

Beuth Hochschule für Technik Berlin
Sprachenpreis 2021

Can we overcome the world's many inequalities?

Lukas Prinz

Landschaftsbau & Grünflächenmanagement (Dual), B.Eng.



BEUTH HOCHSCHULE FÜR TECHNIK BERLIN
University of Applied Sciences

Inhaltsverzeichnis

- 1. Introduction 2
- 2. Current Socio-economic Issues 3
 - 2.1 *Education and wealth* 3
 - 2.2 *The growing wealth divide* 4
 - 2.3 *Wealth and Politics* 5
 - 2.4 *Migration*..... 5
- 3. Climate Change – a Catalyst? 7
- 4. Effective wealth redistribution 8
- 5. Approaches from a Landscapers View 9
- 6. Conclusion 9
- 7. Sources 10

1. Introduction

In today's world, inequality is a widespread phenomenon. A look back into history shows that examples of inequality can always be found, some of which might already lie behind us. However, in recent times it is not only a personal perception that inequality is increasing.

While there is inequality between countries, inequalities also exist within a country. Usually, the latter has much more significance for people in their day-to-day life. United Nation's data shows that "today, 71 percent of the world's population live in countries where inequality has grown"¹. On the other hand, while the gap between countries is still considerable, income inequality between countries actually improved in the last 25 years, meaning average incomes in developing countries are increasing at a faster rate. The main factor by which inequality is measured is income, however there are a variety of others such as gender, age, origin, ethnicity, disability, sexual orientation, class, and religion. Discrimination, hate crimes, and social marginalisation are only some the direct implications inequality can have on people.

It is apparent that there are plenty of issues, some global, some local which will be discussed in the following. This essay will at first try to give an overview of some of the most pressing issues, most of which are in fact a result of income inequality and disparities in wealth distribution.

Naturally, global catastrophes such as the climate crisis or the ongoing Coronavirus pandemic are also overshadowing the constant global fight against injustice. There can be no doubt that pre-existing inequalities will be reinforced by them.

Following that, it seems worth considering what Landscape and Greenspace Management studies could contribute to fighting some of the issues highlighted.

¹ UN (2021)

2. Current Socio-economic Issues

While success in life cannot solely be measured by someone's income or wealth, these two financial figures still quite strongly determine people's social mobility. With growing wealth access to opportunities increases, which is why poorer people are clearly disadvantaged on numerous levels. In fact, building wealth as a low-income individual is much more challenging, since a larger percentage of earnings is taken up by living expenses such as rent, food, and mobility. Overall saving rates have gone down in the U.S. in recent years from an average of 8.4 percent to around 5.7 percent in 2016, while the income inequality has steadily risen since the 1970s and has now reached an all-time high.² This shows that building wealth is becoming more and more challenging.

2.1 *Education and wealth*

The more wealth you already have, the easier it becomes to increase it. One of the main factors here is the ability to invest into own human capital, which means focusing on achieving higher education. Financially stable families can offer superior education to their children which allows them to strive for even higher goals in life. Education is often described as a key way to escape poverty and gain economic independence; however, this is much more challenging for low-income families. Studies show, that an average person from a high-wealth family is 29 percentage points more likely to complete at least two years of college than an average person from a low-wealth family.³

There are additional inequality issues revolving around education. While wealth and income are strongly connected to education, people's chances to achieve high academic levels is largely determined by where they live or come from. Growing up in a deprived area will probably mean that there will be worse access to educational opportunities starting with well-equipped schools and reaching to libraries, community centres or cultural institutions. Of course, this phenomenon cannot not only be observed within cities or countries but also on a global scale. Developing countries will struggle more to offer decent education to their child population who, in addition, might suffer from being forced into child labour due to their families' precarious financial situation. However, the PISA studies conducted by the OECD show that the world is

² Federal Reserve Bank of St. Louis (2017)

³ Braga et al. (2017)

no longer divided between rich and well-educated nations and poor and badly educated ones. As a matter of fact, some of today's highest-performing education systems have only recently attained their top positions.⁴ It appears that using education to improve social mobility is possible, even though it can still be challenging depending on where you are starting.

