

1. Global Disparities Overview

The world is not an equal place, and throughout history there have always been inequalities between people, between countries and between regions. Today the world's population is just over 7 billion people and a large proportion of these people do not live in comfort, as each day they have to find enough food and water to survive. At the other end of the scale, there is a much smaller group of people who have far more than they need. At the beginning of the 21st Century it is estimated that the richest 1% of the world's people receives as much as the bottom 57%.

There has been some debate about whether the gap between the rich and the poor has been widening or narrowing since the 1960s. Demographers and social scientists are people who study disparities between countries in income, health and education and they don't always agree on whether global disparities have been increasing or decreasing.

Some examples of increasing inequalities

Rich people are becoming wealthier at a faster rate than poor people

Inequalities within countries are increasing

Globalisation and new technologies have made some countries very rich, but at the expense of others

Some examples of decreasing inequalities

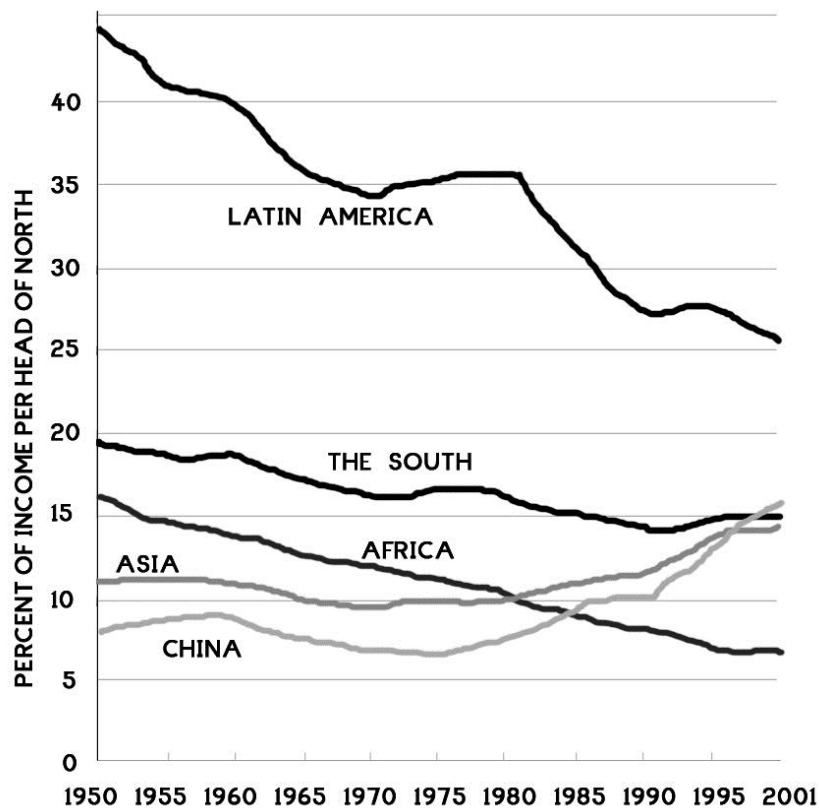
As countries in the developing world are industrialising, incomes are rising and more and more people are being lifted out of poverty, especially in China and India.

Better health services across the world has meant that over the past fifty years, life expectancy is rising, for almost everyone.

Globalisation is helping many farmers and industries find new markets to sell their produce, thus helping them get richer.

However, there remains a big gap between the incomes of the rich people in the Western developed countries and those in the rest of the world. In some cases, this gap is not closing.

GRAPH 1: INCOME PER HEAD IN THE SOUTH AS A PERCENTAGE OF INCOME PER HEAD IN THE NORTH

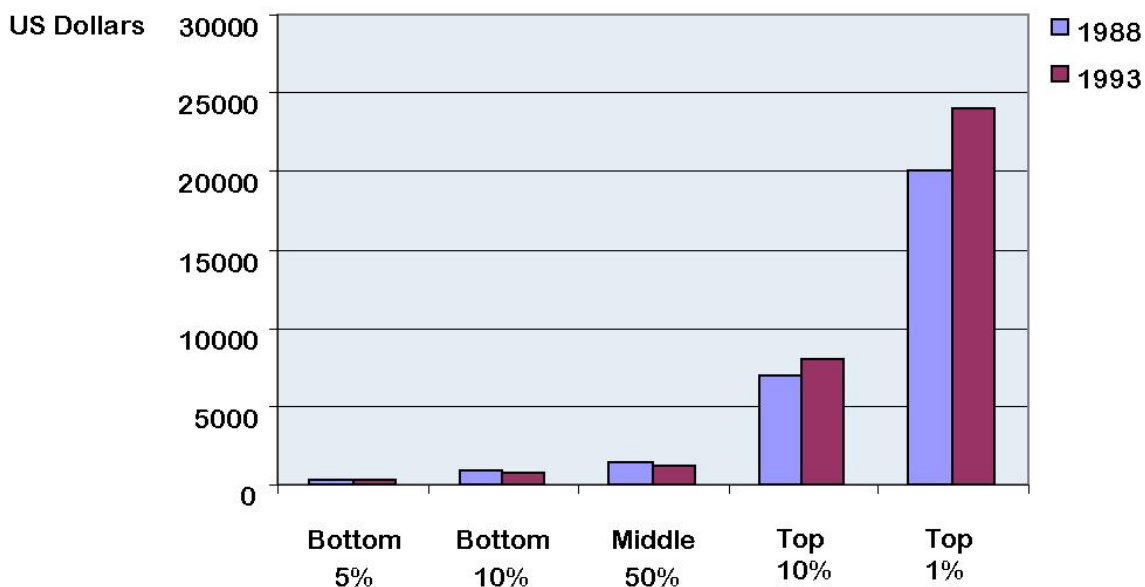


(from <http://ucAtlas.ucsc.edu/income/debate.html>)

The graph above shows that even in 2001, people who lived in the South only had an income that was 15% of what people in the North had. All the gains in world income in the 1990s actually went to the richest 20% of the world, whilst the incomes of those in the bottom 50% actually declined.

