G20 report on Global Inequality

Prelims: *Current events of national and international importance | Economy*

Why in news?

G20 Extraordinary Committee of Independent Experts on Global Inequality study led by Nobel Prize-winning economist Professor Joseph Stiglitz shows that India's top 1% grew its wealth by 62% since 2000.

Key Findings

- As per the report, Global inequality has reached ***emergency levels***, threatening democracy, economic stability, and climate action.
- **Global trend –** Between 2000 and 2024, the top 1% of the global population gained **41%** of newly created wealth, while the bottom 50% received only 1%.
- **Rising inequality –** Between 2000 and 2023, the richest 1% increased their wealth share in over half of all countries, covering 74% of the global population.
    - In India, the top 1% has grown their wealth share by 62% over 2000-2023; for China it is 54%.
- **Causes –** Global shocks like COVID-19, the Ukraine war, and trade tensions have deepened poverty and inequality worldwide.
- **Intercountry inequality –** Because of the ***rise in per capita incomes*** in some very populous countries like China and India have **reduced** the dominance of high-income countries in global GDP.
- **Risk for democracy –** Countries with high inequality are ***7 times*** more likely to experience democratic decline than more equal countries.
- **Slow poverty reduction –** Since 2020, global poverty reduction has ***stalled***, with some regions seeing a reversal.
    - 2.3 billion people face moderate or severe food insecurity, up by 335 million since 2019.
    - Half the global population lacks essential health services & 1.3 billion are pushed into poverty due to out-of-pocket health expenses.
- **Creation of International Panel on Inequality (IPI) –** Modelled on the

Intergovernmental Panel on Climate Change (IPCC), to monitor global trends and guide policymaking.

References

1. The Hindu | Report on Global Inequality
2. G20 South Africa | Report on Global Inequality