

ECOSOC Topic 2: **Measures to Fight Unequal Distribution of Income and Wealth between Ethnic Groups**

Definition

Economic inequality is the difference found in various measures of economic well-being among individuals in a group, among groups in a population, or [among countries](#). Economic inequality refers to [income inequality](#), [wealth inequality](#), or the wealth gap. (source: Wikipedia)

Historical Background

Ethnic groups are groups with common ancestry, language, society, culture or nationality. In the past racial doctrine and separation caused e.g. slavery, civil wars and colonialism. Throughout the human history, when cultures got mixed in parallel societies, ethnic conflicts about their position in societies have risen. Academic explanations of ethnic conflict generally fall into one of three schools of thought: primordialism, instrumentalism, or constructivism. Most of these conflicts were non-violent (verbal). Nevertheless, racism and discrimination of minorities caused civil wars, colonialism and slavery. The American Civil War (1861-1865) between federal and union states was a dispute in consequence of slavery. Up to today there is still a discussion about social equality and discrimination of black "Afro-American"-people in the United States. Furthermore, the colonialism and imperialism of European states in Africa disregarded all human rights and caused genocide and exploitation. In many other states minorities are still getting suppressed, discriminated and exploited, too.

Economic Inequality

Integration (defined as the presence of racial equality) has always been an issue between varied ethnic groups. The history of discrimination is a chapter in history we should learn from to bring about equality for everybody. Today with regard to national laws ethnic groups are treated equally in most nations. There has never been as much equality of

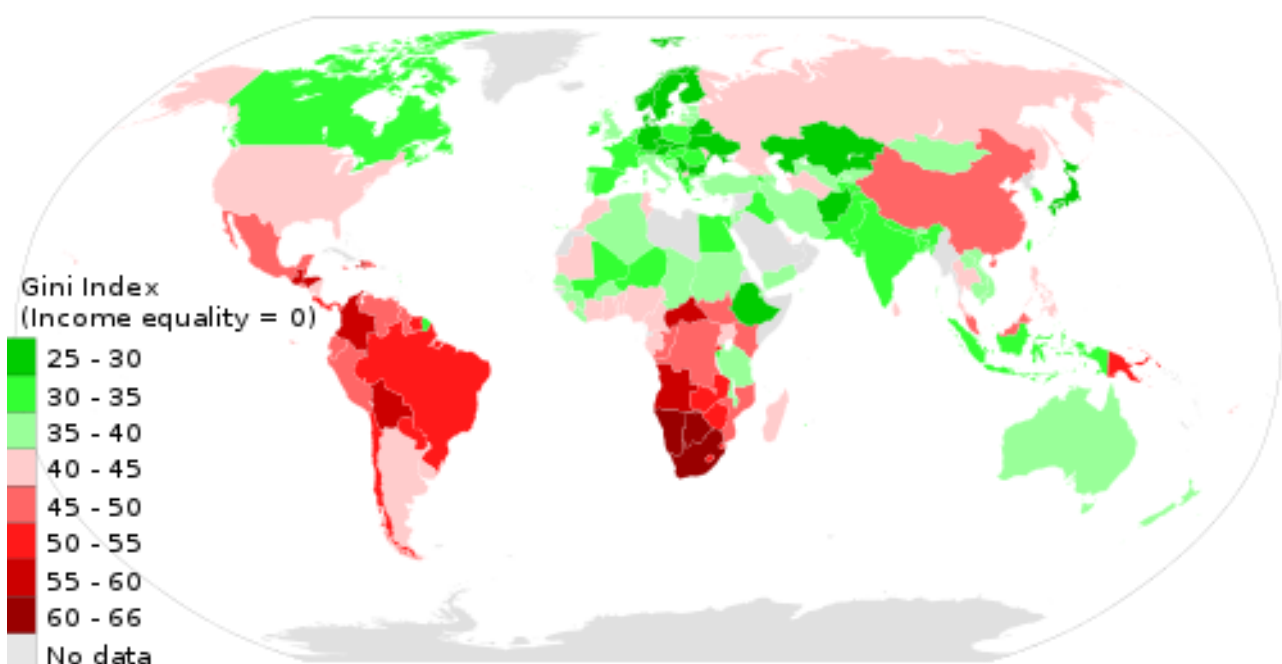
opportunities and social equality as today and the situation has improved rapidly in the course of the last century, due to human rights and a change in moral conceptions in society.

