Dissertation on

Analysis of income inequality and its long-term effects on economic stability in developed nations

Abstract

In recent days, the developed nations have mainly increased the high level of income inequality, reducing the economic stability in the country. The higher income inequality leads to unemployment and even economic downfall in the country (Makhlouf, 2022). Focusing on this background, the study aims to examine the unequal income and its long-term impact on the country's economic stability, mainly in developing countries like the US, UK, Singapore, and even Australia.

Evaluating income equality is essential to provide long-term economic sustainability, where various government initiatives such as tax policies, anti-discrimination policies, and others can be adopted (Syafril, 2021). Investment in education and raising the minimum wage is also essential to manage income equality and provide economic stability, not only helping to improve the economy of the countries but also providing economic stability (Lanning and Rose, 2020). This research paper has provided a wide knowledge on using different strategies to manage income inequality and identify the factors that can contribute to income distribution.

The methodology of this research constitutes the overall process that is used, and without its discussion, every study becomes academically irrelevant. In this paper, the philosophy that is selected is positivism, and the approach is inductive. The data collection method is both qualitative and quantitative primary research. The primary qualitative data were extracted by means of interviews with 7 participants, and five questions were asked. The questionnaire survey is designed for quantitative research, and the number of participants is 120. There are a total of 10 survey questions that are analysed with the help of SPSS software (IBM SPSS 23) in order to ensure the validity and reliability of the study.

Income inequality means the uneven distribution of wealth, and also, it is also completely related to the lack of facilities for the poor even in developed nations. It is also connected with long-term problems like economic stability problems and their downturn, and hence, a study on addressing the economic inequality in developed nations like the US, the UK, Australia, and Singapore is being made (Sadia, Qadeer, and Khan, 2024). Also, it is connected with the development of a technique that ensures the right kind of understanding associated with the provision of social security as well as economic advantage to the vulnerable sections of the population.

The development countries in different sectors, the temporary workers' employment, have impacted the overall data of income or wealth disparities, which creates issues in gaining data

on the countries' practices on the distribution of income. It is even found that income inequality makes an impact on trust and even reduces the overall stability in the case of economic institutions. Income inequality has an impact on political factors, which mainly reduce the stability and even enhance the chances of increasing polarisation effectively.

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Chapter 1: Introduction

Problem outline

In economic terms, income inequality is the uneven distribution among groups, individuals, and populations within a society. Due to income inequality, the gap between the rich and poor and wealth disparities increase in the nation (Mdingi and Ho, 2021). By comparing the "cumulative proportions of the population to the cumulative proportions of income they receive", the Gini coefficient may be used to quantify income disparity. Perfect inequality is shown by a Gini coefficient of 1, whilst perfect equality is indicated by a Gini coefficient of 0 (Blesch, Hauser, and Jachimowicz, 2022). One of the problems of the research is that there is a complex measurement process to estimate income inequality in society. In some developed countries, the data on income distribution is limited or outdated, which may impact the research investigating the way income inequality impacts the overall long-term economic stability in developed nations like the UK, USA, Australia Singapore.

Developed nations increase income inequality, with the 1% accumulating a disproportionate share of the national wealth (Omar and Inaba, 2020). For example, the Gini coefficient, which is a value between 0 and 100% that represents the degree of inequality, is used to quantify income inequality in the UK (Harari and McGuinness, 2019). Higher inequality is indicated by a higher proportion. Before housing prices, the Gini coefficient was 35%, and after housing costs, it was 39% (Trading Economy, 2024). Compared to the prior year, this was a one percentage point gain. It reflects that the high standard of living in the United Kingdom and the developed countries impacts the income distribution and increases homelessness and poverty in the country. For example, in 2023, the official poverty rate in the United States was 11.1%, a 0.4 percentage point drop from the year before. This indicates that in 2023, 36.8 million people lived in poverty (US Census Bureau, 2024). By integrating the different government initiatives in the USA, like increasing the minimum wage up to $7.25 per hour, improving retirement security, social safety programs like Temporary Assistance for Needy Families (TANF), etc (Office of Family Assistance, 2022).

For example, Higher earners pay a bigger proportion of their income in taxes under the progressive income tax system used in the United States (IRS, 2025). Reducing after-tax income gaps and funding social welfare initiatives that assist low- and middle-income households are the goals of this redistributive strategy. Working individuals and families with low to moderate incomes, particularly those with children, are eligible for tax refunds under the “Earned Income Tax Credit (EITC)”. By focusing aid on those who need it most, it increases disposable income, promotes employment, and lowers poverty. On the one hand, the Fair Work Commission reviews Australia's national minimum wage every year (Fair Work Ombudsman, 2024). This approach lessens income disparity across sectors and helps lower-paid workers maintain a respectable level of living by guaranteeing a wage floor. Another example is the “SkillsFuture program” in Singapore promotes workforce upskilling and lifetime learning (SkillsFuture, 2025). It reduces long-term income inequality by addressing salary discrepancies between “low- and high-skilled workers” and improving “employability and earning potential”.

The problem lies between the continuation of the income distribution issues and the government initiatives to financially support the people under the poverty line. In developed countries in different sectors, the temporary workers have impacted the overall data of income or wealth disparities, which creates issues in gaining data on the countries' practices on the distribution of income.

Objectives

The aim of the research is to critically analyse the way income inequality has impacted the long-term economic stability of developed countries in the global economy. The objectives are as follows:

- To address the current situation of income inequality in developed nations
- To identify factors that impact the income distribution in the developed countries in the economy
- To analyse the government initiatives and policies in addressing income inequality
- To make suggestions for lowering wealth disparity in industrialised countries while maintaining long-term economic stability

Scope of study

The scope of the study on income inequality and its long-term effects on the economic stability of developed countries includes several dimensions.

- In the context of the geopolitical focus, the research focused on developed countries like the UK, USA, Singapore, and Australia, and the reason for using these countries is that these countries’ level of income inequality and diverse economic structure provide a view of the issues in the economy.

- Both historical and modern data on income distribution and its impact on economic stability have been analysed, with a focus on patterns in income inequality over the previous years and how they relate to measures of economic stability. This temporal span makes it possible to fully comprehend the ways that fluctuations in the distribution of income and other factors like standard of living, inflation, etc., have impacted the long-term health of the economy.
- Through the discussion on the way income disparities impact the long-term economic stability in developed nations, the research describes the economic stability indicators, which are the GDP growth rate, consumer spending, fiscal policies, unemployment rates, and special mobility, etc. By evaluating the indicators, the study draws a conclusion on the interconnectedness.

Research question

In accordance with the research objectives, the research questions have been developed and are as follows:

1. What is the current situation of income inequality in the developing nations?
2. What are the factors that impact the income distribution in developed countries in the economy?
3. How do government initiatives and policies address income inequality?
4. What are the recommendations to lower wealth disparity in industrialised countries while maintaining long-term economic stability?

Significance of the study

Within-country inequality has increased in several rich and developing nations since the 1980s. The era of expanding national exposure to industrialisation through increased cross-border movements of capital, labour, products, and services has corresponded with the widening economic disparity (Topcu and Tugcu, 2019). For the first time in 25 years, there has been a rise in global income disparity. The Global South (developing nations) and the Global North (developed countries) are becoming apart. The significance of the study is that it helps to identify the factors in the economy that impact income disparities. There are some factors, like educational, social, economic, and political demographic factors, that impact income distribution in developed nations (Aiyar and Ebeke, 2020). In the context of the economic factors, the differences in the wages of various sections significantly impact income inequality. In this case, high-paying industries like technology and finance have the tendency to offer higher salaries, and low-paying industries like retail and hospitality pay lower wages. In developed nations like the UK, USA, and Singapore increase in income inequality tends to concentrate wealth in the hands of a smaller number of individuals, which lowers middle-class and lower-class households' purchasing power. In this case, in the economy, the income of lower-income groups is repressed, and total consumer demand declines because these groups spend a greater proportion of their wages on consumption. As a result, decreased demand for products and services by businesses is observed, which may outcome in slower economic development.

Chapter 2: Literature Review

Overview

The literature review section reviews the empirical studies and secondary data relevant to the research topic to gain knowledge regarding the way income inequality in the economy impacts the overall economic stability in the long run, with reference to the developed countries. This chapter also develops the recommendation by reviewing the empirical studies and suggesting strategies to maintain the equal distribution of income. The chapter presents the hypothesis of research and the theoretical framework of the study to develop a brief knowledge of the interconnectedness of economic theory and conditions from the perspective of the developed countries.

The current situation of income inequality in the developed nations

According to Audi and Ali (2023), income distribution equality among the people in the economy is the equilibrium notion in the economy, which helps to maintain the standard of living and the purchasing power of the consumers. In the developed countries where the GDP growth is higher on average, the income inequality is high as the people are engaged in different sectors. Owen and Barrett (2020) agreed with the statement and commented that income inequality is measured through household income, and often it may overlook the unequal distribution within households due to gender disparities. At the macroeconomic level, income inequality in the community of development limits the accessibility to education and healthcare services for lower-income individuals, and it impacts social mobility and leads to the creation of a less skilled workforce in business. The current situation of income inequality in developed nations is described in the following section:

In the United Kingdom, the Gini coefficient has been used to measure income inequality, and from this, it has been reported that the income inequality is 0.35 in 2023, which indicates that the income inequality is high (GOV, 2024). In this developed country, the COVID-19 situation increases income disparities, especially for the lower-income groups, who face high job losses. The high-profile job includes the "Work From Home policies", which help to maintain financial support, but due to the lack of infrastructure in the lower-paying companies, the management made the decision to cut down jobs (GOV, 2024), states that due to the crisis situation, the cost of living has been increasing for lower-income groups and creating lower economic resilience. The Gini efficiency measures show that the income inequality for developed nations like the US (0.41), Singapore (0.46), and Australia (0.33) is high in 2023 due to different factors like wage stagnation, the rising cost of living, inflation, etc (The World Bank, 2023).

Factors that impact the income distribution in developed countries in the economy.

In the economy, there are different factorize that impact the overall income distribution in the economy, related to education, labour trends, and differences in the paying industry. The Lorenz curve in the economy helps to illustrate the population of people under the poverty line and shows the distribution of income within the population (Sitthiyot and Holasut, 2021).

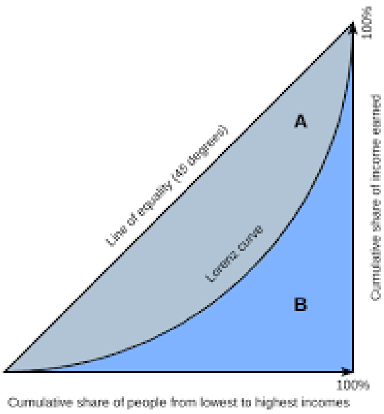

Figure 1:Lorenz Curve: (Audi and Ali, 2023)

From the diagram, it has been found that there are some factors that move the 45-degree line of equality, and when the curve is proportionate to the diagonal line, it will indicate high inequality. According to Sutomo (2022), global investment and trends in the economy create high competition, which depresses the wages in certain industries while increasing the profit of other sectors. It creates a huge gap in the income distribution between the high-skilled and lower-skilled employees. On the contrary, Omar and Inaba (2020), other factors like technology adoption also impact income disparities by increasing the adoption of artificial intelligence and automation, replacing lower-skilled employees, and decreasing the demand for high-skilled labour, which creates wage inequality. For example, in Singapore, a large-scale company like AIG has made the decision to replace 1300 jobs from senior management by integrating automation, which creates the wage distribution gap and increases the unemployment rate.

