

8

Redistribution policies in a globalized world

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8.1 Introduction

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Figure 8.1 A stylized economy

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Figure 8.2A Economic integration and decreasing inequality

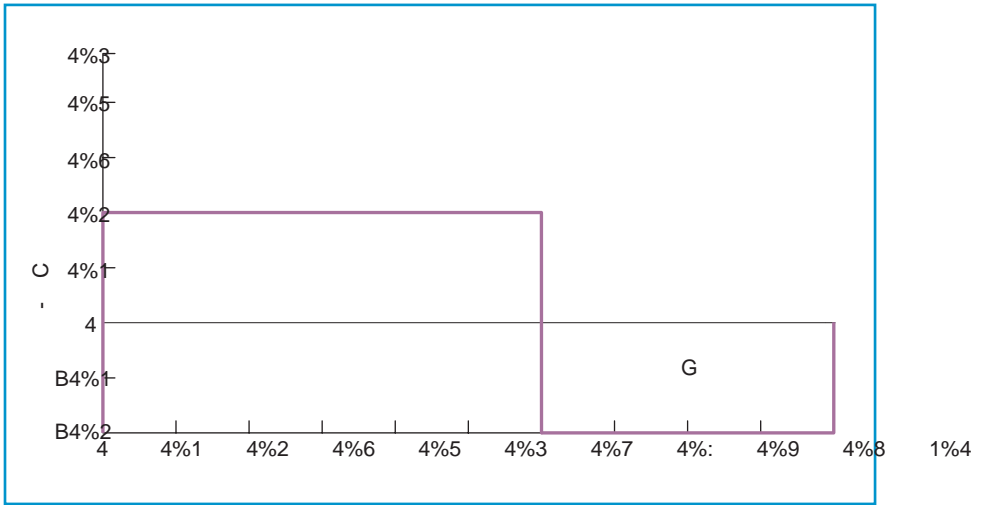
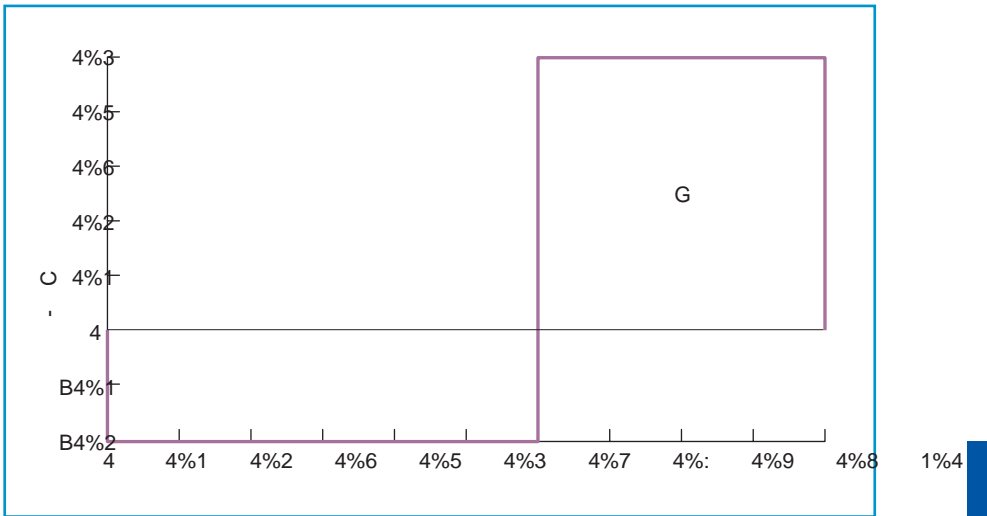


Figure 8.2B Economic integration and growing inequality



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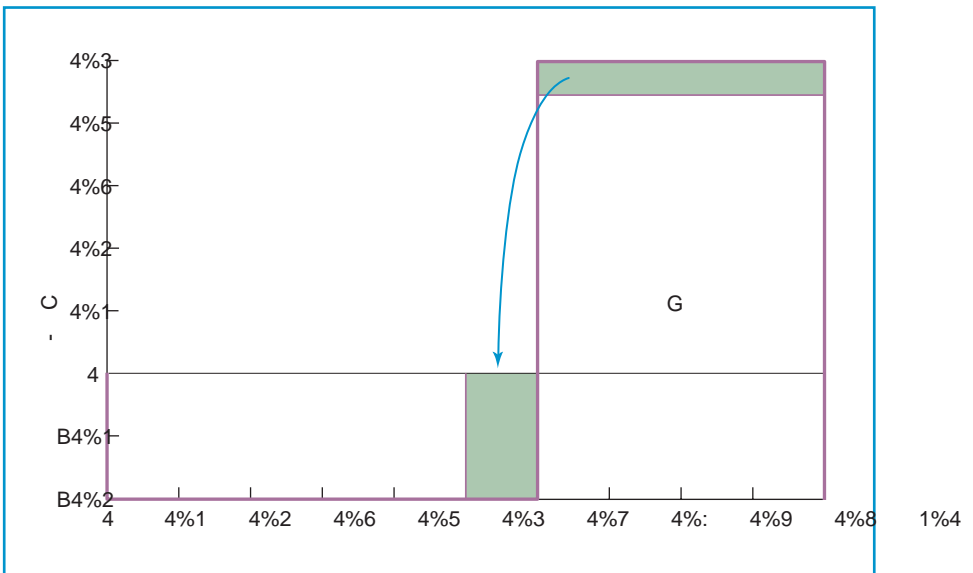
8.3 Globalization and compensation

