The Journey of Humanity

Roots of Global Inequality

Oded Galor

October 26, 2019

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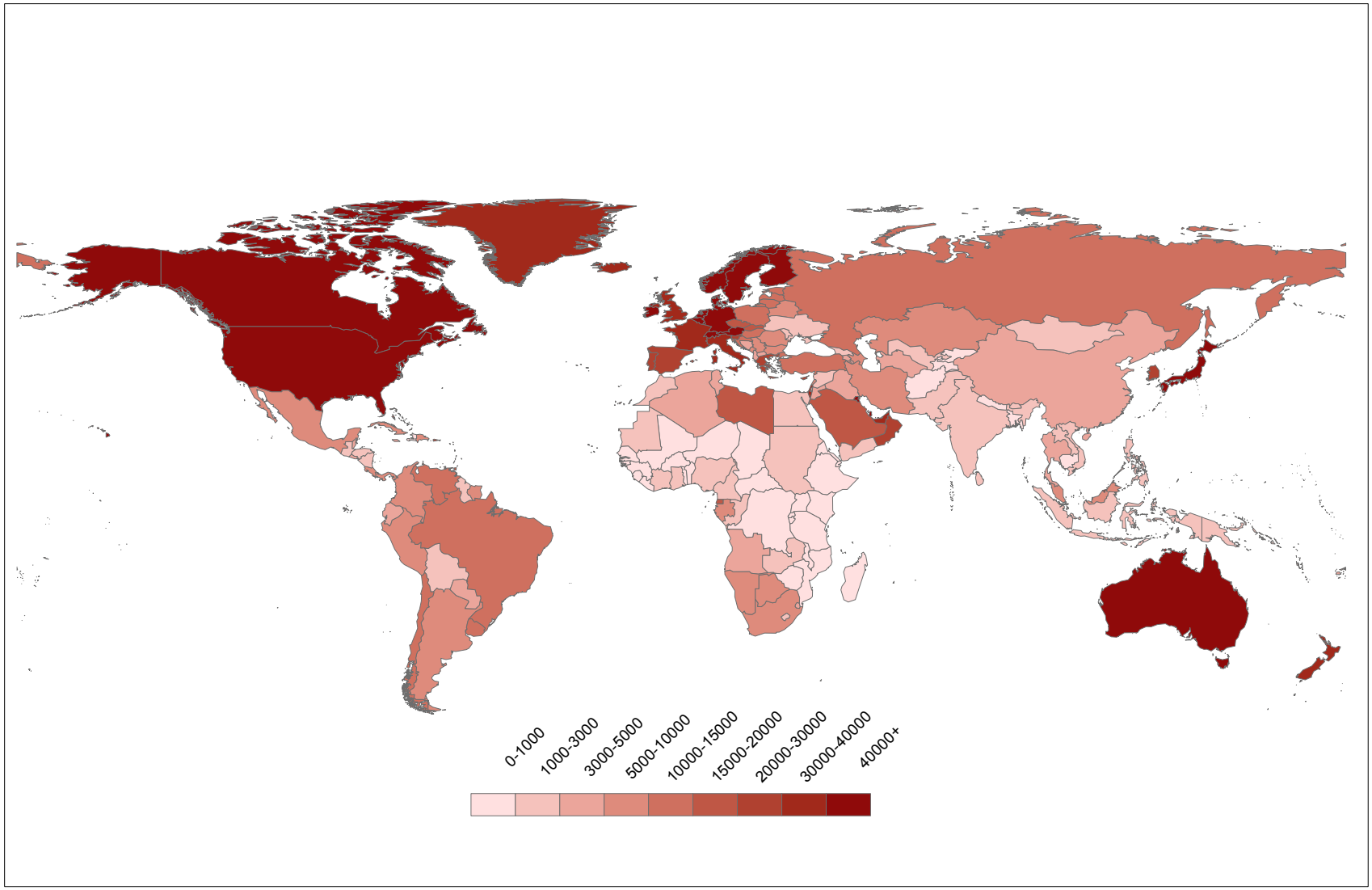
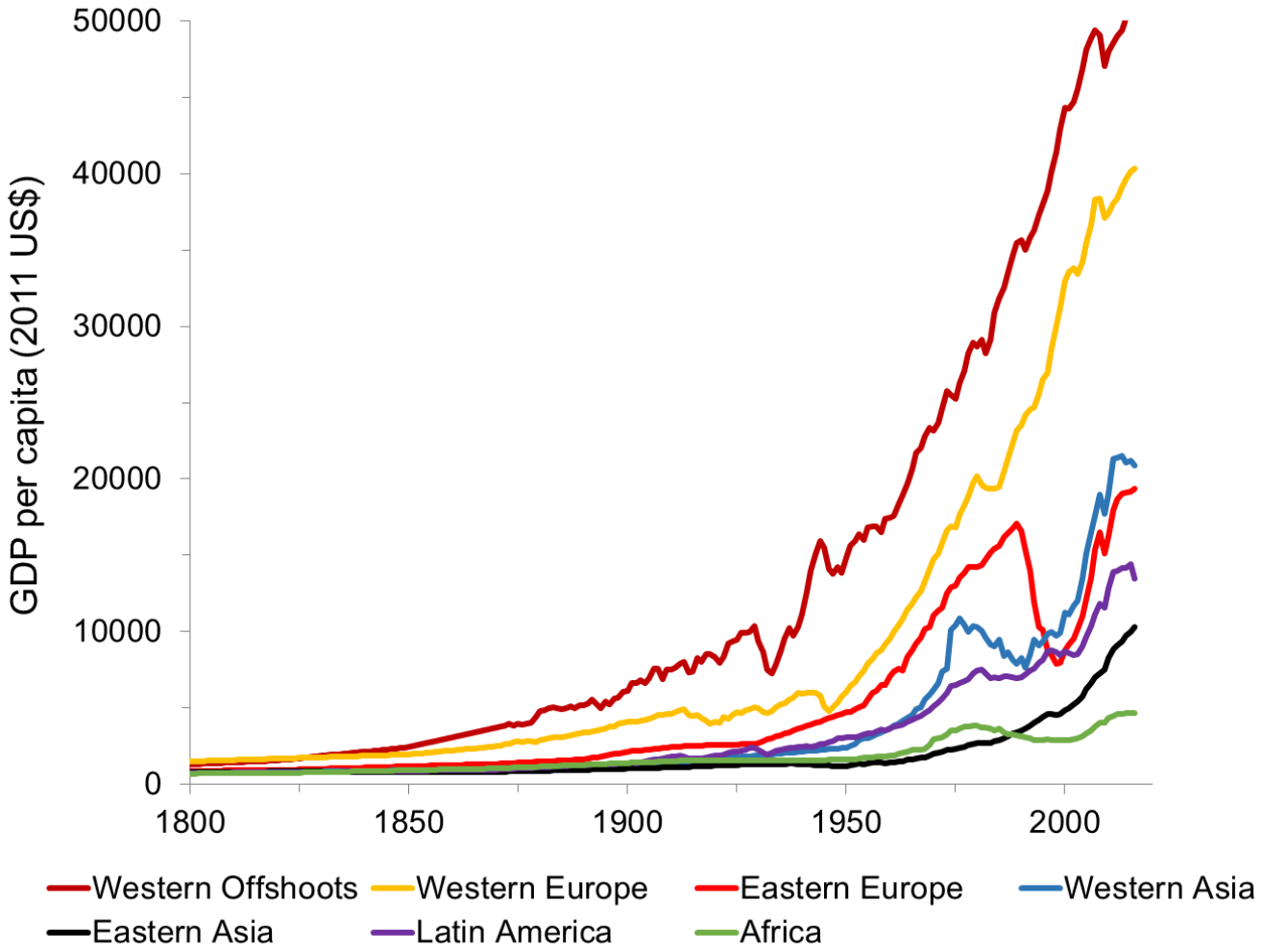
Inequality in the Wealth of Nations: Income per Capita, only2010