Government initiatives and policies in addressing income inequality

As for the statement of Omar and Inaba (2020), an important role is played by the government in addressing inequality by developing a variety of policies such as taxation, social protection systems, minimum wage, and many more. Raising revenue through income taxes can help to reduce income inequality, and at the same time, establishing the minimum wage for employees can reduce the inequality (Adom, Agradi, and Vezzulli, 2021). For instance, the UK is s developed country and the "Minimum Wage Policy" of the government is based on paying the minimum amount to an employee, which cannot include the service charges, tips, "premium element of pay", and others (GOV.UK, 2023). According to Hassan et al. (2022), the anti-discrimination law is also enforced by developed countries against discrimination, which helps to reduce inequality by providing equal opportunities to all individuals. For instance, the anti-discrimination policies of the Australian government such as the "Discrimination Act 2004", "Racial Discrimination Act 1975" and others have improved the quality of life of people and also provided equal opportunities to all people despite their age, sex, gender, identity and other factors (Australian Government, 2024).

Adom, Agradi, and Vezzulli (2021) stated that the government supports human capital development through education and implements social spending strategies tailored to the preferences of the country. Providing universal health coverage has also created opportunities to manage income inequality and empower marginalised sections. The payroll level practice is adopted by the US government to develop a flexible labour market and also an investment to stimulate economic activity by developing the infrastructure for improving the skills of the employees. It is seen that the UK government has developed the "child tax credit" to ensure that the inflation rate does not increase child poverty (GOV.UK, 2024). Apart from that, the government has focused on the individualisation of income tax, filling worker retention programs, and refundable tax credits to reduce income inequality (Omar and Inaba, 2020). Hassan et al. (2022) mentioned in a study that the public services of developed countries ensure to provision of equal access to education, healthcare, and even food security, which also helps to address inequality. Improving the governance of the public sector is essential to ensure greater accountability and support human capital development, which can provide access to lower-income families to potential financial markets and improve the distribution of income.

Long-term economic viability depends on income equality, which allows for the adoption of numerous government initiatives, including anti-discrimination and tax laws. For instance, under the US's progressive income tax system, higher earners pay a larger share of their income in taxes (IRS, 2025). This redistributive technique aims to reduce after-tax income gaps and finance social welfare programs that support low- and middle-income households. Tax refunds are available to working people and families with low to moderate earnings, especially those with children, under the "Earned Income Tax Credit (EITC)." It boosts disposable income, encourages employment, and reduces poverty by concentrating aid on those who need it most. However, Australia's national minimum wage is reviewed annually by the Fair Work Commission (Fair Work Ombudsman, 2024). By ensuring a wage floor, this strategy reduces income inequality across industries and assists lower-paid workers in maintaining a decent standard of living. Another such program is Singapore's "SkillsFuture program," which encourages lifetime learning and workforce upskilling (SkillsFuture, 2025). By reducing the pay disparity between "low- and high-skilled workers" and enhancing "employability and earning potential," it lessens long-term income inequality.

Recommendation on lowering wealth disparity in industrialised countries while maintaining long-term economic stability

According to Guillaud, Olckers, and Zemmour (2019), the governments of developed countries have the opportunity to focus on fiscal policies and economic measurement to lower income and maintain economic stability. It is recommended that the government authorities of developed nations like the UK, USA, Australia, and Singapore implement the progressive tax system, which will help to redistribute wealth among the people in the society. In this case, the higher taxes on the wealthy can financially support the public services and welfare programs and reduce income inequality over the years. On the contrary, Audi and Ali (2023) note that it is important to invest in training and education to improve the skills of people and maintain equal wage distribution. It is recommended that the government authorities provide an affordable educational system and training solution to the people, which will improve the employees' skills and the narrowing of the wealth gap.

Hypothesis

The hypotheses of the study are as follows:

H1: The high level of income inequality leads to lower economic growth in developed countries

Developed countries' economic growth rates are adversely affected by rising income disparity because it discourages "investment in human capital" and lowers total consumer expenditure.

H2: Increasing access to education mitigates income inequalities in developed countries

"Enhancing the skills and earning potential" of those with lower incomes is one way that increased access to high-quality education and vocational training mitigates the detrimental impacts of income disparity on economic stability.

H3: High-income inequalities decline the economic stability of developed countries

Lower-income groups' cost of living has been rising as a result of the crisis, which has reduced their level of economic resilience.

Theoretical framework

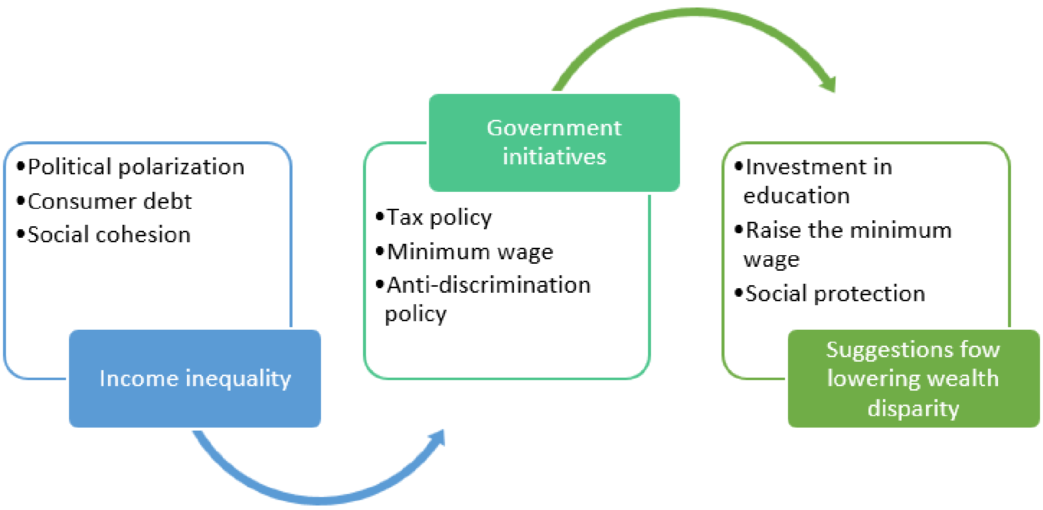

Figure 2: Theoretical Framework, Source: (Self-developed)

Based on the theoretical framework, it is stated that income equality has various impacts on the country in terms of increasing social cohesion, consumer debt, and even political polarisation. However, the government has played an important role in developing various initiatives and policies in terms of tax policies, anti-discrimination policies, minimum wage, investing in public services, and many more that can reduce inequality and provide social protections (Hassan et al., 2022). Investing in educational programs, upgrading the skills of the workers, raising the minimum wage, and fostering international cooperation can ensure fair trade and enhance the financial system, which is essential for combating income inequality.

Summary

Global investment and economic trends lead to intense rivalry, which drives down wages in certain areas while driving up profits in others. It produces a big disparity between the salary distribution of the high-skilled and lower-skilled employees. In order to ensure equitable income distribution and enhance people's abilities, it is critical to invest in education and training. It is advised that the government implement an inexpensive education and training program for the populace since this will enhance worker proficiency and reduce the wealth divide.

Chapter 3: Methodology

Overview

Methodology refers to the techniques that are used in order to conduct the entire research, and without considering the same, every study becomes void under the academic pretext (Kumar and Kothari, 2022). In this research, the topic is income inequality and how it influences the long-term effects on economic stability in developed nations. Therefore, in order to understand the inequality of income, quantitative datasets are required in order to ensure the proper understanding of the differences, and also, to know its impact on society, like social unrest, or inflation, the theory of economics is required to be used, which needs qualitative analysis. Hence, both qualitative as well as quantitative analysis is used in the study.

Research design

The overall design, in particular, research constitutes the philosophy, approach, and study design, which are used in the process (Mukherjee, 2019). The philosophy that is used in this study is positivism because it only conducts the research based on real-time data, which is available to the people, and it is not based on any kind of techniques like that of abstract ideas or concepts, and hence, the positivism philosophy is chosen because the link is made with actual data of inflation and GDP in order to connect with the research in a proper way. Also, there are other parameters like that of approach, which is inductive in this study, mainly due to the fact that it keeps the scope open for generating many inferences at the same point in time.

The topic for this study is linked with the long-term effects of income inequality, which means that there is a higher probability that there are many long-term effects, and not only one specific impact, hence, the inductive approach is suitable, which helps in establishing a wider viewpoint associated with the study (Ocaña-Fernández and Fuster-Guillén, 2021). The study design pertaining to this particular paper is exploratory, mainly due to the fact that there is the presence of several variables like income inequality, economic stability, and developed nations. Also, the three variables are required to be merged in order to ensure the appropriate understanding of the study, and therefore, the long-term impact pertaining to income inequality is found in this particular paper.

Reliability test

The research reliability test is related to the accuracy, as well as the consistency of the outcome, which indicates that the results would be completely similar if the research were conducted a second time or a third time. In order to ensure consistency, the paper has validated the use of both primary and secondary datasets and compared them in order to ensure the appropriate outcome pertaining to the study (Snyder, 2019). Along with that, the primary quantitative analysis is conducted by means of a survey, which is a quantitative method, and also an interview, which is a qualitative method. Also, the secondary data is compared by means of quantitative information from authentic sources like Statista for generating information about the inflation rate, or GDP, and also qualitative data, which is connected with the international theories on social relations, and how it is important for the economic conditions.

Survey setting

The survey is conducted with the population from developed countries, who are mainly from the poor sections and vulnerable communities, and also, it is associated with economic problems, to be precise (Verma, Verma, and Abhishek, 2024). Mainly, the survey is conducted with the help of 10 specific questions about income inequality in developed nations, and its long-term impacts, and the quiz is made online. Also, the survey responses are mainly linked with the development of doing statistical analysis and conducting the research in a proper manner. Furthermore, there is also a factor that is being linked with the fact that a qualitative interview with 5 questions is also conducted, which is from the government institutions, in order to understand the economic impact. The quantitative survey is being conducted with a population of 120 people, and the qualitative interview is being conducted among 7 people who are government officials.

Sampling/Participants

The participants who are used in this study are mainly government officials in economically developed nations, and the UK is mainly chosen in this regard. The financial departments, like the Office for National Statistics (ONS), and the major banks in the UK, US, Australia, and Singapore, which are nationalised, have been chosen for the interview. The interview consists of open-ended questions, which are 5 in number, and specifically, 7 people all across the globe provide the interview completely online, which is by means of virtual mode via Zoom. The survey, on the other hand, is conducted on the population, and 120 people are chosen online, whose age is between 18-30 years, mainly due to the fact that they are directly being impacted by the country's economy. The population is selected mainly from different states constituting the UK, the US, Australia, and Singapore, and the online survey is conducted by Google Forms with 120 people.