GRAPH 2: AVERAGE YEARLY INCOME RECEIVED (IN US\$)

The x axis refers to the percentile of people in the world.

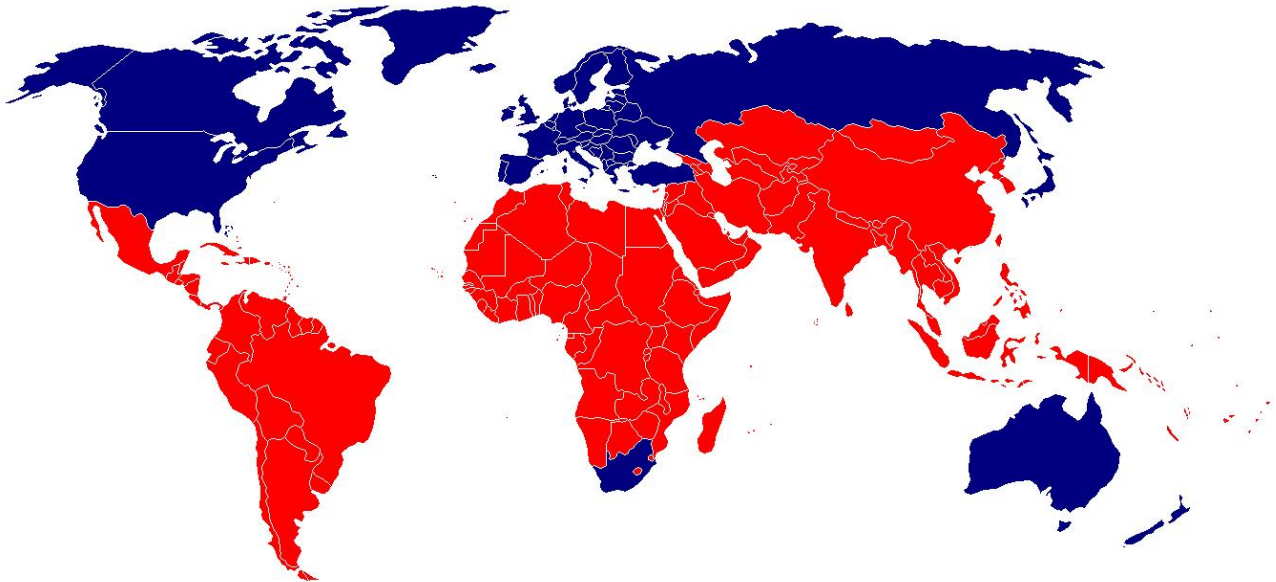


(Source: World Bank)

The North and South Divide

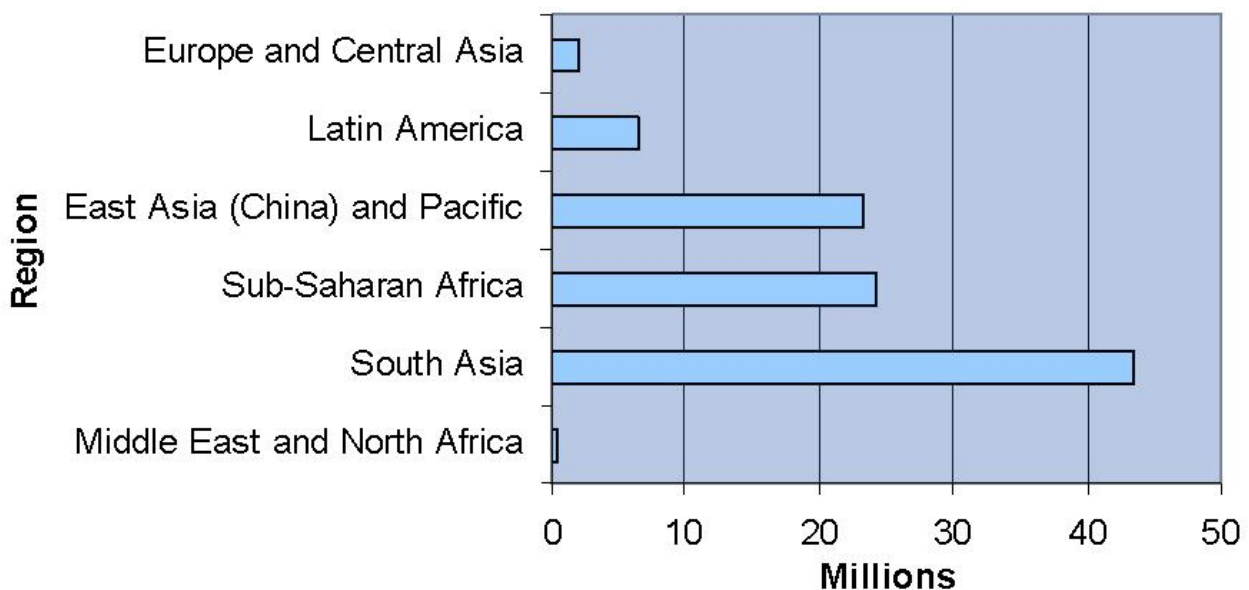
The divide that separates the world into 'the haves' and the 'have nots' still exists in a broad sense, but within both the North and the South there are huge disparities.