Nevertheless, with regard to economic aspects there are still many issues, such as separation in education, unemployment, payment and treatment which have led to unfair distribution of financial opportunities among ethnic groups.

Gini coefficient

The Gini coefficient is the most common measurement for social inequality in a group, among groups or in a nation. It has been introduced by the scientist and statistician Corrado Gini (1884-1965) and regards income and wealth (economic equality) as a measurement of inequality. The higher the Gini index is the more unequal the distribution of money is in the specific nation. A coefficient next to 1 means complete inequality, on the other hand a coefficient next to 0 means complete equality. In fact, that means that the wealth gap in nations with a higher Gini coefficient is worse than in nations with a lower coefficient. The Gini coefficient and other measurements of inequality (e.g. Thail Index) often hide concealed details, for example regarding the distribution and dispersion between ethnic groups.

Regarding to the chart above red-colored nations are nations with a higher coefficient and



more income inequality. Correspondingly, the green-colored nations have a higher income equality.

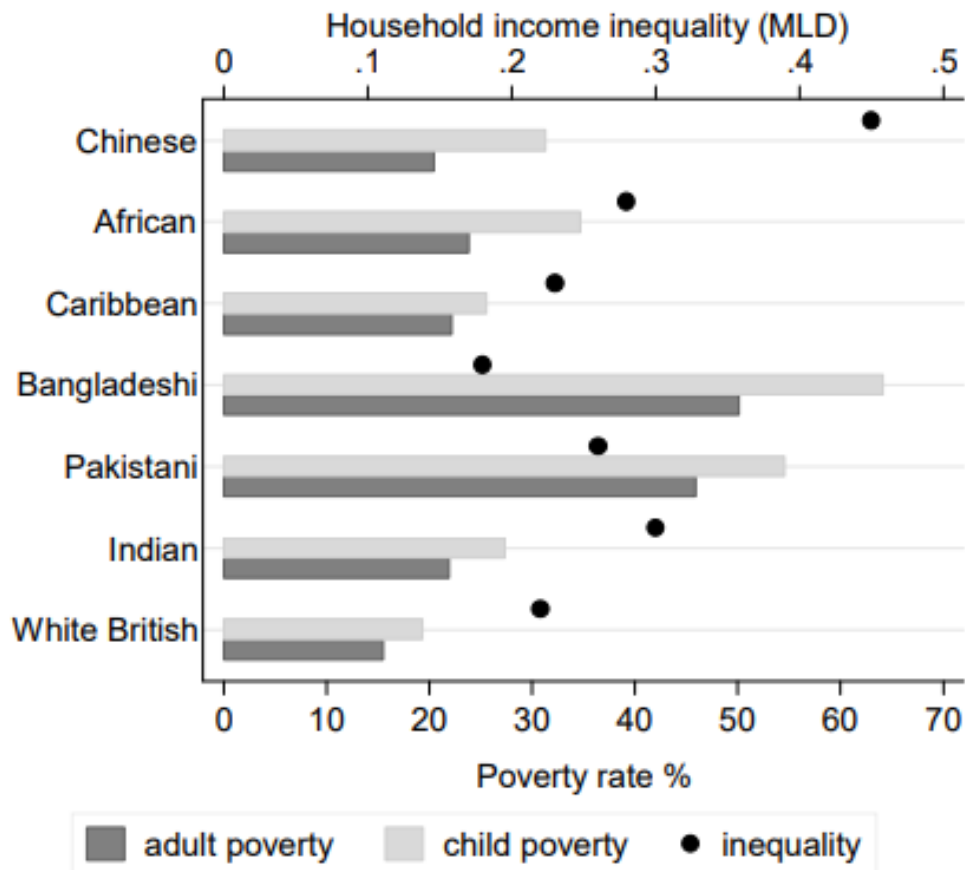
Economic inequality between ethnic groups

