I was curious to know what Scandinavia was doing right regarding its distribution of wealth that North America's economy could learn from to resolve the nation's income inequality issue, as Scandinavian countries have been shown to have some of the greatest Gini coefficients in the world whereas North America's Gini value is considerably low in comparison.

According to the World Bank, Gini coefficients - an indicator of income inequality for a given nation - tend to vary from region to region. Of particular interest are the dramatic differences between North American nations and Scandinavian nations. Regarding North America, the United States was recognized to have a Gini value of about 41.5 in 2019, indicating great inequality. Mexico appears to have one of the highest values, ranking 45.4 in 2020. The three Caribbean nations in which wealth appears to be distributed the most unequally are Honduras and Costa Rica which both have values of 48.2 in 2019, and Panama which scored 49.8 in 2019. Canada seems to be faring the best, with a Gini value of 33.3 in 2017. By combining these six countries' Gini coefficients to find the mean, the resulting Gini value for North America appears to be 44.4, indicating great income inequality overall. Among all of Scandinavia, Sweden has the greatest inequality, ranking 29.3 in 2019. Denmark, Finland, and Norway all scored the same value that same year with 27.7 each. Iceland scored 26.1, appearing to have the least inequality among the entire Scandinavian region. Scandinavia's mean Gini value is approximately 27.7. All Scandinavian countries appear to have less income inequality than North American countries, with the latter's mean being about 46.32% greater than the former's. The Sustainable Development Report states that the long-term objective that developed and developing countries must meet is 27.5 or below, The Scandinavian mean is closer to the objective value than the North American mean, showing that Scandinavian countries appear to have been more successful at reaching this value than North American countries. However, the lack of consistency between when international data are updated is an obstacle in the discussion, compiling data from three different years into the same report. A country's inequality may contribute to its inability to update its data for the World Bank in a timely manner, though.

So what is North America doing wrong, and what is Scandinavia doing right? It generally depends on how a region's economy is structured and how impartially a region's society is organized. In the United States, "The top 10 percent of Americans held nearly 70% of U.S. wealth" in 2021 (Siripurapu, 2022). Income taxes have been experiencing a decline, increasing the wealthy Americans' share of profits in comparison to other employees. For instance, the

capital gains tax, the tax enforced upon a company's stocks, has hovered around 25% since 2014. Education is another factor, as less education has been linked to lower incomes and rates of unemployment, whereas higher degrees of education have been linked to greater monetary gains and rates of lucrative employment. The minimum wage of a job appears to reflect that job's perceived skill level, leading workers to complain that they are not getting paid enough for their effort. There is a persisting lack of trust in democracy to reduce inequality, given how much influence wealthy people can have on political campaigns. Additionally, wealth is unequally distributed among men and women, and white families and black families, reflecting a long history of systemic racism and misogyny from the early Twentieth Century that the United States has yet to fully recover from.

Scandinavia wasn't always as equal as it is today. It was an early Twentieth Century social movement organized by the Norwegians who peacefully protested their governments to recognize and resolve the issues of hunger, poverty, crime, and unemployment brought on by the wealth gap at the time. In Scandinavia, the main strategy preventing an unequal distribution of wealth is progressive taxation enforced upon families of different social classes. A progressive tax creates a more robust social security system to reduce poverty and alleviate anxiety associated with retirement. There are laws that protect corporate property, given the market-based economies Scandinavian nations have. Since the Norwegians' initial protests, trust in the local government appears to have increased given how Scandinavian society practices egalitarianism, ensuring everyone is treated fairly. Men and women of different ethnicities and cultures are given equal treatment and opportunity in the workplace. Regarding media, the top four countries ranked to have the best freedom of press were all Scandinavian countries. Additionally, there is a distinct lack of corruption within the political structures of Denmark, Finland, Norway, and Sweden. The overall quality of life appears to be more than pleasant. In fact, "Norway was ranked as the happiest country in the world in 2017" by the World Happiness Report, "followed immediately by Denmark and Iceland," putting three Scandinavian nations in the top three (Hodgson, 2018).

Income inequality has a direct effect on a country's ability to practice sustainable

development, as the rich and the poor share different effects. For starters, rich people generally have different consumption patterns than poor people, consuming a greater amount of goods at a quicker rate than necessary. A psychological factor to this phenomenon is called status anxiety, meaning the rich will do whatever they can to stay rich, regardless if their actions are environmentally friendly or not. Their consumption patterns influence the global economic structure; as "Much of what is produced in developing countries;" like grains, fruits, nuts, and tobacco; "is for the consumption of those in more affluent countries" (Jani, 2017). While poor families in Africa are already struggling to support themselves, their role in the global economy means they are obligated to prioritize the needs of the countries they export to over their own needs. The desire to maintain status may contribute to the rich's motivation to endorse political campaigns that would greatly benefit them and their prosperity. Because their consumption habits are so excessive, the rich generally contribute more to climate change than the poor, exacerbating a problem that has been shown to disproportionately affect communities based on income inequality. As more greenhouse gas emissions accumulate in the atmosphere, natural disasters become more common. This poses a significant threat to poorer communities who are unfortunately more vulnerable to the inimical effects of catastrophic, climate-induced events like floods, droughts, and wildfires. The infrastructure of poor people's houses is weaker and more susceptible to damage than the houses of rich people which are more sturdy and well-protected. Despite owning more than the poor, the poor actually have more to lose in the event of a natural disaster. In the context of comparing North American inequality to Scandinavian inequality, this suggests that the greater the difference between the amount of wealth distributed between the top 1 percent and bottom 50 percent of citizens, the greater the conflict between the two groups of a given country will be. The more united a nation is and the more trust a nation has in their government, the more likely they will be willing to cooperate with each other. As the Norwegians proved a decade ago, it is possible for a largely unequal society to become considerably more equal over time. Scandinavian countries like Sweden, Norway, and Denmark have been celebrated as some of the most sustainable countries in the world, while North American countries like the United States, Mexico, and Panama have a long way to go.

Scandinavia's mean Gini value of 27.7 is closer to satisfying the long-term Sustainable Development Goal of 27.5. However, there is not much optimism that North America can reach the same goal by 2030. Countries like the United States are just too politically polarized to develop efficient methods that benefit every American. To meet the long-term objective by 2030, North America would need to decrease its current combined Gini coefficient of 44.4 by roughly 2.1 each year starting in 2022. However, that may simply be too great for North America to satisfy the income inequality SDG in eight years with how social conflict may impede progress on sustainable development.

References

Collins, C. (2016 July 18) "We Should Take a Lesson from the Nordic Countries on Inequality," Institute for Policy Studies.
https://ips-dc.org/take-lesson-nordic-countries-inequality/

Hodgson, G.M. (2018 July 30) "What the World Can Learn About Equality from the Nordic Model," The Conversation.
https://theconversation.com/what-the-world-can-learn-about-equality-from-the-nordic-model-99797

Jani, H. (2017 December 12) "In Inequality Harming the Environment?," Royal Society of Arts.
https://www.thersa.org/blog/2017/12/is-inequality-harming-the-environment

Siripurapu, A. (2022 April 20) "The U.S. Inequality Debate," Council on Foreign Relations.
https://www.cfr.org/backgrounder/us-inequality-debate The World Bank