Sampling Process

For quantitative data collection in terms of interview sessions, the research has followed the random sampling where the population has a probability of being chosen. In this case, one of the considerations the research included was that the participants needed to be from the UK, the US, Australia, and Singapore. On the other hand, in order to guarantee equal representation from the four developed nations of the US, UK, Australia, and Singapore, this study used the "Quota Sampling, A Non-Probability Sampling" technique. A total of 120 participants were chosen, 30 from each nation, with an emphasis on those between the ages of 18 and 30. This age group was specifically targeted because of their increased susceptibility to socioeconomic shifts. Google Forms was used to administer the online survey, and respondents were selected based on their availability and desire to participate. Quota sampling acknowledged socioeconomic and demographic differences while providing an organised depiction across nations, although not being randomly chosen. This made "cross-national comparisons" easier.

To ensure a representative and comparable sample of the four industrialised countries, 30 respondents were selected from each country. In statistics, 30 is widely recognised as the bare minimum required to perform significant, measurable analysis and derive reliable conclusions from sample data. By selecting the 30 respondents, the research ensures fair comparisons of the income inequality and its impact on economic stability, a sufficient sample for performing the statistical tests.

Four countries have different demographic profiles, social characteristics, and economic structures, and from each country equal representative has been selected.

United Kingdom (UK)

With a high-income, service-based open economy that generates about 80% of GDP, the United Kingdom is a developed nation (OECD, 2025). With a population of almost 67 million, the country is highly diverse due to migration, particularly in major cities like Manchester, Birmingham, and London. Significant regional income differences exist in the UK, particularly between the south and the North (BBC, 2025). Even with a well-established social scheme, spending on housing and austerity measures has made income inequality worse, particularly in large cities. Persistent problems include intergenerational disparity, social flexibility, and educational access.

United States of America (USA)

In comparison to the UK, the USA has the most diversified and the largest economy all over the world. The economic structure, along with social structure mainly driven by the technology sectors, innovation, and finance (GOV, 2024). By operating under the capitalist economic system, the country has relatively lower safety nets. The country has faced a high level of wealth inequality and income discrimination. The demographic structure is diverse and includes a significant number of Asians, Hispanics, and Americans.

Australia

Australia operates in a mixed market economy, which is mainly categorised by the export of natural resources. With 26 million, the company gets benefits from the **"**robust social welfare system**".** In comparison to the UK and USA, the Australian demographics are categorised as immigrants, Asians, and indigenous Australians (Australian Bureau of Statistics, 2024). Regional and cultural gaps are highlighted by the substantial socioeconomic disadvantages that Australians still suffer in terms of education, income, and career possibilities.

Singapore

The country is a small, year-high-income city-state with a population of 5.9 million. Though the resources are limited, Singapore has a strong growth of GDP through the finance and high-tech industries and finance (The Heritage Foundation, 2025). Although it has a "meritocratic social structure, a split labour market"—one dominated by highly compensated professionals and another made up of lower-paid migrant workers—means that income inequality is still a major problem. To combat disparity, the government has put in place a number of social programs, including public housing initiatives and the "Central Provident Fund (CPF)".

Data collection procedure

The data collection procedure is solely primary for this research, which means that the focus is on procuring information, or data, in real-time scenarios. Mainly, the datasets are both qualitative and quantitative, and therefore, a mixed-method approach is used in order to understand the impact of income inequality on economic stability. The qualitative data is being procured from government officials in the UK, the US, Australia, and Singapore, and a total of 7 officials have been selected. 5 open-ended questions are being used for the interview purposes. In the same way, the quantitative data is procured by means of an online survey, which consists of 10 multiple-choice questions, and it is administered to a sample size of 120 people. Mainly, the participants are from different destinations like the UK, the US, Australia, and Singapore. The 120 samples have been selected in this research, 30 from each country, like the UK, USA, Australia, and Singapore.

Research instrument

Quantitative method

The quantitative research instrument is mainly something that is numerical in nature and which is possible to use for doing the statistical analysis (Kumar and Kothari, 2022). In regard to the survey questionnaire, Google Forms is being used to make the survey consisting of 10 questions, and the survey data is being generated from 120 participants. However, the 120 participants and their datasets are also compared with the data that is procured from the government websites and other authentic news sources, like inflation, as well as the GDP, which helps in conducting the study. The statistical tool of IBM SPSS 23, which includes pie charts, is the instrument used for analysing the quantitative data through descriptive, correlation test, ANOVA, and regression test, and solving the problem. Additionally, there are outcomes related to mathematical interpretation, such as determining the average score for each question and its opinions, which aid in producing the best possible result.

Qualitative method

The qualitative method that is being used constitutes the use of interview, which is being done by means of procuring 5 specific questions from 7 government officials in the developed countries, and their data is compared with the economic datasets that are being procured from the other countries in association with the overall techniques, and factors (Mukherjee, 2019). Also, the secondary theories, which are qualitative in nature, are compared with the information that is procured from the primary qualitative domain, which has an association with the linkage that is being used in order to do a particular study. The qualitative analysis is also conducted by means of generating themes from the interview, which is conducted with 5 people. Specifically, the themes that are associated with the interview questions are being generated and analysed in order to create a suitable approach to ensure authenticity in the analysis.

Summary

From the overall chapter, it is concluded that the philosophy used in this study is positivism, the approach is inductive, as well as the design is exploratory. Furthermore, the data collection procedure in this study is both secondary and primary, as well as the methods for analysing data are both qualitative and quantitative in nature. Also, the reliability of the datasets is made to be valid by means of specific tests that are intended to be conducted in lieu of this study.

Chapter 4: Findings/Results

Overview

The assessment of the literature has potentially highlighted the adverse impact of income inequality on the economic stability of developed countries in the long term, and this is because of the respective association with the earning potential of each individual citizen and the per capita income. In case the authority of developed nations does not focus on fixing the issue of income inequality within their respective regions, then they might face problems in the affordability and GDP ("Gross Domestic Product") contribution of their respective citizens, and this might reduce the financial sustainability of the nation.

Hence, in order to ensure the impact of income inequality on the economic stability of developed countries in the long-term, quantitative analysis is conducted following the SPSS tool using the primary survey data collected from the participants of four different regions, including the US, the UK, Singapore and Australia, as input. The objective of the research work is met by conducting four different statistical tests, including descriptive statistics (inferential statistics), correlation, hypothesis test and multiple regression. The findings' interpretation is performed in the chapter, along with the respective interpretation in reference to the defined research problem.

Statistical analysis

Descriptive analysis

Descriptive statistics mainly help in facilitating the visualisation of the data and even present all of the data in an understandable along meaningful way, making a proper simplified interpretation of the overall data. The rationale for the usage of descriptive statistics in the research data analysis is respective competitiveness in the usage of central tendency insight into the variables against the variation in the IVs and and this might be helpful in addressing the problem of the research significantly. The important insights derived from the statistical analysis in the form of descriptive analytics are highlighted below in reference to each question used in the primary data collection, and this is performed by comparing the insights of the participants from each four areas.

In order to get into the demographic variation in the participants in terms of age, the variation of age in the primary data collection is presented in the following visual insights in contrast to the different regions, to know the change in the dominance of an age group in an area over others.

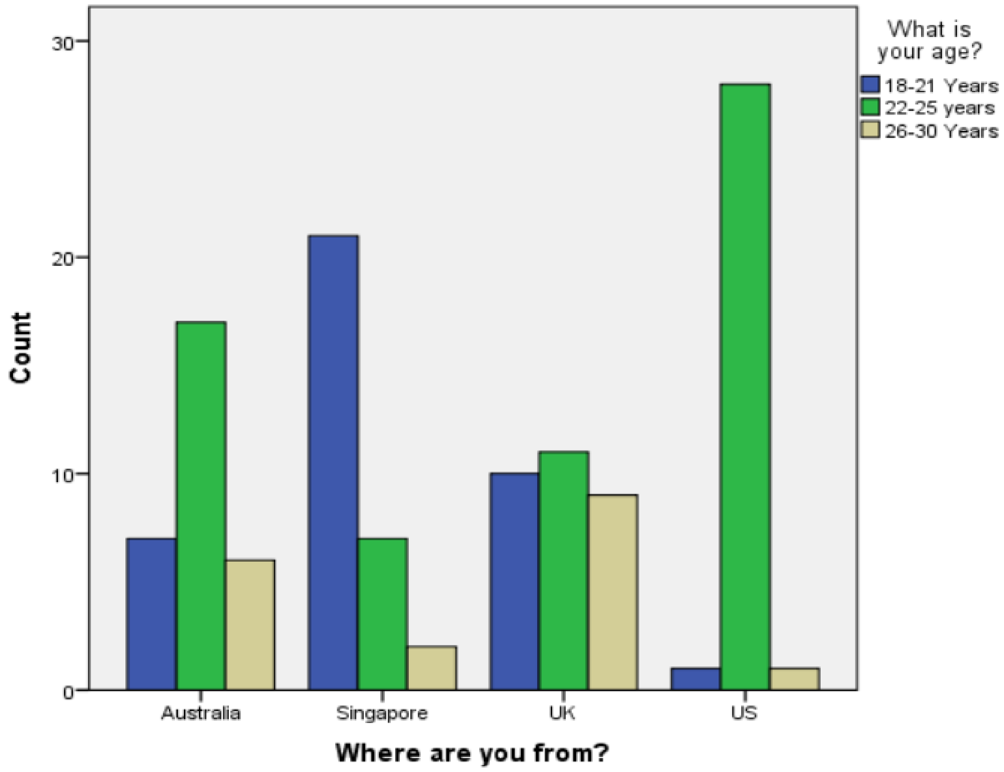

Figure 3: Demographic analysis of the participants. Source: Author

As per the visual analysis, the number of participants belonging to 22 to 25 years is found to be maximum in the US, UK and Australia, but the dominant position is found for the 18-21 years age group in the case of Singapore individuals. The inclusion of individuals of different age groups across all four areas in the primary research has helped in getting into the diversified insights about the factors contributing towards the impact of income inequality on the economic stability of developed nations of the world, and this might enhance the precision of the deliverable.

