

## **PATTERNS OF ECONOMIC AND SOCIAL INEQUALITY IN DIFFERENT COUNTRIES: A LITERATURE REVIEW**

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### **Abstract**

Inequality is a complex and multidimensional global phenomenon, with varying levels and characteristics among countries with different levels of development. Common trends identified include the increase in inequality in recent decades, the link between inequality and differential access to opportunities, and the negative impact of inequality on economic growth, socio-political stability and people's well-being. The review concludes that a comprehensive and inclusive approach is needed to address economic and social inequality. This should involve collaboration between the government, private sector, and civil society in implementing policies that promote equity, such as progressive tax reforms, investment in education and skills training, expanded access to healthcare and social protection, and the promotion of inclusive and sustainable economic growth. In addition, efforts are needed to strengthen governance, fight corruption, and promote transparency and accountability in public decision-making.

**Keywords:** economic inequality, social inequality, global trends, causal factors, consequences, policies, inclusive growth.

### **Introduction**

Economic and social inequality is a problem faced by many countries in the world, including developed, developing and poor countries. Economic inequality is a condition in which there are significant differences in the distribution of income and wealth among individuals or groups in a society. Economic inequality can be measured using various indicators, such as the Gini coefficient, quintile ratio, and Theil index (Abramo et al., 2020). High economic inequality indicates that a small proportion of people have a much larger share of income and wealth compared to the majority of the population. This can be caused by various factors, such as differences in education levels, access to employment, asset ownership, and unequal government policies (Han et al., 2020).

Social inequality, on the other hand, refers to differences in access to resources, opportunities, and quality of life experienced by individuals or groups within a society. Social inequality can be seen in differences in levels of education, health, housing, and social and political participation (Valaskova et al., 2021). Social inequality is often closely related to economic inequality, where groups with lower income and wealth tend to

have more limited access to social services and opportunities to improve their quality of life. Social inequality can lead to problems such as poverty, unemployment, crime and social conflict (Bywaters et al., 2020).

High economic and social inequality can hamper economic growth, increase poverty, and lead to social problems such as crime and conflict. Various studies have been conducted to analyse the pattern of economic and social inequality in various countries. However, the results of these studies are often mixed and sometimes contradictory. This is due to differences in measurement methods, data used, and factors affecting inequality in each country (Sassler & Lichter, 2020).

This literature review is important to comprehensively analyse the patterns of economic and social inequality across countries. By reviewing previous studies, this research is expected to provide a clearer picture of the pattern of economic and social inequality in developed, developing, and poor countries. In addition, this study will also identify the factors that influence inequality in each country group and its impact on economic growth and people's welfare.

The results of this literature review are expected to be taken into consideration by policy makers in formulating strategies to reduce economic and social inequality in their countries. In addition, this research can also serve as a reference for future studies that want to delve deeper into economic and social inequality in certain countries or use different methods of analysis.

## **Research Methods**

The review in this study uses the literature method. The research method used in this literature review is descriptive qualitative method. This research will collect and analyse various studies that have been conducted previously related to economic and social inequality in developed, developing, and poor countries. The data sources used in this research are scientific journal articles, books, and reports from international institutions such as the World Bank, OECD, and the United Nations (Sanusi, 2015) ; (Wekke, 2020). The collected data will be systematically analysed using content analysis and thematic analysis techniques to identify patterns, trends, and factors affecting economic and social inequality in each country group. The results of the analysis will be presented descriptively in the form of narratives and tables to provide a comprehensive picture of economic and social inequality across countries (Syafri & Erlina, 2018).

## **Results and Discussion**

### **Patterns of Economic Inequality in Different Countries**

Economic inequality is a global problem faced by many countries in the world, whether they are developed, developing or poor. However, the pattern and level of economic inequality may vary across country groups. In developed countries, such as the United States, Japan, and Western European countries, economic inequality tends

to be lower compared to developing and poor countries (Adeleye et al., 2020) . However, in recent decades, economic inequality in developed countries has increased significantly. This is due to various factors, such as globalisation, technological change, and taxation policies that favour high-income groups (White et al., 2023) .

In developing countries, such as China, India and Brazil, economic inequality tends to be higher than in developed countries. This is due to various factors, such as uneven economic growth, corruption, and lack of access to quality education and healthcare. Although some developing countries have managed to reduce poverty levels in recent decades, economic inequality remains a significant challenge. For example, in China, although economic growth has lifted millions of people out of poverty, the gap between the rich and poor has widened (Heath et al., 2020) .