2.2 The Growing Wealth Divide

One concerning observation in economic research is a growing gap especially between middle-income and upper-income families. In the United States, figures show that the median family wealth of upper-income families has risen between 2001 and 2016, whereas lower- and middle-income families' median wealth has reduced during this time. The wealth gap among upper-income families and middle- and lower-income families is also sharper than the income gap and is growing more rapidly.⁵ This trend can be attributed to several reasons. Under current economic conditions, it is easier to increase wealth than to generate new one from job income. While this has been mentioned in relation to opportunities in education, the real reasons for this phenomenon have not yet been discussed.

Interest rates are still historically low since the 2008 financial crisis. Both the European ECB and the American FED have pursued policies of low interest now for more than ten years in order to boost economic growth. Low interest rates cause minimal yield in saving accounts. In some cases, banks have even started to charge negative interest for savings as low as 25.000 Euros.⁶ Stock markets on the other hand offer better yields than ever before despite moderate signs of recession due to the COVID-19 pandemic. Germany's main stock market index DAX had reached pre-pandemic levels mere eight months after Germany was first forced into lockdown in March 2020. In late March 2021 it hit an all-time high of 15.000 index points.⁷ Hence, investors are achieving large profits at the stock market even when they suffered short-term losses during the pandemic. On the other hand, inflation has increased during the pandemic, reaching 3.0 percent in August 2021 in the EU, as ECB president Christine Lagarde recently stated.⁸ This is threatening savings that are not invested in the ever-growing

⁴ OECD (2018)

⁵ Horowitz et al. (2020)

⁶ Wall Street Journal (2021)

⁷ BBC (2021)

⁸ ECB (2021)

international financial market and affects yet again lower-income families trying to build up wealth. The housing market is another highly profitable way for the already wealthy to maximise their net worth. Housing prices have been steadily rising in many countries worldwide. In what way affordable housing is threatened by real estate speculation and consequently gentrification would need to be discussed at some point in the future.

2.3 Wealth and Politics

As companies are prospering because of their investors financial support, they can also grow social and political influence. Having a big enough budget to finance large numbers of PR staff and lobbyists allows corporations to control public and political debate. The wealthy managers and CEOs behind the global players have enough financial power convince policy makers of their projects not primarily through corruption but through promising large investment as an incentive. In contrast to that, people and organisations with fewer financial resources often struggle to enforce their interests in public debates.

Even within the political landscape, money is a key factor: Looking at the American presidential election campaigns in the past, it becomes clear that most candidates who withdraw from the race early often just lack financial support. Members of parliament often show a much higher percentage of people with higher education than the country's overall population. In Germany's *Bundestag* 81.9 percent of members are academics compared to only 17.6 percent among all German citizens.⁹ This unequal representation of society in a democracy's centre poses a high risk of systemic discrimination of marginalised groups.

2.4 Migration

Where you are born is something no one can decide. Being born into a wealthy and highly developed society might be one of the most impactful privileges a person could have. This, however, poses one of the biggest inequalities worldwide.

Anyone who can afford it, will try to improve their life as best as possible. For some, this means ensuring access to affordable medication, food and drinking water, for others this means achieving the most comfort and luxury. To this day, self-fulfilment remains a need that will forever be unreachable for so many. For quite a few people

⁹ Katapult (2021)

their environment is getting so hostile, that they are willing to give up their home and move to a more promising place. While many individuals migrate out of choice, many others migrate out of necessity.¹⁰