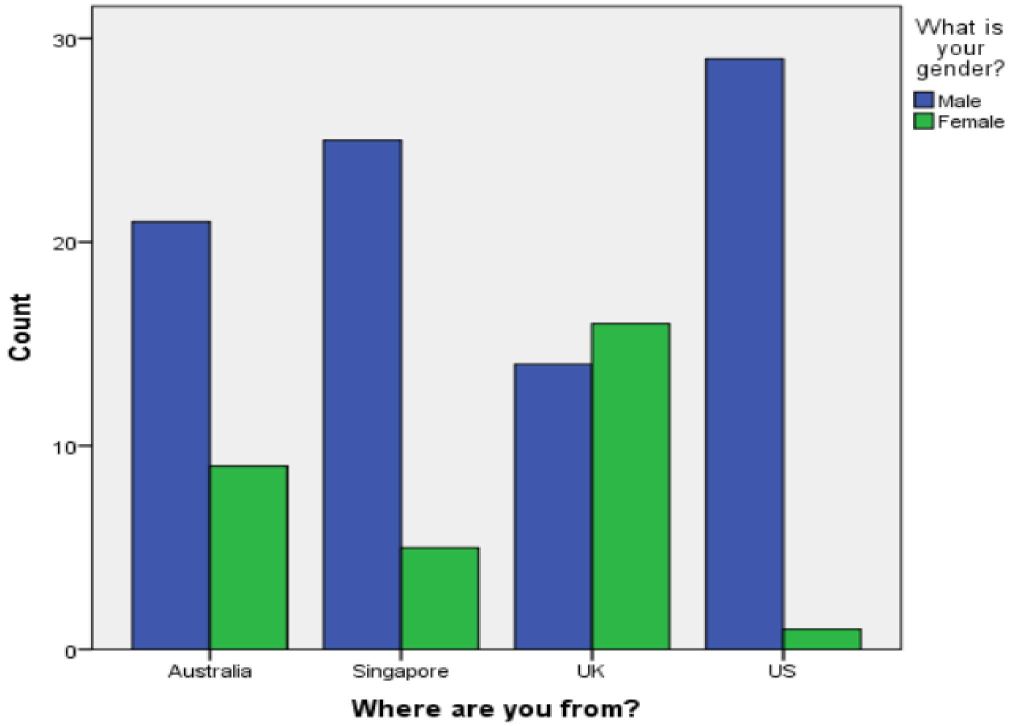

Figure 4: Gender Source: Author

On the other hand, the visual insight highlights the dominance of male participants from the US, Singapore and Australia regions in the primary data collection practice, but this is found least in the case of the UK regions, but this marginal difference. The inclusion of individuals of both genders, including both male and female, in the primary data collection process has helped in getting the diversified inferences about the change in the impact of income inequality on the economic stability of developed nations. In other words, the gender-based insight might be helpful in knowing if the perception regarding the nature of the impact of income inequality on the economic stability of developed nations differs by gender.

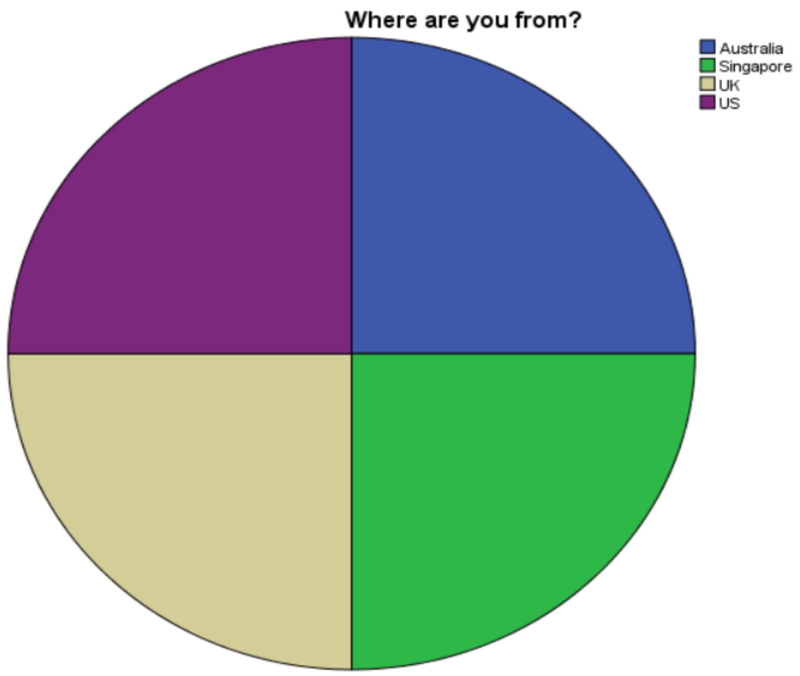

Figure 5: Area of living Source: Author

As per the above statistics, it is noticed that the number of participants belonging to each four regions including the US, UK, Singapore and Australia, is equal (30) in the total sample size (120) and this confirms the equal opportunity to the participants in the insight sharing to the problem addressing.

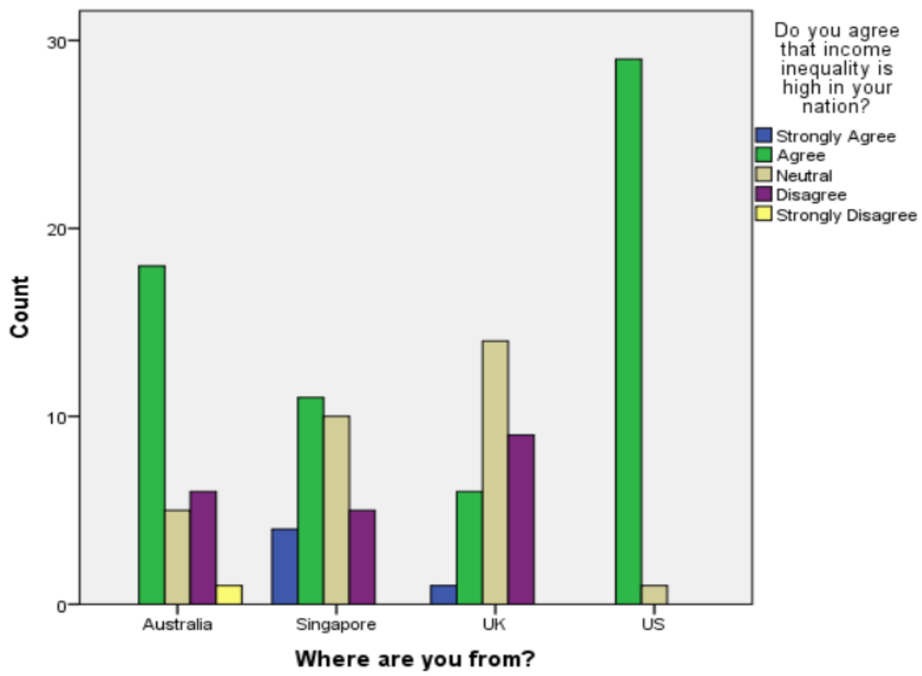

Figure 6: Income inequality in the nation, Source: Author

As per overall statistics, it is identified that most of the participants, i.e. 81% of the available participants in all three regions except the UK, have agreed that income inequality is too high in their nation. Due to that reason, it can be significantly stated that all of those countries, like the US, Australia, and even Singapore, have faced a high level of income inequality. On the other hand, the maximum number of participants belonging to the UK have exhibited a neutral response towards the availability of income inequality in the respective nation, and this might be the result of lesser experience regarding the inequality in the past while doing their respective professional activities.

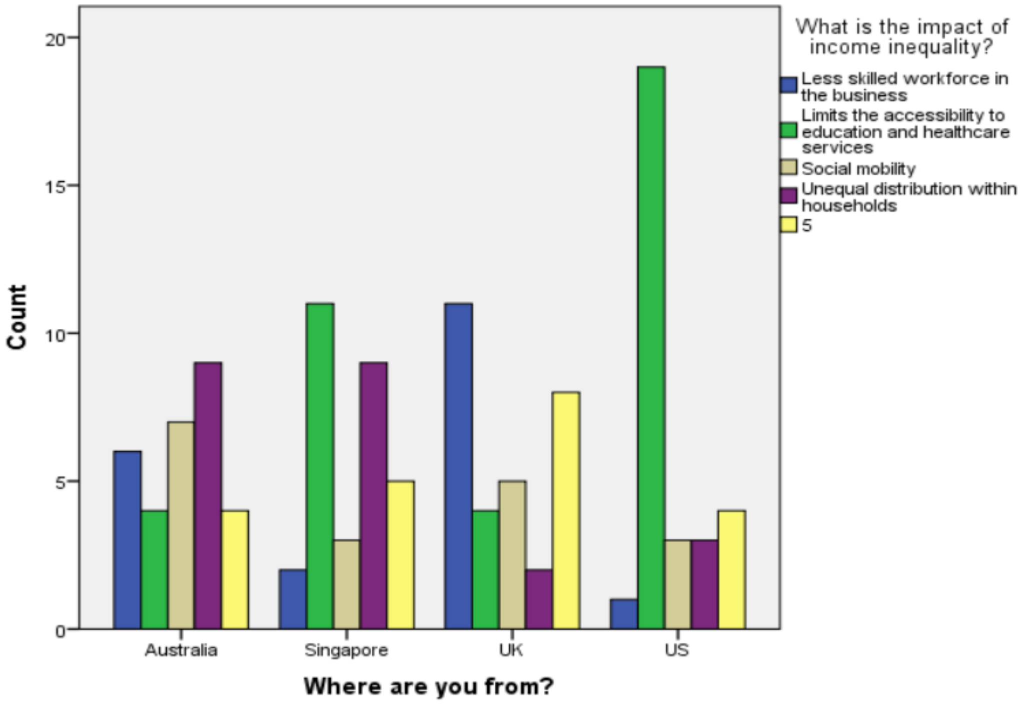

Figure 7: Impact of income inequality. Source: Author

As per these statistics, it is obtained that a maximum number of participants belonging to the US and Singapore have agreed that income inequality highly limits educational accessibility along with healthcare services. On the other hand, more than 18% of the respondents belonging to the UK and Australia have stated that it leads to social mobility that even impacts negatively on the economic growth of the country. More than 82 % of the participants, on average, have agreed that income inequality leads to a lower level of income for individuals and even leads to a reduction in the potential for economic development within the country. Considering the significant difference in the impact of the targeted IV on the socioeconomic condition of the participants belonging to the four different regions, it is stated that high-income inequality leads to a decline in the economic stability within the developed countries that meet the third hypothesis positively, and this validates the assumption significantly.

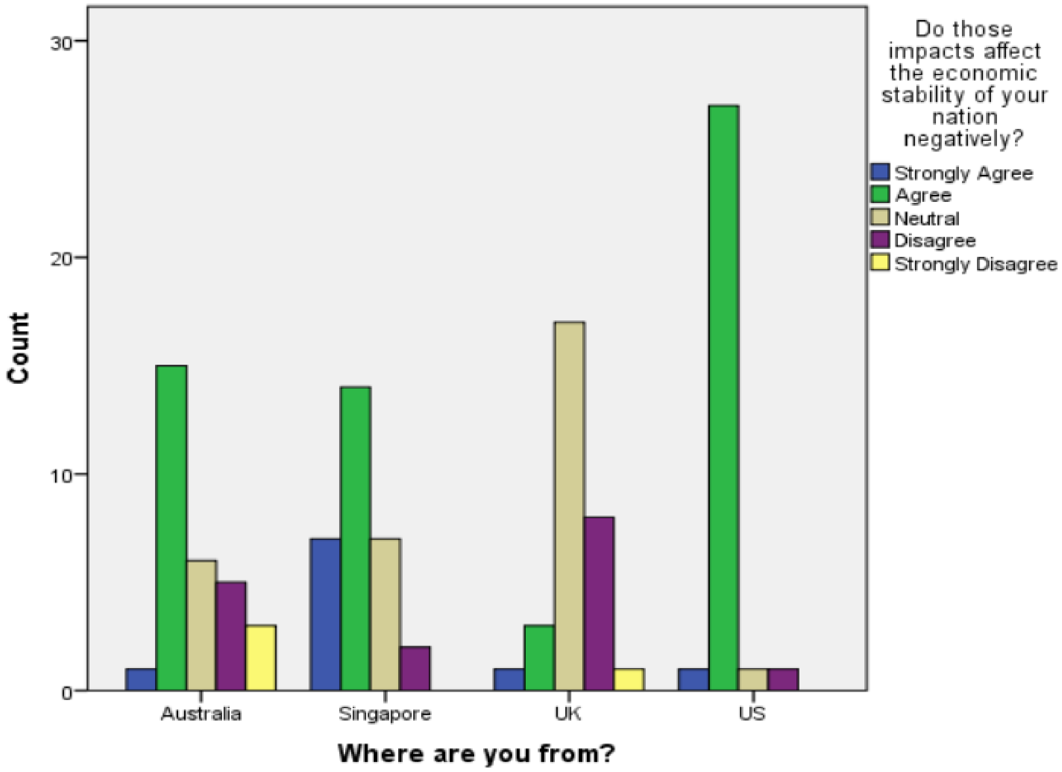

Figure 8: Impact of income inequality on economic stability of a nation. Source: Author

As per the above statistic, it is obtained that more than the maximum number of participants belonging to the US, Singapore, and Australia strongly agree that the impact of income inequality within their firm highly reduces the economic stability within the nation negatively. On the other hand, around 18 participants belonging to the UK are found neutral towards the impact of income inequality on the economic stability of their respective nation. Hence, considering the average of the insight, it can be significantly stated that the high level of income inequalities turns into a lower level of economic growth that meets the determined hypothesis positively.

