

# 1. Social science challenges inequalities: general introduction

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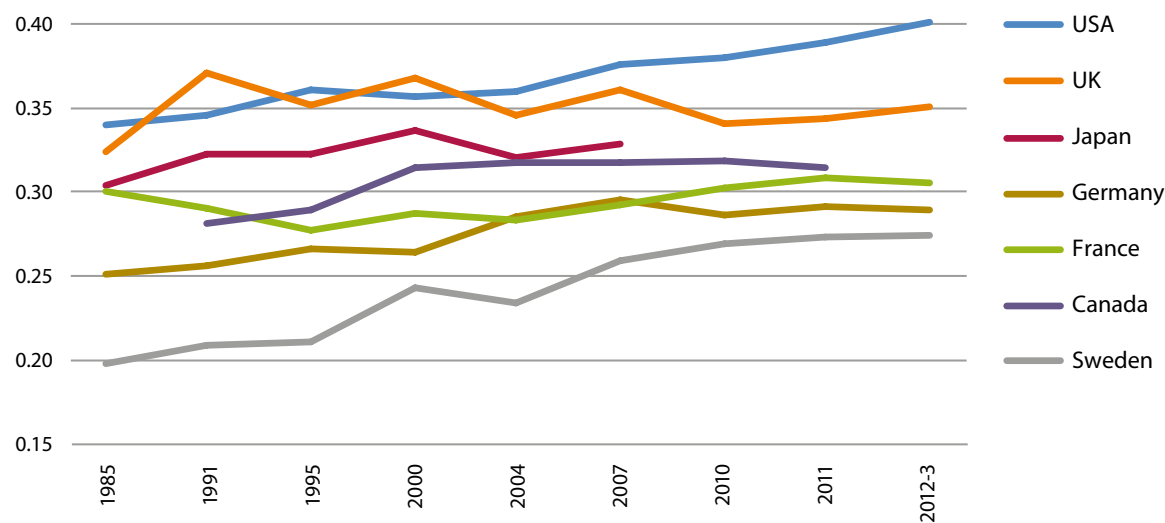
The 2008 economic crisis, the popular uprisings of the so-called ‘Arab spring’, food riots in Mexico, and the Occupy movement, have put inequality back on the global political agenda in the second decade of the twenty-first century. The headlines on inequality are well known, but they remain striking. Various evaluations conclude that in 2015 almost half of all household wealth was owned by 1 per cent of the global population (Crédit Suisse, 2015) and that the sixty-two richest individuals owned as much as the bottom half of humanity (Oxfam, 2016). In the USA, the top 1 per cent captured 55 per cent of the total growth produced in the country between 1993 and 2014, and this trend is on the rise (Saez, 2014).

The recent increase in economic inequalities seems to find its origins in the 1980s and 1990s, when the neoliberal paradigm became dominant in western countries. During the same period, the interaction of international organizations like the International Monetary Fund (IMF) and the World Bank with states

and private sector actors also saw neoliberalism take root in other parts of the world, in the context of the globalization and financialization of the global economy after the fall of the Eastern Bloc. The assumption behind this shift in the logic of economic development was that the benefits of growth generated by market forces would ultimately ‘trickle down’ to poor and vulnerable populations.

However, this neoliberal ‘virtuous circle’ effect did not take place on a large scale. Following the liberalization of their economies, and in an increasingly globalized world, several countries – both developed and emerging – did indeed record high rates of economic growth. Yet inequality, and especially income inequality, increased rapidly. With the adoption of the Millennium Development Goals by the international community in 2000, a strong emphasis was placed on the reduction of extreme poverty and hunger, primary education for all, gender equality and women’s empowerment, and health.

**Figure 1.1 Evolution of Gini coefficients, high-income countries**



Sources: OECD Income Distribution Database (retrieved 3 March 2016).

Despite undeniable results on all of these fronts, economic inequality continued to increase within countries.

The data in Figure 1.1 confirm the considerable increase in income inequality in Northern countries such as the USA and the UK over the period. Even countries with low levels of income inequality before the 1980s, such as Sweden, have recorded substantial increases. Emerging economies such as Colombia, Brazil and India seem to have a higher level of income inequality, although the data is scarcer and time series shorter. Today, South Africa has the world's highest income inequality, despite a decrease in recent years.

