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Inequalities in the World

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Abstract

Inequality has various indicators. It has changed through times and both between and within countries. Inequality refers in particular to gender. Policies in general are directed against all forms of inequality. Tackling inequality requires a mix of policy instruments, which include higher expenditure on social sectors (including education, health, and social protection) and more redistributive tax systems.

Keywords: Kinds of inequality; Indicators of inequality; Economic inequality through times; Economic inequality between countries

Introduction

- Kinds of inequality
- Indicators of inequality
- Economic inequality through times
- Economic inequality between countries
- Economic inequality within countries
- Gender inequality
- Policies against inequality

Kinds of Inequality

There are various kinds of inequality, which can be summarized as follows:

- **Inequality of outcomes**

Changes in the world - in particular, changes in skills and in routine-based technology - offer new opportunities but also raise challenges that affect the market distribution of earnings and the distribution of labor and capital. They create winners and losers and can thus increase inequality.

- **Inequality of opportunities**

The unequal distribution of opportunities in life that exists between different people is referred to as opportunity inequality. This is represented in metrics such as the level of education attained, the current state of one's health, and the treatment received from the legal system.

- **Inequality of treatment and responsibility**

When it comes to inequalities in treatment and responsibilities, certain persons profit more and can gain additional privileges more quickly than others. Even though all employees are equally qualified, some get promoted to higher-level positions with increased responsibilities, and as a result, they receive increased pay and additional benefits.

- **Gender inequality**

As a form of social inequality, gender refers to the way in which men and women are treated unequally on the basis of their respective masculinity and femininity. This occurs through the division of labor, the assignment of roles and responsibilities, and the distribution of social rewards. A key component that contributes to social inequality is sexism, which refers to prejudice and discrimination based on a person's sexual orientation or gender. The majority of cultures, even agrarian ones, have some form of sexual division of labor, and the tendency for gender-based division of labor to increase typically occurs with the process of industrialization.

- **Racial and ethnic inequality**

Inequality on the basis of race or ethnicity is caused by the existence of hierarchical social distinctions between racial and ethnic categories within a society. These distinctions are frequently established on the basis of characteristics such as an individual's place of origin or their skin color and other physical characteristics. Both racism and institutional racism are to blame for the existence of racial disparity.

- **Age inequality**

When persons of a certain age are treated unfairly in terms of promotions, recruitment, resources, or privileges because of their age, this practice is known as age discrimination. It is also known by the term "ageism," which refers to the stereotyping of persons or groups based on their age as well as prejudice against them. It is a collection of beliefs, attitudes, norms, and values that are used to justify prejudice, discrimination, and subordination on the basis of age. People not having the same level of material wealth or the same overall economic conditions of living can have inequality in the results that they experience. Inequalities in living standards, such as those pertaining to income/wealth, education, health, and nutrition, have been a primary focus of development theory throughout the majority of its history.

In sociology there are two primary perspectives on social inequality and, thus, two main theories: the conflict theory and the functionalist theory. The former views inequality as both unavoidable and acceptable, and as serving an essential purpose in society. 'Important roles in society typically need more education and experience, and as a result, they ought to be compensated more generously. According to this point of view, social disparity and social stratification ultimately lead to a meritocracy that is based on one's abilities. On the other hand, conflict theorists believe that inequality is caused by dominant organizations exploiting weaker ones in order to further their own interests. They believe that social inequality is what inhibits and slows society growth because those who are in power suppress the powerless people in order to keep things the same as they have always been. The work of dominance in the modern world is accomplished primarily through the power of ideology, which includes our thoughts, values, beliefs, worldviews, norms, and expectations. This work is accomplished through a process that is known as cultural hegemony.' Inequality is the root cause of a wide variety of health and social issues. These issues range from a shorter life expectancy and a higher infant mortality rate to lower levels of educational attainment and social mobility as well as increased rates of violence and mental illness. The disparities that exist between cultures that are more and societies that are less equal are significant, and everyone is impacted by them. Inequality has a negative impact on our private and interpersonal life; it creates a psychological barrier between us and the status, support, and solidarity that are necessary for our well-being.

To have an idea of the income trend, 1910 to 2024, one can see (Figure 1). The income share of the richest 1% lowers until the 1980s, to rise afterwards almost everywhere, with the exception of Netherlands, to refer to the few countries considered in the figure. Wealth inequality refers to the uneven distribution of assets and accumulated wealth within a society. It considers various kinds of property, houses, land, financial assets. Wealth inequality has various determinants, among which privilege and one's rank in the society, long-standing patterns of privilege and advantage, inheritance, current income, historical trends and contexts. 'While interconnected, income and wealth inequality are distinct. Income inequality focuses on the disparities in earnings and wages among individuals, often measured by metrics like the Gini coefficient. It's about the differences in what people earn in a given period. Wealth inequality, however, looks at the broader range of economic resources people accumulate over time, including savings, investments, and property [1].' Globalization has spurred growth in some areas, but has also widened the gap between the wealthy and the poor in many places [2] (Figure 2). Only international efforts to promote fair trade, alleviate poverty, and encourage sustainable development can addressing this problem.

Exploring the various forms of economic inequality deepens our understanding of the distribution of wealth and income within societies and globally. This insight is vital for recognizing the challenges people face and for critically evaluating the systems contributing to inequality. It also inspires us to seek out and support solutions for a more equitable future. According to McKee, Bransford, social and cultural inequality originate the various disparities people experience according to gender, race, ethnicity, and other factors [3]. Understanding the challenges faced by marginalized groups and the strides being made towards social justice and equality needs understanding of gender inequality (especially with reference to women), racial and ethnic inequality (which has deep historical roots, with links to slavery, colonialism, and ongoing systemic racism), and educational inequality (i.e., unequal access to and outcomes from education across by marginalized groups facing hurdles like poorly funded schools and biased educational systems). 'Movements and policies have risen to fight racial and ethnic inequality. They work towards civil rights, fair treatment, and ending discriminatory practices. The goal is to build societies that embrace diversity and champion social justice.' 'Closing the achievement gap is crucial for reducing social stratification and enhancing opportunities. Reforms and initiatives aim to level the educational playing field, ensuring all students have access to quality learning and the support they need to succeed.'

