

Chapter III

Trends and patterns of inequality

The issue of global economic inequality and the underlying economic forces contributing to its evolution constitute one of the most controversial aspects of economic discourse in recent years. Until recently, economic indicators dominated much of the discussion about global inequality, reflecting the priority given to policies promoting economic growth as a panacea for development ills. Now, however, greater attention is being paid to the non-economic indicators of inequality. Similar to the shift that has taken place in the debate on poverty, the debate on inequality has come to reflect a broader conceptualization of the subject in which the focus is not exclusively on measurable economic indicators.

As non-economic aspects of inequality become more widely recognized, the distinctions that will inevitably be drawn between economic and non-economic inequality may create a false dichotomy between phenomena that are intricately related. Inequality is complex and multidimensional and is manifested in various forms at the community, national and global levels. Individuals, groups and countries that lack opportunities at one level generally lack opportunities at other levels as well. For example, in societies with high levels of income inequality, those who control the resources also tend to control the political system, and those without access to either are neglected. Likewise, the global marketplace operates to the advantage of richer countries; poor countries are less likely to benefit from globalization and are more vulnerable to its risks and failures (Birdsall, 2002).

This interdependence is one aspect of a complex structural relationship between economic and non-economic inequalities both within and between countries; the many, varied linkages are impossible to isolate, complicating efforts to develop solutions. A key feature of the structural relationship between economic and non-economic inequality is that both are often characterized by inequality under the law and inequality of opportunities and conditions—issues highlighted at the World Summit for Social Development.

The present chapter describes the magnitude and summarizes the trends and patterns of selected aspects of economic and non-economic inequality at the national and global levels. It begins with a review of trends in economic inequality, measured in terms of income distribution, monetary poverty, and employment. The chapter then summarizes the various trends associated with selected non-economic aspects of inequality, including health, mortality, malnutrition and education.

It is important to note at the outset that while considerable evidence exists with regard to trends in inequality at both the national and interna-

tional levels, data remain incomplete. This is particularly true for developing countries and applies to both economic and non-economic indicators of inequality. Any interpretation of the levels and trends presented in the sections below (especially short-term trends) should take these data limitations into account.

Economic aspects of inequality

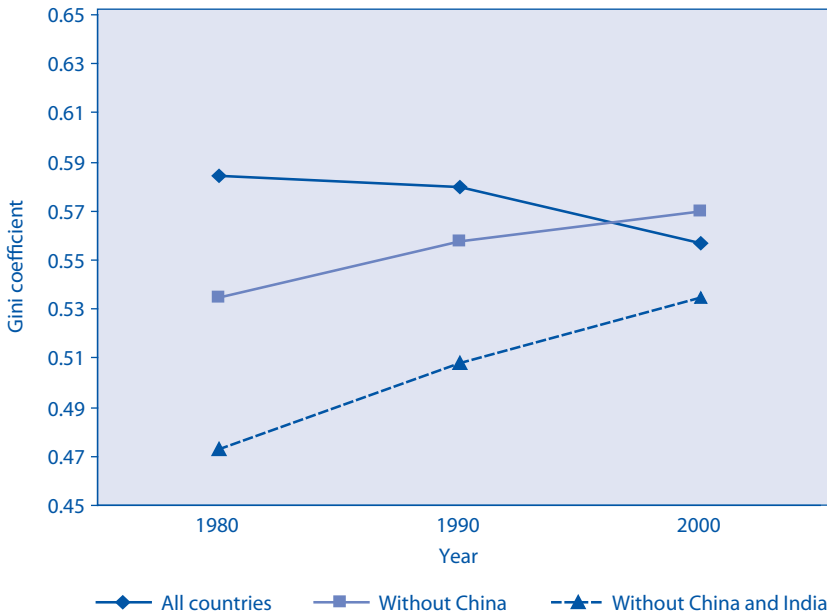
Income inequality between countries

Recent analyses of global inequality patterns suggest that income and consumption inequality between countries has been relatively stable during the past 50 years (Berry and Serieux, 2002). However, in general terms, measurements of economic growth indicate that there has been an expansion in world income since the 1980s. This overall trend has primarily been driven by the sustained and rapid growth of the economy in China and the continuous, though more moderate, economic growth in India; both countries have played a crucial role in the expansion of the world economy in the past two decades. While these and some of the other economies in Asia have grown fairly rapidly, North America and Western Europe have registered only moderate levels of economic growth. Following a slowdown in the 1980s and a recession in the early 1990s, the economy in Eastern Europe resumed growth during the mid-1990s. Most countries in Central and South America and the Middle East experienced negative economic growth during the 1980s, and growth rates in sub-Saharan Africa remained negative during most of the 1980s and 1990s (Berry and Serieux, 2002).

Although the issue remains subject to considerable debate, there has probably been a moderate improvement in the overall world distribution of income during the past two decades (Berry and Serieux, 2004; Sala-i-Martin, 2002). Upon further analysis, however, the picture that emerges is not quite so positive. First, most of the improvement in the distribution of world income can be explained by the rapid economic growth in China and, to a lesser extent, India (see figure III.1), with a good part of the shift reflecting the gains of the poorer segments of society at the expense of the middle-income groups in these two countries. Second, the share of the richest 10 per cent of the world's population has increased from 51.6 to 53.4 per cent of total world income (Bourguignon and Morrison, 2002). Third, when China and India are not factored into the analysis, available data show a rise in income inequality owing to the combined effect of higher income disparities within countries and the adverse distributive effect of faster population growth in poorer countries. Fourth, the income gap between the richest and poorest countries has widened in recent decades, as shown in figure III.2 (Berry and Serieux, 2002).

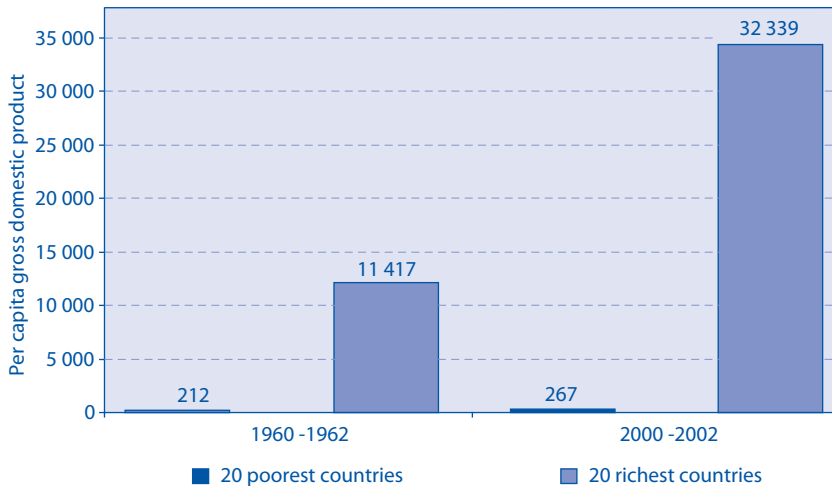
Table III.1 shows inequalities in the distribution of income among world regions, presenting the per capita income in each region as a percentage of per

Figure III.1. Evolution of income inequality among countries
(Gini coefficient values)



Source: A. Berry and J. Serieux, "Riding the elephants: the evolution of world economic growth and income distribution on the end of the 20th century" (unpublished paper).

Figure III.2. Per capita gross domestic product in the poorest and richest countries, 1960-1962 and 2000-2002 (in constant 1995 US\$, simple average)



Source: World Commission on the Social Dimension of Globalization, *A Fair Globalization: Creating Opportunities for All* (Geneva, International Labour Organization, February 2004).

Table III.1. Regional per capita income as a share of high-income OECD countries' average per capita income^a (percentage)

Region	1980	1981-1985	1986-1990	1991-1995	1996-2000	2001
Sub-Saharan Africa	3,3	3,1	2,5	2,1	2,0	1,9
South Asia	1,2	1,3	1,3	1,4	1,5	1,6
Middle East and North Africa	9,7	9,0	7,3	7,1	6,8	6,7
Latin America and the Caribbean	18,0	16,0	14,2	13,5	13,3	12,8
East Asia and the Pacific	1,5	1,7	1,9	2,5	3,1	3,3
High-income countries	97,7	97,6	97,6	97,9	97,9	97,8
High-income non-OECD countries	45,3	45,3	48,2	56,1	60,2	59,2
High-income OECD countries	100,0	100,0	100,0	100,0	100,0	100,0

Source: Alemayehu Geda, "Openness, inequality and poverty in Africa: exploring the role of global interdependence", paper presented at the workshop on regional studies of the International Forum for Social Development, held in New York on 17 and 18 June 2004.

^a In constant United States dollars.

capita income in the rich OECD countries as a group, as well as the changes in these ratios over the past two decades. A review of the figures indicates that per capita income in all developing regions except South Asia and East Asia and the Pacific has declined relative to that in the high-income OECD countries.

Per capita income levels in sub-Saharan Africa, the Middle East and North Africa, and Latin America and the Caribbean have been steadily declining relative to the average per capita income in the wealthier OECD countries. Between 1980 and 2001 these levels decreased from 3.3 to 1.9 per cent in sub-Saharan Africa, from 9.7 to 6.7 per cent in the Middle East and North Africa, and from 18 to 12.8 per cent in Latin America and Caribbean. The decline in the ratios indicates not that per capita income in developing regions has decreased in absolute terms, but that per capita income has grown faster in the richer regions than in the poorer ones, widening the inequality gap.

The income gap between the wealthy OECD countries and the corresponding group of non-OECD countries¹ actually narrowed during the period under review; between 1980 and 2001 the per capita income of the latter as a proportion of the former rose from 45.3 to 59.2 per cent. Asia registered only moderate improvement relative to the high-income OECD countries, with ratios rising from 1.2 to 1.6 per cent in South Asia, and from 1.5 to 3.3 per cent in East Asia and the Pacific.

Income inequality within countries

Some studies contend that within individual countries there has been little or no change in income distribution or levels of income inequality in decades (Gustaffson and Johansson, 1999; Melchior, Telle and Wiig, 2000). An analysis of the information provided in the World Income Inequality Database (WIID) shows that within-country income inequality decreased during the 1950s, 1960s and 1970s in most developed, developing and centrally planned economies.² Since the 1980s, however, this decline has slowed or levelled off, and within many countries income inequality is rising once again (Cornia, 2004). Similar conclusions have been reached using different sets of data, which describe a significant increase in within-country income inequality over the past two decades (Atkinson, 2003; Harrison and Bluestone, 1988).

