

# ECONOMICS IN THE REAL WORLD

## TEACHER RESOURCES

### STARTER ACTIVITY

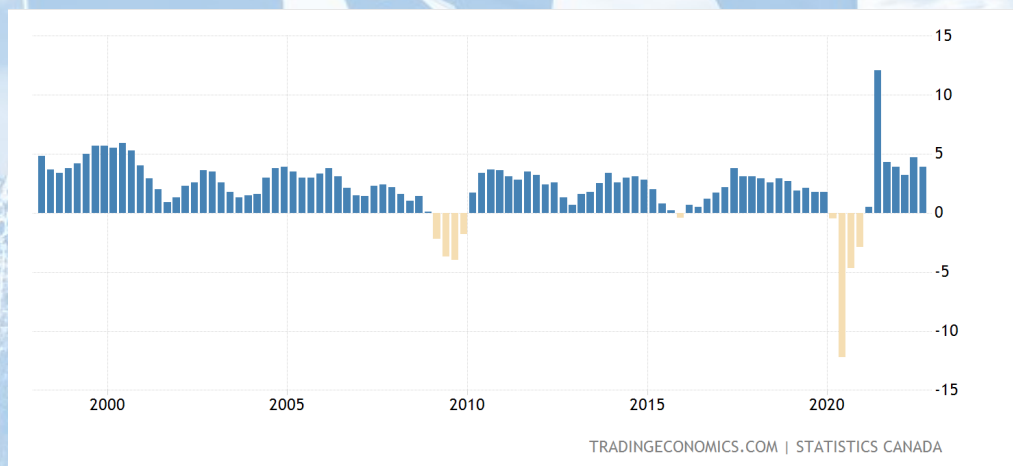


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### Canada

Canada experienced the greatest surge in inequality in the 1980s and 1990s, based on the broadest measure – the so-called Gini coefficient, which plots how far incomes deviate from a society where everyone earns exactly the same. Since 2000, inequality has remained flat.

Source: [What growing income inequality is costing Canada's future generations - The Globe and Mail](#)



### Scandinavia

Despite recent increases in income inequality (Egholt Søgaaard et al. 2018), the Scandinavian countries are often regarded as models of low inequality [...] What has been particularly remarkable about the Scandinavian experience is that inequality reduction was sustained over six decades, throughout periods of growth [...], and through governments of different ideological leanings. This long term inequality reduction rested on the synergies between policies aimed at productivity increases, high growth, and low inequality. Rather than the result of any carefully planned model, the Scandinavian equality is a result of a process wherein one reform contributed to prepare the conditions for, and generate support for, further reforms.

Source: [Combating Inequality: Is There a “Scandinavian Way” to Reduce Inequality in Latin America? \(iberoamericana.se\)](#)

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### Zambia

Zambia's economy has grown rapidly over the past two decades, with GDP expanding at an average rate of 5.9% annually between 1996 and 2015. During this 20-year period, the structure of the economy also shifted away from agriculture and manufacturing towards mining, construction and services in general. Employment grew by an average 1.7% annually between 1996 and 2015. Despite this, the outcomes in terms of inequality seem to have been less favorable.

Results indicate that income inequality in Zambia as measured by the per capita income based Gini-coefficient increased sharply from 0.70 in 1996 to 0.74 in 2015.

Source: [Growth and income inequality in Zambia](#)