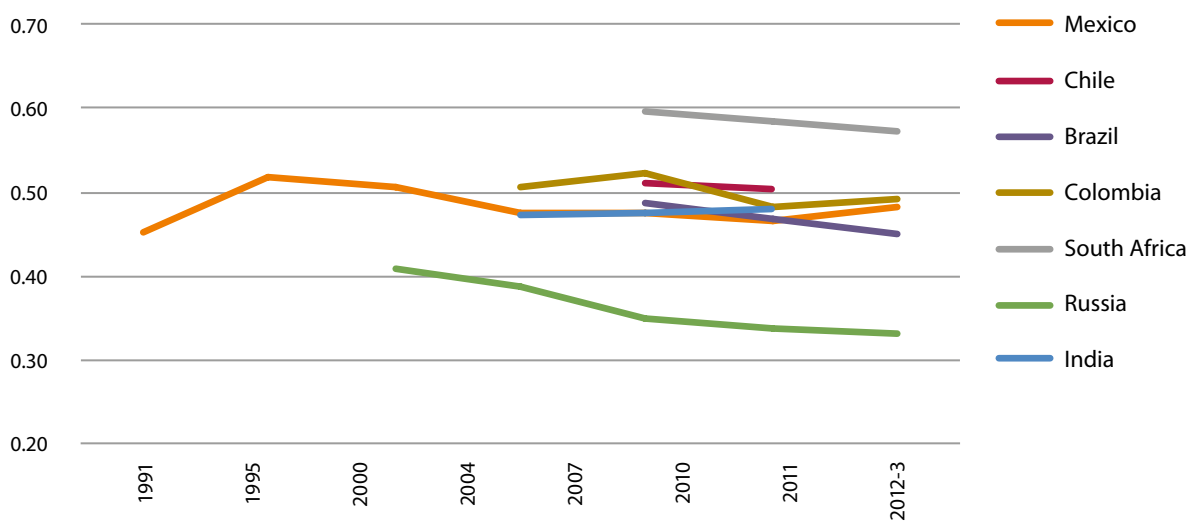
## The context

On 25 September 2015, and following a globally inclusive consultation process, the UN Assembly adopted the Sustainable Development Goals (SDGs), which aim to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Challenging inequality is at the heart of the SDGs, with their commitment to 'leave no one behind'. One specific Goal (10) is devoted to 'Reducing inequality within and among countries'. Goal 10 has ten targets, some of which emphasize the economic dimension of inequality, such as Target 1, to promote faster than average income growth for the bottom 40 per cent of the population.

Target 2 stresses the need to promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. Reaching these goals will require macroeconomic, fiscal, financial, legal and political instruments.

Beyond SDG 10, several other SDGs encompass the need to reduce inequalities and promote inclusiveness by 2030 (see Box 1). They include Goal 1 (End poverty in all its forms everywhere), Goal 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture), Goal 3 (Ensure healthy lives and promote well-being for all at all ages), Goal 4 (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all), Goal 5 (Achieve gender equality and empower all women and girls), Goal 6 (Ensure availability and sustainable management of water and sanitation for all), Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all), Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) and Goal 16 (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels).

Figure 1.2 Evolution of Gini coefficients, middle-income countries



Sources: Luxembourg Income Study (LIS) Database (retrieved 3 March 2016).

 SUSTAINABLE DEVELOPMENT GOALS



Concurrently with the development of the SDGs, several important studies over the past decade or so have confirmed that some dimensions of inequality are reaching levels unheard of in recent decades. Some of these accounts have become best-sellers.

Granted, inequality stands very high in the list of classic social science topics. Sociology was largely born out of efforts to understand new forms of inequality associated with the industrialization of European countries. Over the past two centuries, social theories have focused continuously on inequality in one way or another, and the number of studies dealing with issues and aspects of inequality is probably incalculable. Inequality never entirely disappeared from the radar of the social sciences. Yet until recently it had ceased to be a trend-setter in most disciplines. The incredible success of Thomas Piketty's *Capital in the Twenty-First Century* (close to 2 million copies sold in its various translations) and Wilkinson and Pickett's *The Spirit Level* (translated into twenty-four languages), the awarding of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel to inequality specialists Joseph Stiglitz (2001) and Angus Deaton (2015), and the publication of numerous world reports, confirm that inequality has once more become a critical field of concern and of vibrant, innovative research.