In poor countries, such as many countries in Sub-Saharan Africa and South Asia, economic inequality is very high. Most of the population in these countries live in poverty, while only a small elite enjoys most of the country's wealth. Economic inequality in poor countries is often exacerbated by factors such as conflict, corruption, and lack of basic infrastructure such as access to clean water, sanitation, and electricity. As a result, many people in poor countries are trapped in a cycle of poverty that is difficult to break (Bapuji et al., 2020) .

While patterns of economic inequality differ across country groups, there are some similarities in the factors that contribute to them. For example, globalisation and technological change have led to shifts in employment and wage patterns in many countries, with low-skilled jobs increasingly threatened by automation and outsourcing. In addition, unprogressive taxation policies and underinvestment in education and social services can widen the gap between rich and poor groups (Afrin et al., 2021) .

Addressing economic inequality requires comprehensive and coordinated policies at the national and global levels. Such policies may include improving access to quality education, providing adequate social safety nets, investing in basic infrastructure, and more progressive tax reforms. In addition, international cooperation also needed to address global challenges such as tax evasion, corruption, and climate change that can exacerbate economic inequality. With concerted efforts and strong political commitment, it is possible to create a more inclusive and equitable economy for all (Guzman et al., 2021) .

Furthermore, it is important to note that economic inequality not only impacts the well-being of individuals, but can also have wider consequences for society as a whole. High economic inequality has been associated with various social problems, such as increased crime rates, decreased levels of public health, and decreased levels of social trust. Furthermore, economic inequality can also hinder long-term economic growth by limiting aggregate demand and reducing investment in human capital (Holst et al., 2021) .

While addressing economic inequality is not an easy task, there are some examples of success that can serve as inspiration. For example, some countries in Latin America, such as Brazil and Mexico, have managed to reduce economic inequality through a combination of progressive social policies, such as conditional cash transfer programmes and investments in education. In Europe, countries such as Sweden and Denmark have managed to maintain relatively low levels of economic inequality through strong social welfare systems and inclusive labour market policies (Blundell et al., 2020).

In conclusion, economic inequality is a complex and multidimensional global challenge. The pattern and extent of economic inequality varies across countries, with poor and developing countries tending to have higher levels of inequality compared to developed countries. Nonetheless, economic inequality has increased significantly in many countries in recent decades, driven by factors such as globalisation, technological change, and non-progressive taxation policies (Dill & Zambrana, 2020).

Addressing economic inequality requires comprehensive and coordinated policies at the national and global levels, including improved access to quality education, provision of adequate social safety nets, investment in basic infrastructure, and more progressive tax reforms. In addition, international cooperation is also needed to address global challenges that may exacerbate economic inequality (Maiti et al., 2020).

Ultimately, reducing economic inequality is not only a moral imperative, but also essential for creating a more stable, prosperous and sustainable society. With strong political commitment and concerted efforts from all stakeholders, we can build a more just and inclusive future for all.

### **Patterns of Social Inequality in Different Countries**

Social inequality is a phenomenon that occurs in many countries around the world, both in developed and developing countries. The pattern of social inequality varies from country to country, depending on factors such as history, culture, political system, and economic structure. In developed countries, social inequality is often associated with differences in access to education, health and employment opportunities. Meanwhile, in developing countries, social inequality is often more related to poverty, lack of basic infrastructure, and limited access to resources (Zhou et al., 2022).

In the United States, for example, social inequality is reflected in significant income and wealth differences between different social groups. Although the US has a strong economy and high levels of per capita income, the gap between the rich and poor has continued to widen in recent decades. Factors such as differential access to quality education, systemic discrimination, and taxation policies that favour high-

income groups have contributed to the increase in social inequality in the country (Hartmann & Pinheiro, 2024).

In many developing countries, such as in Africa and Asia, social inequality is often linked to widespread poverty and lack of access to basic services such as education, health and clean water. In countries like Nigeria and India, for example, the gap between the wealthy elite and the majority of the population living in poverty is huge. Social inequality in these countries is often exacerbated by factors such as corruption, social conflict and underinvestment in human development (Mi et al., 2020).

Although patterns of social inequality vary across countries, there are some common trends that can be identified. First, social inequality has tended to increase in many countries in recent decades, driven by factors such as globalisation, technological change, and non-inclusive economic policies (Kavya & Shijin, 2020). Second, social inequality is often related to differences in access to opportunities and resources, such as education, health, and decent work. Third, social inequality can have significant negative consequences for society as a whole, including increased poverty, decreased social mobility, and increased social tensions. Addressing social inequality requires comprehensive and inclusive policies that involve cooperation between the government, the private sector, and civil society (Elkjær & Klitgaard, 2024).

