

UN report highlights growing global inequality since beginning of COVID-19 pandemic

Jean Shaoul
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The latest United Nations Human Development Report details vastly uneven economic and social development that is leaving the world's poorest people behind, worsening inequality and stoking political polarization.

The 2023/24 Human Development Report, *Breaking the Gridlock: Reimagining cooperation in a polarized world*, reveals that what the report calls a post-pandemic rebound in the global Human Development Index (HDI)—a summary measure reflecting a country's Gross National Income per capita, education and life expectancy—has been partial, incomplete and unequal.

The onset of the pandemic precipitated the world's greatest recession since World War II, with global output falling three times more than during the 2007–2008 global financial crisis and far more abruptly, as economic activities came to a halt. Global unemployment rates have not yet returned to pre-pandemic levels, pushing more workers into the informal sector where they work for a pittance.

The report, despite the bland and under-stated language of such official publications, and its unwarranted presentation of the pandemic as an event in the past, rather than ongoing, makes important points about the world's growing interdependence amid “prolonged power imbalances.”

While the advanced countries are experiencing record-high levels of human development, half of the poorest countries have failed to reach their pre-COVID-19 levels. The pandemic has led to at least 15 million deaths (and counting), the report states, more than all the recent pandemics combined (Asian Flu, Hong Kong Flu, Swine Flu, SARS, Ebola and MERS). The HDI's estimate of global COVID deaths is a conservative one with the more accurate *Economist* survey estimating approaching 30 million excess global deaths up to the end of 2023. The pandemic not only reduced life expectancy at birth in most countries but also impaired other components of the HDI, interrupting access to education and leaving enduring scars on the economy.

This was compounded by what the report described as the “mismanagement of global interdependencies,” more accurately described as the criminality of the major powers in the interests of the financial oligarchy. It cited the refusal of the most advanced countries and pharmaceutical companies to ensure the universal and equitable access to effective COVID-19 vaccines—whose development was the result of international scientific cooperation—both within and between countries. Similarly it referred, without explanation, to “the huge disparity in measures taken by governments,” meaning the refusal of all governments to take the stringent measures initially embraced by China that would have stopped the virus spreading.

The global HDI value has rebounded to a projected highest level ever in 2023. But this is still below its projected trend pre-pandemic and masks profound divergence across countries. All 38 members of the Organization for Economic Co-operation and Development (OECD) achieved higher HDI scores compared to their levels in 2019. But among the 35 least developed countries that saw their HDI decline since the pandemic began, more than half (18 countries with 328 million people) have not yet recovered to their 2019 levels.

None of the “developing” regions have met their expected HDI levels based on their pre-2019 trend, shifting instead to a lower HDI trajectory and indicating that these losses are likely to be permanent. This is seen most sharply in war-torn Afghanistan and Ukraine, with Afghanistan's HDI set back by a staggering 10 years and Ukraine's HDI to its lowest level since 2004.

The UN report warns that the global HDI value, while an important value, is a crude yardstick for measuring human development. It reflects incompletely, if at all, important factors such as the debilitating effects of illnesses, including Long COVID, spikes in mental health disorders, violence against women and loss of schooling, while some losses—including 15 million lives lost—can never be recovered. Self-reported stress, sadness and worry rose in

most countries, even before the pandemic, which along with the rising sense of dissatisfaction which recent Human Development Reports had covered, had resulted in numerous social protests in 2019.

The report warns that inequality is compounded by substantial economic concentration. For example, it states that almost 40 percent of global trade in goods is concentrated in three or four countries, while the market capitalization of each of the three largest tech companies in the world in 2023 surpassed the Gross Domestic Product (GDP) of more than 90 percent of countries in that year.

The UNHD also drew attention to the world's growing interdependence.

- Trade in intermediate goods now slightly exceeds trade in final goods, with goods travelling twice as far as and across more borders than they did 60 years ago.

- Financial interdependence has grown, with levels of debt servicing by low and middle-income countries ballooning since central banks hiked interest rates to combat inflation following the outbreak of the US/NATO led war against Russia in Ukraine.

- Digital services exports now account for more than half of global trade in services. Almost everyone is now within range of a mobile broadband network, with 5.4 billion of the world's 8 billion population using the internet in 2023.

- The number of people living outside their country of birth has tripled since 1970, from 84 million to nearly 280 million in 2020, equal to 3.6 percent of the world's population. As well as increasing social, cultural and economic ties, it drives cross-border financial flows.

In addition, the report cites the pandemic, climate change, biodiversity loss, the cross-border implications of pollution and new and reemerging zoonotic diseases, potentially resulting in future pandemics that recognize no borders. It warns that every corner of the globe is feeling the effects of dangerous planetary change driven by political choices, while geopolitical tensions, wars and conflicts harm human development—both for the countries directly involved and often for many others as well. These conflicts are spilling across not only geographical but generational boundaries, with the wars in Gaza, Ukraine and Yemen reversing human development gains made over generations and shrinking the prospects for young people.

The number of countries involved in conflicts outside their own borders has risen fivefold over the past decade. Of the 55 state-based conflicts in 2022, 22 were internationalized, compared with just 4 of the 37 state conflicts in 2000. This, along with persecution and human rights violations, forced 108 million people to flee their homes, the largest number since World War II and two and a half times that of 2010, not including the latest displacements—Palestinians in Gaza

and the Armenia refugee crisis, among others.

One in five children globally lives in or is fleeing conflict. Around 80 percent of the world's refugees are living in mostly low and middle-income countries. The number of people in need of humanitarian aid is expected to reach 300 million in 2024, while the funding available for humanitarian aid comes nowhere near the level needed.

The report laments the growth of “populism”, which it says has been fueled by social inequality and the pervasive “uncertainty complex” that “has cast a very long shadow on human development writ large, with recent years marking perhaps an unfortunate and avoidable fork in its path rather than a short-lived setback.” It cites research showing that countries with populist governments have lower GDP-growth rates—10 percent lower than might be expected under a non-populist government scenario.

Like all such reports, its authors called for “multilateralism” to play the key role in developing and implementing “a new generation of global public goods” to confront these challenges and promote equity. Such a bankrupt perspective flies in the face of all the evidence that these same multilateral agencies, dominated by the major capitalist powers acting in the interests of their own global banks and corporations, have fueled the processes they have documented.

The elimination of global inequality demands the mass mobilization of the working class internationally against their exploiters, the capitalist class, its governments, corporations and banks responsible for the impoverishment of humanity and plunging the world into war. It requires an international socialist strategy, uniting workers and youth in the advanced and less developed countries to end the division of the world into antagonistic nation-states and implement planned production for need, not profit, through a struggle for world socialist revolution.



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