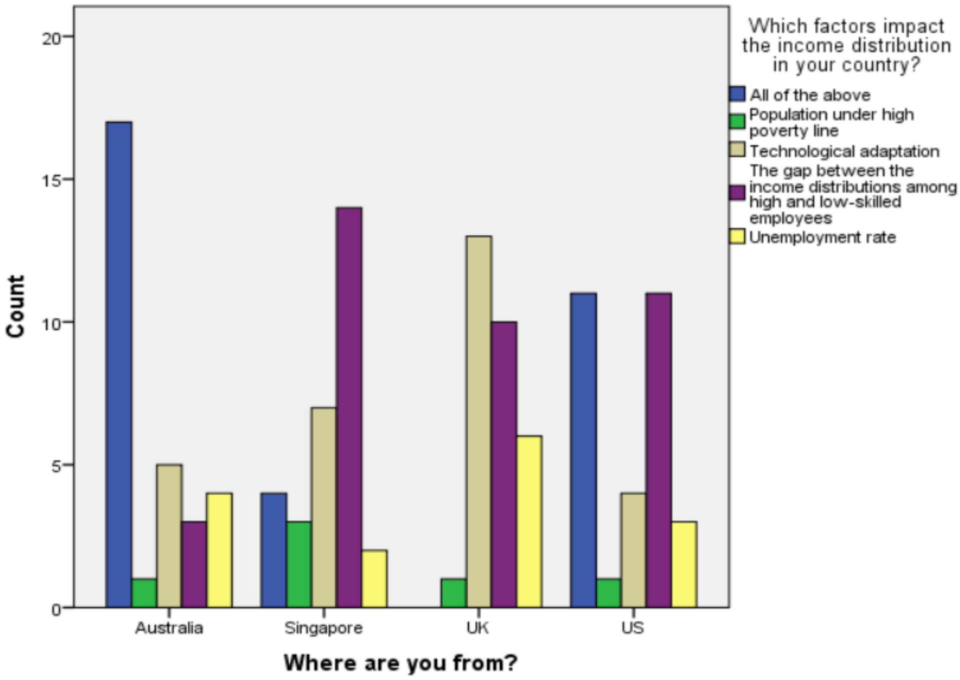

Figure 9: Factors impacting income distribution. Source: Author

As per the above statistical figure, it is obtained that more than 89% of the total respondents have stated that income distribution mainly among the high and low-skilled employees is the main factor for increasing income inequality. On the other hand, most participants belonging to Australia have stated that high poverty-based population, income distribution, unemployment, and even technological adaptation negatively impact the country by increasing income inequality.

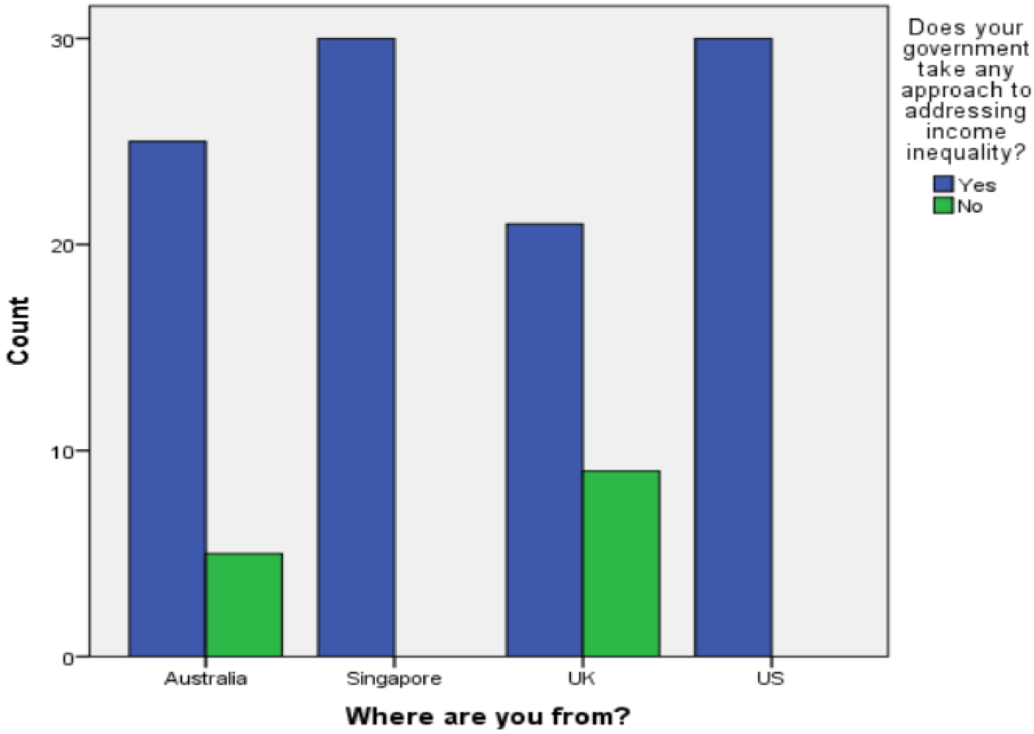

Figure 10: Role of government Source: Author

The analysis of the above visual indicates that the positive response of all the participants belonging to entire four regions has a significant approach from the respective governments to address the problem regarding the income inequality. On the other hand, there are around 3 % and 5 % of total participants in Australia and the UK who have negatively reflected towards the question, and this indicates a respective unfavourable experience for the same in past.

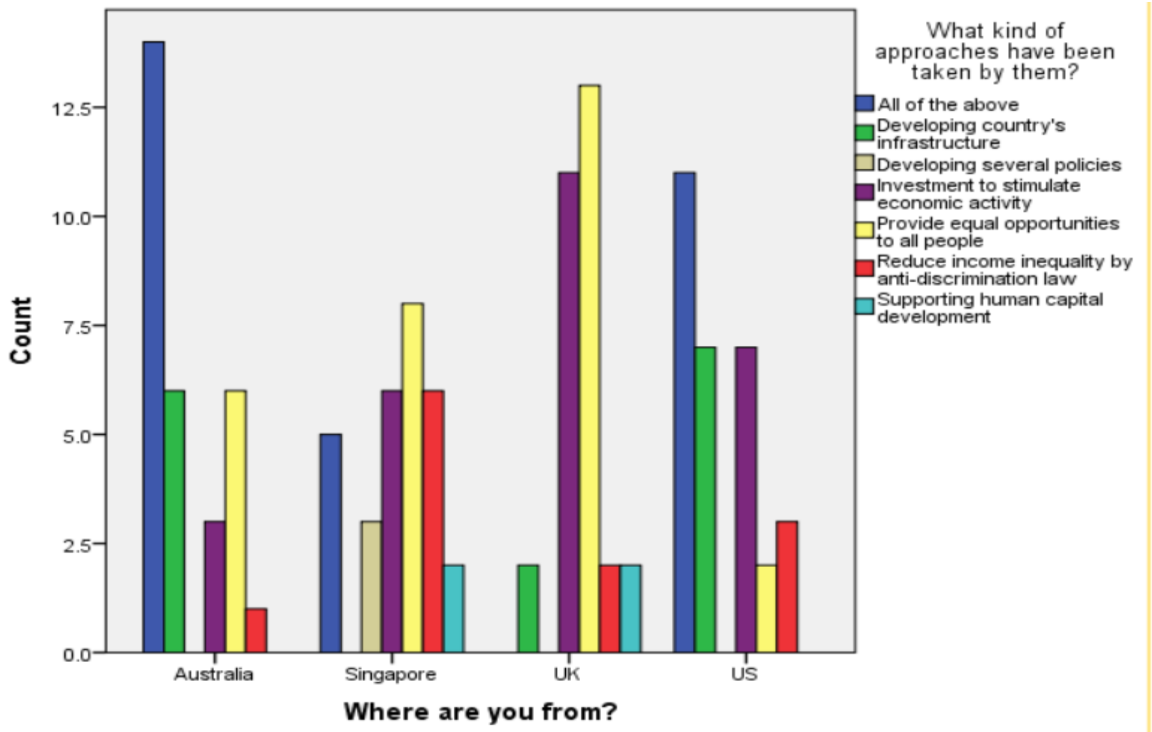

Figure 11: Approaches taken by the government. Source: Author

As per the examination of the visual interpretation, most of the respondents from the four regions have stated that their government has taken the approach related to the development of several policies, reducing the high level of income inequality with the help of the anti-discrimination law. On the other hand, as per the participants from the US, the respective government is even focusing on the stimulation of the economic activity and infrastructure of the country, as well as supporting the human capital that helps in reducing the income inequality positively. On average, most of the participants have stated that investing in the situation of economic activity, as well as providing an equal type of opportunity, is one of the major roles of the government that helps in reducing economic inequality.

