



10 MYTHS ABOUT...

INEQUALITY WORLDWIDE

Sorting facts from fiction.

How much do you know about inequalities in the world today?

Take a look and explore 10 common myths about market economics, women's empowerment and the technology divide.

Photo: 'Vertical Slums - The Stunning Beauty Of Hong Kong's Cityscapes' by Man Ng via https://www.flickr.com/photos/man_ng2000/
Used under Creative Commons (CC BY 2.0). Minor modifications to image made: colour, crop and rotate.



INTRODUCTION

It is a shocking reality that at a time when the world has never been wealthier, it has also never been more unequal. This reality affects not just income or wealth but also health, education, life chances and meaningful participation in society.

There are continuing deep divides between and within countries despite recent extraordinary economic growth leading to real improvements in basic living standards for many. These inequalities can be seen in gender, race, geography and socioeconomic status. In some parts of the world, divides based around identity are becoming even more significant while newer areas such as access to online and mobile technology deepen inequality even further.

This reality implies that the promise and intention of the 2030 Agenda for Sustainable Development (the SDGs) to leave no one behind is unlikely to happen unless there is urgent and fundamental change before 2030.

These inequalities and their consequences are closely linked to a series of other important issues affecting the world and the planet such as climate change, environmental destruction, urbanisation (especially the growth of mega ‘slum’ cities) and migration.

Governments are the central players in this agenda as are the international bodies they have created to monitor and address inequalities. They are also responsible for protecting those who lose out due to inequality and for ensuring that the costs of necessary changes are shared equitably. Other major actors such as trade unions, professional associations, teachers, churches, employers, farmers and NGOs also have key roles.

Many of the most fundamental inequalities do not emerge spontaneously – they are often nurtured and sustained in the minds and behaviours of individuals and groups. It is here that the urgent agenda for change also needs to begin.

WHY THINKING ABOUT INEQUALITY MATTERS

1. **Sadly, inequality haunts our planet and fundamentally restricts the lives and life chances of many, many groups.** It damages individuals, families, communities and whole societies and limits their potential. How we think about the world's many inequalities is one of the greatest obstacles to tackling it.
2. **It is important that we sort fact from fiction** – the growth of inequalities has taken on a status almost similar to 'natural laws' or rules, ones that many believe cannot be altered or even challenged.
3. **There are many deeply ingrained myths around inequality** – only by exploring and challenging these myths can society understand, imagine and show in practice the idea that 'all are born equal'.
4. **We need to urgently recognise** that the many forms of inequality experienced by individuals, societies and countries worldwide are seriously damaging to human development, to the concept of equality itself and to the future well-being of the planet.

Today, two-thirds of the world's population live in countries where inequality has grown in the past decade.

Further information

This booklet has been developed using a number of respected and constantly reviewed data sources; we suggest the following ones as starting points for exploring the issue.

- **Our World in Data:** <https://ourworldindata.org/global-economic-inequality> - a great place to start where you can find data, charts, graphs and references
- **World Inequality Database** (World Inequality Lab, Paris) <https://wid.world> - another 'one-stop-shop', huge bank of data, tables, graphs at world, regional and country level; produces the World Inequality Report <https://wir2018.wid.world> - a leading research and analysis institute
- **UNDP Human Development Report 2019** <http://hdr.undp.org/en/2019-report> - flagship international report exploring a wide variety of inequalities and how they are evolving, detailed yet very accessible
- **World Social Report 2020: Inequality in a Rapidly Changing World** – a major report updating and summarising inequality megatrends from the UN Department of Economic and Social Affairs <https://www.un.org/development/desa/dspd/world-social-report/2020-2.html>



The Sustainable Development Goals (SDGs) are an internationally agreed agenda for moving toward a better, more just and sustainable future for all of us and for the planet. The Goals seek to begin to address the key global challenges we face including those related to poverty, inequality, climate, environmental degradation, peace and justice.



