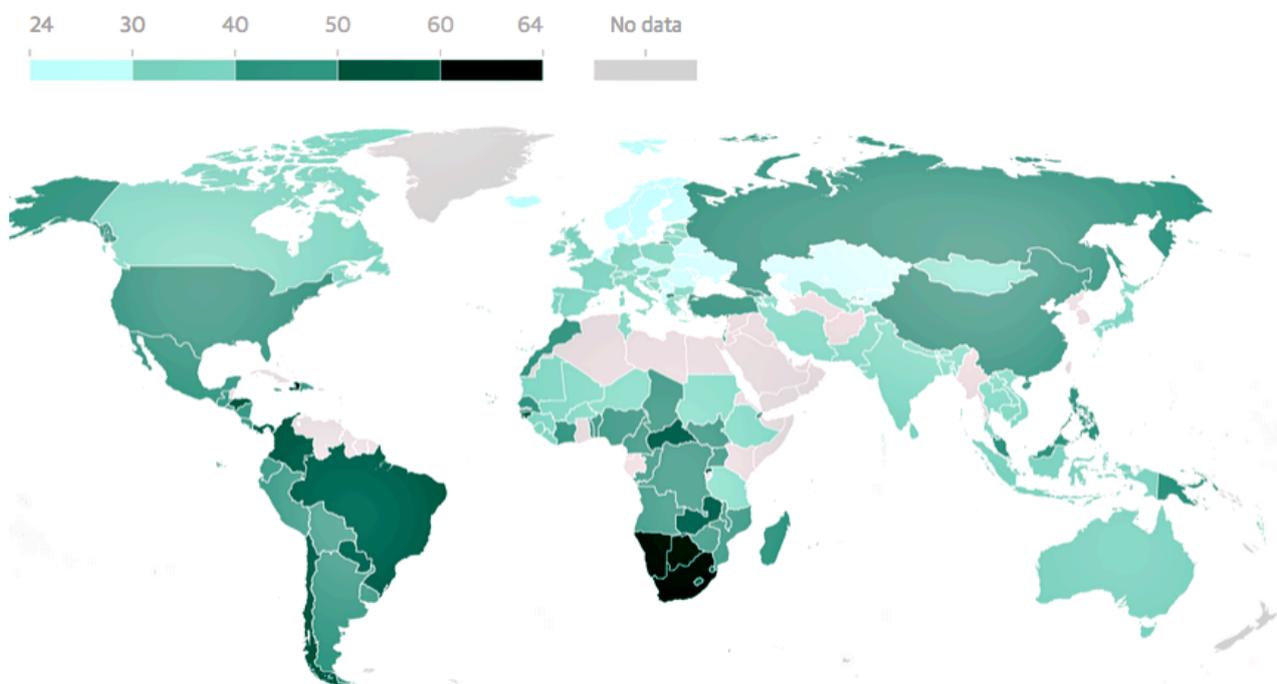


Inequality index: where are the world's most unequal countries?

Inequality isn't all about income. Here's a guide to different ranking systems – from wealth distribution to the *World Happiness Report* – and which countries rate best and worst under each

Gini index for income inequality ranges from zero (absolute equality) to 100



Guardian graphic | Source: World Bank estimate. Map shows most recent Gini index estimates for 140 countries

Measuring comparative levels of global inequality is far from straightforward. Is it fair to focus only on financial inequalities, or should we consider quality of life too? If so, how do you measure it?

There are three key measures of financial inequality: income, consumption and wealth. Usually, the term inequality is used to mean income inequality, as it's the basis for most measures and the best documented of the three.

But there are compelling arguments for using consumption or wealth too. Consumption often tracks income, as people's living standards can be understood through what they consume. Wealth, or accumulated capital, can also be a strong determinant of living standards in an increasingly unequal world.