Regional Divergence: 1820–2010



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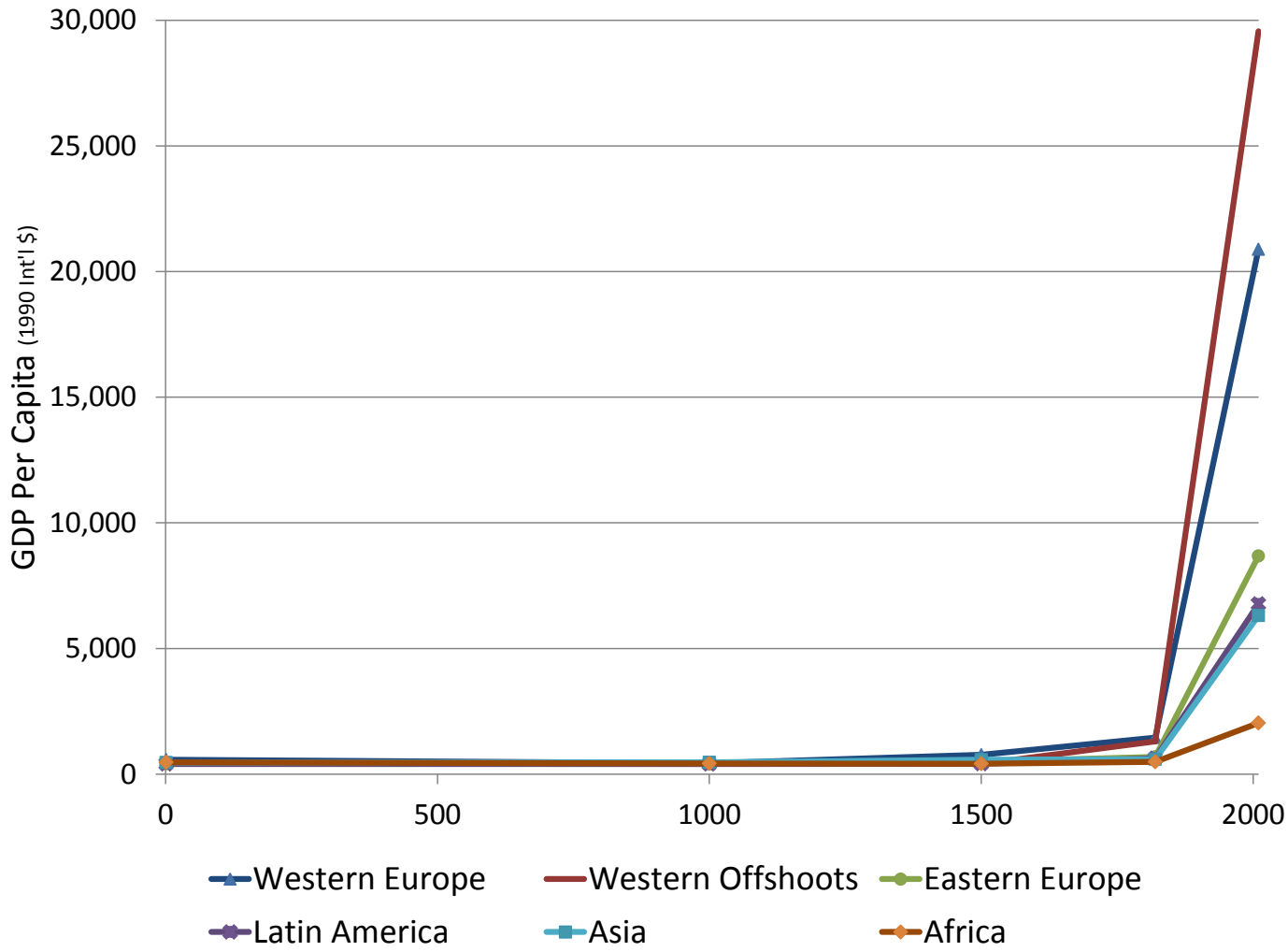