### The objectives of the 2016 World Social Science Report

Does the world need a new global report on inequality? This Report adds to the existing literature by filling several important gaps. First is the insufficient consideration given in many of these studies to forms of inequality beyond economic ones such as income, consumption and assets. Less attention has been paid to other forms of inequality, including in health and education and with regard to gender, and still less to further dimensions such as environmental and knowledge inequalities. Even when these other dimensions are recognized, studies usually focus on one or another, missing the interactions between them. Then the partition of research on inequality into subfields of specialization, or silos, creates a second gap, namely the over-representation of certain disciplines, and insufficient recognition of the potentially much broader scope of social science contributions and perspectives on inequality. A third, additional gap results from the dominant focus on quantifiable indicators to the detriment of analytical approaches combining quantitative and qualitative analytical frameworks. Closely linked with the preference for quantifiable data is the focus on those countries and regions where reliable data are available, mainly OECD countries, to the detriment of other countries without similarly reliable statistics and data, typically low to middle-income countries.

A fourth gap concerns the insufficient consideration given to the multiple consequences of inequality, beyond the study of the levels of inequality, and how they affect different groups of people. Finally, studies and reports on inequality do not by and large identify potential solutions and responses to multiple inequalities which are adapted to specific contexts, and which help to provide pathways to more equitable futures.

These gaps help us determine the six objectives of this Report. They are:

- to look beyond economic inequality and into the interactions between multiple dimensions of inequality;
- to document the trends in inequality in several countries and in all world regions; providing data and information on less well-researched countries, notably low-income countries in Africa and Asia;
- to analyse the consequences of inequalities in different countries and regions, and for different groups of people;
- to identify strategies to reduce inequalities;
- to provide a multidisciplinary contribution to the study of inequality, with inputs from a large range of social sciences such as economics, political science, sociology, psychology, anthropology, legal studies and development studies, as well as from other disciplines and outside academia;
- to identify critical knowledge gaps and propose a global research agenda on inequality.

### Box 1 Illustrative list of recent books and reports on inequality

#### Books and papers

- Atkinson, A. 2015. *Inequality – what can be done?* Cambridge, Mass., Harvard University Press.
- Berg, A. and Ostry, J. D. 2011 *Inequality and Unsustainable Growth: Two Sides of the Same Coin?* Washington DC, International Monetary Fund.
- Deaton, A. 2013. *The Great Escape: Health, Wealth, and the Origins of Inequality*. Princeton, N.J., Princeton University Press.
- Milanovic, B. 2016. *Global Inequality: A New Approach for the Age of Globalization*. Cambridge, Mass., Belknap Press.
- Piketty, T. 2014. *Capital in the Twenty-First Century* (first published in French in 2013). Cambridge, Mass., Harvard University Press.
- Stiglitz, J. E. 2012. *The Price of Inequality: How Today's Divided Society Endangers Our Future*. New York, W.W. Norton & Company.
- Wilkinson, R. and Pickett, K. 2009. *The Spirit Level: Why More Equal Societies Almost Always Do Better*. New York, Bloomsbury.

#### Reports

- ILO (International Labour Office). 2015. *Global Wage Report 2014/15: Wages and Income Inequality*. Geneva, ILO.
- OECD. 2011. *Divided We Stand. Why Inequality Keeps Rising*. Paris, OECD Publishing.
- OECD. 2015. *In It Together: Why Less Inequality Benefits All*. Paris, OECD Publishing.
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- Oxfam. 2016. *An Economy For the 1%: How Privilege and Power in the Economy Drive Extreme Inequality and How this can be Stopped*. Oxfam Publishing.
- UNDP (UN Development Programme). 2014. *Humanity Divided: Confronting Inequality in Developing Countries*. New York, UNDP Publishing.
- UNESCO. 2004. *Gender and Education for All – The Leap to Equality. Education for All Global Monitoring Report 2003/4*. Paris, UNESCO Publishing.
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- World Bank. 2005. *World Development Report 2006, Equity and Development*. Oxford, World Bank and Oxford University Press.
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## An inclusive analytical framework