An analysis of WIID figures indicates that within-country income inequality rose between the 1950s and the 1990s in 48 of the 73 countries for which sufficiently reliable data are available (see table III.2). Together, these 48 countries account for 59 per cent of the combined population of the countries included in the analysis. In the early 1980s, 29 of the 73 countries had Gini coefficients³ higher than 0.35-0.40, the threshold beyond which growth and poverty alleviation can be perceptibly affected; by the mid- to late 1990s, the number of countries with such high levels of income inequal-

Table III.2. Distribution of countries according to trends in Gini coefficients for income distribution between the 1950s and the 1990s (sample of 73 developed, developing and transitional countries)

Trends in Gini coefficients	Sample countries' percentage share of:				
	Number of countries in group	Total population of sample countries	World population	GDP-PPP ^a of sample countries	World GDP-PPP ^a
Rising	48	59	47	78	71
Continuously rising/ rising- stable	19	4	3	5	5
U-shaped	29	55	44	73	66
Falling	9	5	4	9	8
Continuously falling	6	3	3	7	7
Inverted U-shape	3	2	1	2	1
No trend	16	36	29	13	12
Not included in sample	–	–	20	–	9
Total	73	100	100	100	100

Source: G.A. Cornia, T. Addison and S. Kiiski, "Income distribution changes and their impact in the post-Second World War period", in *Inequality, Growth and Poverty in the Era of Liberalization and Globalization*, A.G. Cornia, ed. (Oxford, Oxford University Press/ United Nations University, World Institute for Economic Research, 2004).

^a Gross domestic product - purchasing power parity.

ity had risen to 48. Within-country income inequality remained relatively constant in 16 of the countries under review, though the data suggest that the situation has worsened in three of them during the past few years. Only nine of the countries included in the analysis registered a decline in income inequality between the 1950s and the 1990s; included in this group are the Bahamas, France, Germany, Honduras, Jamaica, Malaysia, the Philippines, the Republic of Korea, and Tunisia (Cornia, Addison and Kiiski, 2004).

Within-country income inequality has risen in many developing countries and in a surprisingly large number of industrialized countries. Although data are not fully comparable across countries, a study of the evolution of income inequality in nine OECD countries generally supports the view that a significant shift has occurred in the distribution of income in all the countries analysed, with the possible exception of Canada. In some countries and country groupings, such as Finland and the United Kingdom of Great Britain and Northern Ireland, there have been increases of more than 10 Gini points in the past three decades. Empirical evidence from the study suggests that these figures have been influenced by technological change and the process of globalization, though it is acknowledged in the analysis that the distribution of income is a highly complex phenomenon, and that a single explanation does not suffice for all countries (Atkinson, 2003).

All of the former centrally planned economies of Europe and the former Soviet Union have experienced increases in within-country inequality. Among

the transition countries of Central Europe, income concentration increased moderately throughout the 1990s, probably owing to the preservation of the welfare state system (Milanovic, 1998). In the countries of the former Soviet Union and south-eastern Europe, income inequality rose by an average of 10 to 20 Gini points, and the number of people living in poverty jumped from 14 million in 1989 to 147 million in 1996 (Cornia and Kiiski, 2001). The abrupt dismantling of the State-run welfare system after the collapse of the communist regimes in these countries played an important role in this dramatic increase.

A number of South and East Asian countries that were once able to achieve growth with equity have also experienced a sharp increase in income inequality in recent years. The Gini coefficient began rising in some of these countries in the late 1980s; however, in the 1990s rising inequality became a common feature in most. In some cases, the increase in income inequality appears to be closely related to a widening of the urban-rural income gap (Cornia, Addison and Kiiski, 2004).

Historically, the highest levels of income inequality have been found in Africa and Latin America, and in the 1980s and 1990s the situation deteriorated even further. An analysis by the Economic Commission for Latin America and the Caribbean (ECLAC) shows that, with few exceptions, the Gini coefficients for countries in the region between the 1950s and the beginning of the 1970s were among the highest in the world, ranging from 0.45 to 0.55 (Sainz, 2004). During the 1970s, income inequality declined moderately throughout the region, but a series of external shocks and the debt crises in the 1980s affected income distribution, and levels of income inequality rose again in most countries (Altimir, 1996). Those countries that had previously enjoyed a more equal distribution of income were the most profoundly affected by these developments. During the 1990s, income distribution trends deteriorated further, as reflected in the higher Gini coefficients in most countries.⁴

One feature that distinguishes patterns of within-country inequality in Latin America from those in other regions is the share of the richest 10 per cent of households in total income. In the 1990s these wealthier households accounted for more than 30 per cent of total income, with their share reaching 35 or even 45 per cent in some cases. By contrast, the poorest 40 per cent of households in Latin America garnered only 9 to 15 per cent of total income. By the end of the 1990s, the relative share of total income among the wealthiest 10 per cent of the population had increased in eight countries, declined somewhat in five, and held steady in one.

The largest income gap is in Brazil, where the per capita income of the most affluent 10 per cent of the population is 32 times that of the poorest 40 per cent. The lowest levels of income inequality in the region can be found in Uruguay and Costa Rica, countries in which the respective per capita income levels of the wealthiest 10 per cent are 8.8 and 12.6 times higher than those

of the poorest 40 per cent. Although comparable figures are not available for the rest of the region, other indicators suggest that Cuba has probably maintained a less regressive income distribution than the other countries, despite the strong deterioration of its economy during the first half of the 1990s (Sainz, 2004).

The limited statistics for sub-Saharan Africa show that high levels of income inequality have persisted since the 1970s. Income inequality within rural areas has risen in countries that have high land concentration or are extremely dependent on the export of a single commodity, but has remained constant in countries such as Mozambique and Uganda, where small-scale agriculture is common (Bigsten, 2000).

In many countries, especially developing countries, the rise in income inequality at the national level is strongly correlated with increases in rural-urban and regional income inequality. According to an analysis of data from several Asian countries, the rural-urban income gap rose rapidly in China, India and Thailand during the 1990s. In the case of China, half of the overall increase in income inequality since 1985 is attributable to differences in income distribution among the country's various regions. Similar trends have been observed for Thailand and, more recently, for India (Cornia and Kiiski, 2001). Conversely, data from Latin America show that the income gap between rural and urban areas has been narrowing.

Poverty

The negative trends in income distribution imply that monetary poverty has gradually worsened in many parts of the world. As the seriousness of the problem has grown more evident, poverty and poverty reduction strategies have become increasingly prominent in the development discourse. Since the World Summit for Social Development, Governments have intensified their efforts to address poverty, setting national poverty reduction targets and formulating and implementing plans and strategies for poverty eradication. Anti-poverty programmes have focused not only on monetary issues, but also on improving access to basic social services such as health and education, especially for vulnerable groups; promoting employment opportunities; providing social protection; and applying measures to address the adverse effects of financial crises.

At the global level considerable progress has been made in reducing poverty over the past two decades, largely as a result of the more focused anti-poverty programmes and policies. Table III.3 indicates that the proportion of the world's population living in extreme or absolute poverty (surviving on less than US\$ 1 a day) declined noticeably between 1981 and 2001, dropping from 40 to 21 per cent. At the regional level, only East Asia and the Pacific, the Middle East and North Africa, and South Asia registered sharp declines during this period.

Overall poverty reduction statistics mask wide national and regional differences and the uneven pace of progress. The advances made in China and India have contributed substantially to the positive picture at the global level. Because these two countries account for 38 per cent of the world's population, the rapid expansion of their respective economies has led to a significant reduction in the number of people living in absolute poverty worldwide; between 1990 and 2000 this figure declined from 1.2 billion to 1.1 billion (International Labour Organization, 2004). In China alone, the proportion of people living on less than US\$ 2 a day fell from 88 to 47 per cent between 1981 and 2001, and the number of people living on less than US\$ 1 per day was reduced from 634 million to 212 million. In India, the proportion living on less than US\$ 2 per day declined from 90 to 80 per cent, and the number living in extreme poverty decreased slightly, from 382 million to 359 million.

The improvements in China and India notwithstanding, in 2001 more than 1.1 billion people worldwide were struggling to survive on less than US\$ 1 a day. Poverty is more prevalent and persistent in certain regions. In sub-Saharan Africa, for example, the number of poor people increased by almost 90 million in a little more than a decade (1990-2001). Even in regions that have achieved significant progress, such as South and East Asia, rates of poverty reduction have been, at best, uneven.

In Europe and Central Asia the total number of people living on less than US\$ 1 a day grew by more than 14 million between 1981 and 2001. The incidence of poverty in these regions increased sharply in the 1990s, but by 2001 the upward trend had slowed. Worsening poverty in Eastern Europe and the Commonwealth of Independent States (CIS) has contributed substantially to the trend towards increased poverty in Europe and Central Asia since 1993. By the end of the 1990s, 50 million people were living in poor families in the former socialist countries, and the same was true for 43 million people in the CIS (United Nations Children's Fund, 2001). During the 1990s, poverty and income inequality rose steadily in the Central Asian Republics. In Tajikistan, a 14 per cent increase in the country's population was accompanied by a 64 per cent decline in GDP and escalating poverty levels. In Azerbaijan, sound macroeconomic policies have ensured economic stability and high real GDP growth; however, these economic successes have not been reflected in the lives of people, 49 per cent of whom live in poverty. In 2002, about half of the population in Kyrgyzstan lived below the poverty line (United Nations Development Programme, 2004a).

In Latin America and the Caribbean the proportion of those living on less than US\$ 1 a day fell slightly overall, declining from 11.3 to 9.5 per cent between 1990 and 2001, though poverty levels increased in many individual countries during this period. The most important exception is Chile, where poverty declined sharply in the 1990s. Rates of poverty and unemployment rose to record highs in Argentina, but the country has enjoyed steady eco-

Table III.3. Poverty rates for the world, major regions, and China and India

Region/country	Poverty rate (percentage living on less than US\$ 1 per day)									
	1981	1984	1987	1990	1993	1996	1999	2001		
World	40	33	28	28	26	23	22	21		
East Asia and the Pacific	58	39	28	30	25	17	16	15		
Europe and Central Asia	1	1	0	1	4	4	6	4		
Latin America and the Caribbean	10	12	11	11	11	11	11	10		
Middle East and North Africa	5	4	3	2	2	2	3	2		
South Asia	52	47	45	41	40	37	32	31		
Sub-Saharan Africa	42	46	47	45	44	46	46	47		
China	64	41	29	33	28	17	18	17		
India	54	50	46	42	42	42	35	35		
Region/country	Poverty rate (percentage living on less than US\$ 2 per day)									
	1981	1984	1987	1990	1993	1996	1999	2001		
World	67	64	60	61	60	56	54	53		
East Asia and the Pacific	85	77	68	70	65	53	50	47		
Europe and Central Asia	5	4	3	5	17	21	24	20		
Latin America and the Caribbean	27	30	28	28	30	24	25	25		
Middle East and North Africa	29	25	24	21	20	22	24	23		
South Asia	89	87	87	86	85	82	78	77		
Sub-Saharan Africa	73	76	76	75	75	75	76	77		
China	88	79	67	73	68	53	50	47		
India	90	88	87	86	86	85	81	80		

Region/country	Number of people living on less than US\$ 2 per day (in millions)									
	1981	1984	1987	1990	1993	1996	1999	2001		
World	2 450	2 480	2 478	2 654	2 764	2 674	2 739	2 735		
East Asia and the Pacific	1 170	1 109	1 028	1 116	1 079	922	900	864		
Europe and Central Asia	20	18	15	23	81	98	113	93		
Latin America and the Caribbean	99	119	115	125	136	117	127	128		
Middle East and North Africa	52	50	53	51	52	61	70	70		
South Asia	821	859	911	958	1 005	1 029	1 039	1 064		
Sub-Saharan Africa	288	326	355	382	410	447	489	516		
China	876	814	731	825	803	650	627	594		
India	630	662	697	731	770	807	805	826		

Source: World Bank Poverty Monitor (<http://www.worldbank.org/research/povmonitor>; accessed 7 February 2005).

conomic growth since 2003. This economic expansion has not led to a more balanced distribution of wealth or a reduction in social inequalities, however. For example, in 1994 the income of the richest 10 per cent of the population was nearly 20 times that of the poorest 10 per cent; by 2004 the ratio was 29 to 1 (South-North Development Monitor, 2005).