Social and cultural inequality are obstacles faced by marginalized groups, which makes it important to challenge these inequalities and to strive for a more just and equal society. Unequal sharing of power, i.e. political inequality (with some groups holding more sway and easier access to decision-making and others encountering obstacles) involves differences in political power and who gets to be represented. 'On the flip side, social movements and activism open doors for political change, empowering people and groups to challenge the status quo and push for a more inclusive and equal political landscape.' 'Our social identities — think race, gender, and class — play a big role in political inequality, influencing our

political chances and experiences. Marginalized groups often bump into specific issues in political systems, like barriers to running for office, unfair policies, and lack of representation. The fight for political inclusion and representation is about tackling these issues and understanding the value of having diverse voices and viewpoints in democratic processes and policymaking.' Similar considerations can be referred to global political inequality, which examines the differences in political power and sway between countries, and largely depending on colonialism and historical factors leading to some nations and regions having more political clout than others.

Indicators of Inequality

As with poverty, there are many ways to measure inequality. The World Development Indicators (WDI) databases present a wide range of inequality indicators such as the Gini index, the S80/S20 index, the Palma ratio and the Theil index as well as the share of consumption or income held by each quintile. For an income distribution, the S80/S20 index compares the mass of income held by 20 % of the richest persons to that held by 20% of the poorest persons. The Palma ratio is a measure of inequality that compares the income share of the richest 10% to that of the poorest 40%. For example, a value of 2 means the richest 10% receive twice as much as the poorest 40%. The Theil index is a statistical measure of economic inequality that quantifies how far a population's income distribution deviates from perfect equality. The Theil index, developed by Dutch econometrician Henri Theil, is part of the Generalized Entropy class of inequality measures and is widely used to assess income or wealth disparities within a population. It measures the entropic 'distance' from an ideal egalitarian state where everyone has the same income, with higher values indicating greater inequality. Conceptually, it can be interpreted as the expected information content required to transform population shares into income shares.

For a population of n individuals, where xi represents the income of individual i and $\bar{x}$ is the mean income, the Theil T index is calculated as:

$$T_T = T_{\alpha=1} = \frac{1}{N}\sum_{i=1}^{N}\frac{x_i}{\mu}\ln\left(\frac{x_i}{\mu}\right)$$

Unlike the Gini coefficient, the Theil index is additive across subgroups, though it lacks the intuitive visual interpretation of the Gini measure. These measures offer different ways to capture and communicate aspects of the income distribution. To monitor progress against its goal of boosting shared prosperity, the World Bank tracks two indicators – the Global Prosperity Gap and the number of countries with high inequality. These measures replace the previously used growth in the consumption or income of the poorest 40 percent of the population in a country. The Global Prosperity Gap is a distributionally sensitive and sub-group decomposable measure of well-being useful for tracking progress on Sustainable Development Goal (SDG) 10, which aims to reduce inequality within and across countries.

Economic Inequality Through Times

According to Alfani, in recent years, the attraction of considerable scholarly attention to long-term trends in economic inequality is connected to the Great Recession, which increased the perception of inequality for the general population and made it a central topic in political debates [4] (Figure 3). Historians have an important role in the current wave of new inequality research, both as producers of new data based on the surviving documentation (and expansion of the base of data available), and important contributors to the theoretical discussion about the main drivers of inequality change. 'We now have reconstructions of wealth and/or income inequality for many European areas that cover systematically the late Middle Ages and the early modern period (see Alfani 2021 for a synthesis of this literature).' Regarding the economic historians' contribution to the discussion about the drivers of inequality, it is becoming increasingly apparent that, by looking at inequality and distribution from a long-term perspective, different phenomena become visible, which leads to a need to consider also modern developments (say, from the nineteenth century until today) in a different way. A particularly important result is that the hypothesis originally put forward by Simon Kuznets, according to whom, in modern times, economic inequality growth could be considered a side-effect of economic growth, and specifically of the transition from a mostly agrarian to an industrial economy, no longer appears to be well supported by the historical evidence. As will be seen, this finding has substantial consequences for any attempt to provide an interpretation of modern inequality growth as an unpleasant side-effect of overall positive developments. Differently from other recent surveys which have focused on more specific historical periods (for example Alfani 2021, for medieval and early modern times or Bowles, Fochesato for prehistory), this article will pay particular attention to longer-term dynamics, roughly covering the last seven centuries or so: that is, the period for which we now have, for a few countries at least, roughly homogeneous inequality estimates from the late Middle Ages until today [5]. When placed in this longer-term perspective the developments in wealth and income inequality during the last two centuries look different, which tends to change substantially the interpretation of some key historical developments.

Simon Kuznets writes that the rise in inequality is unavoidable with the onset of the Industrial Revolution, due to the concentration of capital necessary for enabling industrialization. Inequality will then decrease as firms need to employ qualified workers to complete ever more complex tasks. Branko Milanovic challenges

this approach to the evolution of inequality, arguing that it is only the product of industrial disputes. In the Middle Ages, the conservative ideology justified the level of inequality, as being the natural product of the hierarchy between men of the time, but the unequal social order was constantly challenged by medieval peasants in a number of ways. After the French Revolution, the spirit of the market took over every aspect of European lives, breaking solidarity and social ties, thus making inequalities between individuals to rapidly increase. The first Industrial Revolution transformed European societies into genuine rentier societies, with ever-increasing inequalities. Hiring of young children also in the textile and mining industries was common and by 1840, the life expectancy of French workers had dropped from 24 to 19 years, relative to a century earlier. At the beginning of the twentieth century there was extreme inequality and there were many fears that this hyper-unequal distribution would threaten the very foundations of American society. In 1914 in Europe, overall, the top 10% of wealth holders owned 90% of total wealth.