The main point for economic distinction between ethnic groups is ethnic discrimination in society. Racism, prejudice, hatred or nationalism prohibit equal opportunities in employment and payment, as well as equal education and unprejudiced treatment in society. Equal education opportunities as the "backbone of economy" are necessary for equal opportunities for income and wealth.

Other factors which do NOT effect economic inequality regarding ethnic groups specifically are e.g. globalization, automation, policy reforms and taxation.

Especially in, but not limited to, developing nations ethnic inequality influences poverty rate. In India, the poverty rate varies between 8% to 45% regarding different groups. Jobs which do not need specific education are often taken on by ethnic minorities or immigrants. In fact, they are regarded with little reward, are paid less and often have high risks of health issues. In India, this mainly refers to workers in factories or cleaners. Furthermore, in the future, there is a constant risk of mass unemployment for these ethnic groups since their jobs are affected by automation and globalization.

On the other hand, even in highly developed nations there is still a widening wealth gap between ethnic groups. UK is affected by an employment gap of 12% between British people and minorities, such as immigrants. This demonstrates that these issues are global problems affecting other European states as well. Young and black immigrants, such as Pakistani and Bangladeshi migrants, currently have an unemployment rate of 45% in Britain. This does not only affect the efficiency of the national market but poverty, too.



The chart shows a comparison between the poverty rates of white British citizens and Bangladeshi citizens. As you can see, there is a gap of 35% between British and Bangladeshi adults due to unemployment and lack of education in Bangladesh.

Effects of economic equality

Economic equality decreases the wealth gap among groups, but among nations as well. Therefore, in more equal nations (regarding to the Gini coefficient) we could improve living standards by:

- increase in life expectancy in average
- improvements in welfare and education system
- political, cultural and social participation of different ethnic groups
- reduction of crime and imprisonment and civil war
- economic growth and development of infrastructure
- alleviation of poverty
- cleaner environment

- prevention of conflicts, war and terrorism

In summary that means: economic equality is necessary for economic growth and satisfaction of society. That's why there is a growing research interest in measuring the connection between ethnic inequality and economic growth. Effective measures to tackle the issue of economic inequality between ethnic groups would be equal and free education, integration, financial support, to name a few.