While the proportion of the world's population living on less than US\$ 1 a day decreased significantly between 1981 and 2001 (from 40 to 21 per cent), the share of those living on less than US\$ 2 a day declined less dramatically (from 67 to 53 per cent). In East Asia and the Pacific only 15 per cent of the population was living on less than US\$ 1 a day in 2001, but the proportion living on less than US\$ 2 a day was close to 50 per cent. Despite China's remarkable economic progress and its influence on global trends, 47 per cent of the population was living on less than US\$ 2 a day in 2001 (see table III.3). The slower decline in the proportion of those living on less than US\$ 2 a day reflects the fact that a sizeable number of people have moved from the lowest poverty category into this marginally better income category. The combination of the transfer between poverty categories and various demographic and economic developments has resulted in a global increase in the number of people living in poverty (those living on less than US\$ 2 per day) since the late 1990s (Chen and Ravallion, 2000).

Perhaps even more important than the increasing levels of poverty is the emergence and entrenchment of new patterns of poverty in a number of countries. Developments worth noting include an increased tendency for people to rotate in and out of poverty, a rise in urban poverty and stagnation in rural poverty, and increases in the proportion of informal workers among the urban poor and in the number of unemployed poor.

The tendency for individuals to move in and out of poverty has grown since the 1980s, illustrating how the path out of poverty is often not linear. This phenomenon can lead to some of the worst forms of social exclusion because those who are not classified as poor in a particular period may be overlooked by social assistance programmes. In many African countries around a quarter of the population may be deemed consistently poor; however, up to an additional 60 per cent move in and out of poverty (Economic Commission for Africa, 2003). In Latin America, fluctuations in employment and income account for an increasing share of the population cycling in and out of poverty. In the Russian Federation, nearly half of the households deemed very poor in 1992 were not classified as such a year later, demonstrating that the poor do not constitute a static group. Indeed, some households rose above the poverty level in 1992/93, even as overall poverty levels were increasing (World Bank, 1995).

The increasing urbanization of poverty and the lack of notable progress in ameliorating well-entrenched rural poverty present new challenges to development. Poverty has traditionally been viewed as a primarily rural phenomenon, and the depth of poverty remains greater in rural areas; however,

a growing number of urban areas are experiencing serious levels of poverty as well. In Latin America, poverty is more prevalent in urban areas. In 1999, for example, only 77 million of the region's 211 million poor lived in rural areas, while the remaining 134 million lived in urban areas. Nevertheless, the concentration of poverty was still much greater in rural areas, with the poor accounting for 64 per cent of the rural population but only 37 per cent of the urban population. Poverty in rural areas is also more extreme (Sainz, 2004).

In Africa, where the worst forms of poverty exist, an estimated 59 per cent of the rural population live in extreme poverty, compared with 43 per cent of the urban population. Among the factors undermining poverty reduction efforts in the region are high rates of population growth; the high prevalence of unskilled labour; and the HIV/AIDS epidemic, which has seriously reduced the overall calibre of the workforce. The net effect of these circumstances is that per capita income in the region did not change between 1990 and 1999 even though aggregate GDP increased by 29 per cent.

In many countries, the lack of sufficient and sustained income growth has been a major obstacle to reducing poverty. Among the 155 developing and transition countries for which data are available, only 30 achieved annual per capita income growth of at least 3 per cent during the 1990s, while 71 registered rates of less than 3 per cent; a total of 54 countries (including 20 in sub-Saharan Africa) experienced a decline in per capita income in this period (United Nations Development Programme, 2003).

Demographic trends have led many households, communities and countries deeper into poverty. High fertility increases poverty by diverting household resources from savings to consumption. It also makes government investment in education and other forms of human capital formation more difficult, as more and more resources have to be allocated to meet the needs of a rapidly growing population. Persistently high fertility produces elevated age dependency ratios, indicating a high proportion of the young (0-14 years) and the old (65 years or above) relative to those in the prime working-age group. Greater dependence places increased pressure on the earnings of a limited workforce in a way that perpetuates poverty even among those who are employed. Internal and international migration are strongly linked to poverty as well; sending communities become poorer, as they tend to lose their most economically active members, and in receiving communities migrants are likely to be poorly integrated and without access to decent employment and are therefore vulnerable to extreme poverty.

Unemployment

Of all the inequalities within and between countries, the inability of an increasing share of the world's job-seeking population to secure employment has perhaps the most far-reaching implications. Most of those looking for work are adults with personal and household responsibilities. People who

cannot secure adequate employment are unable to generate an income sufficient to cover their health, education and other basic needs and those of their families, or to accumulate savings to protect their households from the vicissitudes of the economy. The unemployed are among the most vulnerable in society and are therefore more likely to suffer from poverty in all its manifestations.

A fundamental component of any successful development strategy is an employment strategy that not only addresses the creation of decent jobs but also promotes adequate working conditions in which freedom, equality, security and dignity figure prominently (United Nations, 2004c). The Programme of Action of the World Summit for Social Development states that “productive work and employment are central elements of development as well as decisive elements of human identity” (United Nations, 1995, para. 42). It has been 10 years since full employment was identified as a core objective; however, the progress that has been achieved falls far short of expectations. The Summit participants were hopeful that significant strides could be made towards ensuring freely chosen productive employment and work for all; instead, global unemployment levels have risen in the past decade.

It is estimated that between 1993 and 2003 the number of unemployed rose from 140 million to an unprecedented 186 million, representing 6.2 per cent of the total working population (International Labour Organization, 2005c). By the end of this period the ranks of the working poor had swelled to 550 million. In developed countries as a group, the unemployment rate fell from around 8 per cent in 1993 to 6.8 per cent in 2003 (see table III.4), while much of the developing world experienced stagnating or rising unemployment during this time. The world regions with the lowest and highest

Table III.4. Unemployment rates, labour force growth rates and GDP growth rates for the world and major regions

<i>Region/country grouping</i>	<i>Unemployment rate</i>			<i>Annual labour force growth rate</i>	<i>Annual GDP growth rate</i>
	<i>1993</i>	<i>2002</i>	<i>2003</i>	<i>1993-2003</i>	<i>1993-2003</i>
World	5.6	6.3	6.2	1.8	3.5
Industrialized economies	8.0	6.8	6.8	0.8	2.5
Transition economies	6.3	9.4	9.2	-0.1	0.2
East Asia	2.4	3.1	3.3	1.3	8.3
Latin America and the Caribbean	6.9	9.0	8.0	2.3	2.6
Middle East and North Africa	12.1	11.9	12.2	3.3	3.5
South Asia	4.8	4.8	4.8	2.3	5.5
South-East Asia	3.9	7.1	6.3	2.4	4.4
Sub-Saharan Africa	11.0	10.8	10.9	2.8	2.9

Source: International Labour Organization, "Global trends in employment, productivity and poverty, 2005" (<http://www.ilo.org/public/english/employment/strat/download/wr04c1en.pdf>; accessed 17 February 2005).

levels of unemployment, which remained relatively stable during the decade under review, were East Asia (around 3 per cent) and the Middle East and North Africa (12.2 per cent).

Between 1993 and 2003 unemployment increased by as much as 62 per cent in some parts of South-East Asia and Latin America and the Caribbean. Although the overall level of unemployment rose in East Asia, it remained well below that found in other regions. South-East Asia registered the most substantial increase in unemployment during the period under review, largely owing to the high annual labour force growth rate of 2.4 per cent and the fact that some of the countries in the region, including Indonesia (the largest), were slow to recover from the Asian financial crisis of 1997/98. The data indicate that unemployment decreased slightly in South-East Asia and Latin America and the Caribbean between 2002 and 2003, though it should be noted that the changes were relatively small, occurred over a single year, and may reflect only a temporary or cyclical decline.

In sub-Saharan Africa, the labour force grew by 2.8 per cent annually and unemployment declined only slightly between 1993 and 2003, leaving the overall unemployment rate virtually unchanged. In the transition economies unemployment rose by 46 per cent during this period.

Among the countries for which reliable data are available, half have reported a decrease and the other half an increase in unemployment rates since 1995 (International Labour Organization, 2005a). Trends have varied from one region to another. In Latin America and the Caribbean, overall unemployment has been rising since the 1990s despite the stagnant unemployment situation in Brazil and the decline in unemployment in Mexico (Economic Commission for Latin America and the Caribbean, 2005a). Almost all East Asian and South-East Asian countries have experienced rising unemployment during the past decade as well.

Before 1980, employment in China was growing steadily at about 2.6 per cent, but the rate dropped to 1.1 per cent in the 1990s. India also experienced a significant decline in employment growth in the 1990s, reflecting a slowdown in both rural and urban areas. Between 1993 and 2000 growth in rural employment fell to 0.67 per cent, the lowest rate in the country's post-independence history. Nonetheless, the unemployment rate in India rose only slightly, whereas the corresponding rates for Bangladesh and Pakistan increased noticeably.

Comparable trend data are not available for most sub-Saharan African countries. However, the extremely high levels of unemployment in the region are worth noting; in 1999, Botswana, Burkina Faso, Niger, South Africa and Tanzania all had unemployment rates of 20 per cent or higher.