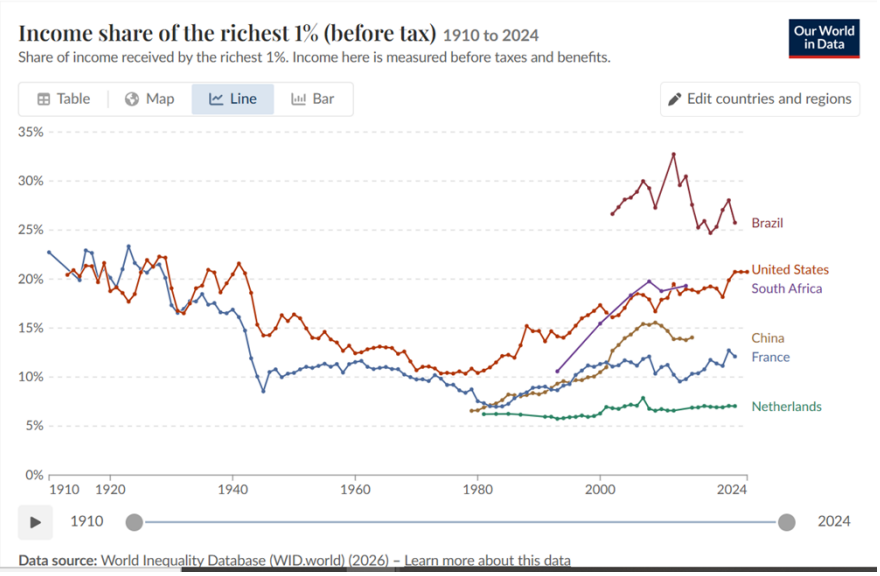


Figure 1: *Income share of the richest 1%, 1910-2023, Source: Our World in Data.*

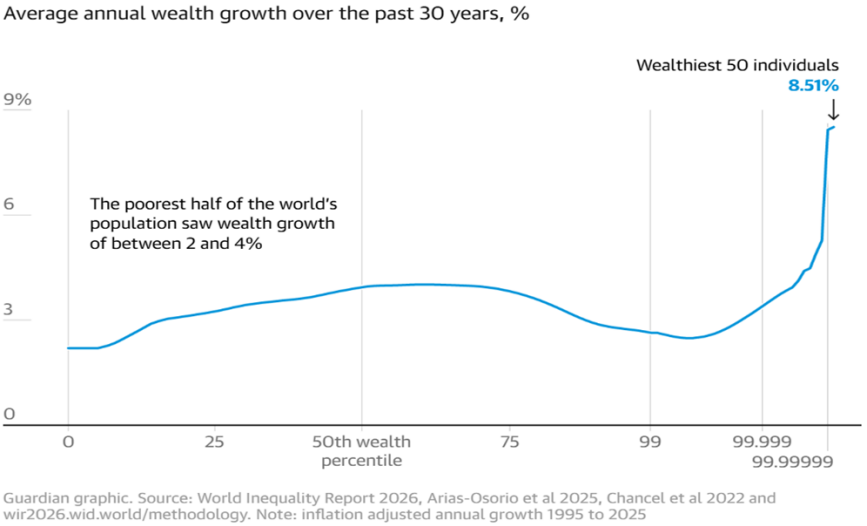


Figure 2: *Wealth growth has been strongest for the world's ultra rich.*

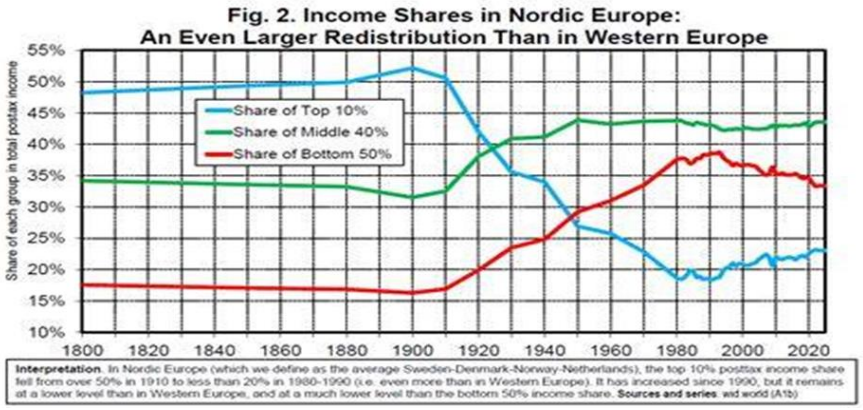


Figure 3: *shows the trend of income shares in the North of Europe.*

Note: *With reference to 1800, the lines indicate, from the top: share of top 10%; share of middle 40%; share of bottom 50%.*

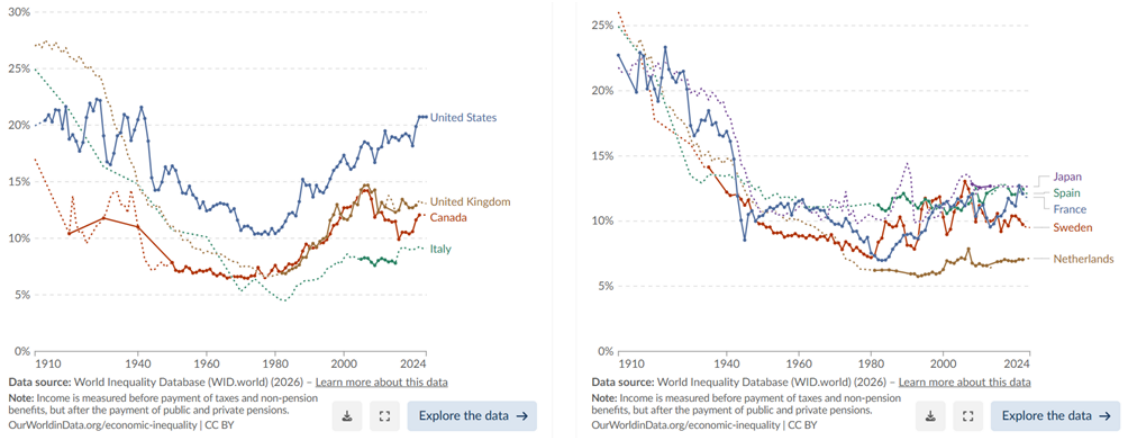


Figure 4: *Trends in long-run inequality in various countries, Before-tax income share of the richest 1%, Source: Hasell (2023).*

Chart 1. U-shaped long-run inequality trend *Chart 2. L-shaped long-run inequality trend*

