

Global inequality

Explore the latest World Inequality Report

Income and wealth inequality

The *World Inequality Report* (2022), supported by the UN Development Programme, is the most comprehensive work around on the state of global inequality and its trajectory. It certainly has some big names on its list of contributing authors. Levels of inequality remain brutal in many parts of the world, but as the report points out, this is no case for giving up on narrowing the inequality gap, or opting to stand by until the revolution comes.

The period from 1945 or 1950 till 1980, was actually one of *shrinking* inequality in many parts of the world, including the USA, UK, France, but also India and China. In many

places during this period, tax rates were high, and there was an ideology that inequality needed to be kept in check, a view shared by the corporate sector, civil society and government. But since then, declining regulation and a global entrepreneurial culture has promoted private wealth accumulation: inequality has boomed as a result. Today, global wealth inequalities are even more pronounced than income inequalities. The poorest half of the world's population barely owns any wealth at all, possessing just 2% of the total. In contrast, the richest 10% of the global population own 76% of all wealth (see Figure 1).

Inequality by global region

Figure 2 shows how wealth inequality levels, though prominent everywhere, vary across the regions of the world. Wealth inequality varies significantly between the most equal region (Europe) and the most unequal (Middle East and North Africa, i.e. the MENA countries). The world map of inequalities also reveals that national average *income* levels are poor predictors of inequality. For example, among high-income countries, some are very unequal in terms of income and wealth distribution (such as the US), while other are relatively equal (for example, Sweden).

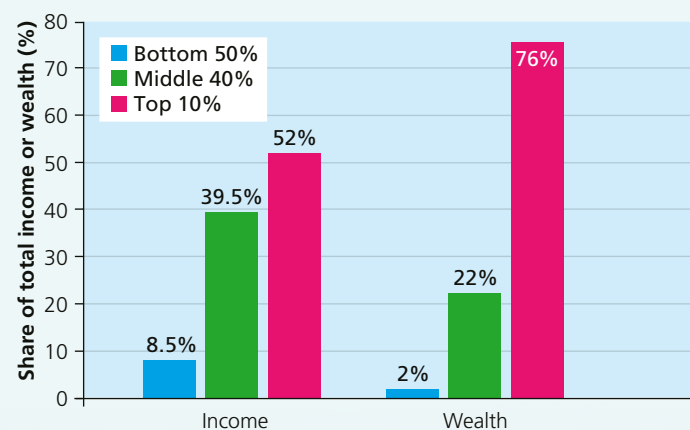


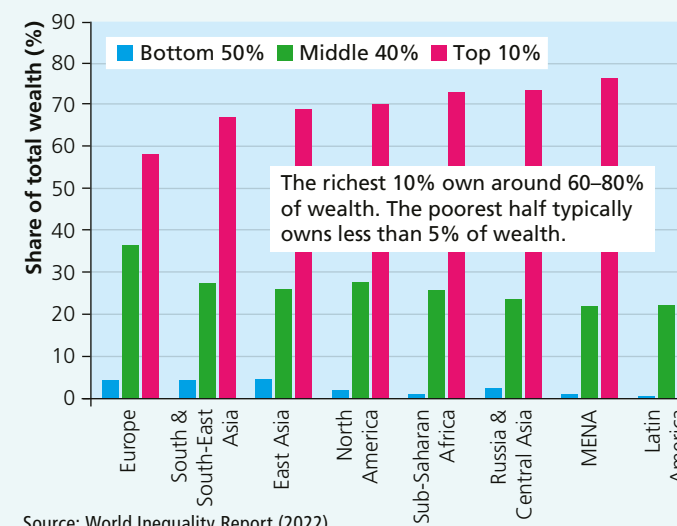
Figure 1 Global income and wealth inequality, 2021

The bottom 50%

Wealth inequality significantly reduced in Western countries between the early years of the twentieth century and the 1980s. However, the poorest half of the population in these countries has always owned very little, i.e. between 2% and 7% of the total share of private wealth (see Figure 3). In many other regions of the world, the wealth share of the bottom 50% is even lower.

Gender inequality

Current *gender* inequality around earnings remains very wide. In a gender equal world, women would earn 50% of all labour income. But over a period of 30 years, progress has been very slow here at the global level. Women earned 30.6% of global income in 1990, but that had risen to just 34.7% in 2020. Dynamics, again, have



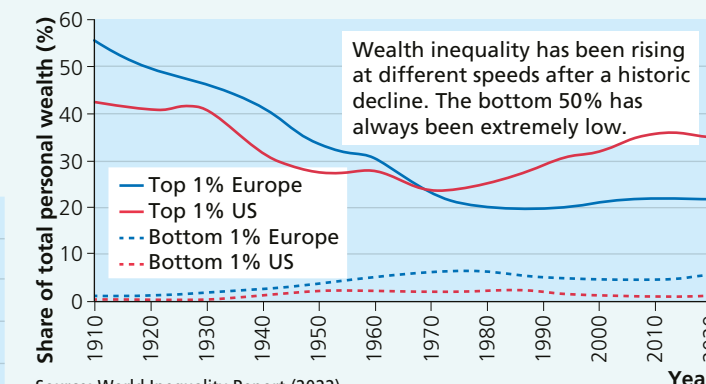
Source: World Inequality Report (2022)

Figure 2 The extreme concentration of capital: wealth inequality across the world, 2021

been different across different countries, with some recording considerable progress, but others have even been seeing *reductions* in women's share of earnings.

Conclusion

Taken together, all these findings show that much remains to be done — and in every region of the world — if we are ever able to reduce extreme income and wealth inequalities and the social problems that result.



Source: World Inequality Report (2022)

Figure 3 Top 1% vs bottom 50% wealth shares in Western Europe and the USA, 1910–2020

REFERENCE

World Inequality Report (2022). See www.tinyurl.com/mnpbzfrw. Source: World Inequality Report (2022)

SociologyReviewExtras

Go online for a printable pdf of this centrespread www.hoddereducation.co.uk/sociologyreviewextras

John Williams is a managing editor of SOCIOLOGY REVIEW.