It is important to bear in mind that the unemployment rate alone is not a clear indicator of the extent of equality or inequality in the labour force. Beneath the tip of this iceberg are a number of other employment-related factors that may exacerbate or ameliorate inequalities, including the size and

growth of the informal economy, the quality of work and wage levels (see chapter II). The fact is that most of the poor in developing countries are not unemployed. They work but cannot earn enough to raise themselves and their families above the poverty threshold. Further, as mentioned previously, many are subject to exploitation and lack basic rights and protections in the workplace.

Recognizing the critical importance of these issues, the ILO has come up with a “decent work” agenda that constitutes an integral part of the overall United Nations development agenda. The overarching objective of the decent work agenda is to promote opportunities for women and men to obtain decent and productive work under conditions of freedom, equality, security and human dignity. The agenda encompasses the following four strategic objectives: (a) the opportunity to be employed doing work that is productive and is fairly remunerated; (b) security in the workplace and social protection for workers and their families; (c) freedom of expression, organization, and participation in activities affecting the lives of workers; and (d) equal opportunities for men and women (International Labour Organization, 2005b). Labour market access and employment are considered vital for social inclusion. The ILO is working to protect the rights of all workers and has identified meaningful employment as essential in both eradicating poverty and helping people to fulfil their human potential (International Labour Organization, 2004). The decent work agenda addresses a number of challenges that have arisen from globalization, including the loss of employment, the inequitable distribution of benefits, and the disruption that has been caused in so many people’s lives. Answering these challenges will require the participation of actors at all levels.

Non-economic aspects of inequality

As noted previously, the traditional focus on economic inequality is directed almost exclusively towards income differentials within and between countries, while the social underpinnings are neglected. It is not possible to assess or address inequality until the importance and interconnectedness of its economic and non-economic aspects are widely acknowledged. Non-economic indicators relating to priorities such as health, education, access to basic necessities (food, water, sanitation and housing) and opportunities for political participation are closely linked to individual, household and national economic status. Countries that have the poorest education and health profiles are generally at the bottom of the economic development ladder. The present section summarizes patterns and trends relating to selected aspects of non-economic inequality, including health, hunger and malnutrition, and education. An effort is made to demonstrate how differentials in these areas are linked to some of the economic inequalities that tend to dominate discussions of global inequality.

Health

Significant advances have been made in recent years in the field of health. The health status of many has improved as a result of this progress, but inequalities within and between countries have worsened because the benefits of better health have not accrued evenly. The more privileged segments of the population, by virtue of their better education, income, geographical location or political clout, are often better able to harness the benefits deriving from advances in health. Developing countries are at a distinct disadvantage, as they typically have less access to advanced diagnostic technologies that contribute to the identification and treatment of diseases at advanced stages, to therapeutic remedies such as antiretroviral treatments for HIV and AIDS, and to medicines for preventing or treating endemic diseases such as malaria. Since poverty can contribute to ill health, and poor health can in turn perpetuate poverty, poorer people and countries are often caught in a vicious cycle that deepens their deprivation in relation to non-poor groups.

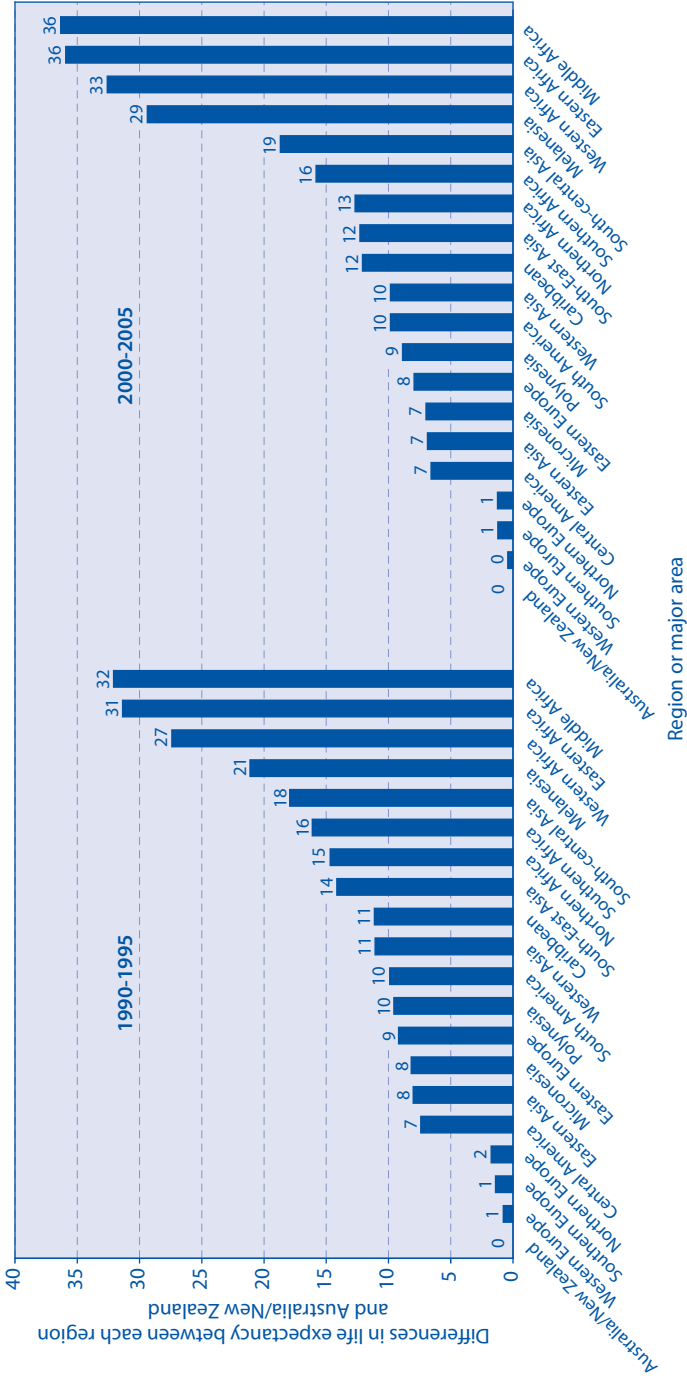
Health-related inequalities, including differentials in access to health services, have perhaps become the most frequently cited indicators of non-economic inequality. Discussions of causes, effects and possible solutions have been a central feature of the development debate in the international arena, and health figures prominently in the Millennium Development Goals. Within countries, reducing disparities in health and mortality between socio-economic groups, between urban and rural areas, and between regions has been a priority concern of Governments.

Over the past 50 years or so, global efforts to improve health and life expectancy have met with considerable success. Infant and child health has improved, and child mortality rates have declined. More women have gained access to safe and effective contraception, which prevents many unwanted pregnancies and reduces maternal mortality resulting from unsafe abortions. Global health statistics are indicative of enormous progress in these and other areas, but they conceal the wide variability within and between countries and regions. They also obscure the fact that, as a result of asymmetries in globalization, the health benefits accruing to poorer individuals and countries represent a tiny fraction of the benefits made possible by major technological and scientific advances. The inequality predicament is evident regardless of how health status is measured.

Life expectancy

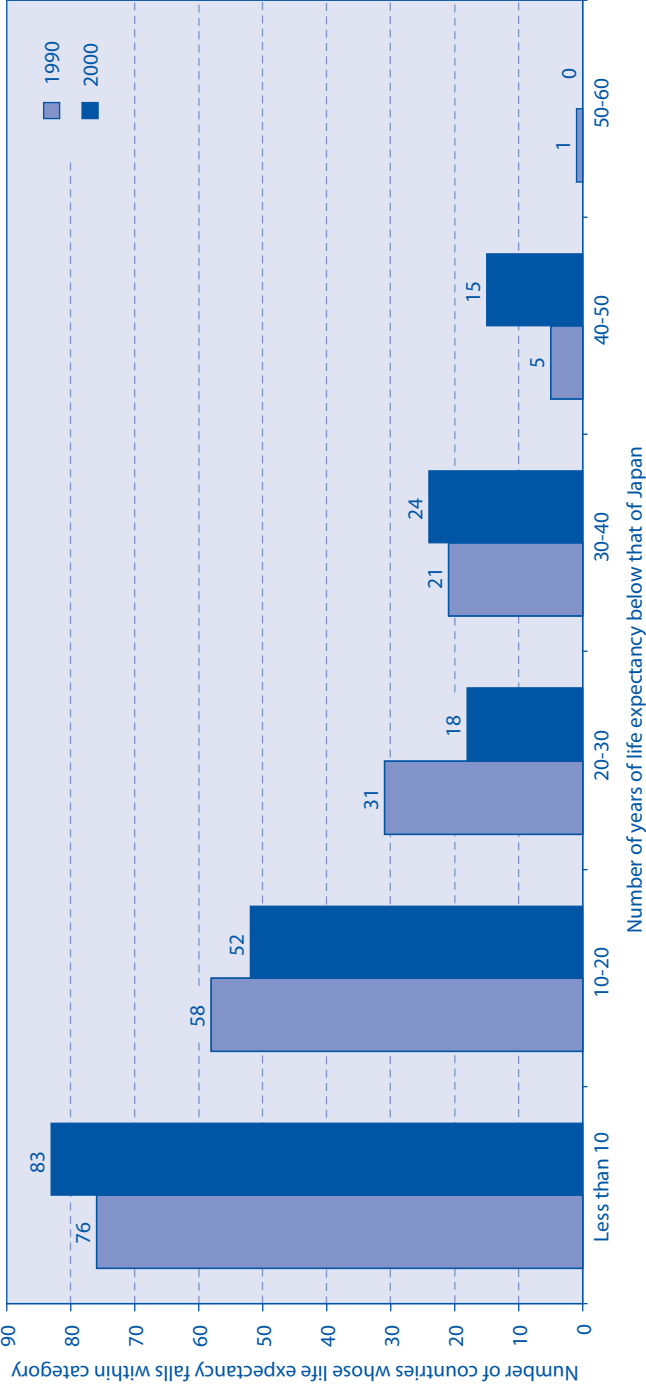
Worldwide, life expectancy has increased from about 47 to 65 years over the past five decades. However, statistics show a gap of up to 36 years between the regions with the lowest and highest life expectancies (see figure III.3). Since 1990-1995, Australia/New Zealand has had the highest life expectancy of 77-79 years; the corresponding figures for other world regions have been either slightly or significantly lower.

Figure III.3. Inequalities in life expectancy between major world regions: deviations of regional life expectancy at birth from that of Australia/New Zealand (1990-1995 and 2000-2005)



Source: Based on data from World Population Prospects: The 2002 Revision (United Nations publication, Sales No. E.03.XIII.8).

Figure III.4. Distribution of all countries according to how far their life expectancy falls below that of Japan, 1990 and 2000



Source: Based on data from *World Population Prospects: The 2002 Revision* (United Nations publication, Sales No. E.03.XII.8).