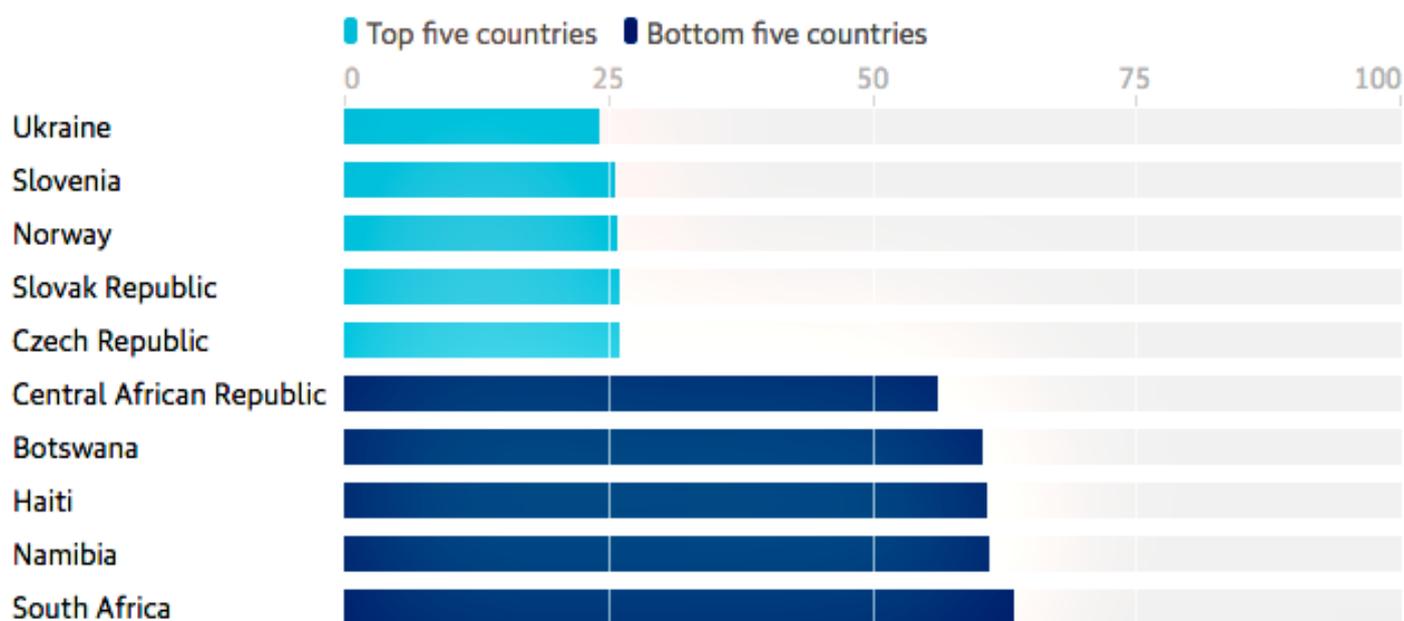
Of course, monetary measures fail to capture inequalities beyond material standards of living. What about equitable access to healthcare and education, or quality of life for women or minorities in certain countries? Here's a quick guide to some measures of inequality – and how countries compare under them.

Financial inequality

The *Gini index* is the most widely used measure of inequality (see map above). It looks at the distribution of a nation's income or wealth, where 0 represents complete equality and 100 total inequality. However, it is criticised for being overly sensitive to what happens to people in the middle, and not so good at picking up changes at the extremes, where there has been a growing focus in inequality research.

Using the most recent figures, South Africa, Namibia and Haiti are among the most unequal countries in terms of income distribution – based on the Gini index [estimates from the World Bank](#) – while Ukraine, Slovenia and Norway rank as the most equal nations in the world.

► The current top and bottom five countries according to the *Gini index*



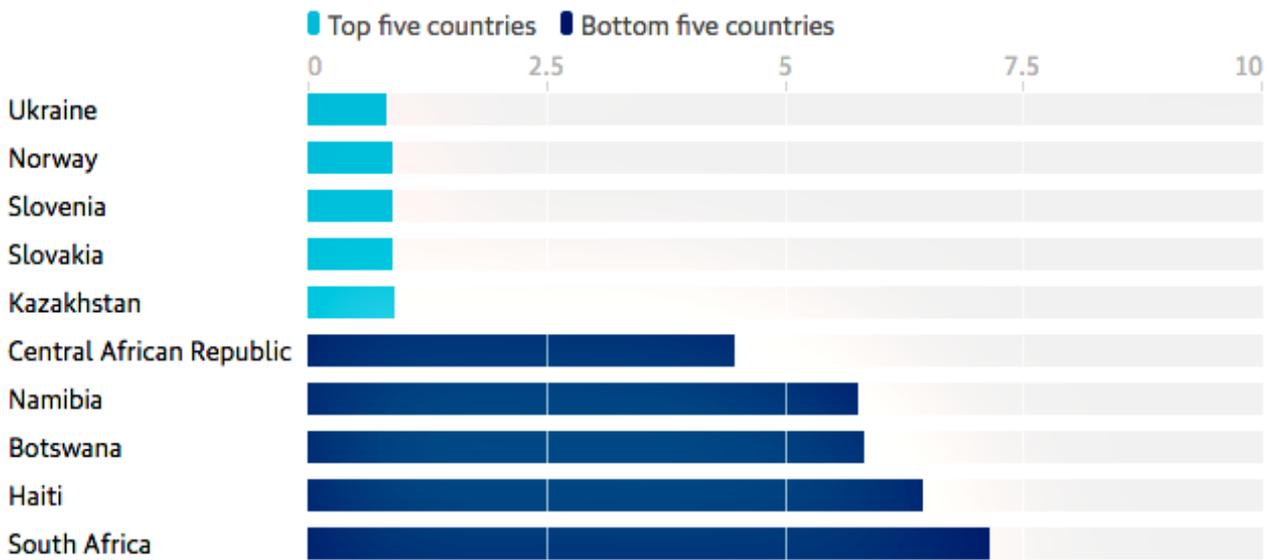
Guardian Graphic | Source: World Bank most recent Gini index estimates

The [Palma ratio](#) is an alternative to the *Gini index*, and focuses on the differences between those in the top and bottom income brackets.