The Goals interconnect and in order to achieve their overall goal of leaving no-one behind, we need to work together on the targets established for each individual goal. Despite the many critiques of the SDGs principally for lacking real ambition and for being significantly weak in addressing key issues, they represent a useful platform for debating the agenda.

SDG 10 relates to the issue of reducing inequality within and among countries.

It promotes the need to adopt national and international policies that promote social protection mechanisms that progressively achieve greater equality. It stresses the need to improve the regulation of global financial markets and institutions and to strengthen the voice and special needs of developing countries in decision-making in these areas, especially trade.

SDG 10 aims to encourage official aid and finance including foreign direct investment especially to states where the need is greatest particularly the world's least developed countries, to African countries, small-island developing States and landlocked developing countries.

The Goal seeks to facilitate orderly, safe, regular and responsible migration through the planned and well-managed migration policies.

See <https://sdgs.un.org/goals>

[MYTH 01]

**WHILE ECONOMIC
INEQUALITY CONTINUES
TO EXIST, THE
SITUATION IS GETTING
MUCH BETTER AND
TRENDS FOR THE
FUTURE ARE POSITIVE**

[FICTION]

In relative terms, income inequality between countries is going down and has been doing for some time. After many decades of rising international inequality, the relative gap in average national incomes is decreasing. This is particularly true in Asia where strong economic growth has been the main driver of this trend.

Despite this, disparities among countries are still very large. The average income of people living in the US is 16 times higher than that of people in sub-Saharan Africa while that for those in the EU is 11 times higher.

While many low-income countries are growing at a faster rate than high-income countries, the absolute gap between the average income of high- and low-income countries has been increasing from about \$27,600 in 1990 to over \$42,800 in 2018. While the number of people living in poverty has declined rapidly over the past 2-3 decades, the average income of the poorest has not significantly increased.

The regional location of the bottom 10% has changed dramatically. In 1988, about 40% of all people in this category lived in China but by 2008, the vast majority lived in sub-Saharan Africa and India. China's growth explains most of the improvements at the centre of the global income distribution.

While incomes for every person in the middle range of countries has increased, on average, the top 1% of people have captured 27% of all income growth between 1980 and 2016. In the same period the income share of the bottom 50% remained at about 9%.

This results in a situation where the world's 2,153 billionaires have more wealth than the 4.6 billion people who make up 60% of the planet's population.

Inequality is continuing to grow significantly.

For more: <https://ourworldindata.org/global-economic-inequality>

[MYTH 02]

INEQUALITY IS ESSENTIALLY ABOUT ECONOMICS

HUMAN DEVELOPMENT INDEX (HDI)

In order to try to streamline the many different measures that were being used to measure development, in 1990 the United Nations Development Programme office decided that it was time to combine some measures into a more usable format rather than measuring by national income alone.

The HDI was introduced to combine three measures — life expectancy (a social measure), education (average number of years of schooling and expected years of schooling— a social measure) and gross national income per capita (an economic measure). Countries are then categorised and ranked as low, medium, high or very high human development countries in an annual Human Development Report.

[FICTION]

The 2019 Human Development Report summarises the argument eloquently:

'In every country many people have little prospect for a better future. Lacking hope, purpose or dignity, they watch from society's sidelines as they see others pull ahead to ever greater prosperity. Worldwide many have escaped extreme poverty, but even more have neither the opportunities nor the resources to control their lives. Far too often gender, ethnicity or parents' wealth still determines a person's place in society.'

Inequality is not just about disparities in income and wealth. Gender and race, access to education and health and class all continue to shape inequality.

Taking two young people in 2000, one from a very high human development country and the other from one with a low human development, shows the nature and consequence of inequality today.

PERSON FROM HIGH HUMAN DEVELOPMENT COUNTRY

More than 50% chance of accessing higher education

1% of children will have died before age 20

PERSON FROM LOW HUMAN DEVELOPMENT COUNTRY

3% chance of accessing higher education

17% of children will have died before age 20

So, circumstances almost entirely beyond their control have already set these two young people on very different and very unequal paths – paths that are likely to be irreversible.