When inequalities in life expectancy are assessed in terms of the number of regions falling more than 25 years short of the region with the highest life expectancy, it is apparent that the situation has worsened since 1990. In 1990-1995 and 1995-2000, the central, eastern and western regions of Africa were the only regions with life expectancy more than 25 years below that of Australia/New Zealand. By 2000-2005, largely as a result of the AIDS epidemic, southern Africa had been placed in the same category. It is worth noting that by 2000-2005 differentials had narrowed somewhat in the regions with higher longevity and also in those with lower longevity, suggesting increasing polarization between the two groups. Life expectancy differentials among the four worst-performing regions have narrowed in particular, even as their performance in relation to the rest of the world has worsened.

Country-level differentials in life expectancy also suggest increased polarization between the best and worst performers. Figure III.4 shows the distribution of all countries according to how far their life expectancy for 1990-1995 and 2000-2005 fell short of that of Japan, which had the highest life expectancy for both periods. There were many more countries that fell within 10 years of Japan's life expectancy in 2000-2005 than in 1995-2000, suggesting a degree of improvement in the level of inequality. However, there was also a substantial increase in the number of countries with life expectancies 30 to 50 years short of Japan's (the worst performers). The number of countries in the middle category (with life expectancies 20 to 30 years short of Japan's) declined by almost half, largely because Haiti and 12 sub-Saharan African countries experienced a regression.

This pattern is consistent with the notion of "club convergence", in which poor countries tend to have lower average life expectancy while richer countries converge towards a higher level (Mayer-Foulkes, 2001). It is also consistent with the conclusion from recent analysis that inequality in the distribution of health gains has increased (Cornia and Menchini, 2005).

An important aspect of inequalities in life expectancy is the male-female longevity gap. Almost everywhere, life expectancy is higher for females than for males. Underlying this disparity, which is most pronounced in Eastern Europe, are a number of factors associated with lifestyle, including the higher exposure of males to health and mortality risks linked to certain occupations, motor vehicle accidents, and the excessive use of tobacco and alcohol.

Maternal and child health

Child mortality declined between 1990 and 2001, though somewhat more slowly in developing countries. Widespread immunization against killer childhood diseases has contributed significantly to reducing infant and child mortality; over a period of several decades enormously successful vaccination policies and programmes have been implemented in many countries with the

Table III.5. Levels of under-five mortality for selected countries and between-country inequality indices

<i>Region/country</i>	<i>Year</i>	<i>Under-five mortality (5q0) per 1 000 births</i>	<i>Inequality index^a</i>
Sub-Saharan Africa			
Gabon	2000	88.6	–
Zimbabwe	1999	102.1	13.5
Nigeria	1999	140.1	51.5
Tanzania	2000/2001	146.6	58.0
Uganda	2000/2001	151.5	62.9
Benin	2001	160.0	71.4
Ethiopia	2000	166.2	77.6
Zambia	2001/2002	168.2	79.6
Guinea	1999	176.9	88.3
Malawi	2000	188.6	100.0
Rwanda	1999	196.2	107.6
Burkina Faso	1998/1999	219.1	130.5
Mali	2001	229.1	140.5
North Africa/West Asia/Europe			
Armenia	2000	39.0	–
Egypt	2000	54.3	15.3
Central Asia			
Kazakhstan	1999	71.4	–
Turkmenistan	2000	94.3	22.9
South and South-East Asia			
Nepal	2001	91.2	–
Bangladesh	1999/2000	94.1	2.9
India	1998/1999	94.9	3.7
Cambodia	2000	124.4	33.2
Latin America and the Caribbean			
Colombia	2000	24.9	–
Dominican Republic	1999	30.4	5.5
Peru	2000	46.7	21.8
Guatemala	1998/1999	58.7	33.8
Haiti	2000	118.6	93.7

Source: Under-five mortality data obtained from ORC Macro, MEASURE DHS STATcompiler (<http://www.measuredhs.com>; accessed 15 February 2005).

^a The inequality index is calculated as the value of 5q0 for the selected country minus the value for the country with the lowest 5q0 within that region.

assistance of United Nations entities such as the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO). Since 1974 the proportion of children under the age of one who are immunized against diphtheria, polio, tetanus, measles, tuberculosis (TB) and pertussis (whooping cough) has risen from 5 per cent to nearly 75 per cent.

These positive trends are apparent at the global level but do not reveal the stagnation and even worsening of the child health and mortality situation in certain parts of the world. Since the beginning of the 1990s, for example, global inequalities have widened as mortality among newborns has risen in sub-Saharan Africa but declined in most other regions (World Health Or-

Table III.6. Under-five mortality for countries with the highest and lowest rates, 1995, 2000 and 2002

	Under-five mortality (per 1 000 births)			Countries with the lowest mortality ^a	Under-five mortality (per 1 000 births)		
	1995	2000	2002		1995	2000	2002
Central African Republic	180	180	180	Sweden	4	4	3
Malawi	216	188	182	Denmark	7	5	4
Zambia	182	182	182	Iceland	5	4	4
Mauritania	183	183	183	Norway	6	4	4
Burundi	190	190	190	Singapore	5	4	4
Côte d'Ivoire	175	188	191	Austria	7	5	5
Chad	200	200	200	Czech Republic	8	5	5
Nigeria	238	205	201	Finland	4	5	5
Rwanda	209	203	203	Germany	7	5	5
Democratic Republic of the Congo	205	205	205	Greece	9	6	5
Mozambique	221	208	205	Japan	6	5	5
Burkina Faso	207	207	207	Republic of Korea	6	5	5
Guinea-Bissau	235	215	211	Luxembourg	6	5	5
Mali	233	224	222	Malta	11	6	5
Somalia	225	225	225	Monaco	5	5	5
Liberia	235	235	235	Netherlands	6	6	5
Afghanistan	257	257	257	Slovenia	7	5	5
Angola	260	260	260	Australia	6	6	6
Niger	295	270	264	Belgium	9	6	6
Sierra Leone	293	286	284	Brunei Darussalam	9	7	6

Source: United Nations Statistics Division, Millennium Indicators Database (<http://millenniumindicators.un.org/unsd/>).

^a Ranked according to the level of under-five mortality in 2002.

ganization, 2005b). This increase may be partly attributable to the high risk of mortality among the children of HIV-positive mothers, but poverty and health policies that deny the poor access to health services play a major role as well.

Between-country disparities in under-five mortality are large and persistent, despite increased attention and intervention over the past 50 years. Data for selected countries indicate that under-five mortality rates in 2000 ranged from 25 per 1,000 live births in Colombia to 229 per 1,000 live births in Mali (see table III.5). Exceptionally high rates (more than 100 deaths per 1,000 live births) are evident for almost all of sub-Saharan Africa and for Cambodia and Haiti. The 20 countries with the highest rates and the 20 countries with the lowest rates in the world in 2002 are shown in table III.6, along with their respective under-five mortality levels for 1995, 2000 and 2002. The data clearly indicate that the best-performing countries suffer virtually no under-five mortality, while in most of the worst-performing countries more than one in five children die before they reach the age of five. Of the 20 countries with the highest rates, 19 are in sub-Saharan Africa, the region that experienced the smallest decline (from 186 to 174 deaths per 1,000 live births, or a reduction of only 2 per cent) between 1990 and 2001.

Large differentials in under-five mortality can also be found within most countries. Data from recent Demographic and Health Surveys (DHS) indicate that rates are consistently higher in rural areas than in urban areas (ORC Macro, 2005). The data show that in countries such as Armenia (2000), Brazil (1996), Burkina Faso (1998/99), Colombia (2000), Côte d'Ivoire (1998/99), Egypt (1995), Ghana (1998), Nicaragua (2001) and Peru (2002), rural rates have been at least 1.5 times higher than urban rates of under-five mortality.

Among all the health indicators, maternal mortality rates reflect some of the greatest disparities between developed and developing countries. Ninety-nine per cent of maternal deaths worldwide occur in developing countries, and in poor countries as many as 30 per cent of deaths among women of reproductive age (15-49 years) may be from pregnancy-related causes, compared with rates of less than 1 per cent for developed countries. In 2000, there were 400 maternal deaths per 100,000 live births in developing regions, a ratio 19 times higher than in developed regions. The lifetime risk of maternal death was 1 in 61 for developing countries, which was 45 times greater than the risk of 1 in 2,800 for developed countries. Even among developing countries, maternal mortality rates varied widely. Disparities were extreme at the regional level; in 2000, the lifetime risk of 1 in 16 for sub-Saharan Africa was 249 times greater than the risk of 1 in 4,000 for Western Europe. Equally disquieting is the extent of morbidity or illness women experience in connection with pregnancy and childbirth. Even when they survive childbirth, women who receive inadequate maternity care often suffer from the long-term effects of complications such as obstetric fistula, infection or prolonged anaemia from excessive blood loss during delivery.

Table III.7. Immunization coverage among children aged 12-23 months, by country and selected background characteristics

Country	Year	Type of residence		Rural	Difference (urban minus rural)	Highest level of education			Difference (secondary and higher minus no education)
		Urban	Urban			No education	Primary education	Secondary education or higher	
Armenia	2000	73.2	69.1	4.1	-	-	71.6	-	
Bangladesh	1999/2000	69.6	58.6	11.0	53.8	60.1	72.5	18.7	
Benin	2001	64.4	56.1	8.3	55.7	63.1	75.1	19.4	
Burkina Faso	1998/1999	59.5	25.9	33.6	25.7	59.6	63.3	37.6	
Cambodia	2000	46.3	39.0	7.3	29.1	41.4	58.8	29.7	
Colombia	2000	54.8	46.0	8.8	26.7	46.9	56.6	29.9	
Dominican Republic	1999	30.5	39.6	-9.1	-	29.9	40.3	-	
Egypt	2000	92.8	91.8	1.0	91.4	92.9	92.6	1.2	
Ethiopia	2000	42.0	11.0	31.0	10.2	24.8	45.0	34.8	
Gabon	2000	17.8	5.7	12.1	19.3	10.2	17.3	-2.0	
Guatemala	1998/1999	55.2	62.1	-6.9	52.4	62.1	64.4	12.0	
Guinea	1999	47.3	26.7	20.6	29.7	39.1	53.9	24.2	
Haiti	2000	33.6	33.5	0.1	23.2	37.7	43.6	20.4	
India	1998/99	54.8	34.9	19.9	24.7	46.0	61.4	36.7	
Kazakhstan	1999	74.9	71.7	3.2	-	-	73.1	-	
Malawi	2000	78.6	68.7	9.9	64.0	70.8	87.5	23.5	
Mali	2001	50.3	21.5	28.8	25.1	38.8	62.7	37.6	
Mauritania	2000/2001	38.0	27.4	10.6	27.4	39.6	30.5	3.1	
Nepal	2001	74.9	65.0	9.9	57.0	83.2	90.0	33.0	
Nigeria	1999	31.7	11.3	20.4	6.3	18.1	36.1	29.8	
Peru	2000	60.4	51.1	9.3	43.8	51.7	61.1	17.3	
Rwanda	2000	77.0	75.8	1.2	72.2	76.8	82.1	9.9	
Tanzania	1999	80.5	65.5	15.0	49.5	75.1	72.2	22.7	
Turkmenistan	2000	80.1	88.5	-8.4	74.1	100.0	84.9	10.8	
Uganda	2001/2002	42.1	36.0	6.1	28.3	37.2	51.1	22.8	
Zambia	1999	76.9	67.2	9.7	58.0	70.6	76.3	18.3	
Zimbabwe	1999	65.0	63.6	1.4	62.9	60.9	67.2	4.3	

Source: ORC Macro, MEASURE DHS STATCompiler (<http://www.measuredhs.com>; accessed 15 February 2005).

