



Inequality: A Colombian Mirror

by Mark Brown

ABSTRACT

In this report I discuss inequality (a very hot topic in the news today) and its relationship to urban greening. I use Colombia and the United States to illustrate the historical similarities between developing and developed countries and to illustrate that the problems of inequality affect countries at all levels of economic development.

CONTENTS

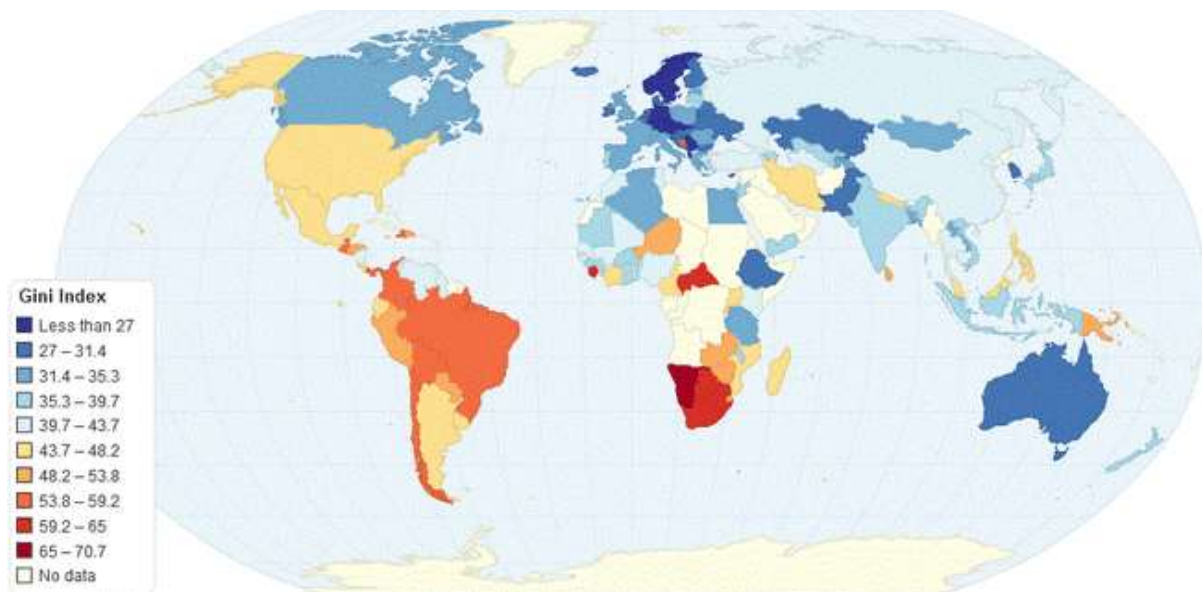
2	The Gini Index
2	Inequality
7	The Great Compression
8	Conclusion

INEQUALITY: A COLOMBIAN MIRROR

THE GINI INDEX

Inequality in a society is popularly measured by the Gini Index. If you look at *Figure 1* below, representing data from the Gini Index, the darker blue a country is, the more evenly distributed its wealth is. Countries such as Norway, Sweden, Germany, South Korea and Australia are among the most equal in the world. Next in line among the lighter blue countries come places such as Canada, France, Japan and the 'rest' of the developed world. In fainter blue we find countries such as China and Russia. Moving down the scale into the tans and oranges, we arrive in Latin America, the most unequal large region in the world. What's striking is the inclusion of the U.S. in this region of inequality, with a GINI coefficient on par with that of Mexico and Argentina. Colombia, Brazil and Chile have even more severe inequality. South Africa, still dealing with the legacy of *apartheid*, has the most unequal society of any major country in the world.

Figure 1. Levels of Inequality around the World



INEQUALITY

Inequality by itself is something that any normal society has and requires. Without inequality of capabilities, efforts and rewards, the modern economy wouldn't function. But severe inequality, as we see in the U.S. and Latin America, has negative side effects that weigh heavily on societies at large. These effects include

INEQUALITY: A COLOMBIAN MIRROR

high crime and homicide rates (and the concomitant high incarceration rates), high teenage pregnancy rates, poor educational performance (and a resulting oversupply of unskilled and shortage of skilled labor), a distrust in institutions (both government and private), decreased demand (a lowering of overall consumption in the market), mental and physical health problems, and a poor natural environment. When people on the bottom feel disenfranchised, that their extra effort won't pay off because upward mobility seems impossible or extremely unlikely, social cohesion and stability suffer. As an American living in Colombia, I am particularly fascinated by the inequality debate taking place in the United States now. It all seems so familiar, and so relevant for Colombia, as well. On the whole, gross inequality is not only bad for the poor. It's bad for everyone.