Inequality operates similarly within countries. In some developed countries the gaps in life expectancy at age 40 between the top 1% and the bottom 1% of the income distribution range are estimated to be as high as 15 years for men and 10 years for women.

These inequalities will stretch on into the 22nd century shaping the lives of very many millions of people worldwide.

[MYTH 03]

**EXTREME ECONOMIC
INEQUALITY IS MOSTLY
ASSOCIATED WITH
POORER AND LESS
DEVELOPED SOCIETIES;
AS SOCIETIES DEVELOP
INEQUALITY INEVITABLY
REDUCES**

[FICTION]

Worldwide income inequality is on the rise in nearly all countries after declining from the 1920s to the 1970s. This rise has been sharpest in the most industrialised countries. The US has experienced the rise more than in any other developed country since 1980. The income share of the bottom 50% collapsed while that of those at the top has boomed.

Recent evidence suggests economic inequality (which analyses wealth as well as income) is highly uneven worldwide. In 2017 the global top 10% (the richest 10%) in the US, Europe and China owned more than 70% of total world wealth while the top 1% owned 33%. In stark contrast the bottom 50% owned less than 2%, with the gap continuing to increase.

In European countries, the top 10% income earners (before tax) received 29% of total regional income in 1980 while the bottom 50% received 24%. In 2017 the income share of the top 10% had risen to 34% while the poorest half of the population received only a fifth. The incomes of the top 0.1% of earners more than doubled and the incomes of the top 0.001% nearly tripled.

Ireland is no exception to this general European pattern. The share of gross income going to the top 1% of earners increased from 34% in 2011 to 39% in 2016. Over half of the increase in total income (€21 billion) in the same period has gone to the top 10% of earners. The bottom 50% received just 6% of that increased income.

Note: While we have a lot of data and information on poverty, we have much less on wealth as the wealthy are skilled in hiding much of it (see the Panama Papers and Paradise Papers news reports).

More on Ireland: <https://www.socialjustice.ie/content/taxonomy/tags/inequality>, internationally <https://wir2018.wid.world>

[MYTH 04]

**LOOKING TO THE
FUTURE, INEQUALITY
WILL INEVITABLY
DECREASE**

BASED ON CURRENT PREDICTIONS... [FICTION]

If the world continues to follow the 'business as usual' model in the years immediately ahead, global inequality will most likely continue to rise. This is despite the expected strong growth in low-income countries. Based on experience to date, reductions in economic inequality are by no means inevitable, quite the opposite.

Reliable projections (see the reference below) currently indicate that if within-country inequality continues to rise as it has since 1980, then global income inequality will also rise steeply, even under conditions of favourable growth (a questionable assumption in itself given environmental destruction and climate change). The global top 1% income share could increase from nearly 20% today to more than 24% in 2050, while the global bottom 50% share would fall from 10% to less than 9%.

If all countries were to follow the high inequality growth pattern of the US since 1980, the global top 1% income share would rise even more to about 28% by 2050. This rise would largely be made at the expense of the global bottom 50% whose income share would fall to 6%.

In contrast, if all countries were to follow the relatively lower inequality growth pattern of Europe since 1980, the global top 1% income share would decrease to 19% by 2050, while the bottom 50% income share would increase to 13%.

The difference between the high and low inequality growth patterns described above has enormous consequences especially for those at the bottom. Under the US-style, the bottom half of the world population would earn about €4,500 per adult per year in 2050 (with the situation of the poorest very much worse) as against €9,100 in the EU-style pattern.

For more on the debate, see <https://www.un.org/development/desa/dspd/world-social-report/2020-2.html>

[MYTH 05]

**INEQUALITY
PROMOTES
GROWTH AND
DEVELOPMENT**

[FICTION]

Recent research (see below) suggests strongly that countries with high and rising inequalities generally experience slower growth than those with greater inequality. Experience and evidence from across the world in recent decades also highlights how inequality negatively impacts on development in three key ways.