Table III.8. Differentials within and between selected countries in access to skilled medical care at delivery for children born three years before the survey

Country	Year of survey	Assistance at delivery			
		Doctor or health professional		No birth attendant	
		Urban	Rural	Urban	Rural
Guatemala	1998/1999	67.2	26.1	–	2.0
Guinea	1999	77.1	21.8	2.5	9.0
Haiti	2000	54.2	12.0	2.8	4.5
India	1998/1999	73.3	33.5	0.1	0.6
Kazakhstan	1999	99.1	99.5	–	–
Malawi	2000	81.1	50.5	1.3	2.6
Mali	2001	81.7	27.4	5.4	19.1
Mauritania	2000/2001	85.9	29.1	1.6	10.9
Nepal	2001	53.7	11.5	4.0	8.4
Nigeria	1999	57.9	35.3	9.6	12.1
Peru	2000	86.5	27.4	0.4	1.7
Rwanda	2000	64.8	18.2	5.5	22.4
Tanzania	1999	82.7	33.5	1.0	8.7
Turkmenistan	2000	98.4	96.7	0.2	0.1
Uganda	2000/2001	81.3	33.4	4.4	15.5
Zambia	2001/2002	78.1	27.1	2.8	8.2
Zimbabwe	1999	90.0	64.3	1.0	4.4

Source: ORC Macro, MEASURE DHS STATcompiler (<http://www.measuredhs.com>; accessed 17 February 2005).

Health-related inequalities within and between countries are often the result of differentials in underlying determinants of health, including education, access to health services, sanitation and nutrition. For example, child mortality differentials are governed by disparities in proximate determinants such as access to skilled medical care, nutrition, immunization and education.

Although it is known that the immunization of all children against killer childhood diseases significantly reduces child mortality, differentials in immunization status remain wide both within and between countries. Table III.7 shows that within countries, immunization coverage is generally higher in urban areas and among children with more highly educated mothers. Between countries, urban disparities and rural disparities are sizeable. For example, urban coverage is under 50 per cent in Cambodia, the Dominican Republic, Ethiopia, Gabon, Guinea, Haiti, Mauritania, Nigeria and Uganda but over 80 per cent in Tanzania and Turkmenistan and 93 per cent in Egypt. Similarly, rural coverage remains below 20 per cent in Ethiopia, Gabon and Nigeria but around 90 per cent in Egypt and Turkmenistan. Inequalities are also evident across maternal education categories; women with little or no education are less likely to have their children immunized than are those with secondary or higher education. From a policy perspective, it is disconcerting that the high inequalities in infant and child mortality persist, given that rela-

Table III.9. Adults and children affected by HIV/AIDS: the world and major regions, 2004

Regions	Adults and children living with HIV	Adults and children newly infected with HIV	Adult HIV prevalence (percentage)	Adult and child deaths due to AIDS
World	39.4 million	4.9 million	1.1	3.1 million
Sub-Saharan Africa	25.4 million	3.1 million	7.4	2.3 million
North Africa and Middle East	0.54 million	92 000	0.3	28 000
East Asia	1.1 million	290 000	0.1	51 000
South and South-East Asia	7.1 million	890 000	0.6	490 000
Latin America	1.7 million	240 000	0.6	95 000
Caribbean	440 000	53 000	2.3	36 000
Eastern Europe and Central Asia	1.4 million	210 000	0.8	60 000
Western and Central Europe	0.61 million	21 000	0.3	6 500
North America	1.0 million	44 000	0.6	16 000

Source: UNAIDS, *AIDS Epidemic Update, December 2004* (<http://www.unaids.org/wad2004/report.html>; accessed 13 April 2005).

tively inexpensive preventive and remedial measures such as immunization against measles and other childhood diseases, the protection of drinking water, the practice of basic hygiene, and increased reliance on oral rehydration therapy and breastfeeding could prevent millions of deaths among children under the age of five every year. With regard to immunization, it is surprising that significant within-country differentials remain even though vaccination programmes specifically targeting underserved areas of developing countries have been in place for many years.

Inequalities characterizing child and maternal health and mortality are also closely linked to underlying inequalities within the health system, especially differentials in access to prenatal care, skilled care at delivery and emergency obstetric care. Table III.8 shows within- and between-country disparities in women's access to health professionals for the delivery of their babies. In Kazakhstan and Turkmenistan, almost 100 per cent of both urban and rural births are attended by a doctor or other health professional, putting those countries on par with developed countries. In contrast, fewer than 60 per cent of urban births in Haiti, Nepal and Nigeria are attended by a health professional, and the percentage is even lower for rural areas. In some countries large proportions of rural births (19 per cent in Mali and 22 per cent in Rwanda) are attended by no one, raising the risks of both child and maternal mortality.

HIV/AIDS and other diseases

The HIV/AIDS epidemic is worsening in parts of Africa and Asia, while throughout most of Europe and North America significant progress is being made in controlling the epidemic and averting mortality; it is situations such

Table III.10. Women living with HIV: the world and major regions, 2004

<i>Region</i>	<i>Number of women aged 15-49 years living with HIV</i>	<i>Women as a proportion of adults aged 15-49 years living with HIV (percentage)</i>
World	17.6 million	47
Sub-Saharan Africa	13.3 million	57
Middle East and North Africa	250 000	48
East Asia	250 000	22
South and South-East Asia	2.1 million	30
Latin America	610 000	36
Caribbean	210 000	49
Eastern Europe and and Central Asia	490 000	34
Western and Central Europe	160 000	25
North America	260 000	25

Source: UNAIDS, *AIDS Epidemic Update, December 2004* (<http://www.unaids.org/wad2004/report.html>; accessed 13 April 2005).

as this that epitomize the strong link between poverty and health inequalities. The number of people living with HIV has been rising in every region, with especially steep increases in East Asia and in Eastern Europe and Central Asia; sub-Saharan Africa, with more than 25 million infected adults and children, has been the region hardest hit by the epidemic (see table III.9) (UNAIDS, 2004). The health and mortality gulf between developed and developing countries will continue to widen, as many of the countries most seriously affected by the HIV/AIDS epidemic have some of the lowest life expectancies recorded in recent history and are likely to experience continued high mortality over the next 50 years, while in the developed world the epidemic will have no perceptible impact on life expectancy.

One important reason for the inequalities generated by the HIV/AIDS epidemic relates to the availability and affordability of treatment. The relatively high cost of antiretroviral therapy prevents poorer individuals and Governments from obtaining treatments that can both reduce the risk of HIV transmission and prolong the lives of those who are already infected. Inequalities in the global pharmaceutical market and in national science and technology infrastructures have contributed to the predicament; poorer countries cannot afford the expensive drug therapies available abroad and are unable to produce cheaper generic equivalents locally, in part owing to their perennial lack of manufacturing capacity.⁵

The impact of the HIV/AIDS epidemic has extended beyond the health sector and, again, has been most widely felt in the poorest countries. The epidemic is linked to widening inequalities in poverty, social status, access to education and employment. In those countries in which HIV/AIDS is most prevalent, the epidemic is rapidly eroding the progress made in reducing within- and between-country gender inequalities in access to educational

and employment opportunities. In East Asia, North America, and Western and Central Europe only about a quarter of HIV-infected individuals aged 15-49 years are women, but in sub-Saharan Africa women make up almost 60 per cent of this same group (see table III.10) and around 75 per cent of HIV-infected individuals aged 15-24 years (UNAIDS, 2004).

In addition to being at a disproportionately higher risk of acquiring HIV, females in the regions most seriously affected by the epidemic are more likely to bear the burden of caring for infected or affected family members. Girls, who often assume the responsibility of caring for sick parents and younger siblings, suffer the consequences of a truncated education, early entry into the unskilled labour force, possible exploitation and abuse, and subsequent poverty and social exclusion. The AIDS epidemic threatens to reverse the progress made in the past two decades in reducing the gender gap, particularly in access to education.

Within-country inequalities linked to HIV/AIDS are most evident in the area of human rights. The stigmatization of those infected and affected by HIV/AIDS has led to some of the worst forms of discrimination and isolation within communities. Women are especially vulnerable to discrimination when they become infected with HIV. In addition, inequalities under the law in some areas of the world frequently leave women who survive the death of an infected male relative without access to property or resources, driving them deeper into poverty.

A number of other diseases also contribute to the disparities in health and mortality indicators within and between countries. Malaria, in particular, takes a heavy toll in areas in which the disease is endemic. WHO estimates that malaria kills at least 1 million people every year and contributes to another 2 million deaths. Since about 90 per cent of global malaria deaths occur in sub-Saharan Africa, and the overwhelming majority of those who die are young children, the human and monetary costs of the disease fall heavily on the region.

It is estimated that approximately 2 billion people are infected with the bacteria that cause TB, though healthy individuals may never develop active disease (Global Fund to Fight AIDS, Tuberculosis and Malaria, 2005). Each year there are about 8 million new cases of TB, and approximately 2 million people with suppressed immune systems die of the disease. Although TB is more prevalent in developing countries, it persists in developed countries as well, especially among lower socio-economic groups and those with HIV (United States General Accounting Office, 2000). Lack of compliance with treatment regimens has contributed to the emergence of drug-resistant strains of TB, undermining efforts to bring the disease under control. Drug-resistant strains of TB are present everywhere in the world but are particularly prevalent in Africa, Central Asia and Eastern Europe (United States General Accounting Office, 2000).

In addition to being primary causes of illness and death, both malaria and TB may serve as complicating factors affecting the acquisition, progress or outcome of other diseases. According to the Global Fund to fight AIDS, Tuberculosis and Malaria, one third of people with HIV will also develop TB, as the weakening of the immune system leaves them more vulnerable to opportunistic infections. Most of the deaths associated with TB occur among those between the ages of 15 and 54, depriving communities of their most productive adults.

