

Inequality, Social Mobility, and the Gender Gap

After World War II, many EU countries adopted policies aimed at reducing poverty and inequality by providing universal social welfare benefits like health care, education, unemployment insurance, and more. For a time, these programs succeeded as people enjoyed both rising living standards and higher social mobility. But in recent years, inequality has become an issue in a number of EU countries, because wage growth has been stagnant for a significant share of the population and there are concerns about the affordability of welfare programs.

Meanwhile, despite recent progress, women remain underrepresented in the labor market. According to the European Commission, 67% of women are currently in employment compared to 79% amongst men. Moreover, women earn less than men per hour. The gender pay gap in the EU stands at 16 % and has barely changed in the last decade. How can EU Member States ensure that there is fair economic and social opportunity in their societies and that no groups are excluded from rising overall prosperity?

But what is...?

Gini Coefficient is a commonly cited measure of inequality that calculates the distribution of income in a country.

The Gender Equality Index measures how far the EU and Member States are from achieving a gender-equal society. The Index produces a score between 1 and 100 and measures gender equality in several areas including work, money, knowledge, time, power, and health within a country.

Social mobility broadly refers to the movement of individuals or households between income levels in a society. High social mobility means that people of low-income status have a higher probability of moving into a higher income status in their lives and vice versa.

Globalization refers to the increasing global integration of economies and increasing exchanges of goods, services, people, and capital. Technology may have helped to accelerate this process.

EU Gender Equality Strategy 2020-25 includes several goals: ending gender-based violence; challenging gender stereotypes; closing gender gaps in the labor market; achieving equal participation across sectors of the economy; addressing the gender pay and pension gaps; closing the gender care gap; achieving gender balance in decision-making and in politics.

- 1 How is wealth distributed in your chosen country? Identify the direction of income inequality in your country over "X" years? What effect might income inequality have on growth?
- 2 What is a social welfare system? How do unemployment benefits, public education, and health care promote (or constrain) social welfare and mobility? What does the social welfare system look like in your chosen country?
- 3 What are some of the pros and cons of universal versus targeted welfare systems, and generous versus less generous social welfare?
- 4 Explain whether or not your country should consider programs such as universal basic income as an alternative or an addition to current social welfare programs that are intended to reduce inequality and increase social mobility?
- 5 How does your country pay for its social welfare system? What kind of taxes can help to improve equality and growth and how?
- 6 What is the relationship between globalization and inequality? What effect has globalization had on wages and economic opportunities for different groups in your country?
- 7 How can entrepreneurship be rewarded without endangering the social contract? What does economic openness mean for your country's ability to redistribute revenues from businesses and capital?
- 8 What are the main reasons for gender inequality in your chosen country? Are there roadblocks that discourage women from participating in the labor force?
- 9 What role does the EU Gender Equality Strategy 2020-25 play in terms of social policy and inequality in your country? How could the EU help to further reduce your country's gender inequality?

