

# Bridging the gap between rich and poor within societies

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## **Introduction**

The issue of the inequality in society has been following humanity for lots of years. Looking superficially, problem can be explained as an uneven distribution of resources or money between people, splitting them to segments of society which have different abilities. However, there is another aspect, covered deep inside – the psychological one. It includes lots of different psychological problems, principles and attitudes of people towards their social stratum or stratum of others. For example, that is a common situation when poor people do not have a hope for improvement in their lives and do nothing for it, usually because of the slighting and mistrustful attitude of people from higher social segments that give poor people no opportunity. Moreover, as it is known from the history, long lasting and wide gap between rich and poor had always led to revolutions, industrial actions, rebellions (for example, the French revolution in 1793, where poor raised against the rich and the government and killed the King and the Queen because of inability to pay taxes).

## **Definition of key terms**

Social inequality - a situation when resources in a given society are distributed unevenly. It provokes the differentiation preference of access to social goods in the society brought about by power, religion, prestige, race, ethnicity, gender, age.

Social stratum - the designation of a social group, allocated on the basis of some common characteristics.

Gini coefficient – a quantitative measure that shows the degree of inequality in income distribution coined by the Italian economist Corrado Gini. In the Gini system 0 stands for perfect equality (everyone has the same income) and 100 - for perfect inequality (one person has everything).

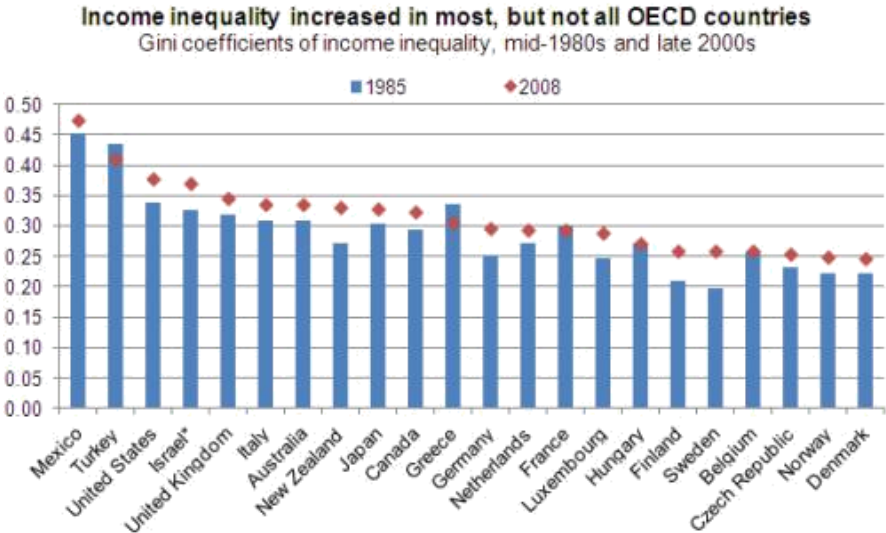
MEDC – More Economically Developed Countries. An economically advanced country the economy of which is characterized by large industrial and service sectors, high levels of gross national product and income per head.

LEDC – Less Economically Developed Countries. Also known as developing countries, they usually subsist on providing raw materials to MEDC. Often characterized by lower level of life than MEDCs have, specifically by higher birth rate and death rate and lower literacy rate and income per head.

Social mobility - movement of individuals, families, or groups through a system of social hierarchy. Can be divided by two types: vertical (moving through the classes) and horizontal (changing position in society without moving through classes).

**Background information**

Economic inequality in society varied through the different periods of time and different political systems of the states. However, it can be mainly measured by the Gini coefficient, and measuring the inequality this way we can see that the level of inequality gets higher and higher. In 1820 the Global Gini was 49 points, while in the 2000 it was 66 points on average. However, it is hard to speak about the global inequality and measure it, because each country has its own history of inequality changes while each country has its own economic level. For example, in 2014 Cameroon had 44.5 Gini coefficient, while Belgium had 28.1. On the other hand, we can see that inequality level moves in cycles. From 1800 to the 1920s, inequality was increasing, while from the 1920s to 1980 it went back to low levels, then from 1980s to our present days it has been rising again and there is hope, that in nearest time it will lower again. Nowadays Chile, Mexico, Turkey, the United States, and Israel are five countries with the highest level of inequality. The reasons for such situation are the following: developing technologies (computers replace low-skilled workers), low taxes (rich people save more from their income and become richer), social principles (people want their workers to be highly-educated with an experience of working), segregation within society.



## Major countries and organizations involved

Every country of the world has its own gap between rich and poor and every country wants it to be reduced. It is now seen that sociologists of the developed countries hardly work on finding a solution for this problem, as well as some organizations, such as:

- UNICEF (United Nations International Children's Emergency Fund) – in 2015 UNICEF has set the goal of combating extreme poverty and hunger as one of “millennium goals”. UNICEF aims to get children of developing countries to school, support good nutrition, water and medical aid, to create protective child environment in these countries;
- UN-OHRLLS (United Nations Office of the High Representative for the Least Developed Countries)– this organization’s aim is to control and support the work of UN dedicated to developing countries;
- OECD (Organization for Economic Co-operation and Development) – organization aimed at helping the governments of countries around the world to find solutions for common economical problems, as well as reducing poverty;
- UNRISD (United Nations Research Institute for Social Development)– a research institute, focuses on the often neglected social content and impacts of development processes and the role of social institutions, relations and actors in shaping

## Relevant Treaties and UN Resolutions

No such treaties were signed and no UN resolutions were proposed to solve this issue, however, in 1984 the UNESCO proposed 13 programs which were supposed to help in solving the problem. Moreover, UN has set the goal of reducing inequality as one of the 17 goals for sustainable development, with 10 aims to be achieved in the nearest future (about 10 years), such as, for example, sustaining income growth for the 40% of the population or promoting the social, economic, or political inclusion of all the people, irrespective of age, sex, disability, race, religion, economic or other status.

## **Previous Attempts to Resolve the Issue**

Setting of a minimum wage within a country by its government helped in solving the issue. Moreover, MEDCs around the world now successfully introduce social politics for solving the issue, which included:

- 1) providing assistance to the poorest families;
- 2) issuance of unemployment assistance;
- 3) ensuring social insurance policies, setting minimum wages for working people;
- 4) protection of the standard of living by introducing various forms of compensation with increasing prices and conducting indexation.

## **Possible solutions**

There are some possible solutions that have been set by the UN. One of them is to improve the regulation and monitoring of global financial markets, another is to regulate carefully the migration of people and set the employment of migrants as one of the main goals. Governments can also propose pro-poor fiscal programs to encourage poor people to enter the formal sector of the market. It is also essential to think about the introduction of income tax dependence and a spread of minimum wage (the lowest sum of money that can be legally paid, paying less than minimum wage is illegal) for the countries that haven't still introduced it (Austria, Brunei, Denmark, Finland, Germany, Hong Kong, Iceland, Italy, Norway, Singapore, Sweden) and try to enlarge it by different ways.

## **Reliable and Useful Sources**

<http://www.un.org>

[http://www.unrisd.org/unrisd/website/document.nsf/\(httpPublications\)/BBA20D83E347DB](http://www.unrisd.org/unrisd/website/document.nsf/(httpPublications)/BBA20D83E347DB)

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<https://talkpoverty.org/2015/06/10/solutions-economic-inequality/>

<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html>

[http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-](http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-10-reduced-inequalities.html)

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