MAP 1: THE NORTH/SOUTH DIVIDE, WITH SOUTH AFRICA IN THE NORTH



Global poverty is concentrated in South Asia where half of the world's poor people live, whilst another quarter live in China. The remaining quarter of the world's poor live in sub-Saharan Africa. This bar chart shows where the poor of the world live:

GRAPH 3

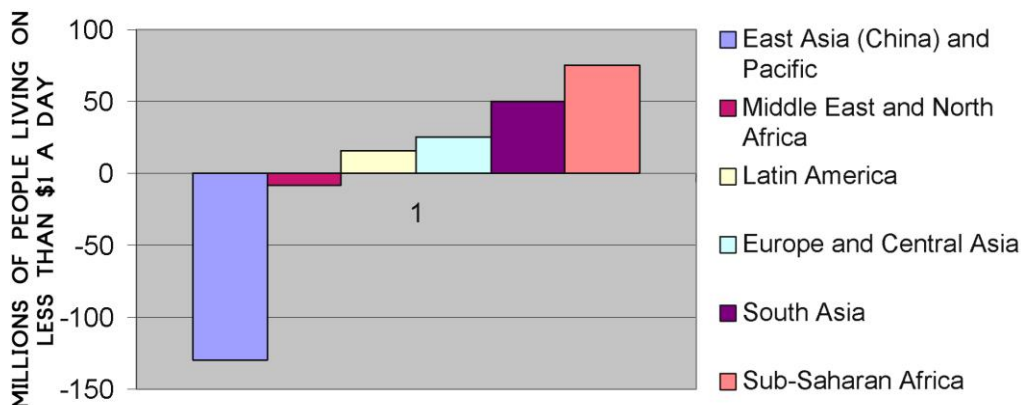


(source: World Bank, 2001)

However, as a proportion of the population, there is a higher proportion of poor people in Africa than anywhere else.

Poverty has not increased or decreased evenly throughout the world. Since 1988, poverty has declined dramatically in China and East Asia because of the huge economic growth in China that has caused a rise in living standards. Within China, the situation is also uneven, with huge disparities between the coastal regions which have benefited from the economic growth and the far west, which has been left behind, with many people still living in poverty there.

GRAPH 4: CHANGES IN WORLD POVERTY 1988-1998



(Source: World Bank)

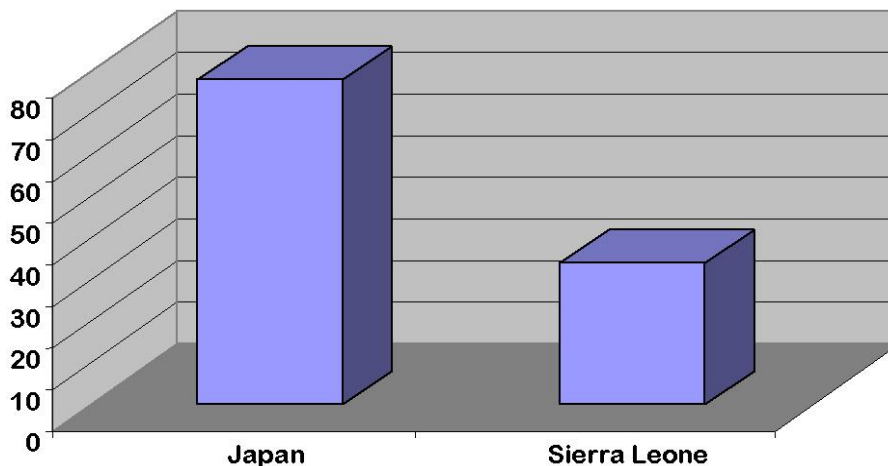
You can see from this graph that there has actually been an increase in people living in poverty in sub-Saharan Africa and South Asia, as well as a huge decrease in East Asia and the Pacific, which has mostly been from the growth of living standards in China.

Health and Education Disparities

Between the world's regions, there is a huge gap between rich countries and poor countries particularly in health. There have been increases in life expectancy, largely due to increasing immunisation programs and access to clean water. However, in places like sub-Saharan Africa, diseases like HIV/AIDS and malaria have increased and life expectancy has actually lowered.

