

Lost opportunities for global majority

By Nancy Birdsall

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From Ms Nancy Birdsall.

Sir, The US, where chief executives and superstars are being so richly rewarded, is still also an economy where opportunities to prosper are widely shared. So it will no doubt survive the rising inequality of its gilded age ("The rich rewards and poor prospects of a new gilded age", Martin Wolf, April 26). In the developing world the basic cause of rising inequality is more worrying. The globalisation of the market economy has combined with unequal access to education to ensure that most of its benefits go mostly to a privileged minority of the highly educated. Global markets naturally reward those with the asset that is most valued - and in the developing world today that is university education and the skills and flexibility it encourages.

Recently Moises Naim cited the World Bank saying there is evidence that world inequality is falling ("Let us abandon the fight against inequality", April 18). Measured across individuals independent of where they live, that is true - but mostly because in China and India millions of poor have escaped \$1 day poverty and now live on \$3 to \$5 a day. Within most developing countries the growing income gap between those with and without education means inequality is rising - in China, India, much of Latin America and in eastern and central Europe. The resulting frustrations and political pressures put at risk the benefits global markets can bring.

In the face of those pressures will China and India hew to the road of sensible economic reform, and will Latin America's new leaders resist the temptations of populism and protectionism? The problems of a new gilded age for the US are minimal compared with the lost opportunities for the great majority of the world's population in developing countries, who have not even secondary, let alone university, education. The solutions are obvious but difficult to implement: more widely shared access to education, less corruption and more effective public spending and, on the part of globophiles, less complacency about market-led growth and more emphasis on equal opportunity and social justice.

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