

Global Income Inequality

What It Is and Why It Matters

Branko Milanovic

The World Bank
Development Research Group
Poverty Team
March 2006



Abstract

The paper presents a nontechnical summary of the current state of debate on the measurement and implications of global inequality (inequality between citizens of the world). It discusses the relationship

between globalization and global inequality. And it shows why global inequality matters and proposes a scheme for global redistribution.

This paper—a product of the Poverty Team, Development Research Group—is part of a larger effort in the group to study inequality and globalization. Copies of the paper are available free from the World Bank, 1818 H Street NW, Washington, DC 20433. Please contact Rosalinda Lema, room MC3-556, telephone 202-458-2033, fax 202-522-1153, email address rlema@worldbank.org. Policy Research Working Papers are also posted on the Web at <http://econ.worldbank.org>. The author may be contacted at bmilanovic@worldbank.org. March 2006. (35 pages)

The Policy Research Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about development issues. An objective of the series is to get the findings out quickly, even if the presentations are less than fully polished. The papers carry the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the International Bank for Reconstruction and Development/World Bank and its affiliated organizations, or those of the Executive Directors of the World Bank or the governments they represent.