Compare Japan with Sierra Leone, a country in sub-Saharan Africa:

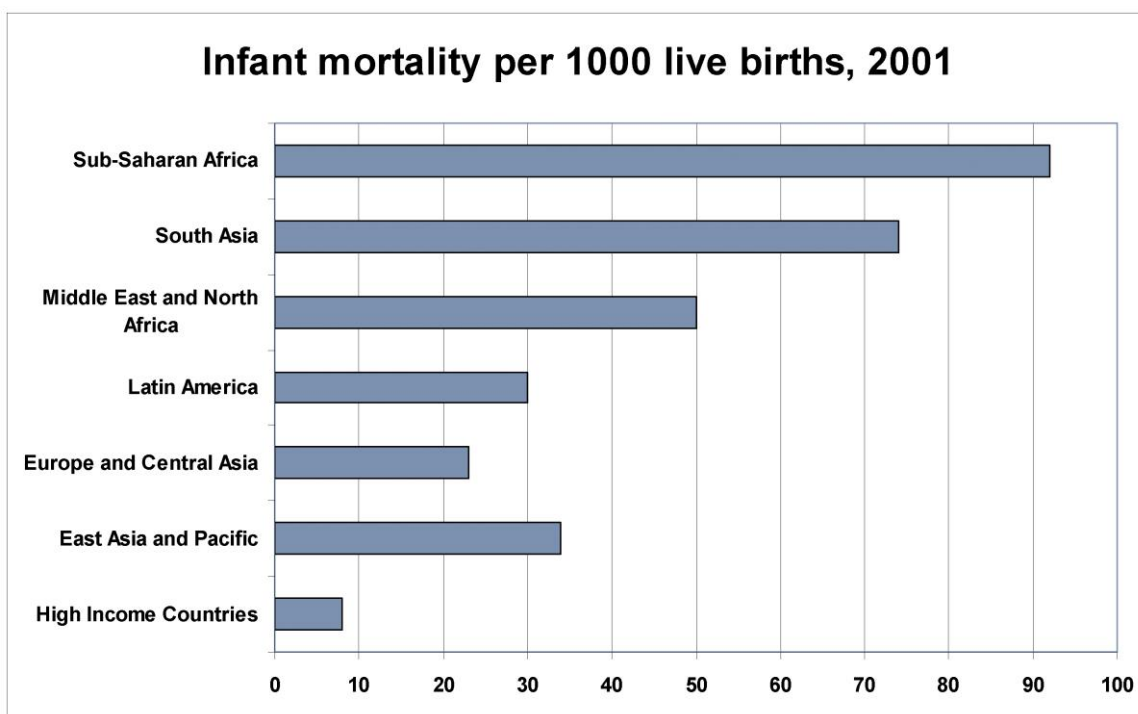
GRAPH 5 LIFE EXPECTANCY FOR JAPAN AND SIERRA LEONE



A child born in a developing country in Asia, Africa or Latin America is ten times more likely to die before the age of five, than a child born in Europe or North America. Such huge disparities exist because of poor government health services, health care that is too expensive for the poor, and in some cases a mistrust of modern health methods by the poor.

Graph 6 shows one particular health indicator that shows a huge gap between the rich countries and the poorer regions of the world.

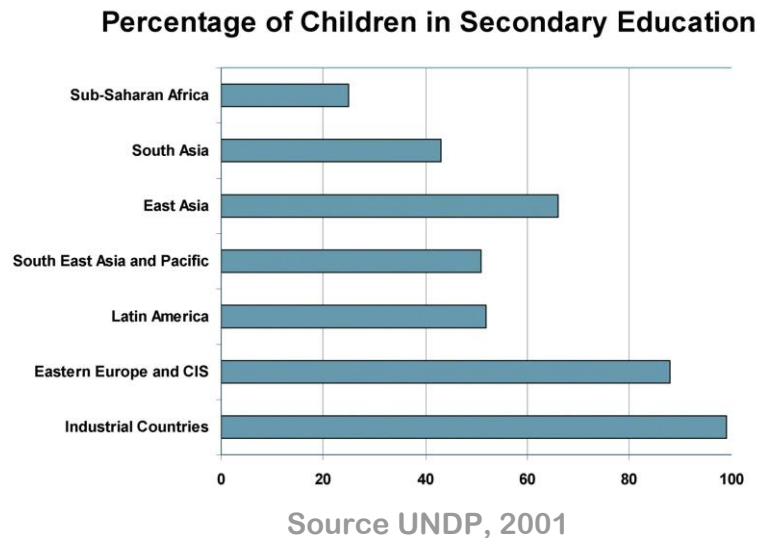
GRAPH 6: INFANT MORTALITY PER 1000 LIVE BIRTHS



(Source: World Bank)

In education, there is less of a disparity. Many developing countries are keen to improve their population's education level as this is seen as a vital link to improving a nation's development. However, in many very poor countries nearly one-third of the population is illiterate and education is seen as a luxury.