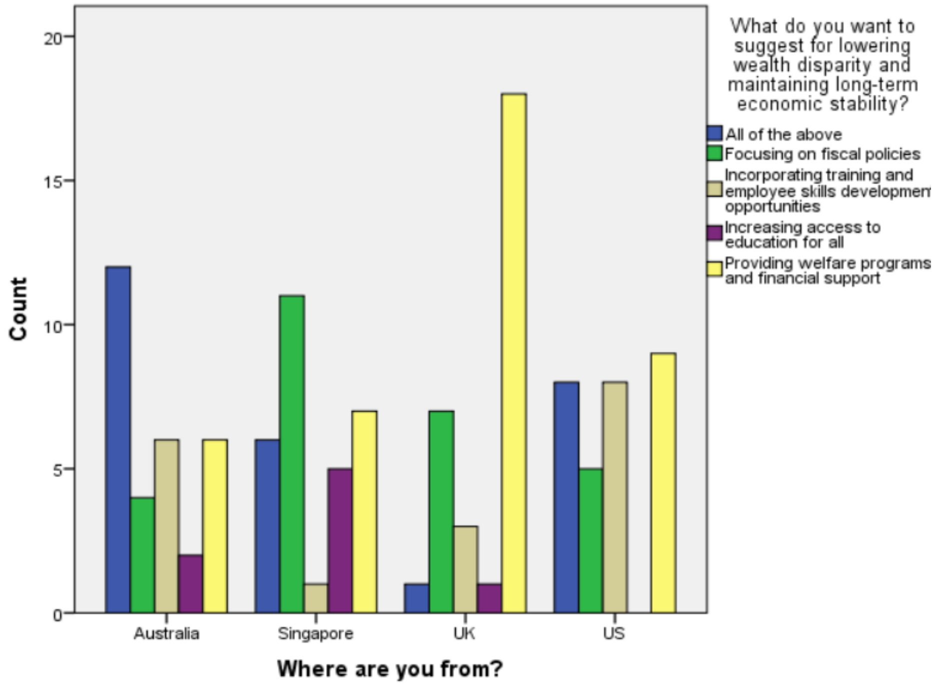

Figure 12: Recommendation Source: Author

As per the visual interpretation, participants from all four regions have mixed responses about fixing the challenge of income inequality and economic stability management. This includes providing access to educational development, as well as providing a welfare program, and improving the training opportunities for the development of the skills of the employees, which has become the most crucial recommendation that has been provided by them to reduce income inequality. Considering the responses of the participants from the four regions on average, it can be significantly stated that enhancement of the accessibility of education along with the informed training and development might help in fixing the wealth disparity issue. This is highly essential for the economic growth of the country through providing income equality that helps in meeting the second hypothesis.

Correlation test

The correlation test has been performed here in order to find out the relationship between the variables of the research, including income inequality and economic stability, in developed countries like the US, the UK, Australia, and Singapore. The result of the correlation analysis is demonstrated below, considering 5% as the level of significance-

Table 1: Correlation test Source: Author

		Do you agree that income inequality is high in your nation?	What is the impact of income inequality?	Do those impacts affect the economic stability of your nation negatively?	Which factors impact the income distribution in your country?	Does your government take any approach to addressing income inequality?	What kind of approaches have been taken by them?	What do you want to suggest for lowering wealth disparity and maintaining long-term economic stability?
Do you agree that income inequality is high in your nation?	Pearson Correlation	1	-.062	.412**	.264**	.156	.391**	.261**
	Sig. (2-tailed)		.498	.000	.004	.089	.000	.004
	N	120	120	120	120	120	120	120
What is the impact of income inequality?	Pearson Correlation	-.062	1	-.182*	.061	-.009	.081	-.036
	Sig. (2-tailed)	.498		.047	.511	.921	.380	.700
	N	120	120	120	120	120	120	120
Do those impacts affect the economic stability of your nation negatively?	Pearson Correlation	.412**	-.182*	1	.390**	.288**	.149	.258**
	Sig. (2-tailed)	.000	.047		.000	.001	.103	.004
	N	120	120	120	120	120	120	120
Which factors impact the income distribution in your country?	Pearson Correlation	.264**	.061	.390**	1	.172	.565**	.548**
	Sig. (2-tailed)	.004	.511	.000		.060	.000	.000
	N	120	120	120	120	120	120	120
Does your government take any approach to addressing income inequality?	Pearson Correlation	.156	-.009	.288**	.172	1	.136	.281**
	Sig. (2-tailed)	.089	.921	.001	.060		.139	.002
	N	120	120	120	120	120	120	120
What kind of approaches have been taken by them?	Pearson Correlation	.391**	.081	.149	.565**	.136	1	.510**
	Sig. (2-tailed)	.000	.380	.103	.000	.139		.000
	N	120	120	120	120	120	120	120
What do you want to suggest for lowering wealth disparity and maintaining long-term economic stability?	Pearson Correlation	.261**	-.036	.258**	.548**	.281**	.510**	1
	Sig. (2-tailed)	.004	.700	.004	.000	.002	.000	
	N	120	120	120	120	120	120	120

As per this correlation test, the correlation coefficient for the variables including “Do you agree that income inequality is high in your nation?” and “Do those factors affect the economic stability of your nation negatively?” is 0.412, which highlights the moderate and negative direction of association. It means that as the degree of income inequality within a developed nation increases by a single unit, then the degree of respective economic stability will decline by 41.20 % and vice versa. In other words, the leaders of developed nations should focus on the informed fixing of income inequality within the region through the strategic approach on diversified resource accessibility, and this might be helpful in ensuring the economic stability of the nation in future.

Regression test

Multiple regression analysis is performed to examine the significance of the impact of income inequality on the economic stability of developed nations, as this has aided in the fulfilment of the objective through the informed leveraging of the respective “Sig” value and “coefficient” for the IVs. The result of the computed multiple regression analysis is presented as follows, considering a 5 % significance level.

Table 2: Multiple Regression tests regarding the impact of income inequality on the economic stability of developed nations. Source: Author;

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.505[a]	.255	.242	.821

a. Predictors: (Constant), Which factors impact the income distribution in your country? , Do you agree that income inequality is high in your nation?

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.946	2	13.473	19.993	.000[b]
	Residual	78.846	117	.674		
	Total	105.792	119			

a. Dependent Variable: Do those impacts affect the economic stability of your nation negatively?

b. Predictors: (Constant), Which factors impact the income distribution in your country? , Do you agree that income inequality is high in your nation?

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.984	.262		3.761	.000	.466	1.502
	Do you agree that income inequality is high in your nation?	.370	.092	.332	4.015	.000	.187	.552
	Which factors impact the income distribution in your country?	.204	.056	.302	3.654	.000	.094	.315

a. Dependent Variable: Do those impacts affect the economic stability of your nation negatively?

*Y (economic stability) = 0.984 + 0.370 * degree of income inequality + 0.204 * factors affecting the income distribution*

As per this regression test, it is identified that the value of the R square is 0.255, which highlights the moderate efficiency of the proposed multiple regression model in the prediction of the economic stability of a developed nation using respective income inequality factor and this is the result of depenencny of different factors on the DV. Further, the “Sig” value of the concerned multiple regression model is “0.000”, which is potentially less than the defined significance level “0.05”, and this confirms the statistical significance of the IVs in affecting the economic stability of the developed nation. Apart from this, as per the coefficient table available in the multiple regression result, the calculated “sig” for the IVs including “degree of income inequality” and “factors influencing income distribution” is lesser than 5 % significance level which confirms their significant statistical impact on determination of the economic tability of developed countries. In short, there is a potential contribution of income inequality in determining the economic stability of a developed nation in a particular fiscal period.

ANOVA test

The objective regarding the assessment of the income inequality on the economic stability of developed nations is fulfilled through the following hypothesis-

Ho (Null Hypothesis): *There is a significant role of income inequality in determining the economic stability of a developed nation, and this varies with the change in the country.*

H1 (Alternative Hypothesis): *There is no significant role of income inequality in determining the economic stability of a developed nation, and this varies with the change in the country.*

ANOVA test with a two-factor approach is performed to validate the hypothesis as the samples of each area differ from each other despite equality in respective number, and this has helped in the cross-examination of the assumption.

Table 3: ANOVA test Source: Self-made

		Sum of Squares	df	Mean Square	F	Sig.
What is the impact of income inequality?	Between Groups	4.625	3	1.542	.817	.487
	Within Groups	218.967	116	1.888		
	Total	223.592	119			
Which factors impact the income distribution in your country?	Between Groups	36.700	3	12.233	7.267	.000
	Within Groups	195.267	116	1.683		
	Total	231.967	119			
Do those impacts affect the economic stability of your nation negatively?	Between Groups	25.492	3	8.497	12.275	.000
	Within Groups	80.300	116	.692		
	Total	105.792	119			

The consideration of the ANOVA table highlights the acceptance of Ho as the computed "sig" for the "income inequality" main variable impact is higher than the significance level, and this is determined considering the rule of decision in hypothesis making. In other words, there is a significant role of income inequality in determining the economic stability of a developed nation, and this varies with the change in the country.

Thematic analysis

Theme 1: Meaning of income inequality

Income inequality essentially means the completely unequal distribution of wealth, so much so that some people become completely poor and deprived. It results in making the poor population so vulnerable that they have no capacity to afford their basic needs in life. From the responses to the interview, it is observed that individuals who do not have money or cannot provide their basic needs are the main symptoms that show income inequality in a particular nation. Also, it indicates that there are vulnerable individuals who lack housing, as well as other facilities. For example, in the developed nations, the people from BAME communities and other minorities often stay in community housing as they have no means to purchase a home of their own. It helps in evaluating the first objective, which is understanding the current trends of income inequality in developed economies.

Moreover, income inequality also means the lack of access to proper medical facilities, the right kind of healthcare for the population, and the poor. More often, it is observed that poor individuals are even belittled in government healthcare facilities due to their financial background and lack of affordability to purchase medications. Also, income inequality indicates a massive difference between the lifestyles of the wealthy people as well as the poor, which needs to be proven. Also, it is observed from the study that such differences indicate an unequal approach and often make poor people have less access to mandatory services.

Theme 2: Income inequality in developed nations

One of the most important factors that is to be considered is the major cause of income inequality, which is primarily the lack of education, as stated in the interview. Therefore, compulsory education, as well as vocational education, which helps in generating the right kind of capability for the sake of increasing income, is considered. Also, the lack of technological understanding and adaptation is responsible for the lack of opportunities, which are also used for the reduction of income. Moreover, the stagnation of wages is also very responsible because often labourers are ready to work for a minimum wage, which reduces income as compared with inflation, and results in increasing poverty. It helps in fulfilling the second objective, like the factors that impact income distribution in the developed economy.

From the interview, it is also observed that outsourcing and governmental policies, such as specific employment laws, are often responsible for the development of increasing income. This helps in the fulfilment of the third objective related to the government policies and initiatives that are made to address income inequality. It is mainly due to the fact that in order to provide proper employment, the recruitment process in many industries becomes strict, which increases unemployment among the population. Also, there are other parameters that are associated with the reduced power of trade unions in the market, which is often responsible for an increase in income inequality because the collective bargaining of employees is reduced, resulting in a lack of salary increments due to country inflation. Furthermore, it is also observed that unequal business profit sharing is often responsible, as well as the racial segregation along with discrimination, which is quite responsible because it specifically helps not allow the BAME community, or other such individuals, in the context of employment in the organisation.

Theme 3: Impact of income inequality in developed nations

While considering the impact of income inequality within developing nations, the information that is procured from the interview states that it decreases the amount of social cohesion within developed nations, which means that people who are extremely poor are less social than other people. Such less social cohesion occurs due to the creation of different expectations among the public, which is mainly responsible for such inequality, and its prevalence within the public. Furthermore, political polarisation, as well as the lowering of economic growth, is mainly responsible for income inequality, which is also associated with the development of people who are extremely poor. Moreover, it also damages the self-fulfilment and self-worth of individuals.

From the qualitative data, it is found that income inequality makes an impact on society, and even makes an impact on social mobility, and enhances the wealth gaps. Inequality of income enhances the chances of uneven distribution among groups and even individuals, as well as populations in the case of a society. Income inequality enhances the chances for an increase in the gap between the rich and the poor, and even wealth disparities increase in the nation. Developed nations increase income inequality, with the 1% accumulating a disproportionate share of the national wealth. Income distribution equality among the people in the economy is the equilibrium notion in the economy, which helps to maintain the standard of living and the purchasing power of the consumers. It even makes an impact on social mobility and reduces the chances of maintaining stability in the social structure. From the qualitative data, it is found that income inequality makes an impact on political factors, which mainly reduce the stability and even enhance the chances of increasing polarisation effectively. Income inequality is measured through household income, and often it may overlook the unequal distribution within households due to gender disparities.

