edifice of Japanese-style egalitarianism is beginning to crumble. Rapid depopulation, coupled with a rise in the number of people aged 65 or over, have presented recent governments with a policy conundrum they have yet to solve: how a shrinking workforce can meet a national bill for social security and healthcare that is expected to balloon in the coming decades.

Nordic Countries

The five Nordic countries – Denmark, Finland, Iceland, Norway and Sweden – are some of the world's most equal on a number of measures. The Nordic countries are all social-democratic countries with mixed economies. These countries have achieved very high levels of welfare and wellbeing, alongside levels of economic output that compare well with other highly developed countries. They result from relatively high levels of social solidarity and taxation, alongside a political and economic system that preserves enterprise, economic autonomy and aspiration. These countries show that major egalitarian reforms and substantial welfare states are possible within prosperous capitalist countries that are highly engaged in global markets. Using the Gini coefficient measure of income inequality using OECD data, the five Nordic countries ranged from 0.25 (Iceland – the most equal) to 0.28 (Sweden) while the US had a score of 0.39 and the UK a slightly more equal score of 0.35 – both above the OECD average of 0.31.

But recently, there has been a rise in inequality in the nordic countries. According to 2018 edition of Nordic Economic Policy Review: major factor seems to have been that the tax and benefit systems have become less redistributive, mainly because benefits have not risen at the same rate as wages. At the same time, the top-income shares, i.e. the share of total national incomes that goes to those with the highest incomes, have also increased in the Nordic countries. This is because capital incomes, which make up an increasing proportion of total incomes, are more unevenly distributed than other types of income due to income from dividends and capital gains, which are very unevenly distributed, increasing in importance in relation to income from interest, which is more evenly distributed.

Africa

According to a new study by the UN Development Programme (UNDP), South Africa has the highest recorded level of income inequality in the world. Of the 19 most unequal countries in the world, 10 are in Africa, according to the UNDP's Income Inequality Trends in sub-Saharan Africa Inequality in South Africa is now higher than global inequality; the same is true for Botswana and Swaziland too. On the other hand, the lowest within-country income inequality in 2015 is observed in Belarus.

Inequality - Not Inevitable?

According to Bruegel, a European think tank, there was a slight decline in global income inequality among the citizens of 146 countries from 1988-2000, since when the decline has accelerated. The 20072009 global financial and economic crisis has not changed this trend and the decline has continued, even though the fall of global Gini in 2015 was the lowest since 2000.

One offsetting factor was the increase in within-country inequality across the 146 countries, which pushed up the global Gini coefficient by 1.6 points, reflecting a general increase in within-country inequalities. Yet it is noticeable that this factor has been stable in 2009-15, implying that, on average, within-country income inequality did not increase further in recent years. The other offsetting factor is the change in relative population size, which increased the global Gini by 1.7 points in 1988-2015. This increasing impact indicates that the population of poorer countries has increased relative to the population of richer countries.

The bulk of decline in income inequality among 146 countries is the consequence of income convergence of China and India, but if we exclude the impacts of these two populous countries, global income inequality increased up to 2000 and the decline since then is relatively slow.

Steps taken by India to reduce inequalities:

The government's approach to Poverty Reduction was of three dimensions.

1. **Growth oriented approach**: It is based on the expectation that the effects of economic growth — rapid increase in gross domestic product and per capita income — would spread to all sections of society and will trickle down to the poor sections also. This was the major focus of planning in the 1950s and early 1960s.
2. **Poverty alleviation programmes**. Incomes and employment for the poor could be raised through the creation of incremental assets and by means of work generation. This could be achieved through specific poverty alleviation programmes. Examples of self-employment programmes are Rural Employment Generation Programme (REGP), Prime Minister's Rozgar Yojana (PMRY) and Swarna Jayanti Shahari Rozgar Yojana (SJSRY).
3. **Provide minimum basic amenities to the people**. India was among the pioneers in the world to envisage that through public expenditure on social consumption needs — provision of food grains at subsidised rates, education, health, water supply and sanitation— people's living standard could be improved. Programmes under this approach are expected to supplement the consumption of the poor, create employment opportunities and bring about improvements in health and education.