Some of the most common reasons for migration according to the UN are searching economic opportunities as well as fleeing conflict, persecution, terrorism and human rights violations. As of 2019, there were 272 million migrants globally, two thirds of which were labour migrants. Over time, a number of international laws have been created e.g., the Geneva Convention and the European Convention of Human Rights (ECHR) to protect refugees, who are fleeing persecution. Unfortunately, involuntary migration caused by other reasons like poverty is not recognised by the international community.¹¹ Some countries have implemented clear and fairly open immigration guidelines for those searching better job opportunities. Typical examples are Canada and Sweden which rank high on the Migrant Integration Policy Index (MIPEX).¹² But since migrating lawfully requires a certain minimum of financial resources, millions of migrants are forced to rely on dangerous and illegal ways of entering their destination country. In fear of large numbers of migrants, nationalist movements and politicians worldwide have gained more support from all social classes. There are famous examples of upper class and academic figures who are fuelling discrimination and blurring lines between migrants and refugees like Nigel Farage, Marine Le Pen or Björn Höcke. Less educated people are especially vulnerable to the scary prospects and fake news of right-wing populists, fearing competition with migrants over jobs or affordable housing. But the middle classes also show tendencies towards alt-right political positions, which leads to the dangerous normalisation of racist ideology. This social upheaval reinforces the many inequalities migrants need to endure. Discrimination can come in a vast variety of forms and is often based on people's non-European sounding names or people being read as non-white. Being Muslim, which is often associated with a Middle-Eastern origin, is another common reason for discrimination. All this can have a massive impact on how children receive support in the education system or on people's access to job opportunities and housing. This naturally determines people's access to higher income and wealth.

¹⁰ UN (2021)

¹¹ BPB (2015)

¹² National Geographic (2013)

3. Climate Change – a Catalyst?

In their latest report, the Intergovernmental Panel on Climate Change (IPCC) recently stated once again, that “it is unequivocal that human influence has warmed the atmosphere, ocean and land.”¹³As a consequence, “widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred.” These changes begin to show especially through extreme weather such as drought, extreme heat, intense rain and storms like hurricanes. A more general effect of climate change is the interruption of the Jetstream due to melting of the arctic ice. This leads to even more extreme weather and longer periods of such phenomena especially in Western Europe and Northern America.

Another issue related to climatic conditions is the urban heat island (UHI). Urban areas not only heat up more quickly and more strongly than rural areas, but they also retain the heat for longer, leading to temperature differences up to 10 °C at night.¹⁴ This is largely due to the high amount of built-up area. Sealed surfaces have uniquely different thermal characteristics than green spaces. In fact, transpiration of vegetation of any kind actively cools down its direct surrounding. The rising number of tropical nights per year in Europe is directly linked to the climate crisis. More and more, UHI effects become a significant health risk.¹⁵ The human body needs to cool down around 1,2 °C when sleeping in order to conduct essential restorative physiological processes. External temperature can easily interfere with that.¹⁶ Socially disadvantaged households often struggle to provide the necessary cooling. Poorer households often live on less floor space per head and often in particularly dense areas of cities where UHI effects are more intense. While sprawling leads to more (green) space between buildings, the overall area of sealed surfaces rises disproportionately. In addition, numerous issues arise from sprawling which enhance inequalities even more. As sprawling often forms gated communities the segregation between wealthy a poorer neighbourhoods grows. Most US-American cities experience this phenomenon. Additionally, people become more reliant on cars rather than public transport. Drifting in such a direction would cause a massive setback in the fight against the climate crisis.

¹³ IPCC (2021)

¹⁴ Copernicus (2017)

¹⁵ IMPACT2C (2015)

¹⁶ Sleep Foundation (2020)

As the climate crisis progresses, rising sea levels become a more and more life-threatening issue for millions of people worldwide. Sea-level rise poses a significant threat to Small Island Developing States (SIDS)¹⁷, however, there will be other regions affected, too. There are more than 50 of these states worldwide, spreading over three main regions: the Caribbean, the Atlantic and Indian Ocean and the Pacific (also known as Oceania). They experience various climate change-induced events such as storms, erosion and tidal flooding. This leads to human displacement and loss of livelihoods. As developing countries, they lack the necessary financial resources to fight the climate crisis. No matter how effective world community's measures to support those states will be, major migration due to climate change will be inevitable. The issues and inequalities following the migration of people have been discussed in the previous chapter.