The starting point of this Report is a recognition of the need for holistic approaches to the study of inequality, and for analyses of its many interacting dimensions. The Report recognizes that the issues of poverty, inequality and social justice are very much related. Although inequality will be the main entry point to the analysis, issues related to poverty, inequity and injustice are also considered, as are responses to those issues. The Report covers seven dimensions of inequality, and studies their configurations in different contexts. They are:

**Economic inequality** – refers to differences between levels of incomes, assets, wealth and capital, and living standards, including inequalities in employment. Whereas poverty and extreme poverty are usually determined according to a threshold (such as 60 per cent of median income, or US\$1.90 or less per day), inequality is a relative appreciation of the economic situation of individuals and groups within societies.

**Social inequality** – is defined as the differences between the social statuses of different population groups such as classes, castes, or age groups. It refers to systemic imbalances rooted in the functioning of social institutions, such as education, health, justice and social protection. These disparities in roles, functions, decisions, rights and their determinants affect the level and quality of access to services and protection for different groups, as well as life chances and the capacity to aspire to and attain certain outcomes.

**Cultural inequality** – refers to differences in status between identity-based groups (self-determined, socially constructed or both). Cultural inequalities encompass discriminations based on gender, ethnic and racialized categorizations, religion, disability and other group identities, rooted in cultural justifications and historic practices. For analytical purposes in this Report, social institutions are associated primarily with the production of social inequality, yet their role in maintaining and reproducing inequality between identity-based groups is also important.

**Political inequality** – is defined as the differentiated capacity for individuals and groups to influence political decision-making processes and to benefit from those decisions, even in political systems with open processes and procedural equality between citizens. Political inequality also refers to unequal opportunity to enter into political action.

It typically refers to the idea that certain ‘voices’ resonate louder in political debates, and others are not heard at all.

**Environmental inequality** – covers the full range of differences and disparities in the quality of the environment to which individuals and groups have access. It refers to levels of environmental protection, access to natural resources and opportunities to benefit from their exploitation, and exposure to pollution and to risks of natural hazards and disasters. It also covers capacities to adapt to climate change and to adopt more sustainable ways of living, and the capacity to influence and shape decision-making relating to environmental issues.

**Spatial inequality** – is used to describe disparities in economic activity and income across spaces, typically between centres and peripheries, between urban and rural areas, and between regions with more or less useful resources. It often entails unequal access to services and knowledge, and discriminations and inequities in political influence. Spatial and regional divisions may interact with economic, political or ethnic divisions, and foster social and political protest.

**Knowledge inequality** – comprises the numerous factors influencing access to different sources and types of knowledge, as well as the consequences of these disparities, as was addressed in the International Social Science Council (ISSC) *World Social Science Report (WSSR) 2010: Knowledge Divides*. It also includes the question of whose knowledge counts and what types of knowledge are considered most important. Knowledge inequalities between individuals and groups affect the capacity to make informed decisions, to access services and to participate in political life. There is often a correlation with spatial inequality, whereby peripheries with lesser access to knowledge are also less known (subjects of fewer studies, with poorer data, and so on).

This conceptual framework is not rigid. There are overlaps between the definitions, and authors also offer their own interpretations. By drawing attention to and addressing these seven dimensions of inequality, this Report captures a large set of unequal dynamics, and the analysis contained within it reaches beyond that of many recent studies.

## Justice and equality, opportunities and outcomes, and equity

The study of inequality in social science and philosophy has also embraced broader conceptual debates and ambiguities. Among them are the distinction between equality and justice, and equalities of opportunities and of outcomes. These terms are often used differently in different contexts and academic disciplines. Where economists tend to focus on equality of opportunity, equality of outcomes and equity, philosophers and political scientists tend to frame their discussions in terms of justice, equity and fairness.

