

a life-saver both increasing effectiveness and allowing to attract new projects and resources.

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THE HUNGER GAMES OF WORLD ECONOMY: INCOME INEQUALITY

The Hunger Games is a wildly popular new movie set in a dystopian future where an all-powerful, high-tech centralized capitol rules over “districts” of impoverished populations barely surviving in third-world conditions.

In fact, much of what is shown in The Hunger Games has already begun. The Capitol is the rich nations of the world: the US, Canada, Australia, Japan, Russia, Israel, New Zealand, some oil kingdoms, most European nations. The Districts are the poor nations of the world—Haiti, Nepal, Bangladesh, Cambodia, Laos, Papua New Guinea, many countries in central Asia and Africa, all of which have per capita incomes less than \$10 per day. In a world of more than 7 billion people from 7 continents, more than 18,000 people from all over the world die every day – 20 percent of which died from hunger.

Widening income inequality is the defining challenge of our time. In developed and developing countries alike, the poorest half of the population often controls less than 10% of its wealth. This is a universal challenge that the whole world must address.

The main reasons of such a huge world problem are:

1. Technological change. New information technology has played a central role in driving up the skill premium, resulting in increased labor income inequality.
2. Trade globalization. High trade and financial flows between countries, partly enabled by technological advances, are commonly cited as driving income inequality.
3. Financial globalization. Increased financial flows, particularly foreign direct investment (FDI) and portfolio flows have been shown to increase income inequality in both advanced and emerging market economies.

4. Changes in labor market institutions. Greater flexibility can pose challenges for workers, especially those with low skills, and hence play an important role in explaining inequality developments.
5. Redistributive policies. Many advanced countries have now seen an increase in net income inequality, indicating gaps in existing tax-and-transfer systems to counteract rising market inequality.

In order to effectively address inequality, countries need to embrace an integrated agenda that looks at the problem across the social, economic and environmental dimensions, including access to education, healthcare and resources. Central to these solutions is a basket of interventions that promotes equitable access to resources and services, as well as inclusive growth with decent jobs and livelihoods for all people within society. To enhance impact, disaggregated, high-quality and more transparent data is needed in order to target investments and channel resources where they are needed most.

Addressing inequality is good for business as it creates a new demographic of consumers, thus widening the market for profits and services and increasing profit opportunities, especially for women. Efforts to reduce inequalities and achieve inclusion are a multi-stakeholder responsibility, which will require concerted action at all levels, from local to national, and regional to global.

That is what the world needs: inclusive economies in which men and women have access to decent employment, legal identification, financial services, infrastructure and social protection, as well as societies where all people can contribute and participate in global, national and local governance. It is now time for action, in order not to turn the world into an arena for hungry games and bring everyone forward with a life of dignity.