

Briefly Noted

The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality, Branko Milanovic (New York: Basic Books, 2011), 272 pp., \$27.95 cloth.

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In this compact and lively examination of the nature, history, and causes of inequality, Branko Milanovic discusses a series of issues that continue to puzzle economists. How, for example, can we measure inequality between countries? What is the relationship between inequality and economic growth within a state? Does globalization contribute to—or, alternatively, lessen—absolute world inequality? What of its effect on inequality within societies? Milanovic, the lead economist at the World Bank's research division in Washington, D.C., explains the history of these debates, and the current consensus (or lack thereof) about the questions they seek to answer.

Take, for instance, the relationship between a state's income level and its level of inequality. For about half a century, says Milanovic, one leading theory was Simon Kuznets's hypothesis: preindustrial societies, though very poor, are relatively equal, since the great majority of people are poor. During the period of industrialization inequality increases due to diverging wages between industrial workers and farmers and, moreover, between industrial workers themselves, whose increasing specialization leads to further wage differentiation. Advanced economies, however, give rise to the welfare state, which serves to blunt inequality. Plus, increasing levels

of education lessen wage differences. This idea could be represented graphically as an inverted U. But, Milanovic notes, the data does not always—or even generally—support this theory. Indeed, some advanced economies are beginning to see inequality *rise* again. While contemporary economists focus on a number of variables to explain this phenomenon (government spending, economic openness, ideological opposition to welfare-type policies), no definitive explanation has emerged.

The Haves and the Have-Nots is organized in a somewhat unconventional manner. The book centers around three larger essays, each of which examines a different aspect of inequality: within nations, among nations, and globally. Some of the most engaging parts of the book, however, are sandwiched between these essays. To illustrate and enliven these more academically minded sections of the book, Milanovic turns to vignettes. Some are indeed “idiosyncratic,” as Milanovic himself promises in the title of his book. For instance, he estimates the relative wealth of characters in *Anna Karenina* in order to examine inequality in Russia during the novel's time, and then compares it to inequality in that country today.

Other vignettes, however, offer distillations of major issues or phenomena within

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the political economy of inequality. For example, his comparative analysis of inequality within the EU and United States (and how it is distributed among and within their constitutive units) is eye-opening, while his short chapter on the 2007 financial crisis argues that the real root causes of the crisis in the United States were a financial elite with too

much investment capital; a middle class with declining purchasing power; and a political elite that, in order to ensure social stability, gave that middle class access to cheap credit it could not, in the long run, afford. Thus, according to Milanovic, the question is not one of mere regulation of financial “instruments,” but of general political economy.

Human Trafficking: A Global Perspective, Louise Shelley (Cambridge: Cambridge University Press, 2010), 356 pp., \$85 cloth, \$26.99 paper.

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The trafficking of human beings for harvesting organs, sex and labor slavery, forced military conscription, begging, and adoptions presents a formidable challenge in the arena of global justice. The primary aim of this new work by Louise Shelley is to show that human trafficking affects not only its victims but society as a whole, and that the international community should be concerned about trafficking for pragmatic reasons of shared security, as well as the more obvious moral, ethical, and legal issues involved. Trafficking, Shelley points out, empowers corrupt border officials, the traffickers themselves, and transnational organized criminal groups (including terrorists), which can in turn lead to the loss of control of state borders. Human trafficking also poses a significant threat to world health security, given that trafficking is associated with the spread of a variety of diseases, notably AIDS and tuberculosis.

Shelley also offers normative reasons to prioritize the eradication of human trafficking, arguing that since trafficking requires unjustified coercion, it promotes

authoritarianism and threatens democratic norms. Of course, trafficking also causes major human rights violations, given the physical and sexual violence associated with exploitive labor; and it has a particularly deleterious effect on women’s rights and gender equality.

In addition, Shelley offers an analysis of the aggravating effects that globalization has had in perpetuating and escalating modern slavery. Though traditional conditions of poverty and the low social status of women, children, and stateless persons are at the root of the problem, such global developments as intensified disproportionate economic growth (which has left the global poor especially vulnerable to the rise in demand for exploitable labor) and easy access to low-cost transportation have compounded the problem. After analyzing the region-by-region business models of human trafficking organizations, Shelley advocates for a joint project involving consumers, the business world, educational institutions, civil society, governments, and multilateral organizations to bring an end to human trafficking.