Globalisation and inequality

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Poverty – what do you think?

In the last 30 years, the proportion of the world living in poverty has:

A. Increased
B. Remained around the same
C. Decreased
In recent years the distribution of incomes in the world has:

A. Stayed around the same  
B. Become more unequal  
C. Become more equal
91 per cent of British people believe that the proportion of people in poverty has increased or remained the same in recent decades

94 per cent under-estimate the proportion of girls finishing school in low-income countries
92 per cent of Americans think that the share of the world’s population in poverty has risen over the last two decades

Only one per cent accurately estimate that the share of the population in extreme poverty has halved

The Chinese are closer to reality
Global inequality has fallen significantly over the last decade
  • This trend is likely to continue until 2035 at least
• *Between countries*, inequality has fallen
• Demographic trends have been and will be important
• Inequality might increase *within a country* as a country develops
• Most richer countries *are* getting more unequal
• Top one per cent – see later
Inequality – the facts (2)
It pays to be miserable

- The psychology of moralisation
- Virtue signalling
- Good news is not interesting
Looking for clouds in silver linings

Oxfam’s Campaigns

What they don’t say:

• It is income, not wealth, that matters
• This refers to “net wealth” (a Harvard graduate is in the 3.6 billion!)
• About 3.6 billion people in the world are below age 30: even in the west people below 30 do not have net wealth
• In the West most poor people have their wealth in the form of entitlements to future state pensions and healthcare – this does not count in Oxfam’s figures
A matter of life and death...

- Christians should be concerned but not sensationalise
- They should look for the truth and learn to make prudent judgements
- Politicians and church leaders have a responsibility
What is globalisation?

- Free movement of goods, services, capital and people
- Development of global supply chains
  - Is there such a thing as an American or German car?
  - To buy “American” buy “foreign”!
- The free movement of capital
  - Chinese savings finance US government borrowing
  - A US company bought UK chocolate maker, Cadbury
  - But, who owns the Kraft
- The movement of people
Who owns...?
Is globalisation new?

Venice 14th century

Liverpool nineteenth century

Shanghai 21st Century
The impact of globalisation

- It benefits the poor in poor countries the most
- Inequality between countries has fallen
- Inequality within countries has often risen, especially in formerly destitute countries
- Other measures of development have improved hugely – especially for the poor
- All benefit to some extent
- But...
The global one per cent
To conclude...

- Should inequality or poverty be our focus?
- Envy is no basis for public policy or civilised discourse
- Globalisation has helped the poor – especially the very poor in very poor countries
- The impact on inequality is ambiguous but, in many ways, globalisation has reduced inequality
Johan Norberg, Progress – Ten Reasons to Look Forward to the Future, published by Oneworld


Max Roser, Our World in Data Website (click on "Growth and Inequality") [https://ourworldindata.org/](https://ourworldindata.org/)