

populism

the challenge to economic freedom and
the countervailing response to inequality

- global inequality waxing again
- greater inequality within countries – US, Latin America, Asia, Africa – Gini Coefficients on the rise
- one of the greatest economic, social and political challenges of our time

inequality

- welfare populism as a function of inequality
- inequality in incomes and opportunities breed resentment and social discord
- allows for quick-fix approaches and easy promises for silver-bullet political solutions

**inequality/social divides =
populism**

- inverted U – relationship between inequality and prosperity
- rise in inequality before tapering off and achieving more prosperity as divides between haves and have-nots lessen
- but if inequality increases/divides widen, prosperity becomes elusive as populism becomes more pronounced, or virulent

Kuznets Curve

- can welfare populism be addressed without addressing inequality?

is inequality best addressed by government or state interventions – progressive taxation, handouts, greater investments in basic health and education?

problematique

- how do we make growth more inclusive and sustainable – essentially shrinking income gaps and getting out of ‘inequality traps’?
- with welfare programs and redistribution, and budget-spending reforms, albeit not directly ‘populist’?
- with anti-corruption/cronyism and building institutional transparency, accountability?

inclusive growth

- address '*unfreedoms*' (illiteracy, poverty, joblessness, disease, hunger) to allow for greater economic freedom – prosperity
- increase social mobility and allow for equality of opportunity
- freedom as both ends and means of development

development as freedom

- Government policy – driver for income redistribution
- Inequality is inefficient - reduces growth, increases income gaps, reduces social mobility
- Greater investment in anti-corruption/cronyism – and in basic health and education

thematic arguments

Freedom has a thousand charms to show

That slaves howe'er contented never know

- William Cowper