Inequality Drives Growth

Rising levels of economic inequality often correlate with economic growth. For eg.: China: In 1979, the Chinese government introduced several new programs designed to stimulate the economy. Soon afterward, the Chinese GDP annual growth rate rapidly increased from 5.3% in 1979 to over 15% in 1984. The growth rate rose and fell in the years that followed, but China has generally maintained one of the highest rates of growth globally since the 1980's. During the same period of time that rapid Chinese economic growth took place, economic inequality in China also increased noticeably. US: There was economic expansion experienced in the years prior to 2008 in the US. This period coincided with increasing rates of income inequality. Inequality fell between 2007-2008, during the economic recession. Then, as the U.S. economy recovered from the recession, so did rates of income inequality.

Incentives are greater for innovation and entrepreneurship when inequality is pronounced. For eg. large salaried executive positions create an incentive for lower paid workers to win coveted labor positions. The less-wealthy members of a society work harder, create new businesses, or invent new products to become a member of the highest income group. On the other hand, when the gap between income levels is small, those in lower income groups have less of an incentive to move up in income.

Inequality Increases Fairness: Some argue a society with pronounced economic inequality is fairer than a society with a generally equal wealth distribution. Unconstrained markets tend to naturally develop pronounced economic inequalities. ? Economic equality then generally requires the utilization of redistributive state policies such as progressive taxes. In basic terms, economic equality requires taking from the "haves" and giving to the "have nots." Redistribution does not appear fair to some, especially from the perspective of the wealthy.

Arguments for Reducing Inequality

Inequality Stifles Growth

Though a degree of inequality can act as a positive influence on economic growth in the short term, some economists find empirical evidence of a negative correlation of about 0.5-0.8 percentage points between long-term growth rates and sustained economic inequality. A high level of economic inequality means a higher level of poverty. Poverty is associated with increased crime and poor public health, which places burdens on the economy. In the face of increasing food prices and lower incomes, support for pro-growth government policies declines. Wealthy citizens maintain disproportionate political power compared to poorer citizens, which encourages the development of inefficient tax structures skewed in favor of the wealthy. Unequal income distribution increases political instability, which threatens property rights, increases the risk of state repudiated contracts, and discourages capital accumulation. A widening rich-poor gap tends to increase the rate of rent-seeking and predatory market behaviors that hinder economic growth. Growth is suppressed in economically unequal societies, after a phase of increased growth, by the decreasing availability of investments for human capital. ? Physical capital becomes increasingly scarce, as fewer individuals have funds to invest in training and education. As a result, demands for human capital are difficult or impossible to meet, and economic growth stalls. As an additional consequence, market demands increase for risky unsecured loans, which increase lenders' risk exposure to the borrower's default. More risks in the markets increase market volatility and the possibility of cascading defaults such as the 2008 subprime mortgage crisis.

Inequality Increases Crime

Studies establish a positive relationship between income inequality and crime According to a survey of research conducted between 1968 and 2000, most researchers point to evidence economically unequal societies have higher crime rates. That survey concludes that inequality is "the single factor most closely and consistently related to crime." Disadvantaged members of a society may be more likely to suffer from resentment and hostility as a result of their economic position or competition over scarce jobs or resources, resulting in a higher propensity for criminal behavior.

Inequality increases the incentive to commit crimes. Fewer methods of lawfully obtaining resources are available for the increasing number of poor who live in an unequal society. Even when risks of punishments are taken into account, illegal methods of gaining assets may provide better returns than legal means of obtaining resources. A wide gap between rich and poor tends to increase crime by reducing law enforcement spending in low-income areas. Wealthy members of a society tend to concentrate in secluded communities, especially as the disparity between the rich and poor increase. ? Rich neighborhoods or countries have more funds for the police than their poorer counterparts, resulting in a less effective police force or a higher number of officers susceptible to bribes in an increasing number of poor areas. Increasingly concentrated wealth leads to higher crime rates in poor areas which are prevalent in economically unbalanced societies. In societies with a sufficiently high degree of economic inequality, state investments in reducing economic inequality is vastly more effective at reducing crime than increasing spending law enforcement.

Inequality Decreases Health

The impoverished members of society are subject to disproportionate occurrence rates of certain kinds of illnesses. Access to quality health care and healthy food is sometimes limited or unavailable for poor individuals. The result of a substantial poor population, a defining feature of economic inequality, is a less effective lower-income workforce, higher disease and mortality rates, higher health care costs, and progressively deepening poverty for afflicted groups.The term "food desert" originated in Scotland during the early 1990s in the context of a public sector housing report. Although the term originated in Scotland, its prevalence steadily increased since the 1990s in the United Kingdom, eventually becoming a common topic of research affecting public policy internationally.

