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To achieve the goals of the Agenda 2030 to foster inclusion and ensure that no one is left behind, the countries have committed to reduce inequality both within and among countries. On the other hand, recent data shows that inequality has increased within most countries, over the past two decades and global inequalities between countries have declined. Recent UN statistics also indicate that the richest 1 per cent of the world's population holds 50.1 per cent of the world's wealth, while the poorest 70 per cent of the world's population of working age holds only 2.7 per cent of the global wealth.¹ Persistently substantial income and wealth disparities impede economic growth and progress towards greater poverty reduction. In this context, this write up examines regional income and wealth inequality trends from 2000 to 2021.

Global Income Inequality

The bottom half of the world's population only receives 8.5 per cent of the overall income and only owns 2 per cent of the global wealth. In the year 2021, the wealthiest 10 per cent of the worldwide population owned 76 per cent of the entire household wealth and held 52 per cent of the overall income (World Inequality Report, 2022). The levels of income inequality that existed across the regions from the years 2000 to 2021 are depicted in Figure 1. There is a substantial gap in the levels of inequality between the regions with the lowest levels of inequality has been noticed in Europe and the region with the highest levels of inequality is Latin America.

In 2000, Asia's top 1 per cent income share was 22.4 per cent, but by 2021, it had dropped to 18.5 per cent. The share of the top 1 per cent in Latin America and North America has risen from 21.5 per cent and 17.3 per cent in

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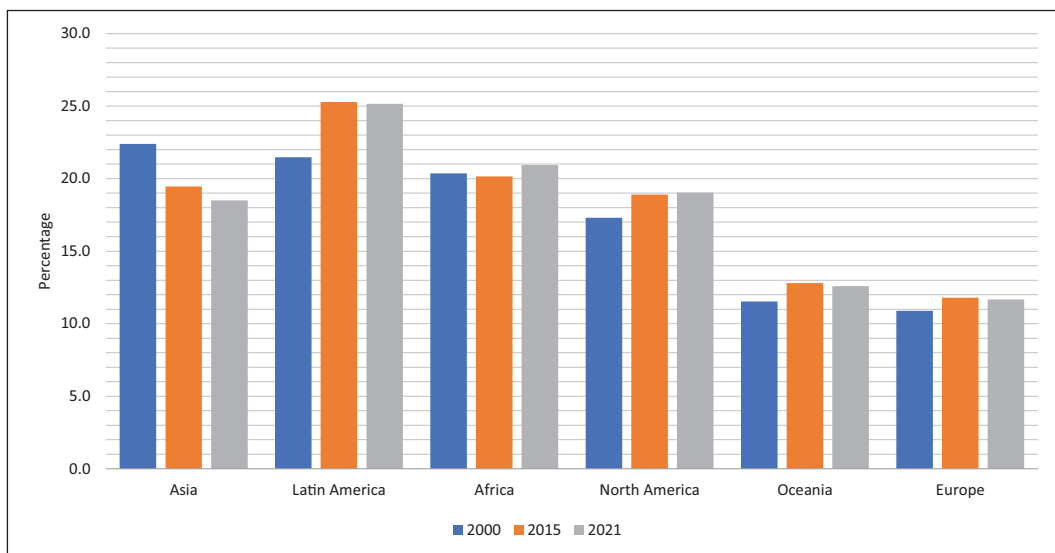
2000 to 25.2 per cent and 19 per cent in 2021 respectively. Another noteworthy take away from the graph is the income concentration of the top 1 per cent is lower in Europe and Oceania, implying that these regions are more equitable income than others.

There is a large amount of variation in the levels of inequality between different regions of the world. Figure 2 demonstrates that the top 10 per cent income share in Asia and Africa has declined from 54.6 per cent and 56.4 per cent in 2000 to 50.6 per cent and 55 per cent in 2021 respectively. In Latin America and Europe, there has not been considerable change in the share of the top 10 per cent in national income. In North America and Oceania, the share of the 10 per cent has increased from 42.8 per cent and 34.5 per cent in 2000

to 45.8 per cent and 37 per cent in 2021 respectively. It appears that Europe and Oceania have equality in terms of share of top 10 per cent in national income in comparison to other regions (see Figure 2). Again it is important to mention that an individual in the top 10 per cent of the global income distribution earns an average of USD 122,100 per year. In comparison, an individual in the bottom 50 per cent of the worldwide income distribution makes an average of USD 3,920 per year (WIR, 2022).