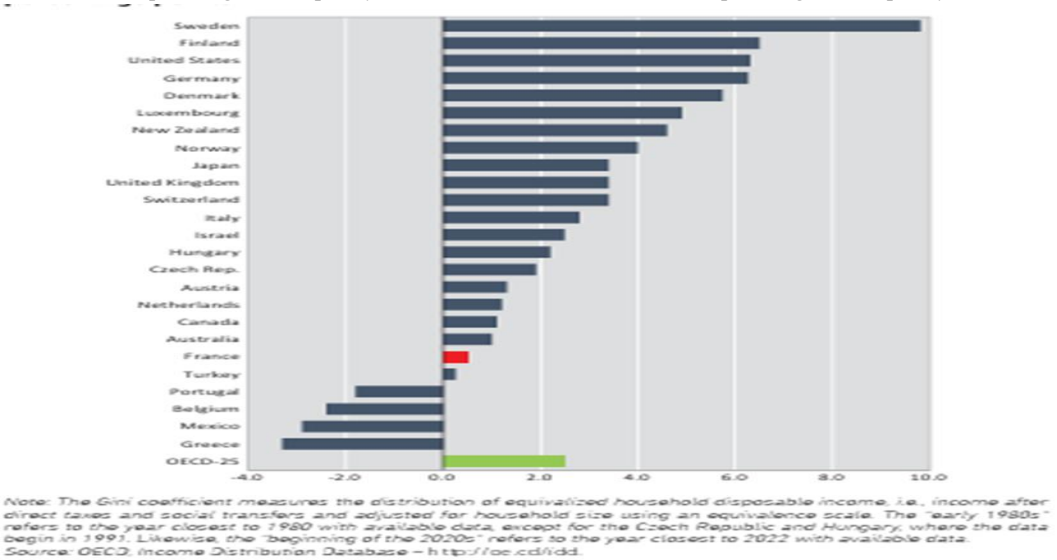
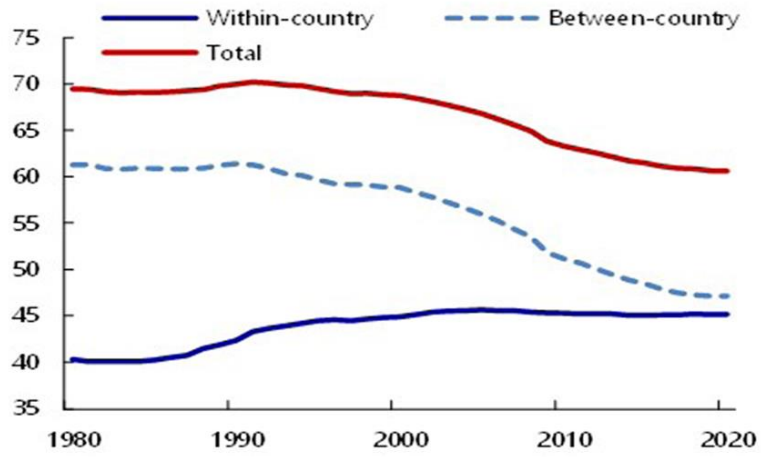


Figure 5: *Change in Gini coefficient between the early 1980s and the 2020s in OECD countries, percentage points, Source: Ladaique, Forster (2024).*



Source: *IMF Note for FWG-G20 (2024) - G-20 Background Note on The Impact of Growth on Inequality and Social Outcomes – data from Oxford Poverty and Human Development Initiative (2023); World Income Inequality Database; IMF, World Economic Outlook, and IMF staff calculations.*

Figure 6: *Global Gini coefficient, Source: G20 Framework Working Group's Note to G20 Finance Ministers and Central Bank Governors (2024).*
Note. *A higher Gini index indicates more inequality.*

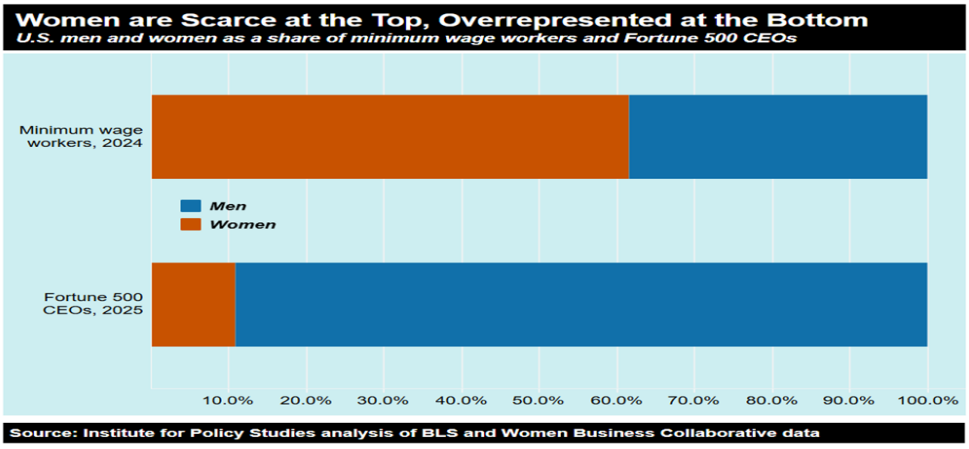


Figure 7: *Scarcity of women at the top and overrepresentation at the bottom, 2024-2025, Source: Gender Economic Inequality.*

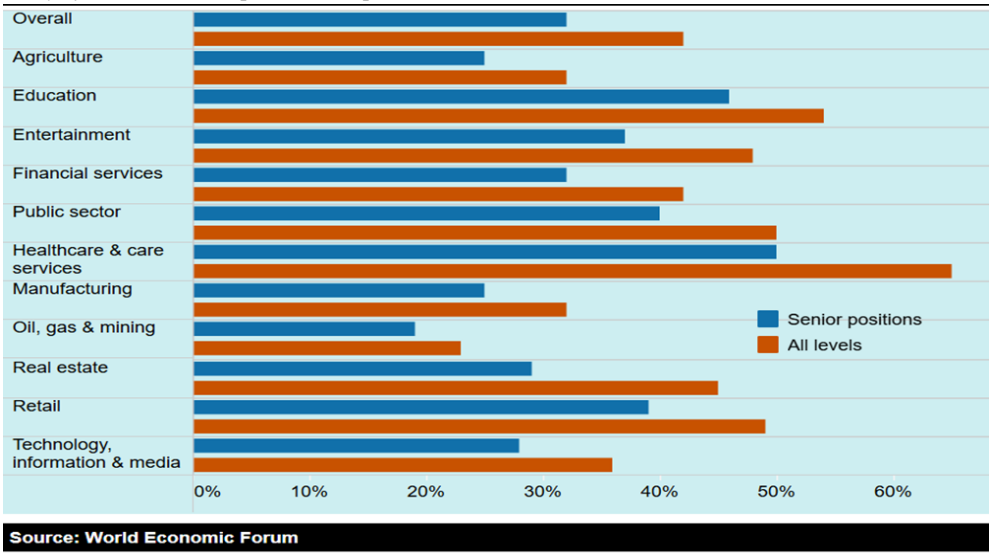


Figure 8: *Scarcity of women at the top of every industry, 2022, Source: Gender Economic Inequality.*