Economic Inequality Increases Political Inequality

When wealth distribution becomes concentrated in a small number of hands, political power tends to become skewed in favor of that small wealthy group. High-income groups are able and incentivized to manipulate government in their favor through both legal processes and through corrupt practices. Impoverished or working class groups are simultaneously less able to become educated or participate in the political process as economic means become increasingly scarce. Wealthy groups receive political advantages in several different ways. In democratic societies that lack public financing of campaigns such as the United States, political figures require private financial backing in order to run effective campaigns. While more money spent does not always result in more votes, campaign expenditures correlate so closely with votes that researchers have been able to reliably predict that for every $5 spent, a candidate will receive approximately one vote. Wealthy donors are given extreme access to elected officials. Politicians are likely to be reluctant to support policies that are not in the interests of their wealthy backers for fear of losing vital financial support and subsequently the next election. Low-income groups are less able to influence elected officials. Political interest and involvement is substantially depressed in economically unequal societies. According to one survey, individuals living in the most economically equal societies are four times more likely to be actively involved in politics and 2.7 times more likely to vote compared to the most economically unequal society. Poorer groups are politically disadvantaged by the inability to dedicate time for political activities. Lower income groups tend to spend more time at work or securing basic needs. Consequently, they are less able to invest time or money to obtain political knowledge or participate in the political process. Additionally, economic inequality decreases participation by the poor because the poor are less able to influence outcomes The apparent futility of low-income groups' efforts to influence policy discourages subsequent attempts to affect policies. Some government officials may be especially susceptible to bribes if the officials are subject to the increased economic pressures present in an economically unequal society. Further, extremely wealthy community members are more able to afford to pay bribes in a relatively unequal economic state.

Inequality Decreases Education

Substantial empirical research reveal link education and poverty. Nations with a high degree of economic equality and a relatively small low-income population tend to have a substantially higher level of education. A one-point increase in the Gini coefficient (a measurement of income inequality) translates into a 10% decrease in high school graduation rates and a 40% increase in college graduation. In an economically unequal society, the society-wide average level of education decreases while the number of educational elites increases. One proposed causal connection between education and inequality is unequal societies tend to underinvest in education. Absent private or public scholarship programs, the poor are unable to afford to pay for education or spend the time in school that could have otherwise been spent working. For eg.: Sweatshops in countries like Bangladesh provide an example of poverty's effect on education. Sweatshops in Bangladesh employ young children, which give destitute families much needed economic support. However, the children who work in the sweatshops are unable to attend schools or obtain an education because of their economic needs. The children's future earning potential decline and the likelihood increases the child and the family continue to live in poverty. In unequal societies, government support tends to decline for public education programs. As the rich become increasingly wealthy, public policies become increasingly favorable to the policy goals of the economic elites. Public education programs tend to be unpopular with the wealthy because they involve taking public funds, which often primarily consist of taxes imposed on the rich, and redistributing those resources to the poor The beneficial effect of increased GDP growth correlates with higher rates of inequality.

How to Reduce Inequality

The Institute of Policy Studies recommends the following methods to reduce inequality:

1. **Progressive Income Tax**: After falling for much of the 20th century, inequality is worsening in rich countries today. The top one percent is not only capturing larger shares of national income, but tax rates on the highest incomes have also dropped.
2. **Stop Illicit Outflows**: According to Global Financial Integrity, developing countries lost $6.6 trillion in illicit financial flows from 2003 through 2012, with illicit outflows increasing at an average rate of 9.4 percent per year. That's $6.6 trillion that could reduce poverty and inequality through investments in human capital, infrastructure, and economic growth.
3. **Enforce a Living Wage**: Governments should establish and enforce a national living wage, and corporations should also prioritize a living wage for their workers and with the suppliers, buyers, and others with whom they do business. Low and unlivable wages are a result of worker disempowerment and concentration of wealth at the top - hallmarks of unequal societies.
4. **Workers' Right to Organize**: Extreme inequality requires the disempowerment of workers. Therefore, the right of workers to organize and bargain collectively for better pay and conditions is a global human rights priority. Despite Article 23 of the Universal Declaration of Human Rights— which declares the right to organize as a fundamental human right—workers worldwide still face intimidation, fear, and retribution for attempting to organize collectively. Where unions are strong, wages are higher and inequality is lower.
5. Thomas Piketty (in Capital in the Twenty-first Century) recommends an international agreement establishing a wealth tax. Under his plan, countries would agree to tax personal assets of all kinds at graduated rates.
6. **New Theories for Economics**: Economist and Rhodes Scholar E .F. Schumacher advocates that humanity needs an economics that creates wealth for all people, just not money for privileged people and corporations. Economics should take into account ethics and the environment, and treat its claims less like invariable truths.