The ratio takes the richest 10% of the population's share of gross national income (GNI) and divides it by the poorest 40% of the population's share.

This measure has become popular as more income inequality research focuses on the growing divide between the richest and poorest in society.

► The current top and bottom ranked countries according to the Palma ratio



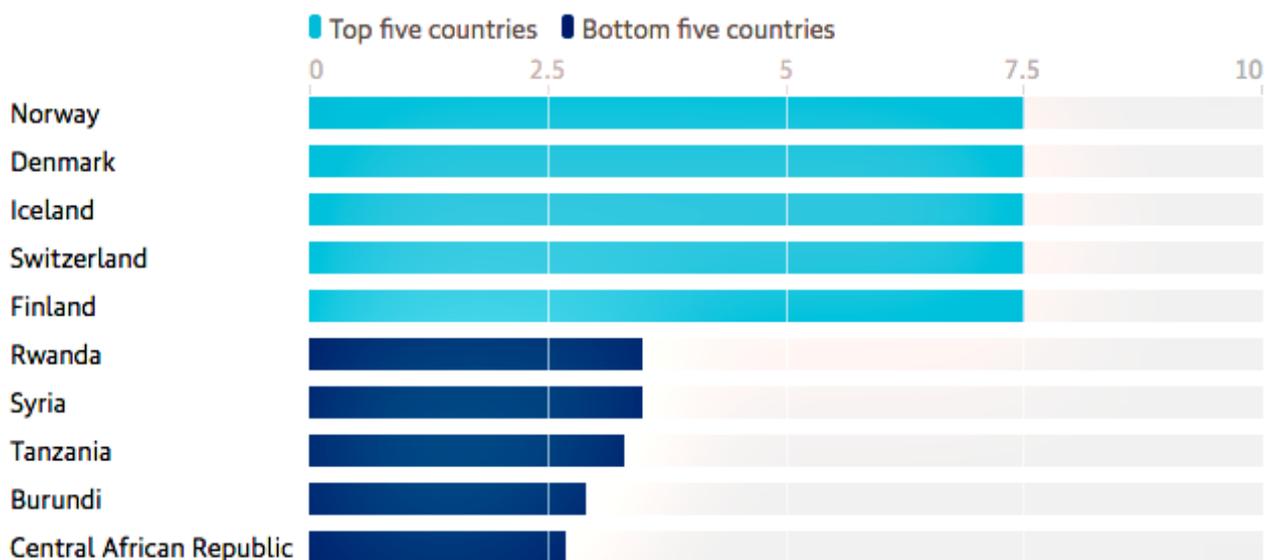
Guardian Graphic | Source: UN Human Development Index, income inequality measured by Palma ratio (2010-2015)

According to the Palma ratio figures in the [UN Human Development Index](#), Ukraine, Norway and Slovenia were the most equal countries to live in when considering distribution of income between the richest and poorest in society. South Africa, Haiti and Botswana had the starkest inequalities in income, based on the Palma ratio.

Living standards inequality

Mixed rankings are based on a range of measures rather than solely focusing on income, wealth or consumption. The idea is to put people's access to opportunities and sense of well-being at the forefront, and encourage countries to guide their public policies towards making their citizens happier, rather than just increasing [GDP](#).

► Top and bottom ranked countries from the World Happiness Report 2017



Guardian Graphic | Source: World Happiness Report 2017

The **World Happiness Report** ranks 155 countries from 1 to 10 in terms of happiness, and is based on a survey of 1,000 people from each country. The measure is based on real GDP per capita, social support, healthy life expectancy and people's perception of their freedom to make life choices, generosity, and perceptions of corruption.

In the latest report the Nordic countries lead the way, with Norway, Denmark and Iceland at the top of the list, while the Central African Republic, Burundi and Tanzania lag behind with low scores in GDP per capita, social support and people's freedom to makes life choices.

World Happiness Report 2017 - GDP and Happiness Rankings

Top 20 countries by GDP per capita

Country	GDP ranking	Happiness ranking
Qatar	1	35
Luxembourg	2	18
Singapore	3	26
Kuwait	4	39
United Arab Emirates	5	21
Norway	6	1
Switzerland	7	4
Hong Kong S.A.R., China	8	71
United States	9	14
Ireland	10	15

However, wealth alone doesn't bring happiness. According to the figures from the *World Happiness Report*, a high GDP doesn't always equate with a high happiness ranking. Qatar, which has the highest contribution from GDP to its happiness ranking, comes in at 35. Likewise, while Hong Kong is in eighth place when it comes to GDP contribution, it only rates 71st in the overall happiness rankings. Norway, the highest ranking in terms of happiness, comes in third in the GDP rankings.

Over the coming year, the Guardian's Inequality Project will shed new light on issues of inequality and social unfairness around the world. Read all of our coverage [here](#). To get in touch, email us at inequality.project@theguardian.com.



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