

## **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 <u>rise in per capita incomes</u> 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 <u>7 times</u> 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