GRAPH 7: PERCENTAGE OF CHILDREN IN SECONDARY EDUCATION

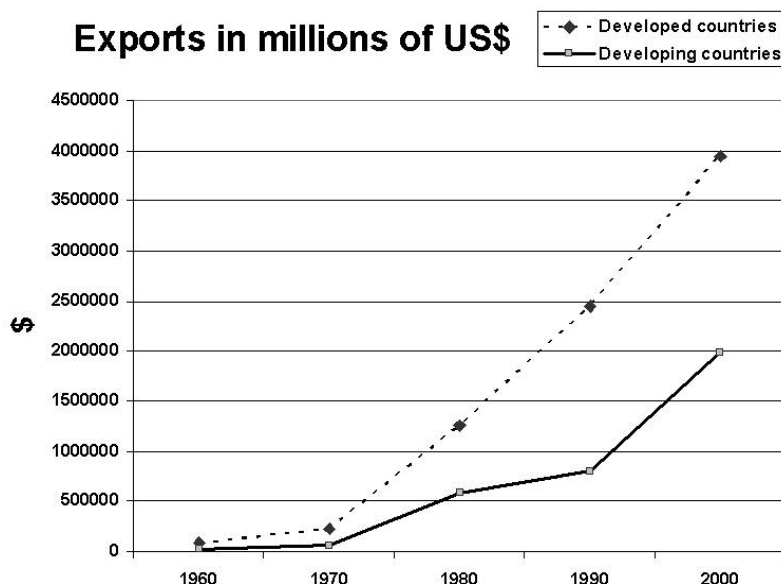


Other Disparities

There are many other gaps between the rich, developed countries and the poorer nations. Another example is the 'Digital Divide'. New technology spreads much faster in countries that have the infrastructure to cope. The Internet, as an example, is a relatively new technology and it is very useful for spreading information quickly. However, there is already a wide divide between the rich and the poor, with 163 internet host sites per 1000 people in the USA compared to only 0.31 internet host sites in Africa.

Trade is another area in which there are global disparities. Trade flows of a given region are important indicators of inequality because "export earnings have an important effect on the real income of a country and its ability to develop [so that] a declining share of exports will often mean, therefore, a declining share of world income" (Robert Sutcliffe, 2001)

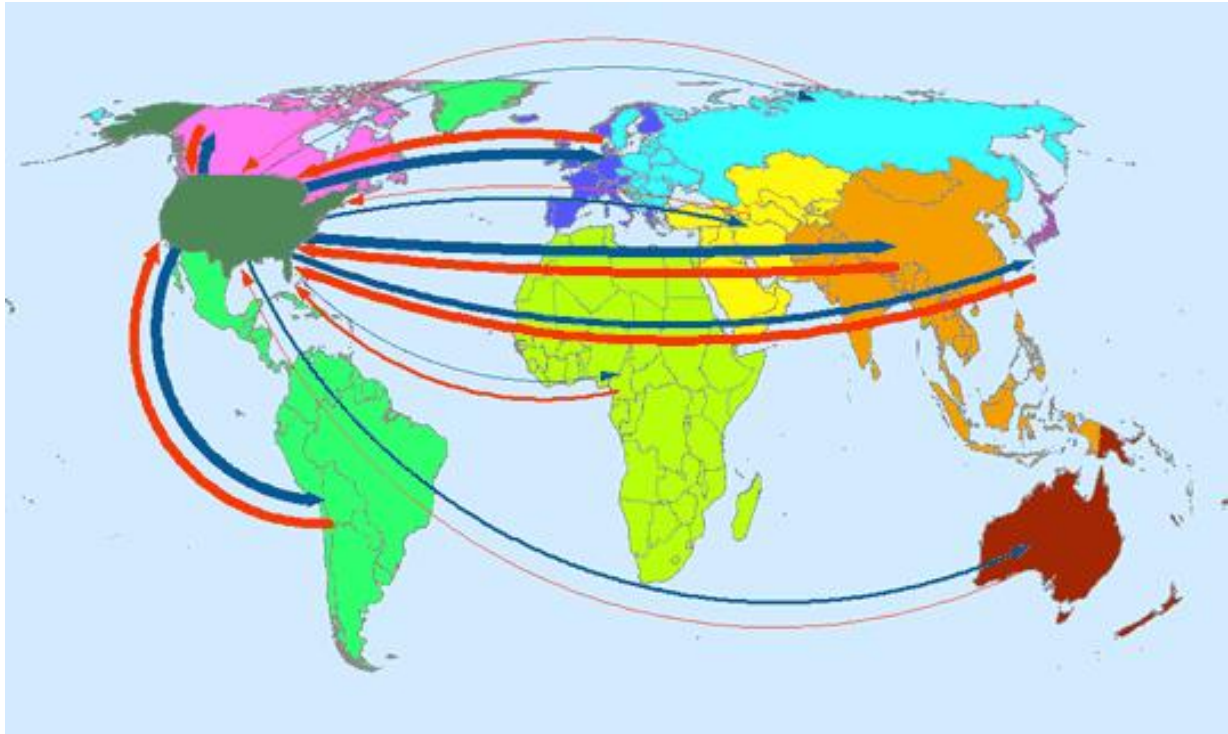
Graph 8: Exports in millions of US\$ (source: UNCTAD)



Compare these two maps of trade flows:

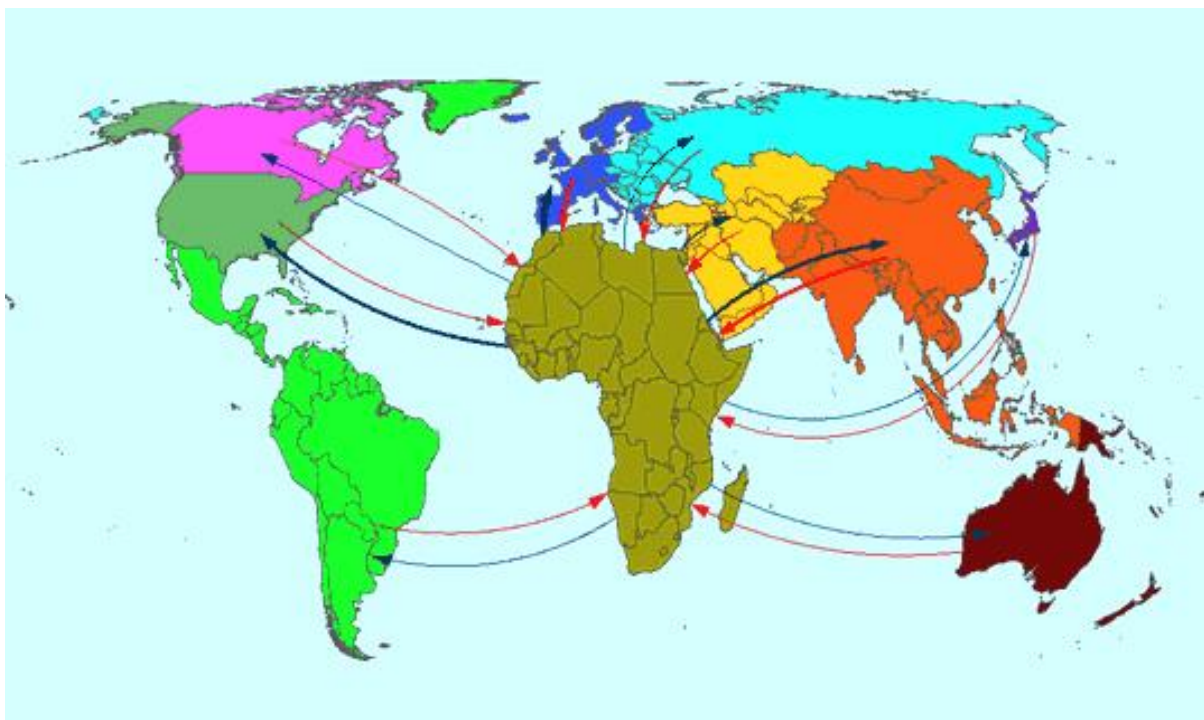
MAP 1: TRADE FLOWS BETWEEN USA AND THE REST OF THE WORLD:

(Key: The thickness of the arrow indicates the volume of imports or exports from and into the country or region.)



(Source: <http://ucatlans.ucsc.edu>)

Map 2: Trade flows between Africa and the rest of the world

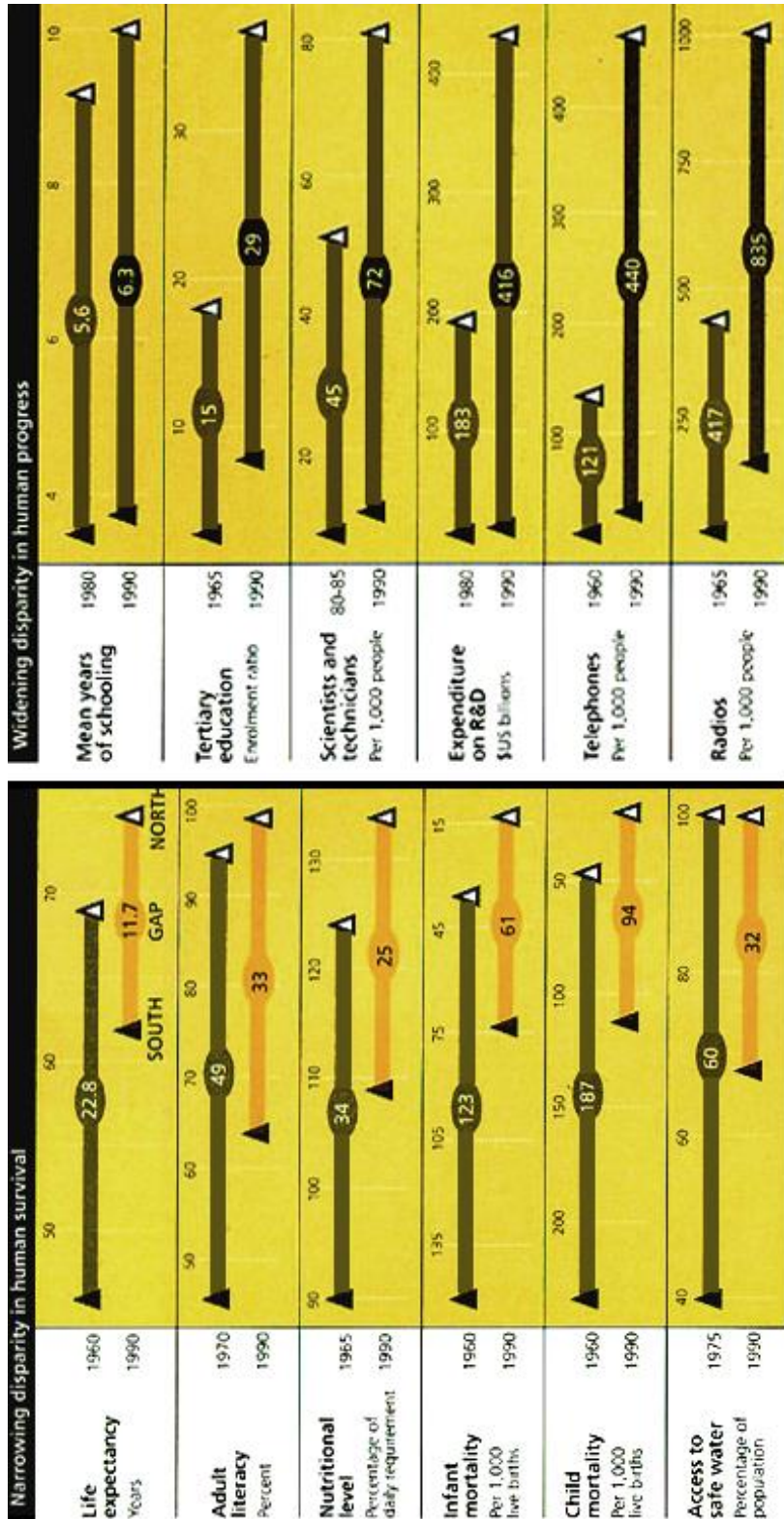


You can see from these two maps, that the USA has a lot of trade with many countries, and the volume of imports and exports is high. The volume of goods both coming from Africa and being sent to Africa, is very small by comparison.