4. Effective Wealth Redistribution

While complete equality within a capitalist society is not possible, most people would agree that society should aim to be more equal, according to the BBC.¹⁸ Therefore, it is necessary to redistribute wealth on both micro and macro levels. To accomplish this, income tax and the taxation of assets can be used, however there can be limits on their actual effect. It is crucial to determine income tax rates appropriately. Otherwise, middle-class families will be affected disproportionately while high-income individuals hardly feel pressured by the taxation. In Germany, the highest income tax rate is 42 percent which already applies to earnings over 56.000 Euros and is paid by more than 4.1 million employees as of 2018.¹⁹ At the same time, there has been no income tax collected since 1997. It could be argued that investments and donations made by the rich contribute significantly to the fight against inequalities. However, these measures are often used to reduce the amount taxable income or taxable capital gains. In effect, donations cannot be seen as additional transfer of wealth but rather a voluntary alternative to taxation by which the donors have the ability to decide what the money is used for. Such charitable contributions also come in handy to improve philanthropists' public image, which is why their pros and cons should be further discussed.

¹⁷ Martyr-Koller et al. (2021)

¹⁸ BBC Bitesize (2021)

¹⁹ Handelsblatt (2020)

5. Approaches From a Landscapers View

Discussing the question whether the world's inequalities can be overcome offers the opportunity to look for approaches from one's own field of study. The life sciences seem ideal to fight the inequalities related to the climate crisis and humans' living spaces. Creating liveable and enjoyable urban environments is one of the core competences of landscapers and landscape architects. As physical and mental health is directly affected by the quality of someone's direct environment, landscapers have a clear responsibility to create public spaces designed to improve quality of life sustainably. Enforcing the creation of more green spaces – especially in urban situations – should be the main target for landscape designers worldwide. Innovative design approaches that take into account citizen's wishes and concerns can massively improve neglected neighbourhoods. Multifunctional spaces that improve both environmental issues and social issues are needed more and more in towns and cities. It is key to keep in mind, that landscaping projects are expected to have a minimum life span of at least 30-50 years. However, some marvels of city planning still existing today e.g. New York's Central Park, London's Hyde Park or the Tiergarten in Berlin are far more than a hundred years old.

6. Conclusion

All in all, it is evident that inequality is a complex and global issue. The reasons for inequality are just as diverse as the effects they have on people. By merely scratching the surface of this topic, we have started to see the social and economic structures behind them. Inequalities can predominantly be found in the distribution of wealth, between the social classes and between countries. This impacts a variety of social structures and political subjects. Systemic discrimination and underrepresentation pose a huge burden for minorities, which need to overcome. In the light of the progressing climate crisis many pre-existing inequalities will have an increasing impact and new kinds of inequality will emerge.

Henceforth, there is a need to fight inequality of any kind. Only collectively, be it by forming supranational organisations or stick together as a local community, we will be strong enough to come up against the many inequalities. Though society will always remain unequal to a certain degree, the fight against inequality would help to make progress in making life better for everyone. Protecting minorities of any kind and giving

them a seat at the table does not only give them the appreciation and respect they deserve, but also enriches society as a whole. Learning about people's individual experiences and considering their opinions and concerns can only help to make decision making more inclusive and fairer.

7. Sources

¹ UN (2021): *Inequality – Bridging the Divide*. Online: <https://www.un.org/en/un75/inequality-bridging-divide> (Accessed 23 June 2021)

² FEDERAL RESERVE BANK OF ST. LOUIS (2017): *Education, Income, and Wealth*. Online: <https://research.stlouisfed.org/publications/page1-econ/2017/01/03/education-income-and-wealth/> (Accessed 16 September 2021)

³ BRAGA et al. (2017): *Wealth Inequality Is a Barrier to Education and Social Mobility*. p. 1. Online: https://www.urban.org/sites/default/files/publication/89976/wealth_and_education_4.pdf (Accessed 16 September 2021)