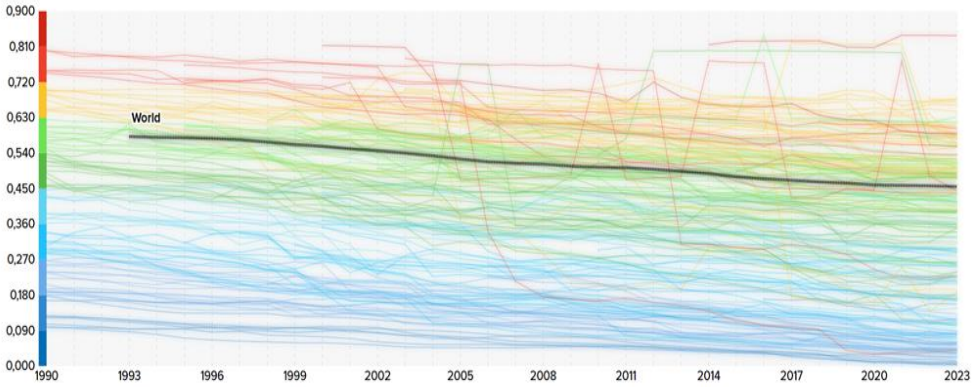


Figure 9: *Gender Inequality Index (GII).*

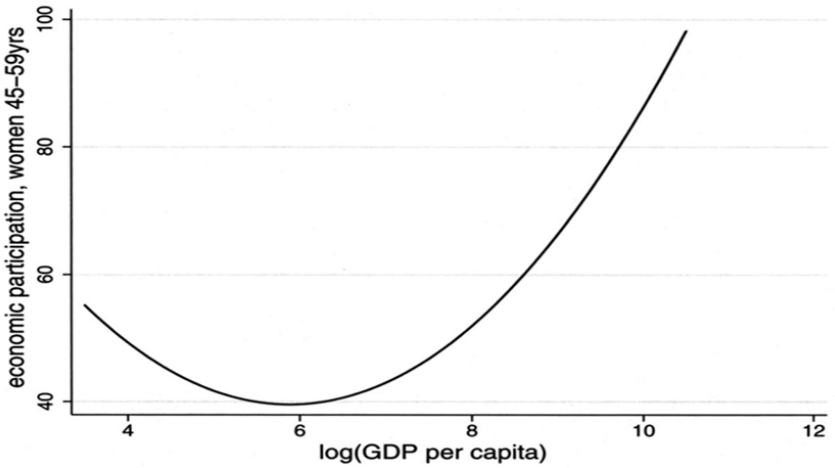
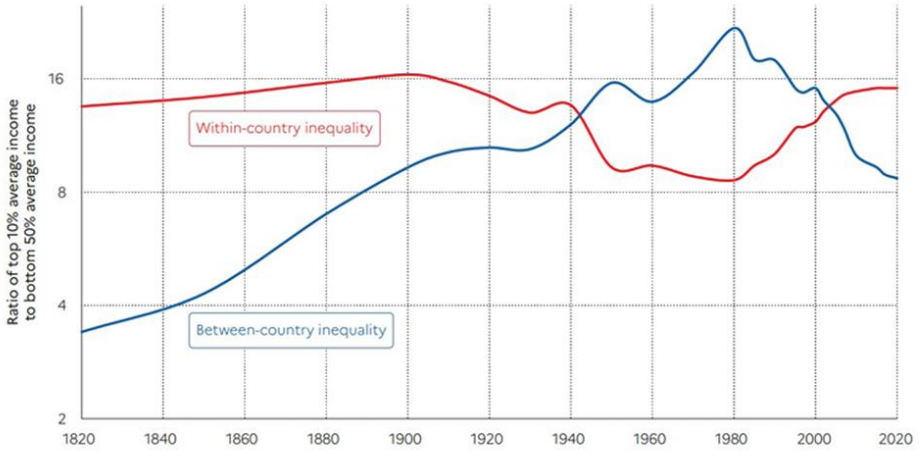


Figure 10: *Women participation to the labour force with respect to changing per capita GDP (Goldin, 1995).*



Source: *Chancel et al. (2021).*

Figure 11: *shows the global income inequality both between-country and within-countries.*

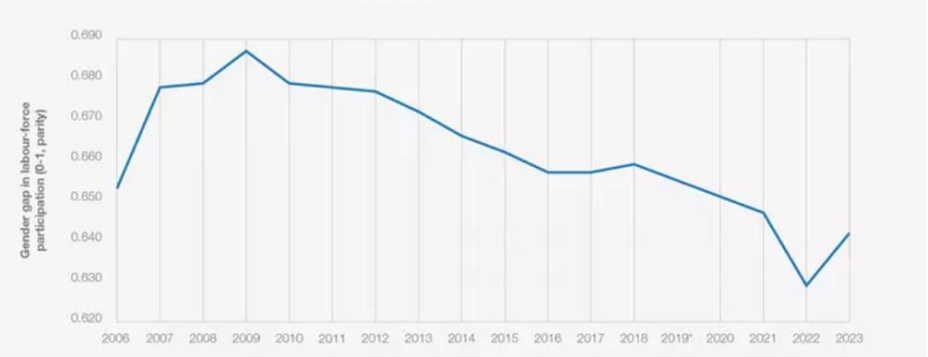


Figure 12: *Global Gender Gap in the labour market, Source: World Economic Forum.*