**Equality and justice.** The question of equality refers to the distribution of resources within a particular social setting and to the meaning given to the resources and their distribution: both subjectively, from the perspective of individual agents, and socially, as a pattern that forms part of a collective understanding. Considerations of fairness, justice, equity and so on are part of the subjective dimension of equality, which has been highly variable historically within and between societies. Equality refers to three interlocking sets of issues: to what extent distribution matters; what is important in distributional terms; and how much inequality is tolerable for any given resource. A broadly egalitarian conception of social justice – as illustrated in Goal 16 of the SDG – is one that states that distribution matters, that all issues that bear on the realization of human rights matter in distributional terms, and that current levels of inequality are excessive.

**Equality of opportunities and outcome.** Equality of opportunity posits that all individuals should have equal chances according to their individual capacities, talents and merit, regardless of where they live, their socio-economic background, gender, origin, cultural identity and so on. Equality of outcome pertains to income, wealth, employment and learning achievements. Conceptually, the principle of equality of opportunity is simple. But defining it precisely and measuring it is much more difficult, as inequalities of opportunities can often only be detected by the outcomes they produce.

For many observers and analysts, aiming for equality of opportunity is not enough. Obstacles and practices may remain that prevent people from succeeding in life. For them, the goal must rather be equality of outcome, so that all those with similar talents and abilities – and the willingness to use them – are able to achieve equally in terms of learning achievements, health, income and so on, independently of their circumstances at birth. What should be developed are not policies focusing on equal access to services and opportunities, but policies to support those who were less advantaged to start with. This is done, for example, in policies of affirmative action. But the question still remains: what should be equalized? This depends on how equity is understood in each society. According to the prevailing understanding at a specific time and place, the accent will be placed on one or several dimensions, and the level of inequity deemed acceptable will differ.

There are longstanding debates on these terms and their meaning. This report engages with these long-running debates, leaving authors free to take their own positions on these definitions and their application, rather than imposing any single set of definitions.

## Plurality of voices

The 2016 *WSSR* aims to be inclusive with regard to the multiplicity of disciplinary outlooks and approaches, the countries and regions observed and the voices represented. It brings together original works from a diverse mix of social scientists, practitioners, activists and other thought leaders with expertise on the issue of inequality. In commissioning authors for the Report, the editorial team sought to involve a wide range of social scientists from within and outside academia, and to involve stakeholders and activists, as well as voices that may be less frequently heard in academic debates on inequalities. It also brings together global social science expertise from across the disciplines. The *WSSR* counts amongst its contributors 107 social scientists, originating from some forty countries, from different disciplinary backgrounds, of whom 46 per cent are women. The diversity of perspectives represented here is arguably greater than in most reports on inequality.



## Audiences

The Report was prepared with the following audiences in mind:

- Students and experts on inequalities, who will find an up-to-date review of influential approaches and data; an encompassing portrait of the state of inequalities worldwide through multidisciplinary insights from several countries and all world regions; and cutting-edge studies that are opening new fields for inequality research. Most articles are short, and designed to provide brief and compelling insights across a range of subjects related to inequality.
- Decision-takers, policy-makers and practitioners from developed and developing countries, who are increasingly concerned with rising inequalities. The Report highlights learnings about policy solutions and responses to inequality developed and implemented by different kinds of policy and civil society actors worldwide.
- Research councils and agencies organizing, financing and evaluating social science research everywhere. Here they will find a proposed research agenda for the next decade, allowing for comparisons of inequality research in their countries with the key areas and priorities for future research globally identified by the report authors.
- Civil society and all potential 'users' of social science knowledge, including non-governmental and similar organizations, the media and the general public. All are increasingly concerned with the consequences of inequalities. Here they will find studies exploring some of those consequences at different levels and in various parts of the world, as well as prospective essays about inequality's possible futures, and articles on strategies to achieve greater equality.

## Preparation and structure of the Report

The 2016 *WSSR* was prepared by the ISSC and the Institute of Development Studies (IDS) under the guidance of a Scientific Advisory Committee (SAC) composed of renowned scholars who have written on inequality from different disciplinary backgrounds and come from all parts of the world. Most members of the SAC were nominated directly by their international disciplinary associations.

