

GLOBAL ECONOMIC INEQUALITIES

Lecturer: Dr Thomas Fetzer

Course objectives

Does globalization reduce income and wealth inequalities? Or does it make the rich richer and the poor still poorer? In this course, we will examine long-term trends in global economic inequalities between and within countries, and we will engage with the most important controversies about the measurement and interpretation of inequality. In the first part of the course, major theoretical approaches to global inequality will be introduced and discussed against the backdrop of macro-level aggregate data. Subsequently, we 'zoom in' to consider the inequality effects of trade, cross-border capital movements and international migration. The course also highlights major recent debates about how reforms of the global economic system could help to address inequality problems.

By the end of the course students will be able to:

- 1) discuss and critically assess the most important theoretical approaches to issues of international distributive justice
- 2) identify key trends of inequality development between and within countries
- 3) engage with major debates about the relationship between globalization and economic inequalities

Course Requirements

1. Attendance and active participation in class discussions (20 % of final grade).
2. Seminar presentation (15 % of final grade)
3. Summary and critique of readings (25 % of final grade)
4. Final essay (40% of final grade).

Course Outline and Readings

Seminar 1: Introduction - why does global economic inequality matter?

PART I: Conceptual and methodological issues

Seminar 2: The Concept of (In)Equality

Stuart White, *Equality*, Cambridge: polity, 2007, pp. 1-14, 53-63 ('meritocracy'), 78-89 ('luck egalitarianism')

Seminar 3: The Concept of (In)Equality (cont.)

John Rawls, 'Justice and Equality', in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings*, Oxford: Oxford University Press, 1997, pp. 183-190.

John Roemer, *Equality of Opportunity*, Cambridge (Ms.): Harvard University Press, 1998, pp. 1-24.

Seminar 4: From domestic to global inequality concepts

Thomas Pogge, 'An Egalitarian Law of Peoples', *Philosophy and Public Affairs* 23 (3): 1994, pp. 195-224.

David Miller, 'Justice and Global Inequality', in A. Hurrell and N. Woods (eds.), *Inequality, Globalization and World Politics*, Oxford: Oxford University Press, pp. 187-210.

Seminar 5: Problems of economic inequality measurement

Branko Milanovic, *Worlds Apart: Measuring International and Global Inequality*, Princeton: Princeton University Press, 2005, pp. 7-19

Bob Sutcliffe, 'World Inequality and Globalization', *Oxford Review of Economic Policy*, 20 (1), pp. 15-37

Seminar 6: Aggregate trends of global economic inequality

Francois Bourguignon and Christian Morrisson, 'Inequality among World Citizens: 1820-1992', *American Economic Review*, 92 (4), 2002, pp. 727-744.
Thomas Piketty, *Capital in the Twenty-First Century*, Harvard University Press, 2014, pp. 237-265.

PART II: Globalization and economic inequality

Seminar 7: Globalization: A brief introduction

Jan Aart Scholte, *Globalization: A Critical Introduction*, 2nd. ed., Houndmills: palgrave, 2005, pp. 49-84.

Seminar 8: Globalization and economic inequality: Contrasting approaches

Martin Wolf, *Why Globalization Works*, New Haven: Yale University Press, 2004, pp. 40-45, 53-57.

Leslie Sklair, 'Sociology of the Global System', in Frank J. Lechner and John Boli (eds.), *The Globalization Reader*, 3rd ed., Oxford: Blackwell, 2008, pp. 62-69.

Immanuel Wallerstein, 'The Modern World System as a capitalist world economy', in Frank J. Lechner and John Boli (eds.), *The Globalization Reader*, 3rd ed., Oxford: Blackwell, 2008, pp. 55-61.

Seminar 9: Within-country-inequality: Many causes beyond globalization

Stephen Machin, 'Education and Inequality', in: Wiemer Salverda et. al. (eds.), *The Oxford Handbook of Economic Inequality*, Oxford: OUP, 2009, pp. 406-431.

Gosta Esping-Andersen and John Myles, 'Economic Inequality and the Welfare State', in: Wiemer Salverda et. al. (eds.), *The Oxford Handbook of Economic Inequality*, Oxford: OUP, 2009, pp. 639-664.

Seminar 10: Globalization and within-country inequality (I): Trade, migration and income inequality in the West

Josh Bivens, 'Globalization, American Wages and Inequality', EPI Working Paper 279, 2007.

Will Somerville and Madeleine Sumption, *Immigration and the labour market: Theory, evidence and policy*, Migration Policy Institute, 2009.

Seminar 11: Globalization and within-country inequality (II): Income inequality in non-Western countries

Pinelopi Koujianou Goldberg and Nina Pavcnik. 'Distributional Effects of Globalization in Developing Countries', *Journal of Economic Literature*, 45(1), 2007: 39-82.

OECD, *Divided We Stand: Why inequality keeps rising*, 2011, pp. 47-82.