Relative economic equality came with the post-world war period until the Great Depression, which made many countries to develop the welfare state in the second half of the 20th century. Government intervention on a massive scale to repair the damages done by the second world war triggered exceptional economic growth in the developed countries, prompting a decline in inequality. The wealth of the poorest 50% has risen to 5% of national net wealth, while that of the middle 40% (the middle class), has risen to 45%. In developed countries from the 1980s onwards, there were lower taxes and the privatization of public enterprises. The USSR was economically very equal, with the top 10% of income earners holding 2.2 to 2.7 times the national average income. The collapse of the Soviet bloc in 1991 prompted liberal economists from both the Soviet and capitalist blocs to privatize the former communist countries as quickly as possible, in particular by means of a shock therapy known as voucher privatization, whereby all rights to collectivized enterprises are distributed fairly to all, who can freely sell their property rights for a given price. Since the liberal revival, inequality has been rising worldwide. Granted, poverty and extreme poverty declined, but inequalities between developed and developing countries, between capitalists and workers, and between low-skilled and highly skilled workers have risen sharply. Between 1980 and 2021, the income of the richest 10% in Europe rose from 27% to 36%, and in the United States from 35% to 47%. Globally, the poorest 50% hold 2% of the world's wealth, compared with 76% for the richest 10%, of which 38% goes to the richest 1%, and 12% to the richest 0.01%. As a result, wealth inequality will have increased by 50% between the poorest 50% and the richest 0.01% between 2008 and 2022. Many economists fear that inequalities will continue to grow in the 21st century unless governments intervene on a massive scale. The United States is experiencing an unprecedented level of inequality in the 21st century, whereas on the eve of the Great Depression – which was partly caused by inequalities between workers and capitalists – the richest 1% owned 24% of the country's income, in 2019 this rate is 27%. It's worth pointing out that from 1980 to 2015, where the incomes of the poorest 50% of Americans stagnated perfectly, the incomes of the richest 1% tripled. In 2005, the Gini index rose to 0.70 from 0.65 worldwide. More specifically, in the United States, from 1970 to 2018, the Gini coefficient associated with net incomes rose from 0.65 to 0.75, while in France this coefficient fell from 0.37 to 0.29. In 2025 the average Gini Index across the 144 world countries with available data was 36.29, ranging from to the value of 63.0 for South Africa to that of 26.40 for Belgium. Comparing with previous years, there has certainly been a reduction of the Index and, thus, of inequality. As for economic growth, the World Inequality Lab estimates that since 1995, 38% has benefitted multimillionaires, compared with 2% of growth benefitting the world's poorest 50%, and since 2020, two-thirds of growth has benefitted the richest 1%. 'The economists also think that, while income inequalities between countries have been reduced since 1982, inequalities within countries have increased, 'which is partly explained by the development of tax havens and shell companies, which have prompted governments to reduce tax rates to prevent the wealthiest from fleeing the country.'

However, tax havens could be tackled quite easily, mainly through: the introduction of a global tax, regulations on law firms, and sanctions against countries that refuse to be fiscally transparent. According to Zucman, the failure to combat tax havens is not due to a lack of solutions, but to a deliberate political choice [6]. 'As for gender inequalities, excluding China, economic inequalities between men and women have been steadily narrowing worldwide since 1990, although equal parity is far from being achieved: on average, men earned 2.22 times more than women in 1990, compared with 1.86 times more today. Since 2010, in response to rising inequality, ecological pressures, and, in some countries, lower taxes on the rich than on the middle classes, groups of hundreds of millionaires around the globe have been calling for governments to tax them more. These include the Anglo-American group 'Patriotic Millionaires', created in 2010, the Austro-German group 'Tax me now', created in 2022, and the international group 'Proud to pay more', which signed an open letter at the World

Economic Forum in Davos in 2023 and 2024. These groups are made up of young millionaires who are more aware of the issues of climate, taxation, inequality, and global poverty, as economist Dominique Plihon explains: "The new generation [of millionaires] is also more aware of the convergence of crises. Climate crisis, fiscal crisis, economic crisis and democratic crisis are intrinsically linked, which makes the new generation all the keener to change things", however, according to Dominique Plihon, another more likely underlying reason would be to seek to mitigate the resolution of extreme inequalities so as not to be taxed too much in the future.'

Andreescu deal with the long-debated issue of what is the socially optimal level of income and wealth inequality for successful socioeconomic development [7]. They try to reply to the question of 'which countries – if any – are closest to this optimum' and whether current income and wealth scales should be compressed or magnified. They use 'extended series on income and wealth inequality from the World Inequality Database (WID) covering all world regions over the 1800-2025 period, together with new series on hourly productivity and human capital expenditure, to revisit the relationship between equality and development, with a much broader comparative and historical perspective than previous studies.' They find a strong positive association between equality and productivity holding in the long-run and interpret this as due to 'the rise of inclusive "social-democratic" institutions (including extended access to human capital, public services and democratic participation). These institutions led both to more equality and higher productivity, particularly in Western and Nordic Europe. Economic inequality and its links with economic growth and economic development have been largely discussed in the literature and policy proposals. Some authors, like Kuznets, thought that economic inequality would help economic growth, at least in the initial phases of growth, due to the higher propensity to save of the rich needed to fuel growth via investment and innovation. There exists a strong positive association between equality and productivity, clearly visible in Western and Nordic Europe. Agarwal note that 'this co-movement of equality and productivity is largely due to a set of social-democratic institutions that emerged, especially in Western and Nordic Europe [8].'

Feinman first note that inequality in large human aggregations has been tied 'to generally linear trends, a direct outcome of domestication, then fostered by population growth and/or stepped scalar transitions in the hierarchical complexity of human institutions [9].' However, archaeological, and ethnographic data from a suite of global regions say that the trends in inequality 'are neither linear, uniform, nor triggered immediately or mechanically by Malthusian dynamics or scalar increases.' Alfani notes that some authors associate the historical evidence of the reduction of inequality of both income and wealth in the last seven centuries or so only to accidents such as the Black Death pandemic of 1347-52 and the period from the beginning of World War I until the mid-1970s. He suggests that the impact of similar events can be very different, as their consequences are crucially mediated by the historical context, such as the political and institutional context. 'The tendency toward higher fiscal progressivity of both income and wealth (mostly through taxation of estates or inheritances) from the beginning of World War I, and the inversion of the trend from the 1980s until today, are credited with having played a crucial role in shaping general inequality dynamics.' Taxation plays a central role in some of the main recent interpretations of factors shaping long-run inequality trends. More generally, the institutional framework (e.g., fiscal systems, and more generally political institutions) is important. Szreter points out that inequality is highly variable, depending on a number of institutional forces that can be mobilized either for or against the promotion of equality [10]. This is no surprise in relation to ideas and observational measures, ideologies and politics. But it is perhaps a little less obvious without a historical exposition in relation to the nation's education system and its welfare provisions. This is so, e. g., for grammar schools, which can have genuinely philanthropic, encouraging what we would today call social mobility, but can be exploited by the wealth elites and their representatives in government in order to ensure their privileged intergenerational access to high-status jobs, income and wealth.