Latin America, Africa and Asia have the smallest bottom 50 per cent shares, with 9 to 10 per cent of national income. In these regions, inequality levels are on par with inequality levels recorded at the global level in 2021. As shown in Figure 3, the share of the bottom 50 per cent of the population in national

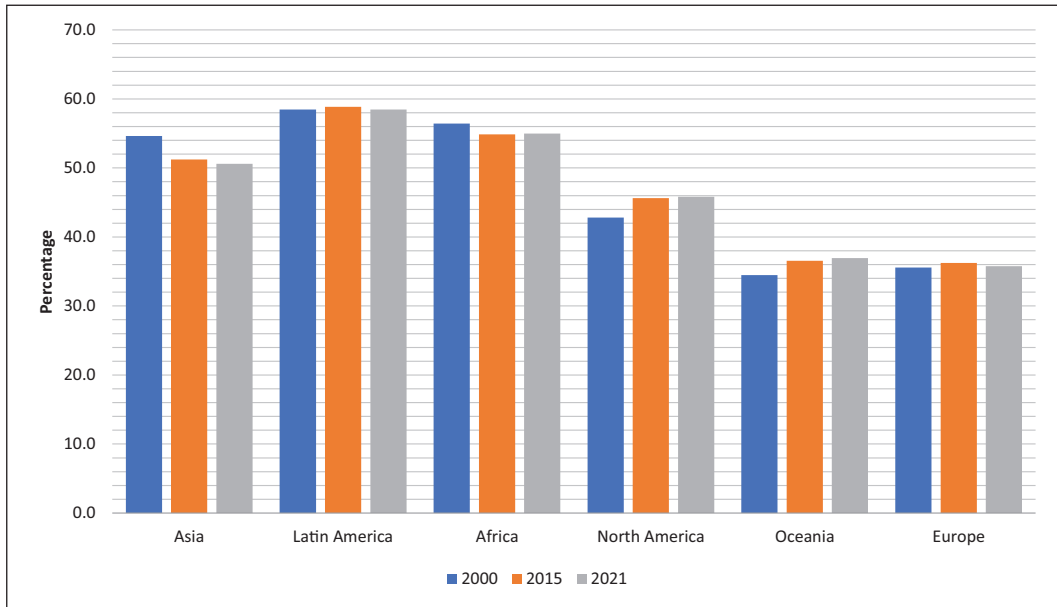
Figure 1: Global Income Inequality: Top 1 per cent Income Shares, 2000-2021



Source: World Inequality Database.²

Note: Share of national income

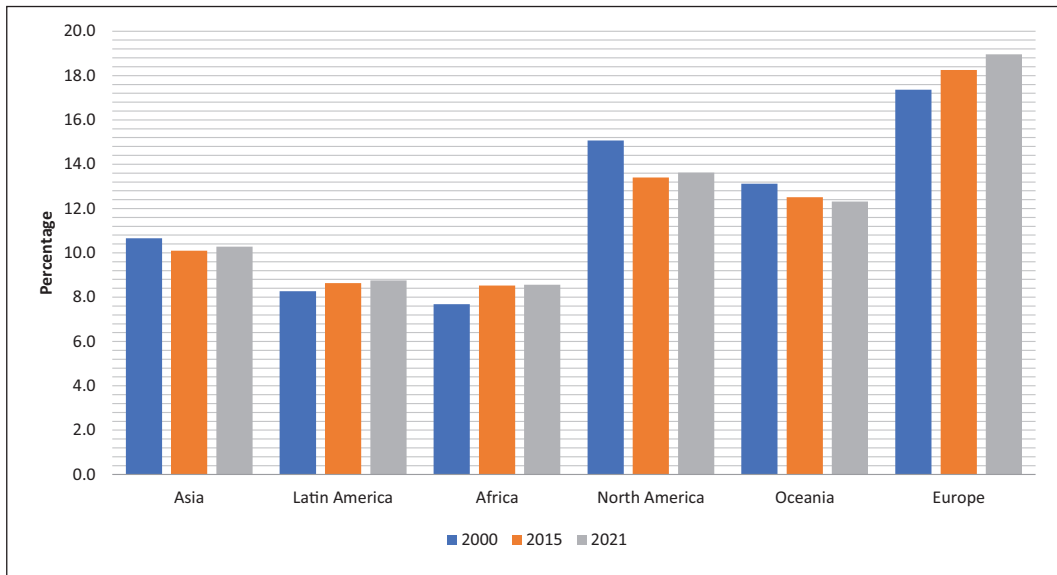
Figure 2: Global Income Inequality: Top 10 per cent Income Shares, 2000-2021



Source: World Inequality Database.

