Tomorrow's Affairs

Analysis of today
Assessment of tomorrow

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Inequality: a political choice and a global emergency

The “Global Inequality Report 2025”, published by the G20 under the leadership of Joseph Stiglitz, presents a comprehensive analysis of the dimensions of wealth and income inequality—one of the most critical vulnerabilities of the global economic system.

The report not only provides an economic diagnosis but also examines the effects of inequality on political and social stability, serving as a strong warning to policymakers.

From this perspective, the study emphasises that inequality is not a passive outcome but an active product of decisions made at the national and international levels, thereby highlighting the need for a new paradigm on a global scale.

Global wealth concentration and unequal distribution

One of the report’s most striking findings is that 41% of the new wealth generated between 2000 and 2024 went to the richest 1% of the population.

In contrast, the bottom 50% of the world’s population received only 1% of that wealth, demonstrating that wealth concentration has risen above historical levels.

In other words, the outcomes of economic growth are not being transferred into social welfare but rather are becoming locked within a narrow segment of society.

> The risk of democratic backsliding is stated to be seven times higher in highly unequal countries

The political consequences of this situation are as significant as the economic ones. According to the report, countries with higher levels of wealth and income inequality are more vulnerable in terms of democratic stability.

Eighty-three percent of countries, representing 90% of the world’s population, fall under the World Bank’s definition of high inequality. Moreover, the risk of democratic backsliding is stated to be seven times higher in highly unequal countries.

This finding demonstrates that economic inequality is not merely a matter of social injustice but also a threat to regime security and political legitimacy.

Inherited wealth and the collapse of social mobility

Another critical insight of the study is the expectation that $70 trillion will be transferred through inheritance over the next decade.

This massive transfer of assets indicates that social classes are becoming increasingly closed and that economic success is determined less by individual ability and more by inherited privilege.

Thus, inequality evolves from a mere income gap into the erosion of equal opportunity. This situation pushes social mobility to its lowest historical point, negatively affecting societal dynamism and innovation capacity.

The impact of global shocks on deepening inequality

Stiglitz and his team emphasise that the COVID-19 pandemic, the war in Ukraine, global supply chain disruptions, and rising energy prices have dramatically worsened inequality. In an environment where access to basic needs has become increasingly difficult, the report presents this striking social reality:

“One in every four people in the world regularly skips meals.”

This finding reveals that inequality is not an abstract statistic but a struggle for survival for millions of people.

Strategic policy recommendations and the need for a new institutional framework

Rather than leaving the solution to individual national efforts, the report argues that institutional coordination at the global level is essential, similar to the fight against climate change.

The most significant institutional proposal is the establishment of an International Inequality Panel, designed to function similarly to the IPCC. The panel would regularly monitor inequality indicators, conduct data-driven analysis, and develop policy recommendations.

In this way, inequality would cease to be a temporary topic of discussion and become a continuously monitored global priority.

In addition, the report endorses the following reform measures:

- Global taxation for multinational corporations and ultra-wealthy individuals
- Strengthening wealth and inheritance taxation
- Limiting corporate concentration through anti-monopoly regulations
- Increasing public investment in education, healthcare, and housing
- Implementing policies that enhance workers' bargaining power
- Debt restructuring mechanisms, particularly for highly indebted countries
- Increasing local production capacity in strategic sectors

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The report's frequently emphasised core argument is:

"Inequality is not destiny; it is a political choice."

In other words, the injustice embedded in the economic system is not inevitable; if the existing rules were designed differently, the outcomes would also be different.

This approach constitutes a structural critique of the neoliberal economic model and reinforces Stiglitz's longstanding call for an alternative economic framework.

Furthermore, identifying inequality as a global emergency comparable to the climate crisis underscores the problem's urgency and the necessity of coordinated international action.

A critical turning point for the future of the global economy

The "Global Inequality Report 2025" reveals the qualitative crisis of economic development and demonstrates the unsustainability of a system in which the outcomes of economic growth fail to reach broader segments of society.

Addressing inequality is not merely a matter of fairness; it is a strategic investment in the long-term resilience of societies and the global economy - Emre Alkin

Wealth concentration deepens social fault lines, weakens democratic institutions, and threatens global stability. Therefore, the report serves as both a diagnosis and a call to action.

The policies to be implemented will shape a critical turning point for the future of the global economy. A more equitable system is not only an ethical obligation but also a fundamental requirement for economic efficiency, democratic stability, and social peace.

A world in which wealth and opportunities are more fairly distributed is essential to preventing political polarisation, social unrest, and systemic crises.

Therefore, addressing inequality is not merely a matter of fairness; it is a strategic investment in the long-term resilience of societies and the global economy.

The report underscores that achieving sustainable and inclusive growth requires coordinated global action, structural reforms, and a renewed commitment to social justice.

Ultimately, the Global Inequality Report 2025 calls on governments, international institutions, and civil society to act collectively and urgently.

As Stiglitz highlights, the choices made today will determine whether the coming decades are marked by growing division and instability or by a shared and sustainable prosperity.