

Executive Summary — Social Inequality

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This executive summary provides an overview of the empirical analysis of **global social inequality** and its relationship with **democracy and homicide rates**. The study draws on **large-scale international datasets** containing income inequality indicators, democracy indices, crime statistics, and population data. The analysis is based on both **time-series and cross-sectional data**, covering a long observation period from **1980 to 2024**.

Social inequality is measured through **income gaps** using harmonized indicators derived from **Our World in Data**, ensuring **statistical consistency across countries and regions**. The dataset allows for comparisons at both the **global and continental levels**. Democracy and homicide data are incorporated to explore **broader societal outcomes associated with inequality**. The study emphasizes **descriptive and comparative analysis rather than causal identification**.

1. Questions

- I) How has **social inequality evolved globally** and within individual countries over time?
- II) How do **inequality levels differ across nations and major world regions**?
- III) Is there a relationship between **social inequality and broader societal issues**, particularly **democratic values and homicide rates**?

2. Problematik und Methodology

The analysis faces several methodological challenges related to **data consistency, regional comparability, and measurement choices**.

(i) To ensure consistency across countries, regions, and time, all income inequality indicators are sourced exclusively from **Our World in Data**, following the **World Inequality Database (WID) methodology**. The data is aggregated into **six continental regions**—Africa, Asia, Europe, Latin America, North America, and Oceania—strictly adhering to the original WID regional classification. **No manual regrouping is applied**.

(ii) Data from the **World Bank** are used solely as an auxiliary source to obtain **national population counts**. These figures serve exclusively as **weighting factors for population-weighted analyses** of democracy and homicide rates. **No inequality measures are taken from or combined with World Bank data**, ensuring homogeneity in the primary inequality indicators.

(iii) From a conceptual perspective, **after-tax income** provides a more accurate measure of social welfare, as it reflects the **redistributive effects of government taxation and fiscal policy**. However, due to **substantial data sparsity at the global and continental levels**, a **hybrid strategy** is adopted. **Before-tax inequality data** are used to visualize **macro-level, long-term trends across continents**, while **after-tax data** are applied exclusively in **country-level analyses** where data availability permits.

Overall, the methodology relies on **descriptive statistics, trend analysis, and correlation-based comparisons**. The focus is on **identifying patterns and regional heterogeneity rather than establishing causal relationships**, while acknowledging limitations arising from **missing data and structural differences across regions**.

3. Results

1) **Global and regional trends in social inequality**. Overall, **global social inequality shows a declining trend** over the observed period.

At the continental level, inequality trajectories differ substantially across regions. **North America** exhibits a **consistent upward trend**. **Latin America** registers the **highest inequality levels globally**, although a **gradual decline** can be observed over time. **Europe** maintains the

lowest absolute levels of inequality and displays a **largely stable pattern**. Africa is characterized by **pronounced internal variation**, with **persistently high inequality in some parts** of the region and **more moderate levels elsewhere**. Asia follows an overall **declining trend** in inequality.

2) Distribution of inequality levels. In absolute terms, **most countries exhibit Gini coefficients between 0.3 and 0.4**. Among all regions, **Europe shows the lowest inequality levels**, whereas **South America records the highest**.

3) Inequality, democracy, and homicide rates. The relationship between **social inequality and democracy is complex and blurred**, with **no uniform pattern observed at the global level**. While global data suggests that **higher inequality is associated with higher homicide rates**, this relationship is **largely driven by Latin America**. In other regions, such as **Europe and Asia**, higher social inequality does **not necessarily lead to higher homicide rates**.

4. Outlook

This study shows that the relationship between **social inequality, democratic quality, and violence** is marked by **strong regional variation and contextual dependence**, making it difficult to derive a **single global conclusion**. Accordingly, **public discourse and policy-making** should avoid treating inequality as a **universal determinant of social outcomes** and instead consider **specific social and institutional contexts**.

The findings further suggest that **reducing inequality alone is insufficient** to guarantee **democratic stability or social safety**. More crucial are **institutional arrangements and social policies** that enhance **social inclusion and public trust**, thereby mitigating **social tensions associated with inequality**.