Milanovic is about global inequality and deals with both income inequality and political issues related to inequality from a global perspective. 'Because the world is not a united under a single government, however, we cannot dispense with the need to look at individual nation-states. On the contrary, many global issues are played politically at the level of the nation-state. Thus, greater openness (commercial interchange between an individual from different countries) will have political consequences not at some imaginary worldwide level but within actual countries. The paper estimates global inequality between 1820 and 1980. It shows that historically, global inequality has followed three eras: the first, from 1820 until 1950, characterized by rising income differences both between and within countries; the second, from 1950 to the last decade of the 20th century, with very high global and between-country inequality; and the current one of decreasing inequality thanks to the rise of Asian incomes, and especially so Chinese. The present era has seen the emergence of the global "median" class (people with per capita annual incomes ranging between $PPP 3,000 and $PPP 5,000) and the greatest reshuffling in income positions between the West and China since the Industrial Revolution. Absolute income differences in the past 30 years have however increased, and the income gap between the "core" and the poor "periphery" (if China is excluded) remains large: the ratio between median income in the core and periphery in 2018 exceeds 8 to 1 in PPP terms, and 22 to 1 in nominal dollars. The evolution

of global inequality in the future will much more depend on what happens to the growth rates and inequality in India and large African countries than on China, as well as on the negative impact of climate change. The World Inequality Report 2026 deals with how policymakers, scholars, and citizens understand the scale and causes of inequality, and clarifies the urgent need for top-end tax justice, wealth taxation, redistribution and fiscal reforms. It explores: new dimensions of inequality in the 21st century (climate and wealth, gender disparities, unequal access to human capital); the asymmetries of the global financial system, and the territorial divides that are redrawing democratic politics. Together, these themes reveal that inequality today is not confined to income or wealth, but affects every domain of economic and social life.

Economic Inequality Between Countries

There are many determinants of inequality between countries. One of them refers to inequality of access to water in different places. The 2026 edition of The United Nations World Water Development Report deals with the benefits for all people deriving from promotion of equal rights and opportunities related to water [11]. This edition provides in-depth analysis of the subject, 'focusing on the intricate relationships between water and gender equality' and revealing how gender-responsive initiatives across the main water use sectors (agricultural, industrial, and supply and sanitation) in the context of current global challenges and crises can lead to significant positive outcomes for all people. Inequality across countries is measured by a number of indicators, such as the Gini index, but while this is useful for analyzing the distribution of wealth or income within a country, it is not for comparing different countries well-being. For example, the Gini coefficient in highly developed, high-income countries is often higher—indicating less income equality—than the Gini coefficient in least-developed or low-income countries. Finally, the Gini coefficient can be compromised by imprecise or inadequate information. If reliable and up-to-date GDP and income data are lacking, the Gini coefficient may be inaccurate and overstate income inequality.

Economic Inequality Within Countries

Hasell, how has income inequality within countries evolved over the past century? [12]. 'While the steep rise of inequality in the United States is well-known, long-run data on the incomes of the richest shows countries have followed a variety of trajectories.' As shown by figure 4, first chart, there have been dramatic declines in income inequality in many countries – the US and after 1910 until the 1970s (Figure 4). In fact, the share of income received by the richest 1% fell by half or more. From the 1980s, a reverse trend began in many high-income countries, thus tracing a 'U-shaped' pattern over the past 100 years or so. The US is a clear example of this. 'But this path has not been followed everywhere. Many countries that saw steep declines over the early and mid-20th century have maintained relatively stable levels of inequality since then. Examples of countries following this more 'L-shaped' trend – Japan, Sweden, Spain, France, the Netherlands – are shown in the second chart. Changes in Gini coefficients in most OECD countries show that income distribution has worsened in the latest 40 years in most OECD countries (Figure 5). A few years ago in most OECD countries, the gap between the rich and the poor was at its highest level, since the richest 10% of the population earned 9.5 times the income of the poorest 10%, whereas in the 1980s this ratio stood at 7:1 and has been rising continuously ever since. However, the rise in overall income inequality is not (only) about surging top income shares: often, incomes at the bottom grew much slower during the prosperous years and fell during downturns, putting relative (and in some countries, absolute) income poverty on the radar of policy concerns. This paper explores whether such developments may have an impact on economic performance.

It follows that policies to reduce income inequalities should not only be pursued to improve social outcomes but also to sustain long-term growth. Redistribution policies via taxes and transfers are a key tool to ensure the benefits of growth are more broadly distributed and the results suggest they need not be expected to undermine growth. But it is also important to promote equality of opportunity in access to and quality of education. This implies a focus on families with children and youths – as this is when decisions about human capital accumulation are made -- promoting employment for disadvantaged groups through active labour market policies, childcare supports and in-work benefits. Figure 6 shows the trend in the values of Gini index within country and between countries since 1980 to 2022. One can derive from it that the income distribution within countries is more important to tackle than income distribution between countries (Figure 6).

Gender Inequality

Gender inequalities are systemic disparities in access to rights, resources, and opportunities between genders, affecting education, health, economic participation, and political representation globally. Gender inequality refers to the unequal treatment or perceptions of individuals based on their gender, often rooted in social norms, cultural practices, and power structures that favor one gender over others, typically disadvantaging women and girls but also affecting men through restrictive gender roles. It manifests in discrimination, unequal pay, limited access to education, and underrepresentation in leadership positions. There are many areas of inequality, ranging from education and economic participation to health and safety, and political representation. Education, employment, training, particularly in low-income communities are higher for boys, at a certain age. More specifically, women globally

occupy only 30% of managerial positions and spend 2.5 times more hours in unpaid domestic work than men. In addition, gender pay gaps and limited access to formal employment hinder economic independence. The difference between men's and women's average aggregate wages or salaries varies from 60% to 75%. Various explanations for the remaining 25% to 40% have been suggested, including women's lower willingness and ability to negotiate salary and sexual discrimination, or different education levels [13]. The gender pays gap remains one of the most visible manifestations of workplace inequality. In the United States, women earn 83.7 cents for every dollar earned by men, while in the EU the average disparity as of 2023 sits at -12% according to the European Commission's Gender Equality Strategy. Figure 7 shows that there is scarcity of women at the top and overrepresentation at the bottom for workers 'positions. This is so in all industries (Figure 7,8).