Picture 1. A wealthy neighborhood in Lagos



The United States is a country of great wealth. But there's nothing unique about the phenomenon of wealth and its associated beautiful neighborhoods, excellent schools and high quality of life. Nearly every country and major city in the world exhibit these phenomena to some extent. Even generally unpleasant places I've come to know, such as Lagos, Nigeria, have islands of extreme wealth and privilege. See *Picture 1* above. What is, on the contrary, relatively unusual are

INEQUALITY: A COLOMBIAN MIRROR

places where the gap between the wealthy and the poor is not so strikingly evident, where the urban environment doesn't shift dramatically when moving from one economic reality to another, where the poor aren't confined to a dramatically inferior quality of life and to circumstances that are hugely deterministic of how their life will proceed.

Bogotá provides an excellent example of the typical pattern in middle income countries. Unlike a very poor city such as Lagos, Bogotá has vast areas of impressive wealth, with hundreds of thousands, if not over a million, of its eight million residents enjoying a living standard which most New Yorkers or Tokyoites might envy. If we could isolate the wealthy neighborhoods of Bogotá and consolidate them into a separate city, I'm rather sure it would rank among the wealthiest and best educated in the world. See *Picture 2*, below.

Picture 2. A wealthy neighborhood in Bogotá



And not only is the abundance impressive. So too are the opportunities for those at the top. If you are from a wealthy family in Bogotá, odds are that you have an excellent education, high-quality medical and dental care, a network of influential connections - and an excellent job paying a rich world salary with a social and cultural life to match. You will be missing little that your wealthy peers in Europe

INEQUALITY: A COLOMBIAN MIRROR

or the US enjoy. There is a pride among the well-to-do in Bogotá. They have created a beautiful world in which to live.

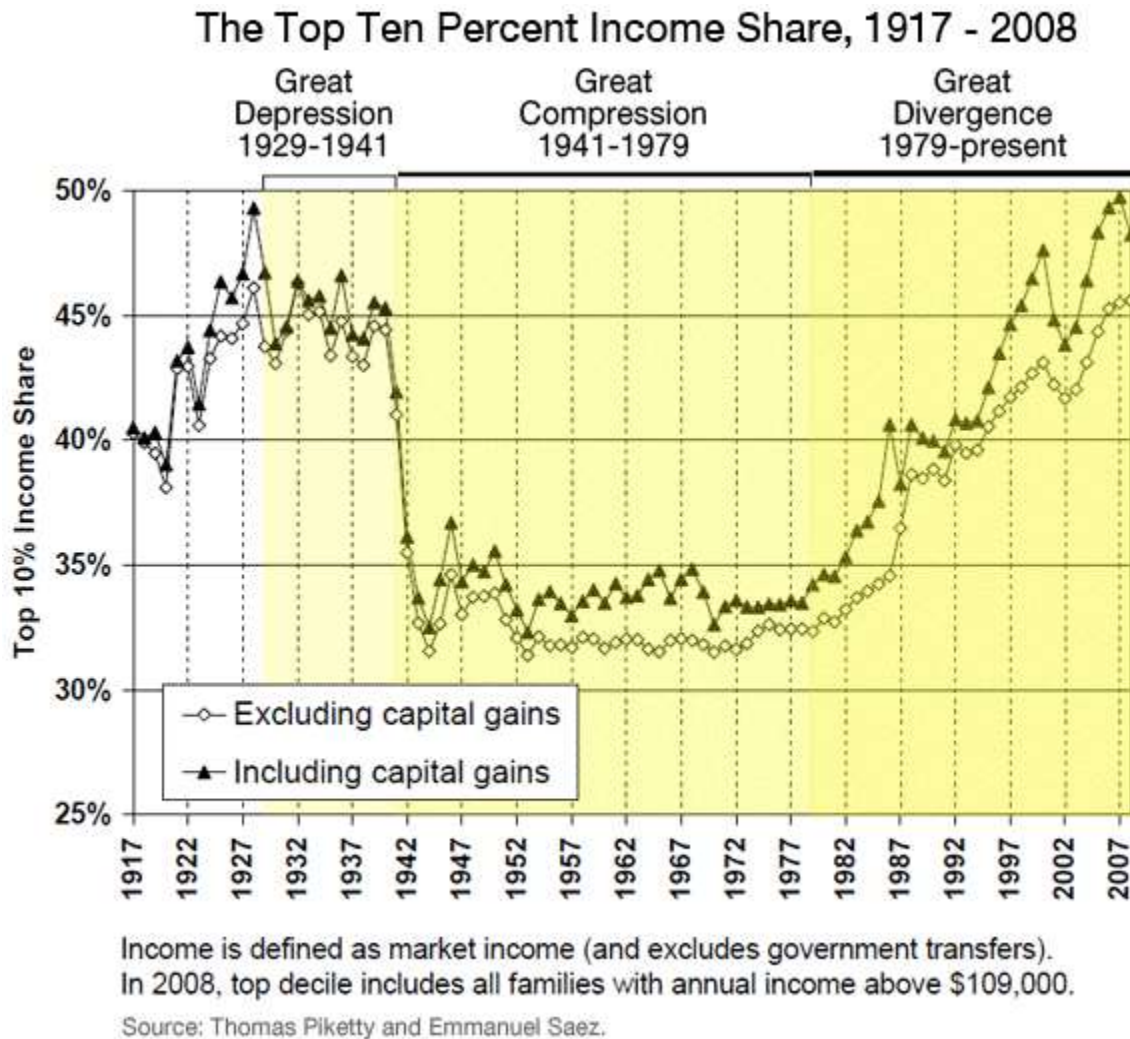
And the gross inequality of Bogotá, not often visible from the confines of the wealthier districts, adds to the luxurious life that the upper classes here live. Abundant cheap labor makes life convenient, relaxing and safe. There are maids who cook, clean and care for children, doormen who guard the countless luxury apartment buildings, and a whole array of other people providing services at very low cost to make life almost care-free by the standards of the average person in the so-called rich world. The upper classes here may have very little interest of moving to Europe or the US, except possibly in pursuit of an education - after which they often come home.