The figure below shows how disparities in certain indicators of development have changed over time. The filled in triangles represent the South and the open triangles represent countries of the North. The interesting figure is the one in the middle showing the gap between the two. For example, in life expectancy you can see that the South has made great gains and the gap now just 11.7 years behind the North, rather than 22.8 years, the gap in 1960. The second part of this figure looks at how there is an increasing gap between the North and the South for some of the indicators, notably those associated with education and technology.

FIGURE: NORTH-SOUTH GAPS IN HUMAN DEVELOPMENT

Change in absolute disparity



(from <http://ucatlas.ucsc.edu/life.php>)

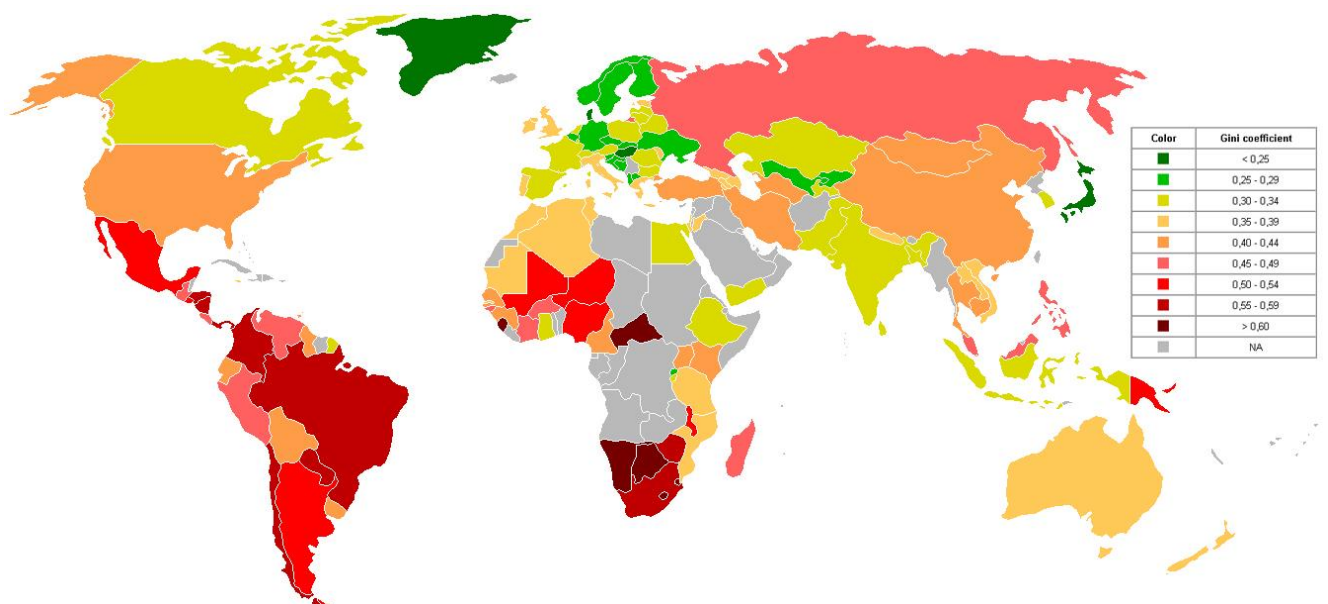
2. Disparities within countries

There are wide disparities within countries, well as between countries and often they can be caused by geographic location, political bias or economic systems. Comparisons made *between* countries, are comparisons of the *average* levels in each country. *Within* each country, differences between rich and poor, between men and women, and between dominant and smaller ethnic groups, all lead to differences in development, income, health and longevity.

Generally, people with high incomes fare much better than the person on the national average. In all societies if there is a high rate of inequality then there is usually higher rates of disease and death. A high rate of inequality within a country means that there are many people living in relative poverty and a smaller proportion of people who live with excessive wealth.

The Gini Coefficient is an interesting statistic. It is derived from a mathematical formula which takes many variables into account, such as how much people earn, their health and education and spread this over the whole country to come up with a figure that shows how unequal the country is amongst its people. The main variable is income, and the closer to 0, the more equal a country (everyone would have the same wage, education etc), and the closer to 1, the more unequal.

This map shows the Gini Coefficient for the world's countries. The darker countries have a greater level of inequality.



Most European nations have a Gini Coefficient of between 0.24 and 0.36, but the United States has a coefficient above 0.4, indicating that it is more unequal.