Machiko Nissanke and Erik Thorbecke, 'Globalization, Poverty and Inequality in Latin America: Findings from Case Studies', *World Development*, 38 (6), 2010: 797-802.

Seminar 12: Globalization and within-country inequality (III): Capital mobility and taxation

Philipp Genschel and Peter Schwarz, 'Tax competition: A literature review', *Socio-Economic Review* 9, 2011, pp., 339-370

Ronen Palan et. al., *Tax Havens. How Globalization really works*, Ithaca: Cornell University Press, 2010, extracts

Seminar 13: Globalization and within-country inequality (IV): Capital mobility and the welfare state

Philipp Genschel, 'Globalization and the Welfare State: A retrospective', *Journal of European Public Policy*, 11 (4), pp. 613-636.

Seminar 14: Globalization and within-country inequality (V): The impact of globalization on capital-labour relations

Beverly Silver, *Forces of Labor. Workers' Movements and Globalization since 1870*, Cambridge: CUP, 2003, pp. 1-12, 168-179.

Marten Keune and Verena Schmidt, 'Global capital strategies and trade union responses: Towards transnational collective bargaining?' AIAS, 2009.

Seminar 15: Globalization and between-country inequality (I): Market access and protection

Ha-Joon Chang, *Kicking Away the Ladder: Development Strategy in Historical Perspective*, Anthem Press, 2002, pp. 13-59.

Douglas A. Irwin, 'Interpreting the Tariff-Growth Correlation of the late nineteenth century', NBER Working Paper 8739, Cambridge (Mass.): 2002.

Seminar 16: Globalization and between-country inequality (II): Intellectual Property Rights

Anna Lanoszka, 'The Global Politics of Intellectual Property Rights and Pharmaceutical Drug Policies in Developing Countries', *International Political Science Review*, 24 (2), 2003, pp. 181-197.

Daniele Archibugi and Andrea Filippetti, 'The Globalisation of Intellectual Property Rights: Four Learned Lessons and Four Theses', *Global Policy*, 1 (2), 2010, pp. 137-149

Seminar 17: Globalization and between-country inequality (III): International trade and world poverty

David Dollar and Aart Kraay, 'Spreading the Wealth', *Foreign Affairs*, 81 (1), 2002, pp. 120-133.

Robert Hunter Wade, 'The Disturbing Rise in Poverty and Inequality: Is it all a "Big Lie"', in David Held and Mathias Koenig-Archibugi (eds.), *Taming Globalization. Frontiers of Governance*, Cambridge: polity, 2003, pp. 18-23, 30-46.

Seminar 18: Globalization and between-country inequality (IV): Foreign direct investment

Stephen Hymer, 'The multinational corporation and the law of uneven development', in J. N. Bhagwati (ed.), *Economics and World Order*, London: Macmillan, 1972.

J. Narula and John Dunning, 'Multinational Enterprises, Development and Globalization: Some Clarifications and a Research Agenda', *Oxford Development Studies*, 38(3): 2010, 263-287.

Seminar 19: Globalization and between-country inequality (V): International Migration

Devesh Kapur and John McHale, *Give us your Best and Brightest: The Global Hunt for Talent and its Impact on the Developing World*, 2005, pp. 1-10.

Hein De Haas, 'International Migration, Remittances and Development: myths and facts', *Third World Quarterly*, 26 (2005): 1243-1258.

PART III: Debates about reform and alternatives

Seminar 20: Debates on reforms of the global trade system

Joseph Stieglitz, *Making Globalization Work*, New York: Norton & Company, 2006, pp. 61-101.

Kimberley Ann Elliott and Richard B. Freeman, 'The Role Global Labour Standards could play in addressing basic needs', in: Jody Heimann (ed.), *Global Inequalities at Work*, Oxford: Oxford University Press, 2003, pp. 299-327.

Seminar 21: Debates on reforms of global tax regulation

Thomas Piketty, *Capital in the Twenty-First Century*, Harvard University Press, 2014, pp. 515-539.

John Christensen and Richard Murphy, *Tax us if you can*, chapter 5.

Seminar 22: Fair trade, microfinance, corporate social responsibility: Towards alternative bottom-up regulation?

Gavin Fridell, 'Fair Trade Coffee and Commodity Fetishism: The Limits of Market-Driven Social Justice', *Historical Materialism* 15 (2007), pp. 79-104.

Milford Bateman and Ha-Joon Chang, 'Microfinance and the Illusion of Development: From Hubris to Nemesis in thirty years', *World Economic Review* 1: 2012, pp. 13-36.

Michael Blowfield, 'Corporate Social Responsibility: Reinventing the meaning of development?', *International Affairs*, 81 (3), 2005, pp. 515-524.

Seminar 23: Addressing inequality through migration liberalization?

Joseph H. Carens, 'Aliens and Citizens: The Case for Open Borders', *Review of Politics*, 49 (2), 1987, pp. 251-273.

Seminar 24: Conclusions