

# Introduction of Branko Milanović

*by Casper Thomas*

Good evening ladies and gentlemen, and once again welcome here in Pakhuis de Zwijger on behalf of the John Adams Institute. My name is Casper Thomas, editor at *De Groene Amsterdammer*. I am honoured to be standing here tonight as your moderator for an evening with a very special guest on what is surely one of the most pressing global issues of our time: the gap between the fortunate and the unfortunate, between those who manage to climb the ladder of income and capital and those whose journey upwards halts almost immediately.



On this topic of winners and losers of globalisation, Mr Branko Milanović, one of the world's most renowned economists, will enlighten us further tonight.

As you all know, every political conversation, no matter how big or small, has issues that are left unmentioned. There is always a perspective not chosen, because it conflicts with dearly treasured convictions or an uncomfortable fact that is rather ignored because it might not fit with the argument. I am happy to be speaking English here tonight, otherwise I would have struggled with a clumsy Dutch translation for what in English is so beautifully known as 'the elephant in the room'.

Inequality for a long time was such an ignored topic, at least as far as the general public was concerned. The dominant idea in political economy was that a rising tide would simply lift all boats. The fact that some boats rose much faster than others and that some vessels have so many holes in them that they almost sink, was considered to be less important in policy circles. And if anything, wealth would trickle down. Even if the rich got richer, the money that they spent would somehow end up in other people's pockets. The question just how many other pockets and whose pockets exactly, remained largely unanswered.

It is the task of intelligent women and men to poke holes in such assumptions and point out the uncomfortable facts. Mr Branko Milanović, who has devoted his career to studying inequality, is such a person. He first studied income inequality in the 1980s as a doctoral researcher in his native Yugoslavia. He then joined the World Bank where for over twenty years he worked as lead economist studying the distribution of wealth and income between the rich and poor. The multiple books and countless papers he has published during the past decades of globalisation consistently pointed out how and why inequality grows and under what circumstances it can be reined in. More recently, he joined the City University of New York and the Luxembourg Income Studies Group to further work on income inequality, globalisation and global equity.

This way, Mr Milanović forms the heart of a network of thinkers that concern themselves with one of the foundational questions of the economic discipline: how scarce prosperity ends up being divided in a world full of individuals that try to lay as large a claim as possible on the economic pie. I mentioned economics, but this immediately shows how questions of money are inextricably linked to questions of power, politics and geography. Mr Milanović, and that is what makes his work so intriguing to read, fully exploits the linkages between economics and other disciplines.

'Reading about global inequality is nothing less than reading about the economic history of the world', as Mr Milanović writes. Indeed, taking stock of his work makes you understand how historical trajectories shape economic outcomes and how political struggle lies at the basis of achieving a more just division of the world's riches. This makes him - and here I leave the commitment to equality for a brief moment - belong to the global 1% of thinkers on this topic.

Over the last few years, the issue of inequality has found its way to the public agenda. In addition to Mr Milanović' work, Occupy Wall Street, the movement that protested in the name of the 99%, and the work of Thomas Piketty have contributed to this. Victor Hugo said that no army can stop an idea whose time has come. That is true, but for that moment to arrive, an idea has to be maintained, nurtured and honed until its time is finally there.

In the case of rising inequality under conditions of global capitalism, Mr Milanović is the one who has committed himself to this important task. It was he who directed the eyes of the broad public to Piketty's work, a public which subsequently discovered a treasure trove of studies on inequality that was already there for policymakers and journalists to draw on. This body of work was for a large part put together by Branko Milanović himself.

'*Global inequality. A new approach for the age of globalisation*' is Mr Milanović' most recent book. It is what has brought us here together tonight. I will not say too much about it now, except that it brings the discussion of inequality to where it should be now. In an age of globalisation and migration, it is only natural that we discuss disparities in income and capital in a global perspective.

Not just the differences within countries matter, but also the differences between countries. Because just as has occurred in previous episodes of globalisation, a global class system has emerged. Today, we see the rise of a super rich jet set, with lives and capital that are not bound to a particular place. A global middle class, of which the lower rungs just about manage to make ends meet. And the poor that fall behind, a group whose geographical spread no longer neatly coincides with an East-West division.

In his book Milanović draws attention to these new fault lines and to what the current wave of globalisation means for economic disparities between people. He does so again by presenting an elephant. Not just in the room, but also in the department of statistics. His famous graph with an income curve that resembles an elephant with

an upturned trunk tells the story of globalisation today and of a new alignment between the different parts of the world.

This way, Mr Milanović raises important moral and political questions that are directly relevant to us here today. To whom do we owe the obligation to spread our wealth? What room is there for global politics to prevent inequality from growing to unsustainable levels? What is the responsibility of the individual for worldwide inequality?

This and more I hope to discuss with him tonight, and with you, the audience. But before that, please let me invite Mr Branko Milanović on the stage for to share his ideas with us.

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