It even provides limits in community development which mainly access to education and even healthcare services in the case of lower-income individuals and even makes an impact on social mobility and even make an impact on the productivity of the workforce and businesses hire less-skilled employees which make disruption in streamlining processes and even make an impact on the profitability. The high-profile job includes the Work From Home policies, which help to maintain financial support, but due to the lack of infrastructure in the lower-paying companies, the management made the decision to cut down jobs. Income inequality even makes an impact on the economic structure due to the lower-income people's inability to enhance their purchasing power. It meets the objective that the income distribution makes the income of the economic structure in the case the developing countries.

Theme 4: The long-term effect of income inequality on economic stability

From the qualitative data, it is found that in the case of income inequality has a long-term impact on the economic structure and can even lead to a financial crisis. Financial crisis enhances the gap between the rich and the poor and even makes wealth disparities increase in the nation. The problem lies between the continuation of the income distribution issues and the government initiatives to financially support the people under the poverty line. In the case of developing countries in different sectors, the temporary workers impacted the overall data of income or wealth disparities, which creates the issue of gaining data on the countries' practices on the distribution of income. In the economy, there are different factorize that impact the overall income distribution in the economy, related to education, labour trends, and differences in the paying industry.

From the qualitative data, it is found that the long-term inequality makes an impact on customer demand and even weakens customer needs, which mainly slows down the economic growth and even reduces the economic structure of developing countries. Income inequality contributes to the public debt, even if the government focuses on establishing safety procedures and providing public safety nets. It is even found that income inequality makes an impact on trust and even reduces the overall stability in the case of economic institutions. It even makes an impact on the educational structure and reduces the skills of the individuals, which mainly reduces workplace productivity, which makes an impact on the economic structure of the developing countries, and even makes an impact on the operational efficiency. Global investment and trends in the economy create high competition, which depresses the wages in certain industries while increasing the profit of other sectors. Other factors like technology adoption also impact income disparities by increasing the adoption of artificial intelligence and automation, replacing lower-skilled employees, which meet the objectives of the ways government initiatives and even the policies address income inequality.

Theme 5: Possible ways to mitigate the inequality of income

From the qualitative data, it is found that there are several procedures that are mainly introduced to mitigate income inequality. Making investments in education enhances the chances of maintaining the literacy rate in society, which builds the social structure and even enhances the chances of maintaining equal payment options. An important role is played by the government in addressing inequality by developing a variety of policies such as taxation, social protection system, minimum wage, and many more. The anti-discrimination law is also enforced by developed countries against discrimination, which helps to reduce inequality by providing equal opportunities to all individuals. It is even found that investment in taxation is one of the relevant options to mitigate the issues and even the impact of income inequality in the case of developing countries. The government supports human capital development through education, implements social spending strategies tailored to the preferences of the country, and even makes investments in different things that enhance the chances of maintaining the economic structure. The payroll level practice is adopted by the US government to develop a flexible labour market and also an investment to stimulate economic activity by developing the infrastructure for improving the skills of the employees. This mainly meets the objectives, which are about making effective suggestions in terms of lowering wealth disparity in the case of industrialised countries in the case of maintaining economic stability.

Summary

As per the overall qualitative as well as quantitative analysis, it is identified that income inequality is one of the greatest problems in recent days for each of the developed countries and in that case, the country and even their residents have faced a high level of economic instability which make long term impact on the growth of the country. On the other hand, it is even identified that educational development, as well as several governmental approaches, has been able to reduce the potential of income inequality in the country, which might foster stability in the economic growth of the country with the help of increasing employment opportunities and even reducing poverty.

Chapter 5: Discussion

Overview

This discussion section has stated that the discussion section mainly evaluates the logical, analytical, as well as comprehensive relation to the literature review and other collected data from the qualitative and even quantitative findings. This discussion section mainly highlights the interpretation of the results obtained and even finds the trends and relationships among the variables. This discussion section has discussed the discussion of implications along limitations of the study. Each section of this discussion has focused on the reason for income inequality and its impact, along with its mitigation strategies within the highly developed countries to meet each of the objectives of the research perfectly.

Interpretation of the results

As per the statistical data, it is identified that in each country, the income inequality is too high. Moreover, as per the thematic analysis as well as literature data, it is identified that mainly the poor population, as well as basic needs of life, high unemployment, as well as the high level of poverty rate, highly affect the income inequality in the nation. Both from the qualitative, it is obtained that in the current scenario, the due to high level of income equality has affected the BAME community and even other minority people, mainly in Australia. Even the UK is reducing their access to education, equal healthcare services, and even some other which leads to the reduction of economic instability within the country (Cheshmehzangi, 2021). Furthermore, it may be inferred from statistical data that high rates of poverty and a lack of opportunities for an equitable distribution of low- and high-skilled workers are problems that people in industrialised countries confront today. Due to that reason, both from the qualitative and quantitative data analysis, it is obtained that the current scenario of income inequality in developed countries helps in meeting the first objective positively.

As per the literature data or even the data from the thematic analysis, it is identified that mainly the political polarisation, along with the lower level of economic growth, is leading to income inequality (Audi and Ali 2023). Due to that reason, it can be stated that mainly the political and economic factors are responsible for the income inequality, which reduces the high level of economic stability within the country. However, statistical analysis reveals that another factor contributing to income inequality in industrialised nations is technological adaptability. Because of technological considerations, only high-skilled workers can earn high-paying employment in this setting, and low-skilled workers cannot, resulting in further income inequality, according to data from a qualitative study. Due to that reason, it can be significantly stated that, along with the political and economic factors, the technological factors also affect the income of the people and increase the unequal pay scale among the high and low-skill-based employees, helping in meeting the second objective positively.

The income discrimination across the different countries like Singapore, Australia, the UK, USA, presents a different pattern due to the distinct policy environment as well as socioeconomic structure. In the United Kingdom, the government experiences different regional income disparities, particularly between the south and the north regions. The country integrated the welfare programs like “Universal Credit” as well as the “National minimum” wage, but the austerity measures have undermined economic equity. In this case, the indicators like the rising inflation, stagnant wages, as well as regional unemployment contribute to the persistent discrimination, which mainly creates difficulties in attaining economic stability through the reduction of consumer expenditure, as well as observing the social tension.

On the other hand, the USA has the highest income disparities among the four Nations, where wealth discrimination is mainly prevalent among the top one per cent of the people with limited social flexibility. In this case, the key factors, like the regressive tax structure, as well as income disparities and employment disparities, impacted overall economic development. The governments are daily implementing some of the welfare programmes like “Income Tax Credit” as well as developing the “Federal Policy” which addresses the disparities but high discrimination interrelated with the volatile condition of the economy as well as social unrest. In the context of Australia, income inequality is moderate due to the improved “Progressive Tax Structure” as well as the worldwide healthcare services, along with the welfare services. In this country, the wealth inequality growth increased, especially in the property ownership section, which poses emerging difficulties. In comparison to Australia, Singapore demonstrates the unique conditions where the high GDP per capita coexists with high income in quality. In this case, the “Dual Labour Market Structure” with the low-wage migrant employees mainly affects the distribution of income equally.

Comparison among the variables

In this research, the variables are income inequality, which has a long-term effect in the case of maintaining economic stability in the case of developed nations. From the thematic analysis, it is found that indicates that the poor population is so vulnerable that they have no capacity to afford their basic needs in life. There are vulnerable individuals who lack housing, as well as other facilities. In this case, the income inequality is the independent variable, and even the long-term effect due to the income inequality is the dependent variable. In the developed nations, the people from BAME communities and other minorities often stay in community housing as they have no means to purchase a home of their own. Moreover, income inequality also means the lack of access to proper medical facilities, the right kind of healthcare for the population, and the poor. From the statistical data, it is found that most of the participants, i.e. 62% of the participants, agreed that income inequality is too high in their nation. In the case of developing nations, such as the UK US, and even Australia, face high levels of inequality.

In this case, 42% of the participants agreed that income inequality highly limits educational accessibility along with healthcare services. Income inequality indicates a massive difference between the lifestyle of the wealthy people as well of the poor people, which is required to be essentially proven. Also, it is observed from the study that such differences indicate an unequal approach and often make poor people have less access to mandatory services. From the qualitative data, it is found that the government of the UK has focused on the individualisation of income tax, implementing worker retention programs, and refundable tax credits to reduce income inequality. The governments of developed countries have the opportunity to focus on fiscal policies and economic measures to lower income and maintain economic stability (Owen and Barrett, 2020). From the statistical analysis, it is seen that more than 22% of the respondents have stated that it leads to social mobility that even impacts negatively on the economic growth of the country. In the case of the economic structure, income inequality makes an effective impact in the case of developing countries, and even reduces the purchasing power of the poor people due to increases in the rate of wages and increases the price of daily living. From the qualitative data, it is found that making investments in education enhances the chances of maintaining the literacy rate in society, which builds the societal structure and even enhances the chances of maintaining equal payment options (Adom, Agradi and Vezzulli, 2021). The long-term inequality has an impact on customer demand and even weaker customer needs, which mainly slows down the economic growth and even reduces the economic structure of the developing countries. The public services of developed countries ensure equal access to education, healthcare and even food security, which also helps to address inequality. The UK is a developed country, and the “Minimum Wage Policy” of the government is based on paying the minimum amount to an employee, which does not count the service charges (GOV, 2025). The anti-discrimination law is also enforced by developed countries against discrimination, which helps to reduce inequality by providing equal opportunities to all individuals.

Discussion of implications

The implications of this research are that it shows how income inequality is a growing concern even among developed nations like the US, the UK, Australia, and Singapore, to be precise. With the term developed nations, the expectation is that every facility is properly and equally available for all its citizens, but that is not the actual case, as suggested by the present study. The present study shows how an increase in inequality related to income results in a decreased amount of facilities for several people in many places. Such poverty is mainly associated with racial segregation, as well as the outsourcing of employment, which increases the amount of poverty in such nations.

The ways in which this research affects long-term economic stability are also related to its ramifications. In this regard, it must be said that a country's economic stability is dependent upon its accurate GDP growth, growth in per capita income, and a consistent increase in employment levels. Achieving corporate expansion, which is closely linked to the rise in consumer purchasing power, is frequently regarded as being crucial in relation to all of these objectives. The reduction of poverty or income inequality in the market is directly related to consumer purchasing power, meaning that the research's implications are related to comprehending how such income inequality undermines the stability of the economy in developed countries. The implications mainly involve the impact of income inequality in the economic structure, which creates instability in society and even makes an impact on political factors as well as the lower-income individuals through reducing their spending power. One of the most important factors that is to be considered is the major cause of income inequality, which is primarily the lack of education. Also, the lack of technological understanding and adaptation is responsible for a lack of opportunities, which are also used for the reduction of income. It is also observed that outsourcing and governmental policies, such as specific employment laws, are often responsible for the development of increasing income. There are other parameters that are associated with the reduced power of trade unions in the market, which is often responsible for an increase in income inequality because the collective bargaining of employees is reduced, resulting in a lack of salary increment as per country inflation.

