

## Poverty and Inequality Comparison

Take the current country you are living in and compare it with another country of your choice and compare the following aspects:

- Poverty
- Income Inequality

Furthermore, explain how globalization has either helped increase or decrease the poverty and inequality in each country.

### Poverty and Inequality: A Tale of Two Nations

Being a citizen of Pakistan, living in Sweden, if I look on the aspects of poverty and inequality, it wouldn't be wrong to say that both are on the opposite end of ropes. Sweden is a prosperous Nordic country, a welfare state with one of the highest living standards across globe and among top three countries on happiness scale. On the other hand, my beloved Pakistan is a third world developing country which is knee deep in debt and flourishes on time-to-time conditional foreign aid. The gap between rich and poor is forever widening, and the line of middle class is disappearing very fast. The rates of deprivation are alarmingly high, and this divergence underscores the profound socioeconomic impacts of economic policies and global integration.

Poverty is the bitter reality of Pakistan's population. Millions are suffering and it is estimated that 39% of the population is trapped under the poverty line. The debt burden on Pakistan has stripped off the citizens from all social services or rights. As per a new report, Pakistan's per capita debt is grossly increased by 36% from \$823 in 2011 to \$1,122 in 2023 (TOI World Desk, 2024). The burden of debt and structural adjustment programs have cannibalized funding for

social services, leaving citizens in the hands of their fate. (The Three Ps of Inequality: Power, People, and Policy Overview Pakistan National Human Development Report 2020, n.d.)

However, the poverty rate in Sweden is merely 8.8%, which is one of the lowest globally, and its efficient public services and strong social safety nets have ensured a decent standard of living for all no matter rich or poor, employed, or unemployed.

Income inequality is the worst in Pakistan, it is so unevenly distributed that the wealthiest 10% possess 66.5% of the nation's wealth, while the bottom 60% subsists on crumbs (Ansari, 2023).

Whereas, Sweden has the second-lowest inequality levels in the OECD, with the top 20% earning around 4 times more than the bottom 20 but the progressive taxation, strong labor rights, and a redistributive welfare system have fostered shared prosperity in Sweden leading to equity.

If we talk about the effect of globalizations on these two nations, it further highlights the inequality divide. In Pakistan policies and big decisions are highly dependent on foreign aids and debt restructuring - privatization, deregulation, free trade policies favoring multinational corporations - have concentrated wealth among a connected elite while decimating rather crushing the working class and local industries.

On the contrast, Sweden embraced globalization through comprehensive social model to protect its citizens from sufferings. It tried to buffer the harsh effects and focused on the welfare side. It emphasized mainly on human capital through public education and strong labor standards, enabling Sweden to adapt and thrive in the global economy while maintaining equity (Stiglitz, 2006).

Pakistan and Sweden's contrasting realities made it clear how economic policies, global integration strategies, and governing priorities can profoundly shape societal welfare and

equality. Pakistan's governmental policies neglected the citizens and instead of investing in welfare, they mortgaged their future in non-ending debts, neo-liberal economics. This resulted in mass poverty. However, Sweden judiciously tried to balance globalizations with collective welfare and succeeded.

For developing nations, it is of utmost importance to prioritize human development and equitable growth over debt servicing and corporate benefits. Pakistan future lies in breaking the chains of debts and uplifting the working masses through fair policies and investments in welfare of public. Then it will be able to reclaim the economic sovereignty and can hope for prosperity and welfare benefits like Sweden.

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