Top 10	Most Countries	Equal	Gini Coefficient	Bottom 10	Most Unequal Countries	Gini Coefficient
1	Denmark		0.24	115	Paraguay	0.57
2	Japan		0.24	116	South Africa	0.57

3	Sweden	0.25	117	Brazil	0.59
4	Belgium	0.25	118	Guatemala	0.59
5	Czech Republic	0.25	119	Swaziland	0.60
6	Norway	0.25	120	Central African Republic	0.61
7	Slovakia	0.25	121	Sierra Leone	0.62
8	Bosnia and Herzegovina	0.26	122	Botswana	0.63
9	Uzbekistan	0.26	123	Lesotho	0.63
10	Finland	0.26	124	Namibia	0.70
52	New Zealand	0.36			

(Source: www.wikipedia.org)

A country can be ranked quite equal, even if all the people are very poor, as the main difference is not whether the people are rich or poor, it's the gap between the rich and the poor that is measured. This Gini Coefficient does have some limitations, but it can serve as an interesting guide to which countries are the most equal and in which countries there are the most disparities between the citizens.

The reasons why there are high rates of inequality are often associated with politics. For example, in Brazil and South Africa, two countries which have a very high rate of inequality within their borders, the disparities are associated with government neglect of public health measures, and particularly neglect of the health of the poor and past policies which favoured one race over another.

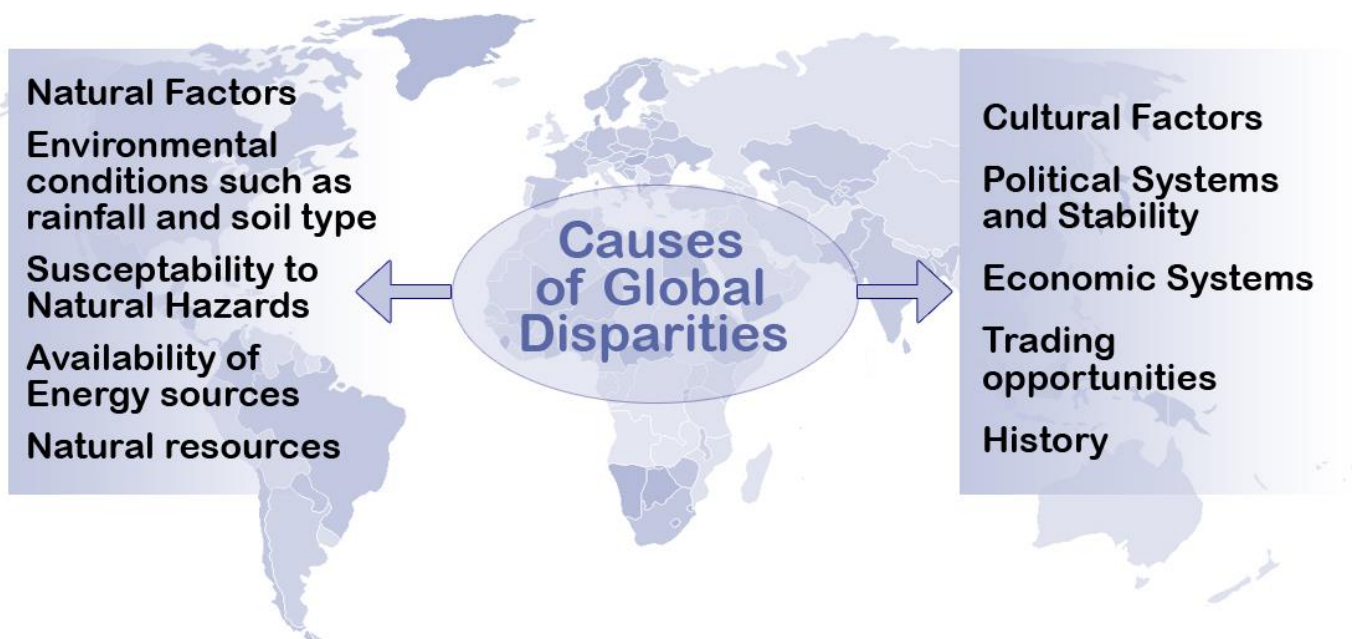
3. Causes of Disparities

Disparities can be caused by both natural factors, such as soil fertility, natural resources and climate and cultural factors, such as political and economic systems, and other social factors . Most often, disparities are caused by cultural factors, but can be made worse by natural factors.

Global disparities that exist today are often the result of events in history that have resulted in some people being exploited, such as in colonialism, or mistreated either by being invaded by another country or missing out in trade negotiations.

Other factors are also important, such as where a country is located, how many natural resources it has and its arable land. It is important to understand that not one single factor is necessary for a country to develop, instead, several factors combine to make it easier or harder for a country to develop. A good example is Korea. After being divided in the Korean War of 1953, South Korea, rebuilt itself into a modern, prosperous country, under a democratic government and capitalist economy, whilst North Korea has suffered under a military dictatorship and today is a very poor country. Both countries share the same geography, the same location and natural resources, but the way the country has been governed has led to one succeeding and one not.

This diagram summarises some of the factors that can cause disparities between countries:



This diagram summarises some of the factors that can cause disparities within countries:



The causes of disparities are often multi-layered and sometimes beyond the control or influence of the average person. A person living in a poorer part of a country may find that they earn less than a person in a richer part of the country and yet they may have the same education, social background and other similarities. Often people migrate to more prosperous regions of a country in search of higher incomes and a better standard of living. Sometimes they achieve their goals, but often, they join many other migrants and there is big struggle to find good employment. In many countries, governments want to make sure that all of the country grows together, otherwise migration from poor areas to rich ones becomes a real problem. Many governments have encouraged investment and development in poorer, peripheral regions to try and stop unequal growth and disparities from developing.