Challenges

Despite several concerted efforts by supranational and national institutions to reduce inequalities, there exists several challenges that has the potential to make inequality inevitable. These challenges have been discussed below:

Geographical Challenges:

? Naturally disadvantageous regions like mountains, polar regions, deserts, forests, etc. have limited opportunities for development.

? Unprecedented population growth in developing nations and unsustainable consumption pattern of developed nations has resulted into rapacious exploitation of natural resources resulting into environmental degradation. Such as deforestation of equatorial rainforests of amazon, increasing desertification along Sahara and Thar Deserts, soil erosion and degradation in the Himalayas, water pollution in Ganges, Yamuna, Pamba, Kasardi, Mula Mutha Rivers, etc.

? According to World Wide Fund for Nature (WWF) We're losing 18.7 million acres of forests annually, equivalent to 27 soccer fields every minute.

? Environmental degradation has maximum detrimental effects on tribals, small and marginal farmers, etc. It pushes them into vicious cycle of poverty and inequality.

Political Challenges

? In many countries of Middle East, women have not been given voting rights and their representation in the Parliament is minimal.

? In India, Nagaland saw torching of dozens of government buildings by tribal organizations in February, 2017. The protest was against the 33% reservation for women in urban local body elections. Such traditional mindset in conservative societies is the biggest challenge towards reducing inequalities.

Economic Challenges:

? Certain countries have limited economic resources. On the top of it, if the priorities are misplaced, the limited economic resources are inefficiently and ineffectively invested. Example: If the recent obsession with grand statue buildings in India continues, it has the potential to divert the limited economic resources towards vain.

? African continent is marred with poverty, malnourishment, high mortality,infectious and parasitic diseases, etc. However, the governments focussed is not towards eradicating these evils but towards heavy investment in defence budget.

? According to Demographic transition model, most of the developing countries are in the early to late second stage. This is the stage of population explosion. In India (presently in 3rd stage) 65% of the population lies below the age of 35 years.According to NITI aAYOG, This social capital has the potential to convert itself from demographic dividend to demographic disaster if concerted efforts are not taken towards skilling, improving health and education infrastructure, etc.

? International institutions like World Bank, International Monetary Fund, United NAtions General Assembly (UNGA), International Criminal Court (ICC) etc. are characterized with biased and partial decisions and also lacks democratic characteristics. This in turn slows down the concerted efforts of reducing inequalities.

Environmental Hazards Challenges:

? Tropical countries are prone to natural hazards like tropical cyclones, tsunamis, storm surges, landslides, etc. Most of the developing and Least developed nations are located in the tropical zone. Example: Cyclone Phailin in 2013 caused devastation worth $3-4 billion in Odisha alone.

? Tropical nations especially African countries are full with parasitic and infectious diseases. Emergence of deadly diseases like Ebola, Zika, etc. have the potential to further exacerbate inequality.

? Climate Change and global warming is presumably going to be the biggest hurdle for mankind in future for removing inequality. Recurrent droughts and frequent floods in India and increasing famines and droughts in Sahel belt and Horn of Africa has manifested the deadly consequences Climate Change can bring on humanity.

Social Challenges:

? Despite several judgments by Supreme Court to reduce inequalities like decriminalization of Section 377 and 498A, criminalization of triple talaq, removing ban on entry of women in Sabrimala temple, etc. certain pressure groups have not responded coherently.

? Despite several women like Priyanka Chopra, Jennifer Lawrence, etc. asserting openly about equal pay for equal work i.e. removing income inequality between genders, women are still seen as subservient to men in many workplaces.

? In countries of Middle East, women have not been given rights at par with men. It was in the year 2018 when women of Saudi Arabia were given rights to drive and watch movies in theaters along with their counterparts.