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Marginalization in a Globalizing World: Some Plausible Scenarios and Suggestions for Measurement

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Abstract

It is argued that, while globalization leads to potential benefits for all, it has a tendency to marginalize and impoverish certain groups of people and regions. If we are to reap the full benefits of globalization we should recognize this possible negative fallout and try to design policies that curb it. To encourage governments to adopt such policies that are equity-conscious it is suggested that the welfare of a nation not be equated with its per capita income, as we generally tend to do. Instead we should measure it in terms of the per capita income of the poorest 20 percent of the population, the choice of “20” being based on a combination of moral and pragmatic considerations. The paper demonstrates what such a switch in focus to “quintile” incomes would do to the ranking of nations using data from the *World Development Indicators 1999*. It also discusses the effect on policy that a quintile focus is likely to bring about.

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