

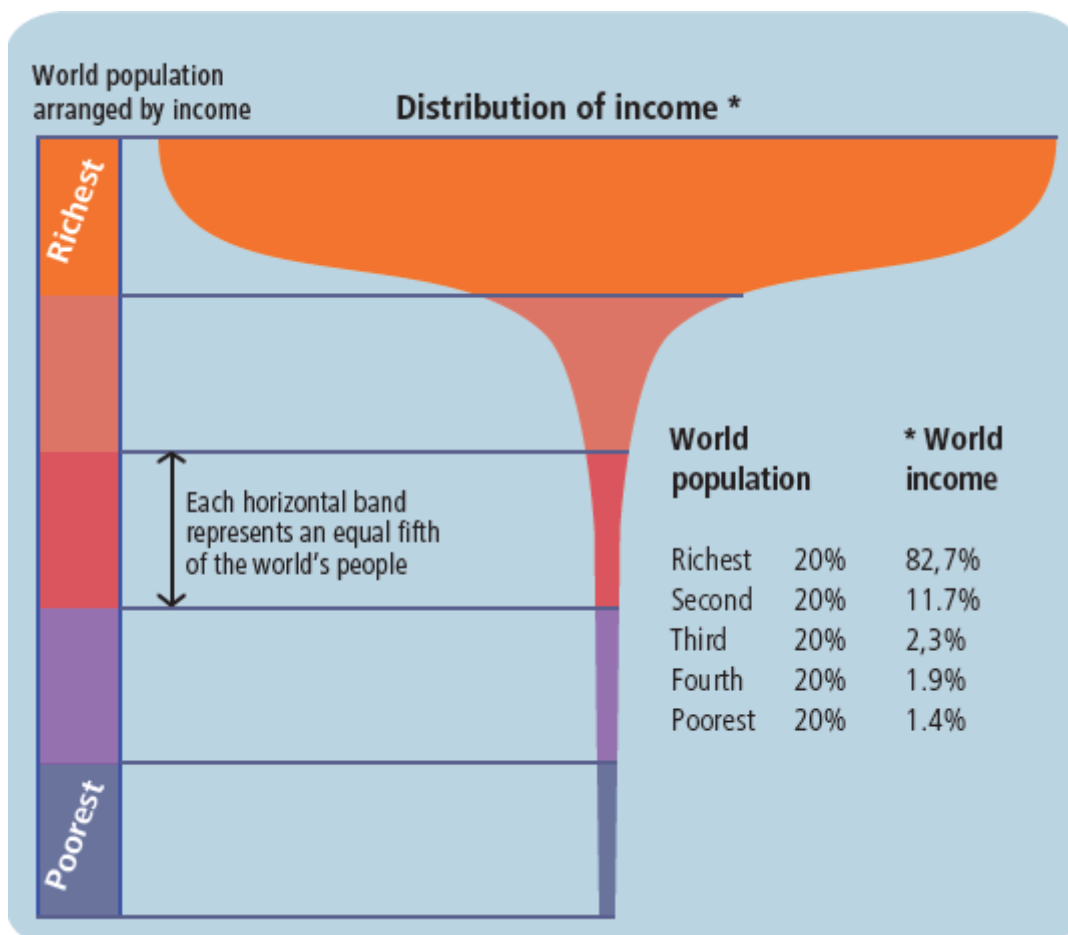
**Global Inequality**

“Global inequality doubled between 1965 and 1990.”

- Use the table below to justify whether or not the above statement is true.

Year	Income of groups (each 20% of the world's population)				
	Poorest 20%	Second 20%	Third 20%	Fourth 20%	Richest 20%
1965	2.3	2.9	4.2	21.2	69.5
1970	2.2	2.8	3.9	21.3	70.0
1980	1.7	2.2	3.5	18.3	75.4
1990	1.4	1.8	2.1	11.3	83.4

The UNDP's Human Development Report (1992) focused on the inequality in people's incomes in different countries around the world. This diagram (based on data from 1989) is taken from the report:

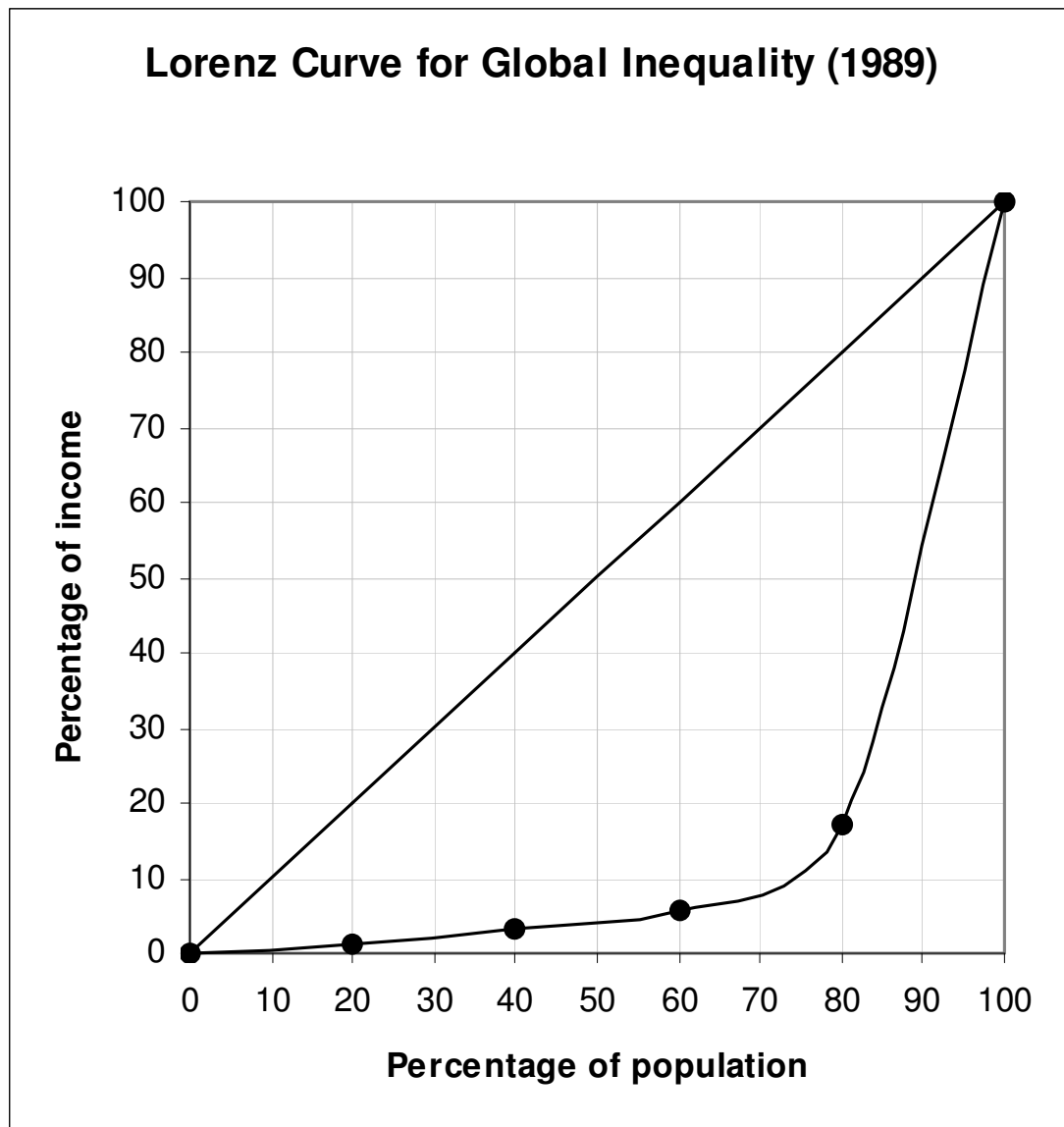


Because of its shape, this diagram is sometimes referred to as the 'champagne glass'.

- What would the champagne glass diagram look like for other years?

Another way of measuring inequality is the Gini Coefficient. To calculate this, first draw a Lorenz curve. Here is the Lorenz curve for global inequality in 1989.

- Can you explain how it's drawn?



The Gini Coefficient is the ratio of the area between the curve and the diagonal line divided by the area of the triangle below the diagonal.

- How could you measure these two areas in the diagram above?

The Gini Coefficient varies between 0 (perfect equality) and 1 (extreme inequality).

- Investigate the change in global inequality using the Gini Coefficient.