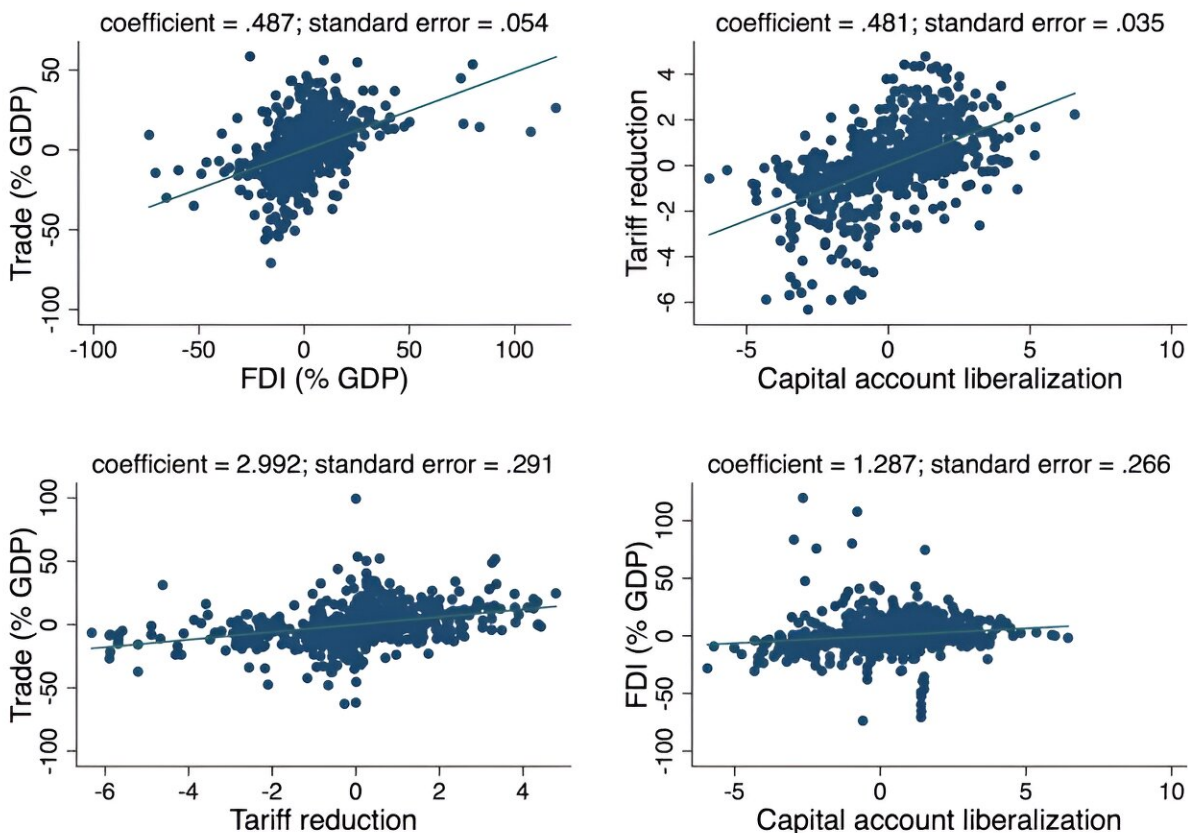


The top 10% are the main beneficiaries of globalization, says study

May 8 2024, by Linda Schädler



Collinearity of globalization indicators. Credit: *The Journal of Economic Inequality* (2023). DOI: 10.1007/s10888-023-09593-7

The income of many people around the world has considerably increased due to the economic globalization of the last 50 years. However, these

income gains are unevenly distributed. A study by Dr. Valentin Lang, junior professor of political economy at the University of Mannheim, and his co-author Marina M. Tavares of the International Monetary Fund shows that the top 10% of the national income distributions, in particular, have benefited from this development.

In their study, [published](#) in *The Journal of Economic Inequality*, the researchers tried to answer the questions if and how the [globalization](#) of the last 50 years has affected inequalities between people worldwide.

Their research found that globalization has led to greater [income](#) inequalities within many countries. The gap between rich and poor has widened particularly in countries that have become more integrated into the [global economy](#), such as China, Russia and some Eastern European countries. At the same time, globalization has reduced inequality between countries. The differences between countries therefore play an increasingly minor role in the global [inequality](#) rate.

"The influence of globalization on income inequalities worldwide was greater than we had expected," summarizes Valentin Lang, junior professor of International Political Economy at the University of Mannheim and author of the study. "We were particularly surprised that these differences were mainly due to the gains of the richest and that the lower income groups benefited little or not at all."

Increasing skepticism towards globalization

The study also shows that globalization in its early and middle stages led to considerable income increases in the individual countries but that the growth effects diminish as the degree of globalization increases. "The benefits of globalization become smaller during the integration process, while the costs of distribution become higher. This matches the increasing skepticism towards globalization which can be observed in

countries with a high level of economic integration," Lang concludes.

For analyzing economic globalization, the authors used a new empirical approach: They combined data on trade, financial flows and regulation from the past 50 years and related these to the different speeds and regional concentrations of economic liberalization measures in the individual countries.

More information: Valentin Lang et al, The global distribution of gains from globalization, *The Journal of Economic Inequality* (2023).
[DOI: 10.1007/s10888-023-09593-7](https://doi.org/10.1007/s10888-023-09593-7)

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