The promise of compensation

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Figure 8.3 Compensation and free trade



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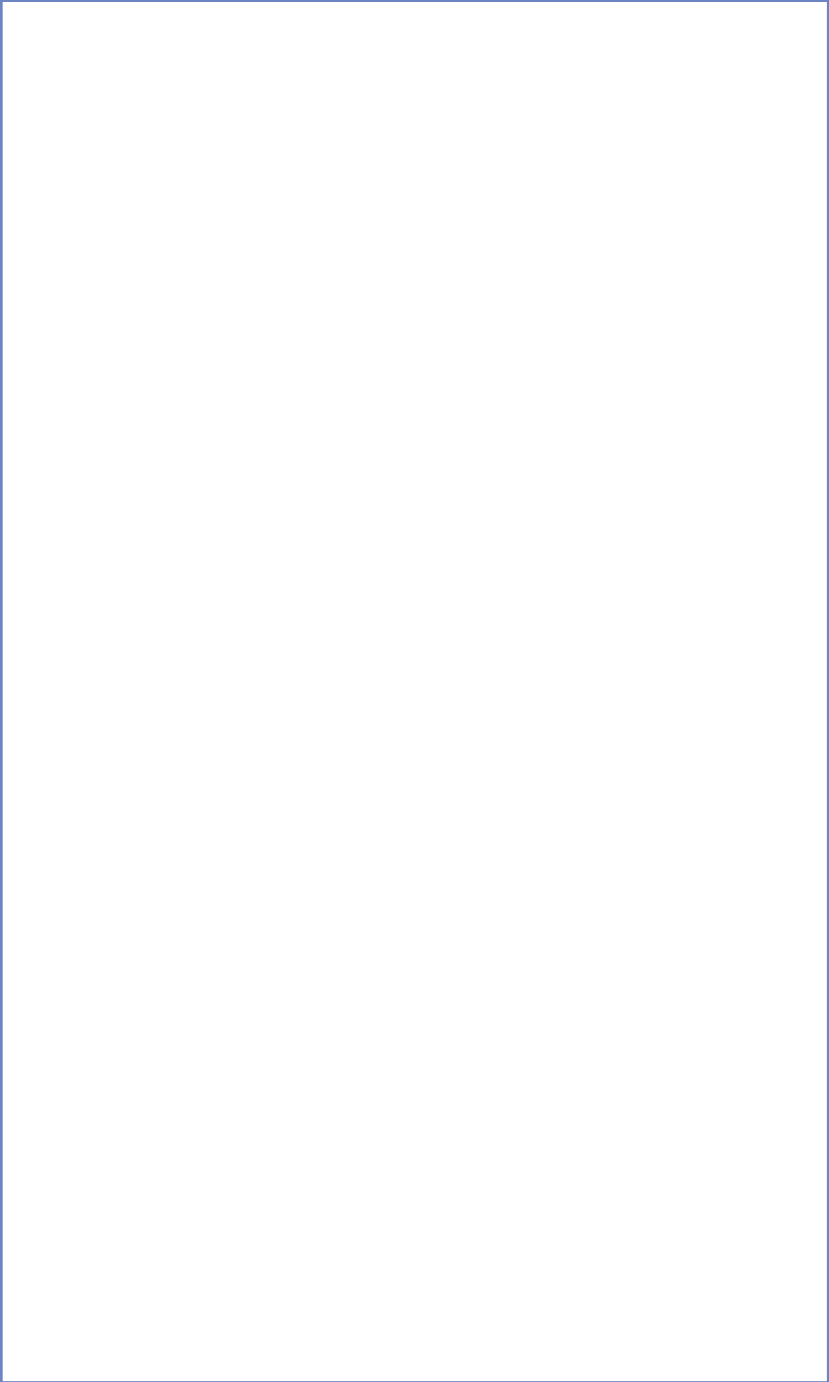
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Figure 8.4