Rates of Imprisonment are Higher in More Unequal Countries

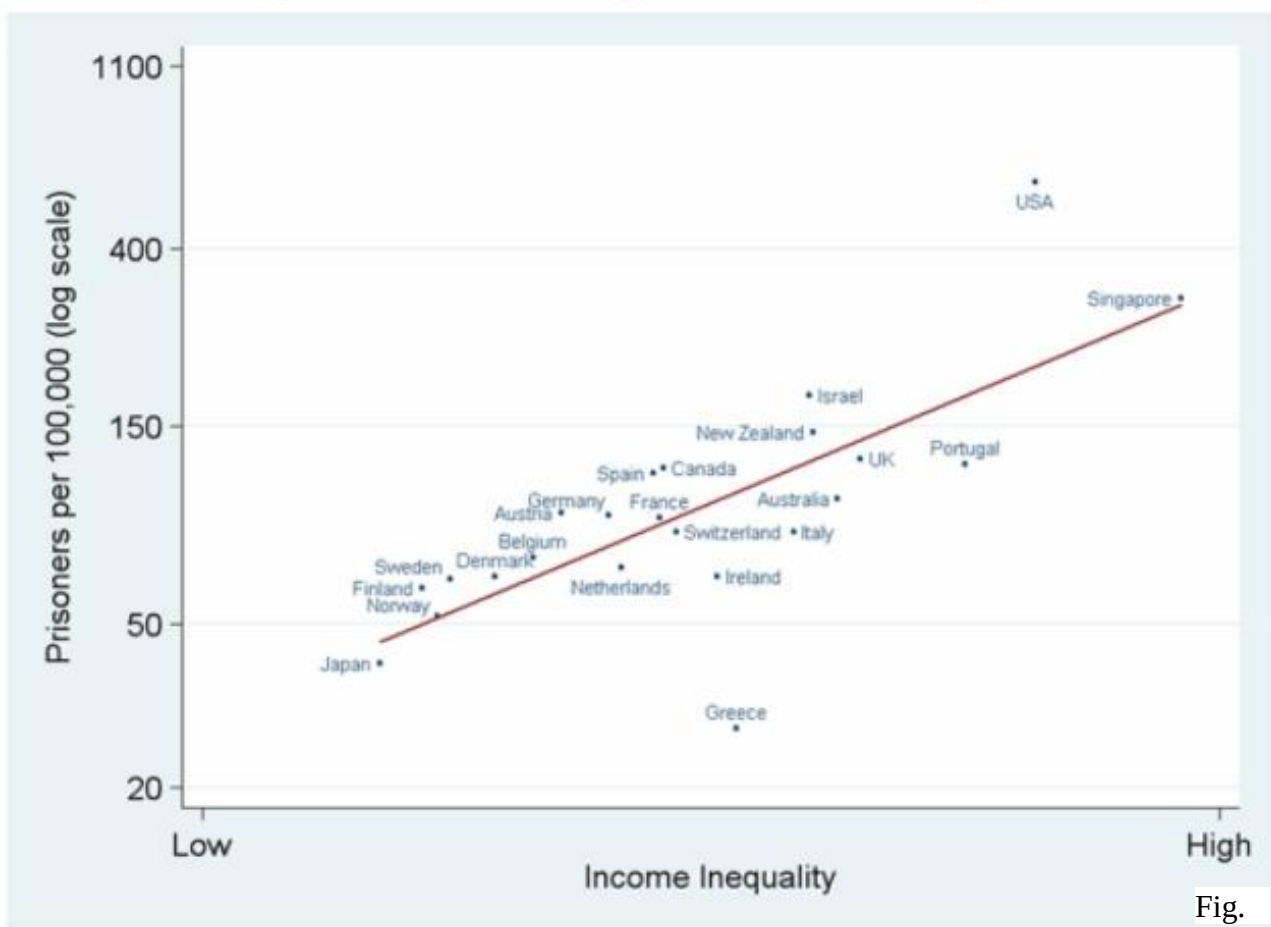


Fig.

As the chart shows, nations with a higher rate of inequality generally have a higher rate of imprisonment per 100,000 citizens. High inequality influences the rate of imprisonment.

Conclusion

Economic inequality obviously influences the economy of a country in different ways. Therefore its necessary for a nation to secure an equal distribution between groups in

order to improve economic growth and reduce risks of social violation. Even parallel societies and segregation of ethnic groups are negative aspects of mixed cultures. We must keep in mind that ethnic diversity enriches societies and strengthens economies. The Economic and Social Council will take upon the role to elaborate the issues of "unequal distribution of income and wealth between ethnic groups" to tackle social as well as economic issues.

Useful Sources

Useful sources or research on the topic are:

https://en.wikipedia.org/wiki/Economic_inequality#Wealth_distribution_within_individual_countries

https://en.wikipedia.org/wiki/Gini_coefficient

https://en.wikipedia.org/wiki/Racial_equality

<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/inequality-ethnicity-poverty-full.pdf>

<https://www.theguardian.com/public-leaders-network/2015/jan/20/ethnic-inequality-widespread-global-economy>

<https://www.sciencedirect.com/science/article/pii/S0305750X15001746>

<http://siteresources.worldbank.org/INTDECINEQ/Resources/IncomeInequalityandEthnicity.pdf>