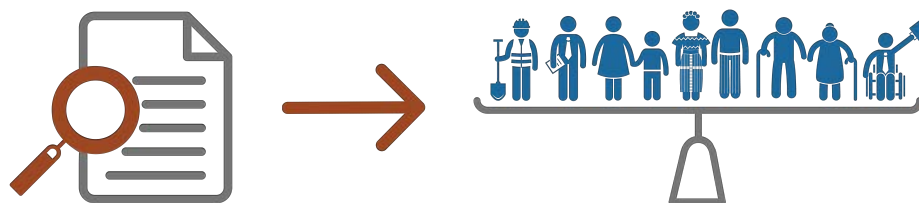


Benefits of equality and inequality inefficiency

Recent empirical studies provide scientific arguments in support of aspirations for more egalitarian societies.

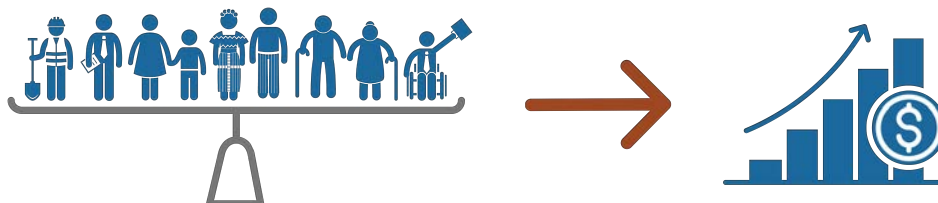


The first argument they yield has to do with the relationship between **inequality** and **economic efficiency**.



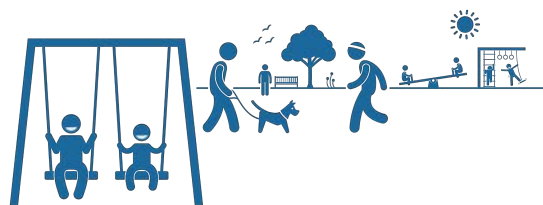
Recent studies by the International Monetary Fund have provided evidence that more egalitarian societies can sustain greater and more sustained economic growth.

ECLAC has shown evidence that equality can be a driving force for economic efficiency.



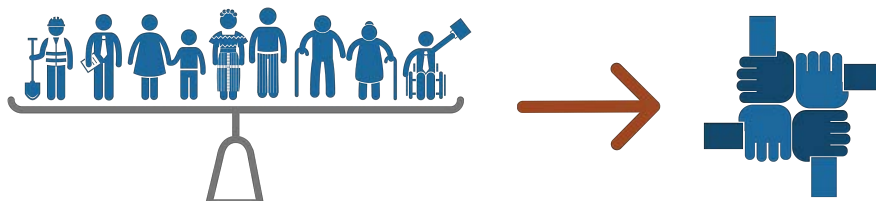
A second argument deals with the relationship between **greater levels of equality and happiness.**

Evidence suggests that higher per capita income does not necessarily correlate with greater levels of happiness, which does equate, however, with factors such as a greater degree of income equality, and perceptions of both fairness and mutual trust.



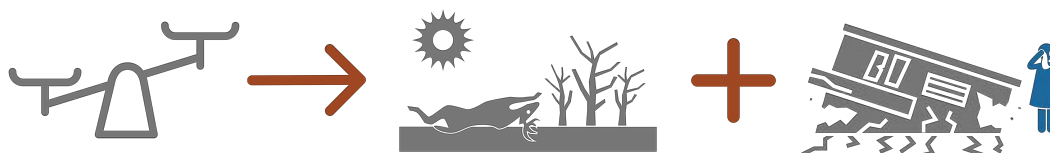
A third argument in favor of greater equality is that the most egalitarian societies tend to be healthier and more cohesive.

International studies show that **greater degrees of economic inequality** are associated with a greater number of social problems, such as **higher rates of violence, murder and substance abuse, incarcerations, teenage pregnancy, as well as psychological and mental health issues.**



A fourth argument holds that **inequality contributes to environmental destruction and diminished capacity to address natural disasters.**

Evidence drawn from the most affluent countries shows that the least egalitarian societies generate more waste, tend to consume per capita more meat and water and employ more motor vehicles.



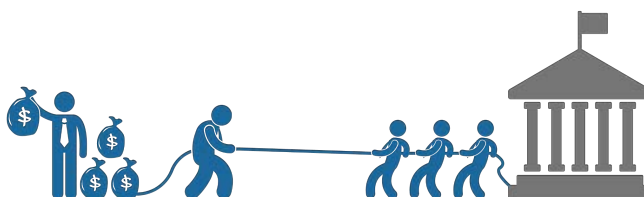


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A fifth and final point highlights the positive effects more egalitarian societies have on political institutions.

Economies organized around the market display tensions between the market and the political system.



Economic inequality in such a context has corrosive effects on institutions as these tend to be weakened by the control economic elites exert over them.

Examples of the **effects** of such debilitated State institutions **include the persistence of regressive tax systems with very limited redistributive potential.**

This document contributes to the activities of the project “Leaving no one behind in Latin America and the Caribbean: strengthening institutions and social policy coherence and integration at the country level to foster equality and achieve the Sustainable Development Goals”, financed by the eleventh tranche of the United Nations Development Account, and its implementation was coordinated by Simone Cecchini, Senior Social Affairs Officer of the Social Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC), Raúl Holz, Consultant of the same Division, and Humberto Soto de la Rosa, Social Affairs Officer of ECLAC's subregional headquarters in Mexico. More information on the project, including other relevant materials, can be found at: igualdad.cepal.org/en

Based on the text: S. Cecchini, R. Holz and H. Soto de la Rosa (coords.), A toolkit for promoting equality: the contribution of social policies in Latin America and the Caribbean (LC/TS.2021/55), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021.

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