But the peace of mind of this upper class must be contingent upon an ability to ignore the terrible poverty and hardships that so much of the population here faces - and to forget the risks historically associated with it. Maybe they tell themselves that in a rapidly growing economy such as that of Colombia (Colombia is growing faster than the US ever did in its developmental period) there are so many opportunities that's it just a matter of hard work and responsibility to create a comfortable life and become comfortably middle or upper class. It's a comforting thought that shows very little understanding of the reality of being poor, hungry, poorly educated and with no connections and none of the advantages that come with birth into privilege. In my time here in Colombia I've come to know people on both sides of the divide, and I see how insurmountable the barriers are to those unfortunate enough to be born on the wrong side of the tracks. See *Picture 3*, below.

Picture 3. A poor neighborhood in Bogotá



I feel that the U.S. has something to learn from the example of countries such as Colombia. We seem to have forgotten the course of our own development, from a country with extreme poverty and inequality to one with a large middle class and, until the last decades, diminishing inequality and poverty. When Americans nostalgically look back to a better era, often it is the 1950s and 60s. The economy was strong, unemployment was low, foreign competition was weak, and there was a perception of boundless opportunities and certainly a feeling that you could have a better life than your parents and grandparents. This was the time of the 'Great Compression', a period when income inequality was at an all-time low in US history. This period extended through the early 1980s. See *Figure 2*, below.

Figure 2. The Great Compression

The last three decades have put the US on a reverse course to return us to the inequality of 100 years ago. This brings me back to what I see as the converging nature of US and Latin American societies. Americans have typically looked down on Latin America as a backward region with terrible inequality and poverty, high crime rates, low levels of educational attainment, and dysfunctional government. But when these same issues are affecting us at home, why do so many turn a blind eye?

It might be interesting to make a comparison of the US of 100 years ago with the Colombia of today. This was the U.S. of small, laissez-faire government and few social protections. It was a country of new industries, rising to economic

INEQUALITY: A COLOMBIAN MIRROR

preeminence in the world. However, a comparison with the Colombia of today is not flattering. The US economic growth rate was 50% lower, literacy rates substantially lower, health care coverage and life expectancy far behind, and educational attainment and incomes (in constant dollar terms) much lower. This may have been a glorious era in the eyes of some historians, but it was no golden age for the average American.

Picture 4. A New York Slum of the early 20th Century



A return to high-level inequality explains some of the parallels between the United States and Latin American societies today. As I've written above, both the U.S. and Latin America have strikingly high homicide rates, high levels of incarceration (the U.S. leads the world), low social cohesion among differing groups (socioeconomic, religious, racial, political, etc), a lack of trust in public institutions, low high school graduation rates, inaccessibility for many to higher education, and a perception among some groups that respect can't be earned without recourse to violence.

I do not believe Americans should be comfortable with our nation slipping into the same league as Latin American countries. Americans in the past have taken pride in the stark divide between the U.S. and our neighbors to the south. There was

INEQUALITY: A COLOMBIAN MIRROR

(and still is) an air of moral superiority, a belief that our society is fundamentally better. Will it continue to be? On our present trajectory, it's doubtful.

Inequality in both Colombia and the U.S. has a green footprint. In fact, the green divide might serve as a great marker of social inequality. It's easy to see it in the tree-lined streets and well-groomed parks of wealthy districts and the barren streets and abandoned lots of poor areas - as evident in New York or Los Angeles as it is in Bogotá.

Picture 5. The Poor Socha District of Bogota.



There is a lot of research establishing the negative consequences resulting from a lack of trees and green space in a neighborhood, ranging from the physical (more polluted air and a stronger heat island effect to the psychological (lower general sense of well being and more stress). Green in public spaces is one example of a common human need that is often not being met in grossly unequal societies - just like good public schools and security. Efforts to address gross inequality can start with initiatives to re-balance public goods, to make the experience of walking down a street in Soacha (see *Picture 5*, above) feel not so utterly different from the experience of walking down the street in Chico (a wealthy neighborhood of Bogotá), or being in a public school in the south Bronx not so different from attending a public school in Westchester County (a wealthy suburban area of New York).