⁴ OECD (2018): *PISA 2018 – Insights and Interpretations*. p. 5. Online: <https://www.oecd.org/pisa/PISA%202018%20Insights%20and%20Interpretations%20FINAL%20PDF.pdf> (Accessed 16 September 2021)

⁵ HOROWITZ et al. (2020): *Trends in Income and Wealth Inequality*. Published by the Pew Research Center. Online: <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/> (Accessed 16 September 2021)

⁶ WALL STREET JOURNAL (2021): *Banks in Germany Tell Customers to Take Deposits Elsewhere*. Online: <https://www.wsj.com/articles/banks-in-germany-tell-customers-to-take-deposits-elsewhere-11614594601#:~:text=According%20to%20price%2Dcomparison%20portal,%E2%82%AC25%2C000%20to%20%E2%82%AC100%2C000> (Accessed 16 September 2021)

⁷ BBC (2021): *Market Data – DAX*. Online: <https://www.bbc.com/news/topics/ckwlwwg6507t/dax> (Accessed 16 September 2021)

⁸ ECB (2021): *Monetary Policy Statement – Press Conference on 9 September 2021*. Online: <https://www.ecb.europa.eu/press/pressconf/2021/html/ecb.is210909~b2d882f724.en.html> (Accessed 16 September 2021)

⁹ KATAPULT (2021): *Akademischer Bundestag*. Online: <https://katapult-magazin.de/en/artikel/akademischer-bundestag> (Accessed 16 September 2021)

¹⁰ UN (2021): *Global Issues – Migration*. Online: <https://www.un.org/en/global-issues/migration> (Accessed 16 September 2021)

¹¹ SCHNEIDER AND ENGLER (2015): *Refugee Law: The International Framework*. Online: <https://m.bpb.de/gesellschaft/migration/kurzdossiers/207662/refugee-law> (Accessed 17 September 2021)

¹² National Geographic (2013): *How Other Countries Handle Migration*. Online: <https://www.nationalgeographic.com/culture/article/130630-immigration-reform-world->

[refugees-asylum-canada-japan-australia-sweden-denmark-united-kingdom-undocumented-immigrants](#) (Accessed 17 September 2021)

¹³ IPCC (2021): *Climate Change 2021 - The Physical Science Basis. Summary for Policy Makers*. p. 5. Online: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf (Accessed 11 September 2021)

¹⁴ COPERNICUS (2017): *Demonstrating heat stress in European cities*. Published for the European Centre for Medium-Range Weather Forecasts (ECMWF). Online: <https://climate.copernicus.eu/demonstrating-heat-stress-european-cities> (Accessed 15 September 2021)

¹⁵ IMPACT2C (2015): *IMPACT2C web-atlas*. Online: https://www.atlas.impact2c.eu/en/climate/tropical-nights/?parent_id=22 (Accessed 15 September 2021)

¹⁶ SLEEP FOUNDATION (2020): *How to Sleep When It's Hot Outside*. Online: <https://www.sleepfoundation.org/bedroom-environment/sleeping-when-its-blistering-hot> (Accessed 15 September 2021)

¹⁷ MARTYR-KOLLER (2021): *Loss and damage implications of sea-level rise on Small Island Developing States*. Online: <https://doi.org/10.1016/j.cosust.2021.05.001> (Accessed 15 September 2021)

¹⁸ BBC (2020): *Reasons why income and wealth inequality exists* in BBC Bitesize. Online: <https://www.bbc.co.uk/bitesize/guides/zspttfr/revision/3> (Accessed 15 September 2021).

¹⁸ Handelsblatt (2020): *Immer mehr Arbeitnehmer zahlen Spitzensteuersatz*. Online: <https://www.handelsblatt.com/politik/deutschland/lohn-immer-mehr-arbeitnehmer-zahlen-spitzensteuersatz/25451980.html?ticket=ST-1905492-EQYQcxcvJcmwoxeGbzQj-ap1> (Accessed 17 September 2021)