Apart from developed and developing countries, social inequality also occurs in countries with transition economies, such as Russia and China. In Russia, for example, the transition from a centralised economic system to a free market economy in the 1990s led to a significant increase in social inequality. Uneven privatisation processes and widespread corruption resulted in the concentration of wealth in the hands of a few elites, while the majority of the population faced declining living standards (SALIM et al., 2020). In China, rapid economic growth in recent decades has lifted millions out of poverty, but has also widened the gap between urban and rural areas, as well as between different income groups (Rocha et al., 2021).

Social inequality can also be viewed from a gender perspective. In many countries, women often face structural barriers in accessing education, employment and political participation. The gender pay gap, where women are paid less than men for the same work, is a persistent problem in many countries. In addition, women often bear a disproportionate burden of domestic and care work, which can limit their economic and social opportunities (Billon & Lujala ., 2020)

To address social inequality, countries have implemented policies aimed at promoting social and economic inclusion. These include investments in education and skills training, expanded access to healthcare and social protection, and progressive taxation policies that redistribute wealth. In addition, efforts to promote good governance, fight corruption, and strengthen democratic institutions can also play an important role in reducing social inequality (Haughton, 2021).

In conclusion, social inequality is a complex and multidimensional global challenge. Patterns of social inequality vary across countries, influenced by factors such as history, culture, political system and economic structure. Despite differences, there are common trends such as increasing inequality in recent decades, differential access to opportunities and resources, and negative consequences for society as a whole. Addressing social inequality requires a comprehensive and inclusive approach that involves co-operation between various stakeholders, including the government, private sector and civil society. With concerted efforts and a commitment to social justice, we can build a more equal and inclusive society for all.

### **Comparison of Economic and Social Inequality Patterns across Countries**

Economic and social inequality is a global phenomenon that occurs in countries with different levels of development. The pattern of inequality varies between developed, developing and transition economies. In developed countries, such as the United States and Western European countries, inequality is mainly related to the unequal distribution of income and wealth (Gozzi et al., 2021). Although these countries have high levels of per capita income, the gap between the rich and poor has continued to widen in recent decades. Factors such as technological change, globalisation, and taxation policies that favour high-income groups have contributed to this trend (Marchand et al., 2020).

In developing countries, economic and social inequality is often more acute and rooted in histories of colonialism, conflict and weak governance. Countries in Africa, Asia and Latin America face challenges such as widespread poverty, unequal access to education and healthcare, and lack of decent work opportunities. Inequality can also be exacerbated by factors such as corruption, ethnic or religious discrimination, and political instability. Although some developing countries have experienced rapid economic growth in recent decades, the benefits are often unevenly distributed, and inequality remains a significant challenge (Amar & Pratama ., 2020)

In countries with transition economies, such as Russia and China, economic and social inequality has increased significantly during the process of transitioning from a centralised economic system to a market economy. In Russia, uneven privatisation and widespread corruption after the collapse of the Soviet Union have led to the concentration of wealth in the hands of a few elites, while the vast majority of the population faces declining living standards. In China, rapid economic growth has lifted millions out of poverty, but also widened the gap between urban and rural areas, as well as between different income groups (Strandbu et al., 2020).

While patterns of economic and social inequality vary across countries, some common trends can be identified. First, inequality has tended to increase in recent decades, with wealthier groups enjoying faster income and wealth growth than lower-income groups. Second, inequality is often related to differences in access to

opportunities, such as quality education, decent work, and health services (Einhorn, 2020). Third, inequality can have negative consequences for society as a whole, such as slower economic growth, social and political instability, and reduced levels of well-being (Kabeer, 2021). Addressing economic and social inequality requires comprehensive and inclusive policies that involve cooperation between the government, private sector, and civil society.

## Conclusion

The pattern of economic and social inequality across countries shows that inequality is a complex and multidimensional global phenomenon. While the level and characteristics of inequality vary among countries with different levels of development, some common trends can be identified. First, inequality has tended to increase in recent decades, with the rich enjoying faster income and wealth growth than the low-income groups. Second, inequality is often associated with differences in access to opportunities, such as quality education, decent work and health services. Third, inequality can have negative consequences for society as a whole, such as slower economic growth, social and political instability, and declining welfare levels.

The literature review also highlighted the need for a comprehensive and inclusive approach to address economic and social inequality. Efforts to reduce inequality should involve co-operation between the government, private sector and civil society. Policies that can be considered include progressive tax reforms, investments in education and skills training, expanded access to healthcare and social protection, and efforts to promote inclusive and sustainable economic growth. In addition, efforts are needed to strengthen governance, fight corruption, and promote transparency and accountability in public decision-making. By adopting a holistic approach that considers the multiple causes and consequences of inequality, countries can work towards a more equitable and inclusive society where the benefits of economic growth and social development are shared by all.

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