Hunger and malnutrition

Improvements in agricultural productivity and the development of food manufacturing and preservation technologies during the twentieth century have produced a world of abundance. Since the early 1970s, global food production has tripled and the price of major cereals has fallen by about 76 per cent. There is more than enough food in the world for all its inhabitants, and low-cost food supplies are produced in quantities sufficient to meet the needs of the growing global population. If food was distributed equitably around the world, enough would be available for everyone to consume an average of 2,760 calories a day (*World Ecology Report*, 2005). In spite of these facts and possibilities, appalling nutritional inequalities persist throughout the world.

Food emergencies, which can lead to famines or crises in which starvation from insufficient food intake combined with high rates of disease are associated with sharply increased death rates, have risen dramatically in the past several decades. The number of these emergencies has increased from an average of 15 per year during the 1980s to more than 30 per year since 2000. Most of the crises have taken place in Africa, where the average number of food emergencies every year has almost tripled in two decades. As of July 2004, 35 countries were experiencing food crises requiring emergency assistance (Food and Agriculture Organization of the United Nations, 2004).

In many parts of the world a significant proportion of the population suffers sustained nutritional deprivation, characterized by inadequate intake of protein and micronutrients and by frequent infections or disease. This long-term condition rarely receives media coverage, but more people may die from its indirect effects than from famine. Malnutrition affects around 852 million people worldwide, including 815 million in developing countries, 28 million in transition countries, and 9 million in the industrialized world. In the developing world 20 per cent of the total population is undernourished (Food and Agriculture Organization of the United Nations, 2004).

Malnutrition is one of the primary causes of child mortality, accounting for about half of the 10.4 million child deaths occurring annually in the developing world. Malnourished children who survive often experience the long-lasting effects of disease and disability, reduced cognitive ability and school attendance in childhood, and lower productivity and lifetime earn-

ings in adulthood. The height and weight of almost a third of all children in developing countries fall far enough below the normal ranges for their age to signal chronic undernutrition, and WHO estimates that more than 3.7 million child deaths in 2000 were directly linked to the children being seriously underweight. In economic terms, every year that hunger remains at current levels, developing countries lose around US\$ 500 billion or more in productivity and earnings forgone as a result of premature death and disability (Food and Agriculture Organization of the United Nations, 2004). This burden is mainly borne by those who can least afford it, namely the poorest in society.

There are no clear signs that these trends will be reversed anytime soon. According to the Food and Agriculture Organization of the United Nations (FAO), the number of undernourished people in the developing world fell by 27 million between 1990-1992 and 2000-2002 but rose at an annual rate of almost 4 million between 1995-1997 and 2000-2002, seriously offsetting the gains achieved in previous years and resulting in a net reduction of only 9 million for the decade as a whole (1990-1992 to 2000-2002) (Food and Agriculture Organization of the United Nations, 2004).

There are added dimensions to the patterns of inequality characterizing food crises and sustained nutritional deprivation. In these situations, food may not be divided equitably among household members, with women, children (especially girls), and the elderly receiving proportionately less than adult men. Different studies of famines have helped explain the largely human-induced economic, social and political factors that may contribute to food crises. Whether these situations are the result of man-made or natural disasters or a variable combination of the two, they reflect the inability of large groups of people to gain access to food in the societies in which they live, so the impact they have on the population depends on the way society is organized (Dreze and Sen, 1989). A study of the drought-induced famine in Wollo, Ethiopia, describes how the peasantry were engaged in subsistence agriculture and were generally able to manage until rising taxes and other obligations reduced many of them to acute poverty, leaving them with few resources or reserves with which to weather the drought (Dessalegn, 1987).

At the other end of the food spectrum, overnutrition (excessive calorie intake) is also becoming a global problem. There are more than 1 billion overweight adults in the world, at least 300 million of whom are clinically obese (Chopra, Galbraith and Darnton-Hill, 2002). Obesity levels have risen sharply in Australia, Canada, Europe and the United States during the past several decades (Flegal and others, 1998). The issue of overnourishment is addressed further in chapter IV.

Education

Substantial global inequalities persist in the realm of education. Although a number of developing countries, principally in Central Asia, East Asia and

the Pacific, Latin America and the Caribbean, and North Africa, are on track to achieving primary school enrolment ratios that are consistent with the Millennium Development Goals, significantly lower levels of educational progress and achievement are still being registered in sub-Saharan Africa and South and West Asia. In many countries school enrolment has improved, though in a number of areas completion rates remain low, especially among girls. Africa, especially sub-Saharan Africa, lags behind other developing regions, and a redoubling of efforts is required to overcome the region's unfavourable initial conditions in terms of human capital.

Table III.11 illustrates the wide disparities in the educational status of household members both within and between selected developing countries.⁶ Incorporating two separate groupings, the table shows the countries with the highest and lowest proportions of uneducated males in the household, along with the extent of gender-specific educational inequality within and between countries for urban, rural and all households. Overall, the proportions of male household members who have had no education range from just under 3 per cent in Armenia to more than 70 per cent in Burkina Faso and Niger. Even more striking are the wide disparities in household educational attainment within countries. There are significant urban-rural differentials, with rural residents far more likely to have no education. In virtually every country, female household members in both urban and rural areas are more likely than males to be uneducated.

Existing gaps in the educational attainment of household members reflect decades of unequal educational opportunities. Table III.12 shows the differences in primary school enrolment between world regions. The net primary school enrolment ratio of 84 per cent at the global level conceals the much better performance of Central Asia, East Asia and the Pacific, Latin America and the Caribbean, and North America and Western Europe, all of which have ratios of over 90 per cent for 2001; it also fails to convey the much worse situation in sub-Saharan Africa, where net enrolment is only 62.8 per cent. Female enrolment ratios are generally lower than those of males.

The three regions faring the worst had the most substantial increases in primary school enrolment between 1998 and 2001, and two of them had very large numbers of students enrolled at this level. In sub-Saharan Africa alone, primary enrolment jumped by more than 11 million during this short period. While higher enrolment helps narrow the gaps in access to education, it also places increased pressure on the education systems of countries that are least able to handle it. Consequently, the quality of public education has suffered in many countries, and those who have sufficient resources and opt for a more expensive private education are augmenting their social and economic advantage over the poorer segments of society.

Studies indicate that inequality declines as the average years of schooling increase, with secondary education producing the greatest pay-off, especially for women (Cornia and Court, 2001). Given this fact, the global situation

Table III.11. Percentages of total, urban and rural household populations with no education, by sex

Country	Year	Total			Urban areas			Rural areas		
		Males	Females	Difference (females-males)	Males	Females	Difference (females-males)	Males	Females	Difference (females-males)
Countries with the lowest proportion of uneducated males										
Armenia	2000	2.8	2.9	0.1	2.1	1.9	-0.2	3.7	4.4	0.7
Kazakhstan	1999	4.2	4.9	0.7	3.0	4.0	1.0	5.2	5.7	0.5
Kyrgyzstan	1997	4.2	6.0	1.8	4.1	5.2	1.1	4.3	6.4	2.1
Philippines	1998	4.2	4.3	0.1	2.3	2.3	--	6.0	6.5	0.5
Bolivia	1998	4.9	13.7	8.8	2.0	6.6	4.6	10.3	27.4	17.1
Dominican Republic	1999	4.9	6.4	1.5	3.1	5.0	1.9	7.8	9.2	1.4
Uzbekistan	1996	5.7	6.2	0.5	4.8	5.0	0.2	6.2	7.0	0.8
Paraguay	1990	5.9	7.6	1.7	3.9	5.2	1.3	7.7	10.4	2.7
Turkmenistan	2000	5.9	7.2	1.3	5.3	6.2	0.9	6.3	8.0	1.7
Peru	2000	6.1	12.9	6.8	3.5	7.0	3.5	10.8	24.2	13.4
Countries with the highest proportion of uneducated males										
Côte d'Ivoire	1998/1999	43.6	57.2	13.6	29.7	42.4	12.7	51.7	66.4	14.7
Morocco	1992	43.9	64.9	21.0	25.5	43.4	17.9	60.0	83.1	23.1
Comoros	1996	44.3	59.1	14.8	31.9	45.9	14.0	49.4	64.2	14.8
Eritrea	1995	54.4	67.3	12.9	19.7	36.6	16.9	67.7	80.5	12.8
Chad	1996/1997	56.1	77.7	21.6	39.6	57.9	18.3	62.1	83.4	21.3
Guinea	1999	59.8	76.4	16.6	33.8	51.7	17.9	71.9	87.1	15.2
Ethiopia	2000	61.5	76.7	15.2	24.3	39.8	15.5	67.7	83.9	16.2
Mali	2001	66.0	77.0	11.0	40.4	55.7	15.3	76.0	85.1	9.1
Burkina Faso	1998/1999	72.1	83.9	11.8	32.9	45.3	12.4	79.7	90.8	11.1
Niger	1998	72.7	83.6	10.9	41.9	54.6	12.7	81.0	90.9	9.9

Source: ORC Macro, MEASURE DHS STATCompiler (<http://www.measuredhs.com>; accessed 23 February 2005).

Table III.12. Inequalities in primary school enrolment: the world and major regions, 1998 and 2001

Country or territory	Enrolment in primary education				Net enrolment ratio in primary education (percentage)							
	School-age population 2001 (thousands)		Total (thousands)		Females (percentage)		Total		Males		Females	
	1998	2001	1998	2001	1998	2001	1998	2001	1998	2001	1998	2001
World	648 593	656 538	651 913	47	47	84.2	84.0	87.3	86.5	80.9	81.5	
Countries in transition	14 259	15 930	14 767	49	49	84.6	90.1	85.0	90.3	84.1	89.8	
Developed countries	67 948	70 406	65 552	49	49	96.4	95.6	96.5	95.4	96.4	95.9	
Developing countries	566 386	570 207	569 617	46	46	82.7	82.5	86.3	85.3	78.9	79.5	
Arab States	39 396	34 725	36 252	46	46	78.1	81.1	82.3	85.1	73.7	76.9	
Central and Eastern Europe	24 079	25 484	23 677	48	48	86.7	88.8	88.1	89.9	85.3	87.7	
Central Asia	6 627	6 949	6 667	49	49	87.5	94.1	88.0	95.0	87.0	93.2	
East Asia and the Pacific	189 557	219 912	211 108	48	48	96.0	93.7	96.1	93.7	95.8	93.6	
Latin America and the Caribbean	58 064	78 585	69 660	49	48	94.2	95.7	94.8	95.6	93.5	95.9	
North America and Western Europe	51 664	52 858	49 643	49	49	96.3	95.4	96.3	95.1	96.4	95.7	
South and West Asia	170 874	158 096	160 398	44	44	80.2	79.0	87.5	84.7	72.3	73.0	
Sub-Saharan Africa	108 332	80 406	91 972	45	46	57.6	62.8	61.4	66.4	53.8	59.2	

Source: United Nations Educational, Scientific and Cultural Organization, *Education for All Global Monitoring Report, 2005: The Quality Imperative* (Paris, 2005).