It even provides limits in community development which mainly access to education and even healthcare services in the case of lower-income individuals and even makes an impact on social mobility and even make an impact on the productivity of the workforce and businesses hire less-skilled employees which make disruption in streamlining processes and even make an impact on the profitability. Political polarisation, as well as the lowering of economic growth, is mainly responsible for income inequality, which is also associated with the development of people who are extremely poor. In the case of countries like the US, the UK, and even Australia, people face a high amount of inequality in income, which reduces their economic structure, makes an impact on self-growth, and even reduces skills, which decreases the productivity of the individuals. With the help of this research, the countries find the gap between their policies and even their economic structure, which is hampered by income inequality, and provide recommendations to reduce the income inequality structure to maintain economic stability as well as political stability.

Providing universal health coverage has also created opportunities to manage income inequality and empower the marginalised sections. In the case of the US government, develop a flexible labour market and also invest to stimulate economic activity by developing the infrastructure for improving the skills of the employees. With the help of these strategies, the US government enhances the skills of its employees and even enhances the possibility of maintaining economic stability. Improving the governance of the public sector is essential to ensure greater accountability and support human capital development, which can provide access to lower-income families to potential financial markets and improve the distribution of income. The public services of developed countries ensure equal access to education, healthcare and even food security, which also helps to address inequality. In some developed countries, the data on income distribution is limited or outdated which may impact the research investigating the way income inequality impacts the overall long-term economic stability in developed nations like the UK, USA, Australia Singapore and it addresses the problems which the continuation of the income distribution issues and the government initiatives to financially support the people under the poverty line in the case of the developing countries.

Limitations

This study mainly focuses on income inequality, which mainly involves making a long-term impact on the economic stability in the case of developing countries such as the US, UK, Australia, and even Singapore. This study was done with the regression processes and even with the hypothesis, as well as finding out the statistical data with the correlation methods, as well as surveys and an interview process with the 7 participants. To gain insights, ways such as the T-test and even the mean, median mode methods need to be included in this research, and it has limitations in terms of collecting data from the lower-income individuals in terms of gaining information about the problems faced in their daily lives.

Summary

From the above chapter, it is summarised that there are vulnerable individuals who lack housing, as well as other facilities. In the developed nations, the people from BAME communities and other minorities often stay in community housing as they have no means to purchase a home of their own. The income inequality is the independent variable, and even the long-term effect due to the income inequality is the dependent variable. It is also observed that outsourcing and governmental policies, such as specific employment laws, are often responsible for the development of increasing income. It even provides limits in community development, which mainly include access to education and even healthcare services in the case of lower-income individuals.

Chapter 6: Conclusion

Summary of findings

Income inequality is the uneven distribution among groups, individuals, and populations within a society. Income distribution equality among the people in the economy is the equilibrium notion in the economy, which helps to maintain the standard of living and the purchasing power of the consumers. At the macroeconomic level, income inequality in the community of development limits the accessibility to education and healthcare services for lower-income individuals, and it impacts social mobility and leads to the creation of a less skilled workforce in business. In this developed country, the COVID-19 situation increases income disparities, especially for the lower-income groups, who face high job losses. Global investment and trends in the economy create high competition, which depresses the wages in certain industries while increasing the profit of other sectors. In the case of global investment, this creates an effective gap between the distribution of income and even the gap between high-skilled as well as low-skilled employees.

It is concluded that income inequality not only impacts the people in the nation, but it also has a long-term impact on the economic stability in the four developed countries, like the USA, Australia, Singapore, and the UK. The results show that, despite differences in its causes and effects, "income inequality is a significant problem in all four countries. Due to regional inequalities, 'inadequate social safety nets', and little economic redeployment, the UK and the USA have large income differences. Australia, on the other hand, has difficulties with growing prosperity inequality, particularly in property, but upholds a comparatively effective income distribution due to robust social policies. Due to a "dual labour market" that includes "low-wage migrant" labourers and well-paid specialists, Singapore has a high level of income disparity. Apart from that, it has also been found that the government responses differ in the different nations. In order to reduce income inequality, the UK government has relied on the minimum wage rate and "universal credit," but has faced the issues related to austerity. On the other hand, although the USA lacks federal cohesiveness, it does implement state-level programs such as the Earned Income Tax Credit. Inequality has been successfully reduced in Australia thanks to its worldwide healthcare and liberal taxation. The Workfare programs and CPF are part of Singapore's strategy; they provide targeted assistance but little structural change.

From the correlation test, it is found that the a significant value between the high impact inequalities in the nation with its impact on the stability of the economy, and even reduces political stability, and reduces customer demand, as well as impacts on healthcare as well as educational systems. There has been a significant relationship that states that income inequality highly affects the economic stability within the nation, and even states that a high level of income inequality declines the stability of the economy.

Recommendation

The recommendations for reducing income inequality or developed nations are increasing the income of poor populations in society. It should be done by means of improving wages or employment, and it should also be done by means of cash welfare payments or with the help of a universal basic income. Moreover, access to education should be improved for all sections of the population, which helps in developing skills, and also improves the income distribution in society, which is also connected with the specific skill set, and ensures the right opportunities for individuals during their youth.

The recommendations for the reduction of income inequality should also be done by means of targeting specific areas, which constitute the land ownership and labour market, as well as by means of trade negotiations. Also, inclusive growth should be promoted, which is possible to be achieved by means of women's empowerment and creating opportunities for young people, as well as the disadvantaged communities, which helps in fostering international cooperation. The improvement of social services should also be done by means of creating proper access to social protection, and also, it should be done by means of a fair taxation system, which is rooted in the economic, social, political, and environmental resources in the country.

Healthcare access should be free for all individuals, which would ensure that poor people do not end up spending too much on their health. Along with that, it should also be done for the sake of ensuring the right kind of reduction in the spread of viruses in the local community, which would improve the overall development. With the help of providing social security in the field of education, like providing free education for all, and also, by providing scholarships to students from poor families, the interest towards education is consecutively increased, and it should be done in order to generate the maximum influence on the study.

Future research

In case the present research is conducted in the future, it will be ensured that the research will be completely based on increasing the number of participants, and also by increasing the number of questions in the survey, in order to improve the authenticity. The future research will be conducted by means of at least 200 respondents, and also, there will also be a minimum of 20 questions that will be used in the context of this study. Also, there are other parameters like that as using tools like increasing the number of interview respondents from 7 to at least 10 in number in order to increase the research authenticity. Furthermore, the research would be done by means of directly conducting the interview instead of online in order to generate real-time information, and also, for observation of their mood in order to ensure the right kind of understanding of the study.

In the future, the thematic analysis will also be conducted from both secondary as well as primary sources in order to generate the maximum number of objectives for the purpose of this study. While the secondary themes are generated, it would help in doing a comparative analysis, and with an increasing number of participants and statistical data, the research would be more authentic. Along with that, it would also constitute making the topic more specific, like concentrating on a specific country, such as the UK, in order to understand the context of income inequality, and not just in a generic way.

While doing the research in the future, I would also concentrate on extracting quantitative data from websites like Statista and other authentic sources about income inequality in specific countries, such as the UK, the US, Australia, and Singapore, in order to ensure the appropriate development of this study. It would also help in generating the maximum amount of output that is necessary in order to develop the study in an appropriate manner, as well as improve the system by enhancing the method of driving the accuracy of this system.

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Appendix

Survey Questions

1. What is your age?

- 18-21
- 22-25
- 26-30

2. What is your gender?

- Male
- Female

3. Where are you from?

- UK
- US
- Singapore
- Australia

4. Do you agree that income inequality is high in your nation?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

5. What is the impact of income inequality?

- Unequal distribution within households
- Limits the accessibility to education and healthcare services
- Social mobility
- Lower-income individuals
- Less skilled workforce in the business

6. Do those impacts affect the economic stability of your nation negatively?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

7. Which factors impact the income distribution in your country?

- Population under high poverty line
- The gap between the income distributions among high and low-skilled employees
- Technological adaptation
- Unemployment rate
- All of the above

8. Does your government take any approach to addressing income inequality?

- Yes
- No

9. What kind of approaches have been taken by them?

- Developing several policies
- Reduce income inequality by anti-discrimination law
- Provide equal opportunities to all people
- Investment to stimulate economic activity
- Developing country's infrastructure
- Supporting human capital development
- All of the above

10. What do you want to suggest for lowering wealth disparity and maintaining long-term economic stability?

- Increasing access to education for all
- Focusing on fiscal policies
- Providing welfare programs and financial support
- Incorporating training and employee skills development opportunities
- All of the above

Interview Questions

How do you understand my income inequality?

Responses	**Answers**
1.	It means that every individual does not have money.
2.	It means some people do not have the ability to meet their basic needs.
3.	It means poor people suffer in spite of the overall country's development.
4.	It means that vulnerable individuals have lack of housing and other facilities.
5.	It means also the lack of proper healthcare and medical facilities for the poor.
6.	It means that poor and wealthy people have stark differences in their lifestyles.
7.	It means that income is unequal among the population.

What are the causes of income inequality according to you?

Responses	**Answers**
1.	I think a lack of education is mainly responsible for income inequality.
2.	I think lacking the ability of technological change is often responsible for reduced income.
3.	I think the stagnation of wages is also responsible.
4.	I think outsourcing and governmental policies are responsible.
5.	I think the reduction in the power of trade unions is responsible.
6.	I think unequal sharing of business profit is responsible.
7.	I think racial segregation, and discrimination are responsible.

What are the impacts of income inequality in developed nations?

Responses	**Answers**
1.	I think it reduces social cohesion among the developed nations.
2.	I think it results in political polarization and lower economic growth.
3.	I think the poverty reduction in society is harmed.
4.	I think it damages the fulfilment and self-worth of individuals.
5.	I think income inequality weakens social mobility and even focuses on creating wealth gaps.

6.	I think it leads to instability in the political aspects and even increases polarisation.
7.	I think it has an impact on economic growth because the lower-income groups have less spending power.

What is the long-term effect of income inequality on economic stability in developed nations?

Responses	**Answers**
1.	I think it mainly increases the risk of a financial crisis.
2.	I think the long-term inequality weakens customer demand and even slows down economic growth.
3.	I think it provides greater public debt, and even the government focus on providing public safety nets.
4.	I think income inequality impacts the trust in the case of economic institutions and even maintains the overall stability.
5.	I think it even causes discouragement in education and even skills, which reduces workforce productivity.
6.	I think makes an impact on society and even makes an impact on the political structure, which mainly makes an impact on the economic growth.
7.	I think it focuses on innovation to assess the limitations to gain the opportunities and resources in the case of a large part of the population.

How do you think it is possible to be mitigated?

Responses	**Answers**
1.	I think it is possible to mitigate this through investing in education.
2.	I think it is possible to mitigate this through a focus on taxation.
3.	I think it is possible to mitigate this by investing in welfare.
4.	I think it is possible to mitigate this through a focus on regulations.
5.	I think it is possible to mitigate through investment in innovation.
6.	I think it is possible to mitigate this through a focus on redistribution.
7.	I think it is possible to mitigate this through investment inclusion.