- **Inequality of opportunity:** inequality damages the life choices and opportunities for many groups especially lower-income groups; it also leads to spatial inequalities with poor neighbourhoods and regions often falling behind. This reduces the present and future potential development of people, communities and societies.
- **Inequality across generations** reinforces divisions in society, limits further the potential of disadvantaged groups based solely on inherited resources and wealth alongside networking opportunities. This can damage social cohesion considerably.
- **Inequality and political influence:** in highly unequal societies elite groups are more effective at influencing policy and their own agendas; in such societies political parties routinely become more dependent on the support of the wealthy leading to the capture of decision-making processes, increased mistrust of institutions and undermining democracy.

Overall, the increased concentration of wealth, income and opportunity affects public confidence and trust in the ability and will of politics and public institutions to address the needs of the majority. In short, systematic inequality creates discontent, fuels political failure and furthers conflict.

For more on this debate, see <http://hdr.undp.org/en/2019-report> and *The Spirit Level: Why Greater Equality Makes Societies Stronger* by Richard Wilkinson, Kate Pickett, Bloomsbury Publishing, 2010 and the debates it stimulated.

[MYTH 06]

**REAL AND SUBSTANTIAL
PROGRESS HAS BEEN
MADE IN THE KEY AREA
OF GENDER INEQUALITY
AND WE ARE NOW ON
COURSE TO ACHIEVE
AGREED TARGETS**

[FACT... AND FICTION]

Progress in reducing gender inequality in the 20th century has been impressive, with some describing it as remarkable. This has been especially true in areas such as health, basic education and literacy.

Despite this, gender-based gaps remain among the most persistent and difficult forms of inequality across all countries. Given that these inequalities and disadvantages affect half the world's people, gender inequality is without doubt one of the greatest barriers to human development. Inequality based on gender is not just bad for women, it has been proven to be bad for society overall. Women and girls remain discriminated against in health, in education, at home, before the law, in business and politics as well as in the labour market'

As a result, the world is not on track to achieve gender equality by 2030 as planned. Based on current trends, it will take a staggering 202 years to close the gender gap in economic opportunity. Overall progress in gender inequality has been slowing in recent years

Continued inequality and disadvantage for women and girls can be found in many areas. While there are now 38% fewer maternal deaths than in 2000, 830 women still die each day from preventable pregnancy related causes. While all developing countries have almost achieved gender parity in primary education, just 70 young women complete upper-secondary school for every 100 young men. Women still account for 2/3rds of all illiterate adults.

Just 7% of senior or top management in private companies are women while globally women earn 16% less than men for the same job. Despite the progress of recent years it is a sad reality that women have full equality before the law in just 6 countries worldwide.

Explore the issues and the debates: <https://www.unwomen.org/en/what-we-do/leadership-and-political-participation/facts-and-figures>

[MYTH 07]

**INEQUALITY COULD
BE REDUCED IF NEW
DIGITAL TECHNOLOGIES
BECOME EQUALLY
AVAILABLE TO ALL**

[FACT, BUT...]

We have already experienced the very significant changes globally that have emerged alongside digital technology. Many developing countries have benefitted considerably from its availability and have become leaders and innovators in digital technology and communication. But such technologies do not exist in a vacuum, they operate within and across societies that are already deeply unequal, and are shaped by economic, political and social processes.

In this sense they are a product of human action and equally inaction. Whether digital technology increases or reduces inequality depends on how it is distributed, accessed and controlled and on the evidence to date the results are mixed.

One typical indicator that reveals underlying inequalities is access to the internet levels for secondary level schools. In high human development countries, the typical level of such access is 100% yet in low human development level countries, such access can be measured in single digit numbers.