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7 N ' ! " ! >
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"- = -" " 5 ! ! 2
* 0 ' = 1!) " G ! !!
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Protectionism versus free trade and compensation

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Figure 8.5 The evolution of tariffs, 1865 –1999



" 5 ! " ! \$! !
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The compensation –liberalization nexus in developing countries

8.4 Are welfare states sustainable in a globalized world?

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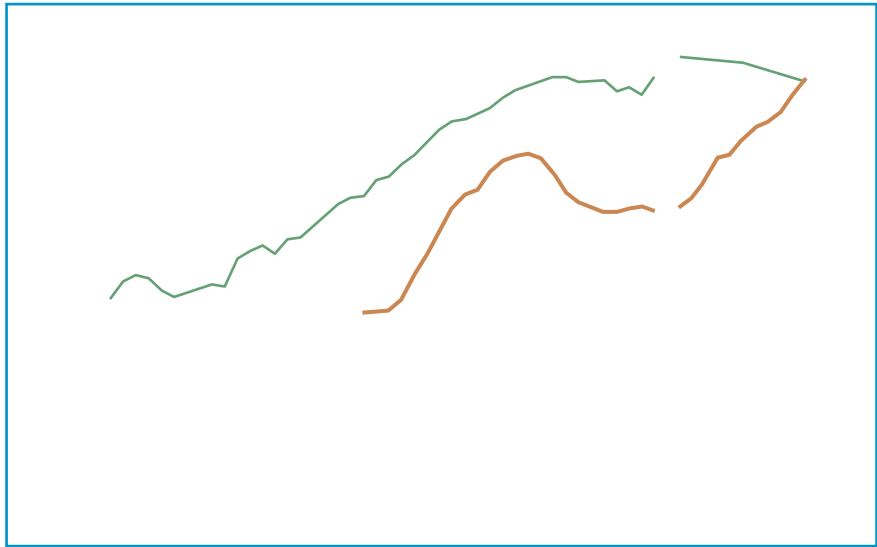
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" ! *0 ** = % 7 " !5 @ ** +A
! ! 7 ! !

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6" ! !B 1 ! ! 8!
 1! !@ ! *,= ! \$ **?A
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 " & = ! ! !7=! !'
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 5! < ! ! !! \$!
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 " - 3 ! = 5 !
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Figure 8.6 The evolution of public revenue and trade, 1950 –2005



8 = 7 !
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" ! 6 !
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Endnotes

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 # 1! ! *. = *. !! !!
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 C !) ! *0 *?*
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!!  ! "      @(<= /A ' =!
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      ! =! (<@ .A 2
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>  - "  ! ! !!  15 - !      !
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C  = *,A

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References

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' 8      =F 0?=)  =' =  * ?

SJ S . M$      3 1  " !! N=
C  1 8!      @ !A3      " 2 .0 ( 9 4      " $ 2
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) . = ?+ +?

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@#!  =C A

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SJ ' 5 != ' . M8 ! 7 N= " 4 = F 00=) /= K =
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 %(4 /0 ! = F +=) /= /. ?

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% !!A

S M\$! !> ! 7 N= L E ! = !
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! 0 + < !N= :\$ *\$ 24 : (5 = F /=) =

6 !=K J 8 = 'C J % = 0 M ! !
8 C3 1 ! ! !N=
' 8 =F 0*=) = ' = /+./*/

6! <=& K J I ! = ' , M\$!! = ! =
! N= 1 K ! !8 ' @ !A3 , # "(5 " "22 \$ @)"
L 5= A= ,

6 = * M > 3# > ! ! !
7 N= "4 =F ?=) /=1 = 0,* =?

6" = 1 **+ " " # : ' "; @ C=@ C @)" L 5= < E !
% !!A

6 =8 **? M ! ! 1 3) !!' C
!N= 8! -1 ! @ A3 2 9 " ' #
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E ! % !!A

I = J' -E =1 M 7 = ! != ! !
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& =K & **0 \$ " " **0% W

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 ' 8 = F 0?) = 1 = / //0

S / M !!=" ! = > " N=
 \$" >\$ 5 = F /,) .' = ? , . + *

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 " 0 ! " @) " L 5= < E ! % !!A



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\$! 4 5 ! ! 3

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8 3 9
! 3 "" : !

\$ 7
0/ !
6-
" 7
\$ 3;/ +.* 0 ,
2 < 3;/ +.* 0/0,
8 3 !9"
! 3 "" "
\$ 5! 3 3:: 5! "
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