These disparities often begin at the hiring stage, where women's salary expectations tend to be lower than those of equally qualified men. The gap then widens throughout careers as fewer women advance to leadership positions that command higher compensation packages. As to health and safety, an estimated 230 million girls and women - many before the age of 15 - face female genital mutilation and child marriage - despite a steady decline over the past decade, with approximately one in five girls married in childhood across the globe - and women of practically all ages experience higher risks of gender-based violence. Women are underrepresented in governance, which is also critical for devising policies that address gender disparities. A large part of the gender gap has been closed worldwide, even if there are persistent disparities in many fields. Gender inequality limits social and economic development, reduces productivity, and perpetuates cycles of poverty. It affects both women and men: restrictive gender norms can lead to child labor, violence, and exclusion from opportunities for boys, while girls face disproportionate burdens in domestic work and health risks. Gender inequality is more than a social issue; it is a barrier to justice, development, and human progress. Across the world, millions of women and girls continue to face discriminations that limit their access to education, healthcare, employment, leadership opportunities, and basic human rights. In summary, gender inequalities are multifaceted and deeply entrenched, affecting nearly every aspect of life. Addressing them can ensure potentially significant economic benefits, but requires comprehensive policy reforms, cultural change, and global commitment to ensure equal opportunities for all genders. Companies can also offer and support leadership programs for women within the organization. This helps women develop the skills necessary for stepping into management and C-suite roles.

Some flexible work arrangements can solve some problems for women. Some of them can be as follows: fewer women are sidelined due to family obligations; Including options such as remote and part-time work also helps women maintain work-life balance; providing parental leave for fathers gives women more childcare support and increases equality among parents; anti-discrimination policies; internal anti-discrimination policies including protocols for reporting misconduct, discouraging backlash against female employees; addressing unconscious bias. However, we must add that in the last 30 years or so gender inequality has lowered practically everywhere in the world (Figure 9). Something more must be said about the effects of rising GDP on female participation to labour force, which is not positive at all stages of this participation. In fact, at the beginning a rising GDP lowers female participation, mostly likely because some women can be more satisfied by a larger income of their families and withdraw from the labour force. This explains the U-shaped form of women participation to labour with respect to the increase of GDP found as a result of a historical enquire (Figure 10). This fall probably came out with the emergence and diffusion of social norms according to which the male should be the main breadwinner of the family.

Policies Against Inequality

Figure 11 shows the global income inequality both between-country and within-countries (Figure 11). Global income inequality: Between-country vs Within-country inequality (ratio T10/B50), 1820-2020, Source: G20 Framework Working Group's Note to G20 Finance Ministers and Central Bank Governors (2024). The 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015 is a global blueprint comprising 17 interconnected Sustainable Development Goals (SDGs) aimed at ending poverty, protecting the planet, and ensuring prosperity for all. Goal 5 of this Agenda focusses on achieving gender equality and empowering all women and girls and outlines several targets to eliminate discrimination, violence, and harmful practices against women and girls, and to promote equal opportunities in leadership and decision-making. This goal is crucial not only as a fundamental human right but also as a necessary foundation for a peaceful, prosperous, and sustainable world. The agenda includes nine specific targets aimed at addressing various aspects of gender inequality, such as: ending all forms of discrimination against women and girls everywhere; eliminating violence against women and girls in both public and private spheres; recognizing and valuing unpaid care and domestic work through public services and social protection policies; ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making; guaranteeing universal access to sexual and reproductive health and rights; reforming laws to give women equal rights to economic

resources and access to ownership and control over land and property.

However, despite some progress, significant challenges remain in the route to gender equality, as globally women are still underrepresented in leadership roles and face barriers in various sectors. For instance, women occupy only about 30% of managerial positions worldwide and spend significantly more time on unpaid domestic work compared to men. At the current rate of progress, it could take hundreds of years to achieve full gender equality in various areas, including legal protections and political representation. Between 2019 and 2020, the global women's labour-force participation rate declined by 3.4%, as compared to 2.4% for men. Women (re-)entered the workforce at a slightly higher rate than men since then, resulting in a modest recovery in gender parity. Between 2022 and 2023, the gap increased from 63% to 64% (Figure 12). Achieving gender equality is not just a moral imperative; it is essential for sustainable development. Empowering women and girls lead to better economic outcomes, improved health and education for families, and overall societal progress. The 2030 Agenda emphasizes that gender equality must be a cross-cutting objective in national policies and budgets to dismantle systemic barriers and promote inclusive growth. Tackling inequality requires a mix of policy instruments, which include higher expenditure on social sectors (including education, health, and social protection) and more redistributive tax systems. Fiscal policies can create opportunities for those who would otherwise be disadvantaged. Public spending can, in part, compensate for the gap between rich and poor in private spending on children and help reduce the importance of parental background and other circumstances that are beyond an individual's control (basic public infrastructure, basic health services and social investments, e.g. in education. These policies can increase intergenerational mobility, facilitate human capital formation, and thus enhance long-term growth. Fiscal policies can also influence inequality by providing incentives for labour market participation or children's education.

Active labour market policies – such as public employment services assisting the unemployed in finding suitable jobs- can support efficient functioning of these markets. On the demand side, worker retention programs help governments invest in maintaining employment linkages, thus contributing to smoother recoveries and helping to avoid massive job losses and business failures. Redistributive policies – such as direct taxes and social transfers (social assistance, unemployment insurance, or pensions), especially well-targeted transfers covering the most vulnerable groups - can curb labour income inequalities, especially in advanced economies. 'Overall redistribution accounts for 85% of the disposable income inequality between advanced and emerging market and developing economies. Social transfers help reduce inequality mostly at the bottom, and taxation at the top' [14-20]. Fiscal policies can create opportunities for those who would otherwise be disadvantaged. More progressive taxation and finance of social spending have a large potential to reduce inequality, especially in countries where taxation is relatively low in terms of its overall burden and in its progressivity. Fiscal policy often implies trade-offs, such as contributing to economic recovery and maintaining low debt levels in advanced economies. In fact, recent fiscal policies in a number of countries have increased their debt distress. 'Given the debt vulnerabilities, many countries will need to implement policies over the medium term to bring deficits sustainably down.'

See also: fairness; distribution in Italy and EU; Our world in data (in Italy and EU)

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