Note: Share of national income

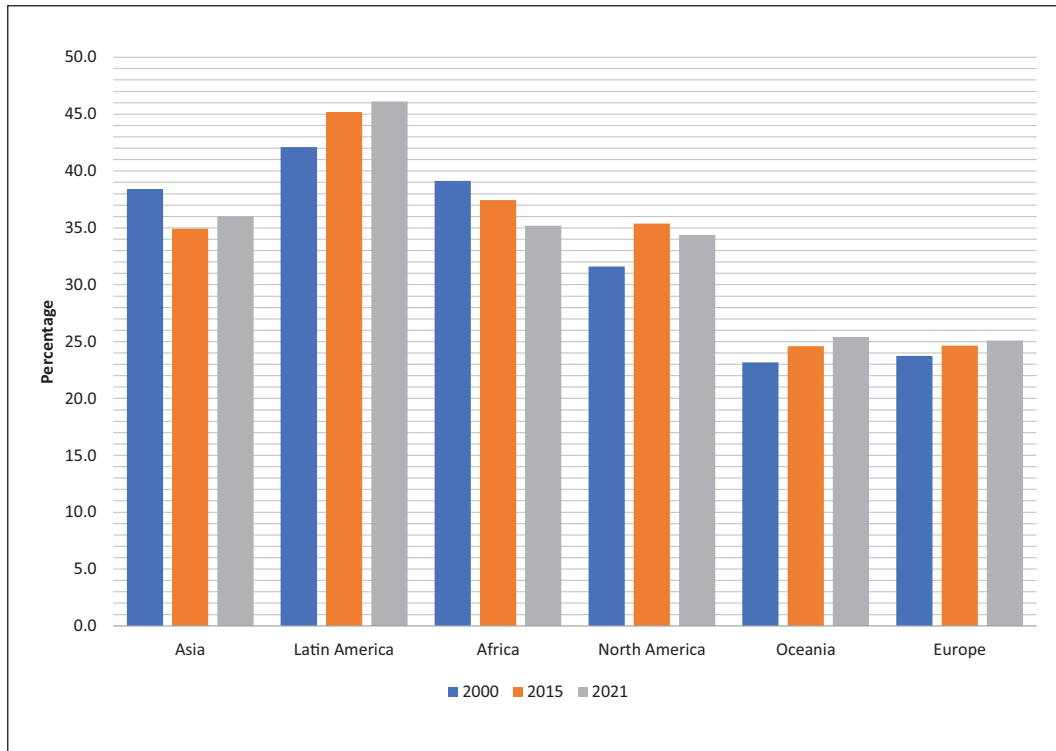
Figure 3: Global Income Inequality: Bottom 50 per cent Income Shares Across The World (2000-2021)



Source: World Inequality Database.

Note: share of national income

Figure 4: Global Wealth Inequality: Top 1 per cent Wealth Share, 2000-2021



Source: World Inequality Database.