Discussions at the ISSC's Twenty-Ninth General Assembly, held in September 2013, resulted in agreement by ISSC members that the 2016 *WSSR* should focus on issues of inequality. As always when a new topic is decided by its members, the ISSC secretariat launched an international consultation and review process in collaboration with its members and partners, to define the specific contribution that we wish to make, to select issues to cover, and to start approaching potential contributors. An international expert meeting on 'Global justice, poverty, inequality and the post-2015 development agenda', co-organized with UNESCO in April 2014, provided some initial inputs and recommendations on the kind of specific contribution that a *WSSR* could make on the topics of inequality, poverty reduction and justice. To further this discussion, twenty internationally renowned social scientists were surveyed, and a review of the recent literature was conducted.

On the basis of these various inputs, an outline of potential issues was discussed at the first SAC meeting, which took place in January 2015 in Paris. At this meeting the SAC also recommended that the Report should analyse the multiple dimensions of inequalities, mobilize all social science disciplines, and cover all countries and world regions, as well as providing concrete examples of responses and solutions.

In May 2015 a grant agreement for research collaboration was signed between the ISSC and the IDS, whereby a team of IDS researchers and research leaders would become part of the team of Report directors. IDS, as a world-leading institution in development studies, with a large international network of researchers, was particularly suitable to help produce a global social science report on inequality. A first outline of the Report was developed jointly, and responsibilities for the different parts and chapters were shared between ISSC and IDS. The team started to approach authors and commission articles.

The 2015 World Social Science Forum on 'Transforming Global Relations for a Just World', co-organized with South Africa's Human Sciences Research Council (HSRC) and the Council for the Development of Social Science Research in Africa (CODESRIA), was held in September in Durban, South Africa. It brought together close to 1,100 participants from eighty-four countries. In conjunction with the Forum, the SAC held its second meeting with the editorial team.

Several Forum keynote speakers and presenters were invited to contribute to the Report, specifically from regions that were less represented among the Report's authors, and additional topics were included. Finally, the SAC approved the Report's key messages and conclusions as well as the proposed research agenda.

The editorial team had decided early on to keep the Report to book size, and to provide a mix of shorter and longer articles, with shorter boxes providing a snapshot of a particular issue or response. Several of the articles have been written by international and multidisciplinary teams of authors. As always, hard choices had to be made. In the end, the editorial team is confident that it has achieved a good balance of research excellence, disciplinary diversity, regional coverage and gender diversity.

Each article was reviewed internally by the editorial team, and typically by two external reviewers. The entire Report was reviewed by four external reviewers, from different disciplinary backgrounds and regions of the world.

## Structure

The Report is divided into four parts and seven chapters. Parts I, II and III are introduced by a synthesis article, discussing key points made in the various contributions to the Report, in the light of current academic discussions and societal debates. Each chapter includes a number of articles and boxes, providing state-of-the-art inputs and detailing specific cases and methodological points.

*Part I* opens with a discussion of current trends in economic inequality around the world, and then enlarges its scope to consider the other intersecting dimensions of inequality (*Chapter 1*). It then focuses on particular regions and countries, to analyse some specific configurations of inequality's many dimensions, and how inequalities can be rooted in history and culture (*Chapter 2*). *Part II* discusses the consequences of inequality for economic growth, poverty, conflicts, sustainability and more generally our collective capacity to address global priorities, such as through the 2030 Agenda. It also addresses the consequences of intersecting inequalities on certain groups (*Chapter 3*).

A chapter is dedicated to articles about possible futures for inequality, on the basis of some trends observed today (*Chapter 4*). *Part III* moves the discussion on to consider various pathways toward greater equality. It presents some instances where changes in rules (such as public policies and legal mechanisms) have contributed to reducing inequality or halting rising inequality (*Chapter 5*), and to the outcomes of mobilizations for change (*Chapter 6*). On the basis of all these contributions, new gaps are identified and recommendations made for future international research on inequality (*Part IV*). A bibliometric analysis of the research outputs on inequality and social justice serves to identify the disciplines and countries that produce the most (*Part IV, Annex*). As in the 2010 and 2013 WSSRs, the Report concludes with an Annex comprising updated statistical data on the state of global social science knowledge production.

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