**Macroeconomia II – AP 10**

**The Globalisation of Inequality**

Max Weber Lecture Series

Francois Bourguignon

Please answer the following questions using your own words:

**Question 1:** Why is there an apparently contradictory evolution in the global inequality in income or living standards over the past quarter-century? (p. 4)

**Question 2:** What is the situation of inequality today? (p. 1)

**Question 3:** According to OECD figures, inequality in standards of living increased in more than two-thirds of developed countries between 1980 and 2000. What explains these changes) (p. 1)

**Question 4**: List the main factors explaining increase in inequality that are indirectly linked to globalisation and others that are country specific (p. 2)

**Question 4**: What are the main problems of salary distortions? (p. 2)

**Question 5**: What are the main factors that have contributed to the aggravation of inequalities inside developed countries? (p. 2)

**Question 6**: Why does inequality growth with development? (p. 3)

**Question 7:** The author references Brasil as an example of inequality reduction in developing economies. Discuss the measures taken by Brasil, as cited by the author, that contributed to reductions in inequality.

**Question 8:** List and briefly discuss the main three types of interventions possible to alleviate the increase in inequality mentioned in the paper (p. 5)

**Question 9:** From the reading, briefly explain why it would be theoretically “easier”for emerging economy countries to enhance redistributive policies via a progressive tax system than developed economy countries with greater mobility of people than capital (p. 5)

**Question 10:** The possibility of imposing foreign trade protectionism by developed economies against developing economies is discussed in the reading. Based on the author’s arguments, what are the potential advantages and disadvantages of these policies? Does the author consider trade protectionism an efficient way to fight inequality? (p. 6)