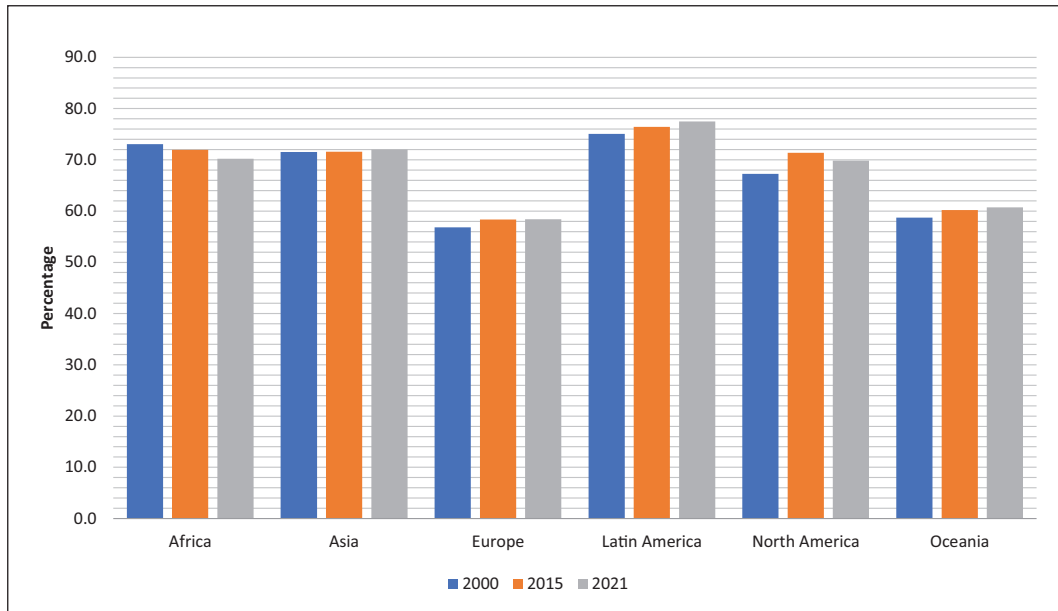
income has increased in Europe from 17.4 per cent in 2000 to 19.0 per cent in 2021, while it has fallen in North America and Oceania from 15.1 per cent and 13.1 per cent in 2000 to 13.6 and 12.0 per cent, respectively. From 2000 to 2021, there is no significant change in the share of the bottom 50 per cent in the national income of Asia, Latin America, and Africa.

Global Wealth Inequality

Global wealth inequality is worse than income inequality as the wealthiest half of the world’s population owns 98 per cent of all the wealth that exists, while the poorest half of the population only owns 2 per cent of the total net

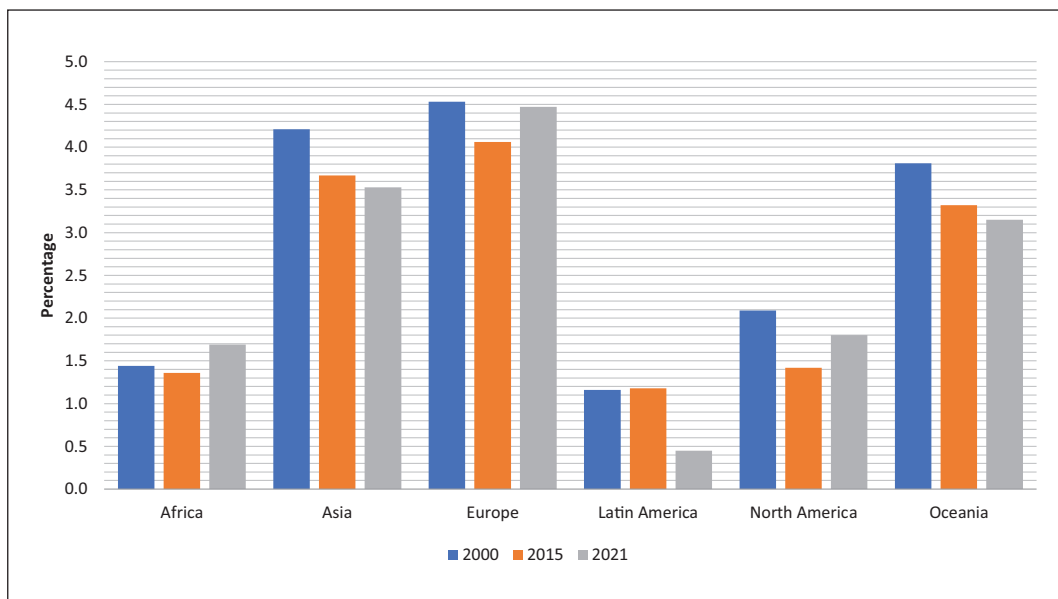
value (World Inequality Report, 2022). In Latin America, the wealthiest 1 per cent was control 46 per cent of total household wealth in 2021, up from 42 per cent in 2000. It indicates that wealth inequality has increased in this region (see Figure 4). The Figure also indicates that wealth inequality has increased in North America, Europe, and Oceania, as the wealth share of the top 1 per cent in Europe rose from 23.7 per cent in 2000 to 25.1 per cent in 2021, while in North America it rose from 31.6 per cent in 2000 to 34.4 per cent in 2021. One notable trend is the overall decline in wealth inequality in the Africa from 39.1 per cent in 2000 to 35.2 per cent in 2021.