The gaps in countries' abilities to use the new technologies and opportunities are very large especially in poorer communities. Not only are the gaps wide but they are widening further. While basic access to digital technology has grown exponentially around the world with increased connectivity, advanced use and control of such technologies remains unequal to date. For example, current estimates suggest that by 2030 about 70% of the global economic benefits of such technology will be concentrated in North America and East Asia. Many of the largest technology companies are now lobbying hard to lock out newcomers, limit competition and choice.

What happens when technologies capacity to reduce inequality depends heavily on how that technology is owned, regulated and how it becomes accessible especially in poorer countries and communities.

More here: <https://www.weforum.org/agenda/2016/01/is-technology-making-inequality-worse/>

[MYTH 08]

**ATTITUDES AND
WORLDVIEWS HAVE
AS MUCH TO DO
WITH INEQUALITY AS
ECONOMICS**

[FACT]

Many inequalities have their roots in various prejudices and discriminations which become widespread in society and often become part of official and unofficial policy. Many societies continue to make distinctions based on ethnicity, race, sex and other characteristics that should have no bearing on people's achievements or on their well-being. Today, many societies are actively encouraging discrimination despite its evident damages.

In the past and still today, the law continues to be used to explicitly limit or deny rights to specific groups. Campaigning and the growth of democratic values along with demand for equal rights have led Governments to repeal discriminatory laws and policies that sustain unfair treatment and inequality. Most constitutions now include the principles of equality and non-discrimination yet formal and informal discrimination continues. In 2006, for instance, 196 ethnic or religious minorities worldwide faced some form of overt political discrimination. The World Bank noted in 2018 that 104 countries have laws restricting the types of jobs that women can perform.

In order to tackle historical inequalities, many governments and societies have introduced affirmative action to favour those discriminated against but such actions and policies continue to be opposed for a variety of reasons.

Other issues that need to be addressed include effective access to justice for all; opportunities for meaningful political participation by those often excluded as well as effective forms of conflict resolution.

Greater political literacy and critical thinking on the nature and impact of inequality needs to be part of our education systems (from primary to third level) if we are to effectively begin to tackle the issue.

[MYTH 09]

**INEQUALITY IS AN ISSUE
FOR GOVERNMENTS,
INTERNATIONAL
INSTITUTIONS AND
BIG COMPANIES. IT
HAS VERY LITTLE TO
DO WITH THE AVERAGE
PERSON**

[A MIX OF FACTS... AND FICTION]

It is clear that many of the most important changes that are needed to tackle inequality are the responsibility of governments, international bodies and business. If they are not committed to the necessary changes or to the need to tackle inequality, then no progress will be made. However, if these bodies are aware (or are made aware) that there is public support and demand for such changes, then they can be persuaded or forced to change. Recent decades have seen many examples (big and small) of this in all sectors. Every individual has the opportunity (and duty) to ensure that inequality and its consequences are high on the list of priorities at all levels in their community and country.

Individuals also have a responsibility to ensure that as far as possible (and it is far more possible than many of us think) to challenge discrimination as a root cause of inequality – in our homes, our neighbourhood and community, our workplaces, our societies, churches and so on. Making it clear to all that there is no room for discrimination is an important starting point.

Education for all is essential to ensure that every person has the literacy, numeracy and digital literacy skills needed to function in today's society. This promotes dignity, rights and opportunities for all. Equality and inequality must be discussed and tackled head on as part of lifelong learning from the earliest years and in our consumption choices.

Making sure that inequality and its opposite, equality, are at the top of our agendas is an opportunity for change. There is absolutely nothing inevitable or fixed about how inequalities will develop in the 21st century, much of how they do develop is up to us individually and collectively.

[MYTH 10]

**INEQUALITY HAS
ALWAYS BEEN WITH
US, THERE IS NO MAGIC
BULLET WHICH WILL
RESOLVE IT**

[PARTIALLY FACTUAL]

BUT THERE IS MUCH MORE THAT CAN BE DONE

While inequality is a complex issue with many causes and dimensions, recent history and research suggests that there is much that can be done if we have the will to do it. Below, we explore three major areas where change can be made relatively easily.