Note: Regional averages are weighted means.

with regard to secondary and higher education is even more disquieting than the situation at the elementary school level. In table III.13, school enrolment statistics for the major regions and the world as a whole are used to show the extent of educational inequality at the secondary level; data on tertiary enrolment are more incomplete and less comparable. The table indicates that net enrolment ratios were significantly lower at the secondary level than at the primary level in 2001. Central Asia, Central and Eastern Europe, and North America and Western Europe had the highest levels of secondary enrolment, with ratios of over 80 per cent, while secondary enrolment in sub-Saharan Africa was a very low 21 per cent. The data for 2001 indicate that females were less likely to be enrolled in secondary school, except in Latin America and the Caribbean and in North America and Western Europe. Between 1998 and 2001 net secondary enrolment among young women improved markedly in Latin America and the Caribbean; Africa also registered a small increase.

Education is typically seen as a means of narrowing inequalities, and among those who receive it, that purpose is served; however, education also represents a medium through which the worst forms of social stratification and segmentation are created. Inequalities in educational attainment often translate into differentials in employment, occupation, income, residence and social class. In Latin America, for example, where inequalities within and between countries are considerable, the wide disparities in occupational earnings are directly attributable to the manner in which the market remunerates those with different levels of education (Instituto de Promoción de la Economía Social, 1999). Although there are differences between countries, those with six years of education earn, on average, 50 per cent more than those with no education, and those with 12 years of education earn more than twice as much as those with no education. The study from which this information is taken notes that educational differentials explain 25 to 33 per cent of the income concentration in the countries of Latin America. Analysis of data from the Netherlands adds an intergenerational perspective by confirming that while a certain degree of mobility exists across income groups from one generation to the next, there is a strong tendency for educational segmentation to persist across generations (de Graaf and Kalmijn, 2001).

In summary, the huge and persistent inequalities in education have far-reaching effects, leading to inequalities in employment, wages, health, power and social integration. To redress educational imbalances and thereby reduce the inequalities they engender or perpetuate, effective policies and programmes that target disadvantaged groups but also focus more broadly on improving educational access and quality for all must be implemented. The gender gap in education requires particular attention to ensure that neither sex is favoured over the other. The quality of education also needs to be addressed.

Table III.13. Inequalities in secondary school enrollment: the world and major regions, 1998 and 2001

Region	School age population (thousands)		Enrollment in secondary education (thousands)				Net enrollment ratio in secondary education (percentage)					
	2001	1998	Total		Female		Total		Male		Female	
			2001	1998	2001	1998	2001	1998	2001	1998	2001	1998
World	752 008	424 925	477 586	46	47	51.3	54.9	..	58.1	..	51.5	
Countries in transition	34 524	..	31 272	..	49	..	85.0	..	84.8	..	85.2	
Developed countries	84 628	87 210	85 816	49	49	87.9	90.0	87.7	89.5	88.1	90.4	
Developing countries	632 856	311 079	358 392	45	46	..	48.5	..	52.4	..	44.4	
Arab States	38 975	21 997	24 823	46	46	50.8	55.3	53.5	57.7	48.1	52.9	
Central and Eastern Europe	43 829	37 881	38 288	49	48	..	82.7	..	83.4	..	82.0	
Central Asia	11 946	5 754	10 406	49	49	81.6	83.6	82.3	84.8	80.9	82.4	
East Asia and the Pacific	217 947	137 952	149 732	..	47	..	..	..	..	..	..
Latin America and the Caribbean	66 291	41 871	57 159	51	51	52.9	63.8	50.7	61.9	55.1	65.7	
North America and Western Europe	61 486	63 630	63 508	49	50	89.4	89.2	89.5	88.8	89.3	89.6	
South and West Asia	221 771	95 750	107 017	41	42	..	..	..	..	..	..
Sub-Saharan Africa	89 764	20 358	24 073	44	44	18.0	21.3	19.7	23.1	16.3	19.4	

Source: United Nations Educational, Scientific and Cultural Organization, *Education for All Global Monitoring Report, 2005: The Quality Imperative* (Paris, 2005).

Note: Regional averages are weighted means.

Conclusion

A mixed picture emerges from the recent developments relating to factors that may influence levels of inequality within and between countries. There has been progress, especially in reducing inequalities in health and education, but there have also been significant setbacks. The sources of existing inequalities are often deep-rooted, ranging from economic liberalization policies that have both created and sustained inequalities to sociocultural factors that have impeded efforts to address them.

A number of factors have influenced the patterns and trends examined in this chapter. With respect to income distribution, for example, the evidence clearly suggests that overall gains at the global level derive largely from the exceptional economic growth in China and India; most other countries have not benefited from that growth. Within-country inequality in income distribution has worsened, even for a large group of industrialized countries. Poverty reduction efforts have been reasonably successful in some regions, while the poverty situation has stagnated or deteriorated in others. For example, the number of people in China living on less than US\$ 1 a day plummeted from 634 million to 212 million between 1981 and 2000, but in sub-Saharan Africa the ranks of the abject poor increased by almost 90 million over a 10-year period (1990-2000). In Latin America, economic recession and stagnation occurring in the 1980s and 1990s had a significant impact on poverty levels. Among other regions the evidence paints more of a mixed picture.

Many countries continue to face deeply entrenched obstacles and challenges that undermine poverty eradication efforts. At the socio-political level, these inhibiting factors include social exclusion and discrimination, which translate into a lack of opportunities and political power. In some countries poverty is exacerbated by disease and premature mortality, which deprive families and communities of their most productive members. Progress in reducing poverty is constrained in many instances by poor governance and by the burden of geography, particularly for small and landlocked countries. A number of economic factors hinder sustained poverty reduction as well, including low or unevenly distributed economic growth, high unemployment, heavy external debt, trade barriers, high levels of income inequality and commodity dependency.

Economic growth is considered essential for sustained poverty reduction. Liberalization policies, for example, are premised on the expectation that the benefits of increased economic growth will eventually filter down to the poor. There is growing recognition, however, that regardless of how much economic expansion a country experiences, poverty reduction is more likely to take place in countries in which Governments have implemented policies and programmes that promote equality, including initiatives to improve access to resources, income, education and employment.

Non-economic indicators are also linked to the persistence and deepening of various forms of inequality. All of the world's regions have made

progress towards achieving education for all; however, large disparities are still evident in access to both primary and higher levels of schooling, and the quality of education remains uneven both within and between countries.

The HIV/AIDS epidemic has exacerbated both economic and non-economic inequalities. Infected and affected individuals and families are becoming increasingly vulnerable; there is often a denial of or failure to enforce legal rights, and many lack access to basic education and health services. The situation is particularly alarming in sub-Saharan Africa; this region, which has been hardest hit by the epidemic, is performing poorly with respect to most economic and non-economic indicators, and the gaps between many countries in the region and the rest of the world are widening.

Gender inequalities are often deeply embedded in the fabric of societies. There are persistent gender gaps in access to education and decent jobs, and in remuneration for equal work. In most countries the numbers and proportions of women in the workforce have risen over the past two decades; however, the narrowing gender gap masks the deterioration in the terms and conditions of work among women (Razavi, 2005). The concentration of women in the lower-paying occupations remains high, which limits both their actual income and their opportunities for advancement (income potential). Women constitute a disproportionate share of the world's poor because they often have limited access to land, capital and labour markets, and they are more likely to be engaged in unpaid housework or low-paid domestic work. Women's unequal access to economic and non-economic opportunities is often at the root of their lower status in many societies, and those who are particularly vulnerable may be subject to abuse and sexual exploitation and rendered voiceless in issues related to their own welfare.

Notes

- 1 High-income non-OECD countries and territories, as classified by the World Bank, include Andorra, Antigua and Barbuda, Aruba, Bahamas, Bahrain, Barbados, Bermuda, Brunei Darussalam, Cayman Islands, Channel Islands, Cyprus, Faeroe Islands, French Polynesia, Greenland, Guam, Hong Kong Special Administrative Region of China, Isle of Man, Israel, Kuwait, Liechtenstein, Macao, Malta, Monaco, Netherlands Antilles, New Caledonia, Puerto Rico, Qatar, San Marino, Singapore, Slovenia, United Arab Emirates, and Virgin Islands.
- 2 The World Income Inequality Database (WIID), established and maintained by the United Nations University's World Institute for Development Economics Research (UNU/WIDER), collects and stores information on income inequality for developed, developing and transition countries. The WIID was compiled over the period 1997-1999 by extending the data collected by Klaus Deininger and Lyn Squire for the UNU/WIDER-UNDP project "Rising income inequality and poverty reduction: Are they compatible?", overseen by Giovanni Andrea Cornia, former Director of WIDER. As more observations were added to the database, WIDER decided to make the database available to the public in order to facilitate further analysis and debate on

inequality (see the UNU/WIDER World Income Inequality Database, version 2.0 beta, 3 December 2004).

- 3 A common measure of national inequality is the Gini coefficient, which assesses the variation across individuals in a particular context. The Gini coefficient ranges from 0 (perfect equality) to 1 (perfect inequality).
- 4 In analyses conducted by ECLAC and the World Bank it is agreed that regional trends are worsening. However, the analyses differ in defining trends for some of the individual countries. While the World Bank indicates an improvement in the distribution of income in Brazil during the 1990s, ECLAC does not confirm this trend. In addition, the improvement observed by ECLAC in the Gini coefficient for Uruguay is not confirmed by the World Bank. Despite these differences, ECLAC and the World Bank reach the same conclusion for the region as a whole (J.A. Ocampo, "Latin America's growth and equity frustrations during structural reforms", *Journal of Economic Perspectives*, vol. 18, No. 2 [Spring 2004], p. 82).
- 5 Some of the countries hardest hit by the HIV/AIDS epidemic (including a number of least developed countries) do not have to abide by the provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) until 2016; the Doha Declaration on Public Health states that countries can make use of article 31 of the TRIPS Agreement and produce the drugs they need (the restrictions are on exports of generics). The difficulty therefore lies not in obtaining production rights but in the lack of manufacturing capacity and the limits on the exports of generics from those countries that have to conform with the provisions of the WTO agreements (such as India, which has issued a new law).
- 6 The table includes data obtained at the household level for developing countries that have undertaken national Demographic and Health Surveys.