Figure 5: Global Wealth Inequality: Top 10 per cent Wealth Share, 2000-2021



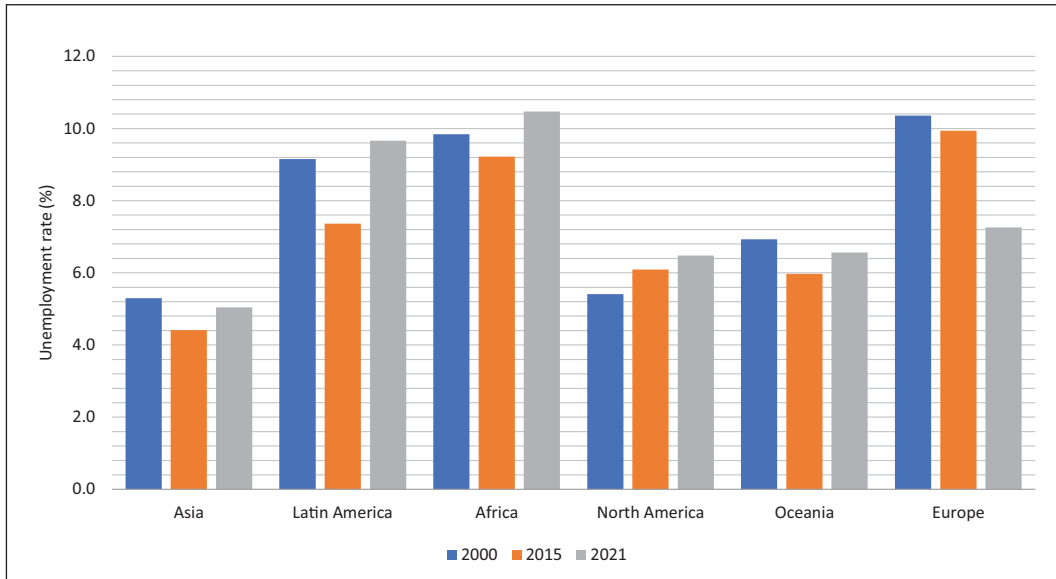
Source: World Inequality Database.

Figure 6: Global Wealth Inequality: Bottom 50 per cent Wealth Shares Across The World (2000-2021)



Source: World Inequality Database.

Figure 7: Unemployment Rate (%)



Source: World Development Indicators, World Bank.

In comparison, only 58.4 per cent of total household wealth is held by the top 10 per cent of households in Europe, whereas 77.5 per cent of all household wealth is held by the top 10 per cent in Latin America in 2021 (see Figure 5).

When looking at the bottom half of the wealth distribution, it appears that this group (share of bottom 50 per cent) has quite limited wealth at all in all regions. In Latin America, it accounts for 0.5 per cent of overall wealth, while in Europe, it accounts for 4.5 per cent (see Figure 6).

Africa has the highest unemployment rate at 10.5 per cent in 2021, followed by Latin America at 9.7 per cent, Europe at 7.3 per cent, and Oceania at 6.6 per cent, with Asia having the lowest unemployment rate at 5 per cent (see Figure 7).

Inequality varies significantly from region to region. The top 10 per cent income share in Europe is 35.8 per cent, whereas it is 58.5 and 55 per cent in Latin America and Africa respectively. These regions also have significant unemployment rates, with 10.5 per cent in Africa and 9.7 per cent in Latin America.

Endnotes

- <https://in.one.un.org/page/sustainable-development-goals/sdg-10/>
- World Inequality Database, <https://wid.world/data/>

References

- Chancel, L., Piketty, T., Saez, E., Zucman, G. et al. *World Inequality Report 2022*. World Inequality Lab. Retrieved from wir2022.wid.world.
- World Development Indicators 2022. Washington, DC: World Bank. Retrieved from <https://databank.worldbank.org/source/world-development-indicators>