- **Promote equal access to opportunities:** access to quality education at all levels especially in early years helps promote equality. Too often the education system has reinforced rather than reduced inequality. Directly supporting people in accessing decent employment with a liveable wage and with proper terms and conditions will also help. Despite this obvious opportunity, current patterns in a time of globalisation go against this. Governments and societies can tackle this through investments in labour market management and through supporting workers' rights, especially those in vulnerable employment.
- **Create an environment that supports reduced inequality:** policies that promote an ethical and sustainable approach to economics can contribute considerably. The way taxes and expenditure are organised is important in tackling economic inequality. There is a need for greater focus on policies around finance, monitoring it and ensuring it is legal and ensuring the law is upheld, closing of loopholes and tax havens. Universal access to basic social protection would also help reduce poverty and inequality; unemployment and disability benefits, child benefits, old-age pensions and access to health care offer basic security and help reduce poverty. Despite this, only 29% of the world's population had access to such basic protections in 2017.

- **Tackle prejudice and discrimination:** promoting the participation of disadvantaged groups in economic, social and political life is crucial. Social and economic policies will have limited impact on inequality if societies continue to discriminate on the basis of ethnicity, race, gender etc. that should be irrelevant. While ending discrimination is a long-term project, much can be done without delay. Constitutional changes, revision of discriminatory laws and policies and the passage of new laws that promote the well-being of excluded groups will make an immediate difference.

Promoting policies and practices that are based on the principle of universalism is key to tackling inequality. While reducing inequalities may require measures targeted at specific groups to meet their particular needs, a **universal policy framework** is necessary to address the root causes of inequality and ensure that policies enjoy popular support.

For more: <http://www.oecd.org/general/tacklinginequality.htm> and <http://hdr.undp.org/en/2019-report>



10 MYTHS ABOUT... SERIES

The 10 Myths About.... series looks to sort facts from fiction on key global development, human rights and justice issues.

For the latest fact checks and factsheets more on the fact checking project and development ideas, issues and debates, visit ***What The Fact?*** at <https://developmenteducation.ie/features/what-the-fact>

Transparent fact checking is a powerful instrument of accountability, and we need your help. We check claims by influencers, from local to national to transnational that relate to human rights and international human development.

@ Send hoaxes, fake news and ideas that need busting to **facts@developmenteducation.ie**

 Join the conversation #whatDEfact on Twitter
@DevEdIreland and Facebook **@DevEdIreland**

CREDITS

Project Team: Colm Regan

With special thanks to reviewers Helen Ryan of the National Adult Literacy Agency and Toni Pyke and Tony Daly of developmenteducation.ie for feedback on earlier drafts.

Design: Dylan Creane at Gush Design

Cover photo: Photo: 'Vertical Slums - The Stunning Beauty Of Hong Kong's Cityscapes' by Man Ng via https://www.flickr.com/photos/man_ng2000/ - Used under Creative Commons (CC BY 2.0). Minor modifications to image made: colour, crop and rotate.

Published by: developmenteducation.ie 2021

c/o 80:20 Educating and Acting for a Better World, St Cronan's BNS, Bray, Co. Wicklow

ISBN: 978-1-8381509-3-8

2021 © DevelopmentEducation.ie

This work is licensed under CC BY-SA 4.0. A Creative Commons Attribution-ShareAlike 4.0 International license

Keep us posted and send us a link if you republish this work.

For our republishing guidelines, see <https://developmenteducation.ie/about/content-policy>

PRODUCED BY



Irish Aid

An Roinn Gnóthaí Eachtracha agus Trádál
Department of Foreign Affairs and Trade

This booklet was part-funded by Irish Aid, the Irish Government's programme for overseas development. The views expressed in this booklet are those of the authors and not necessarily those of Irish Aid.



Development
Education.ie