Inferences from Neoclassical Growth Theory

- Diminishing returns to physical and human capital accumulation

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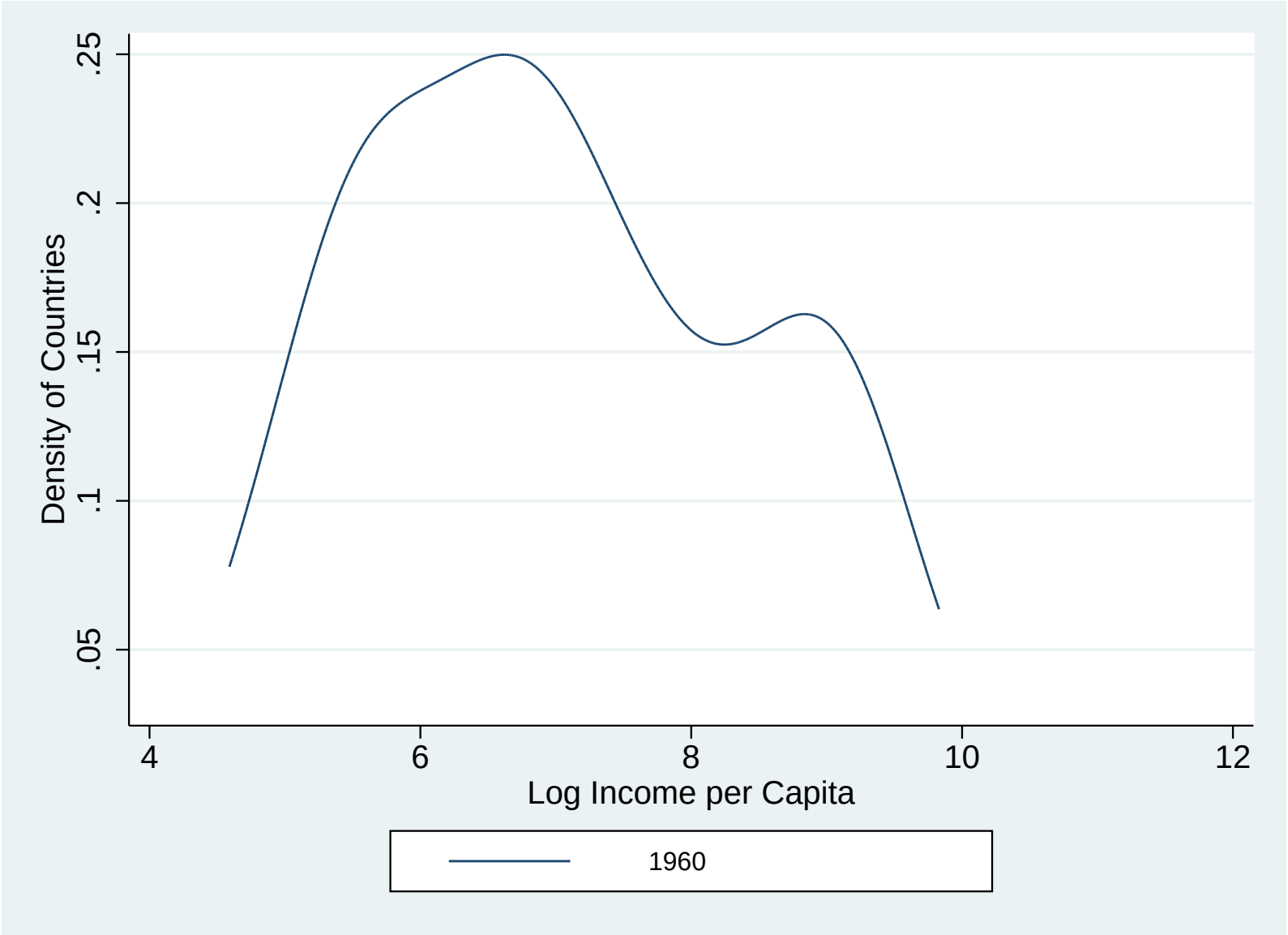
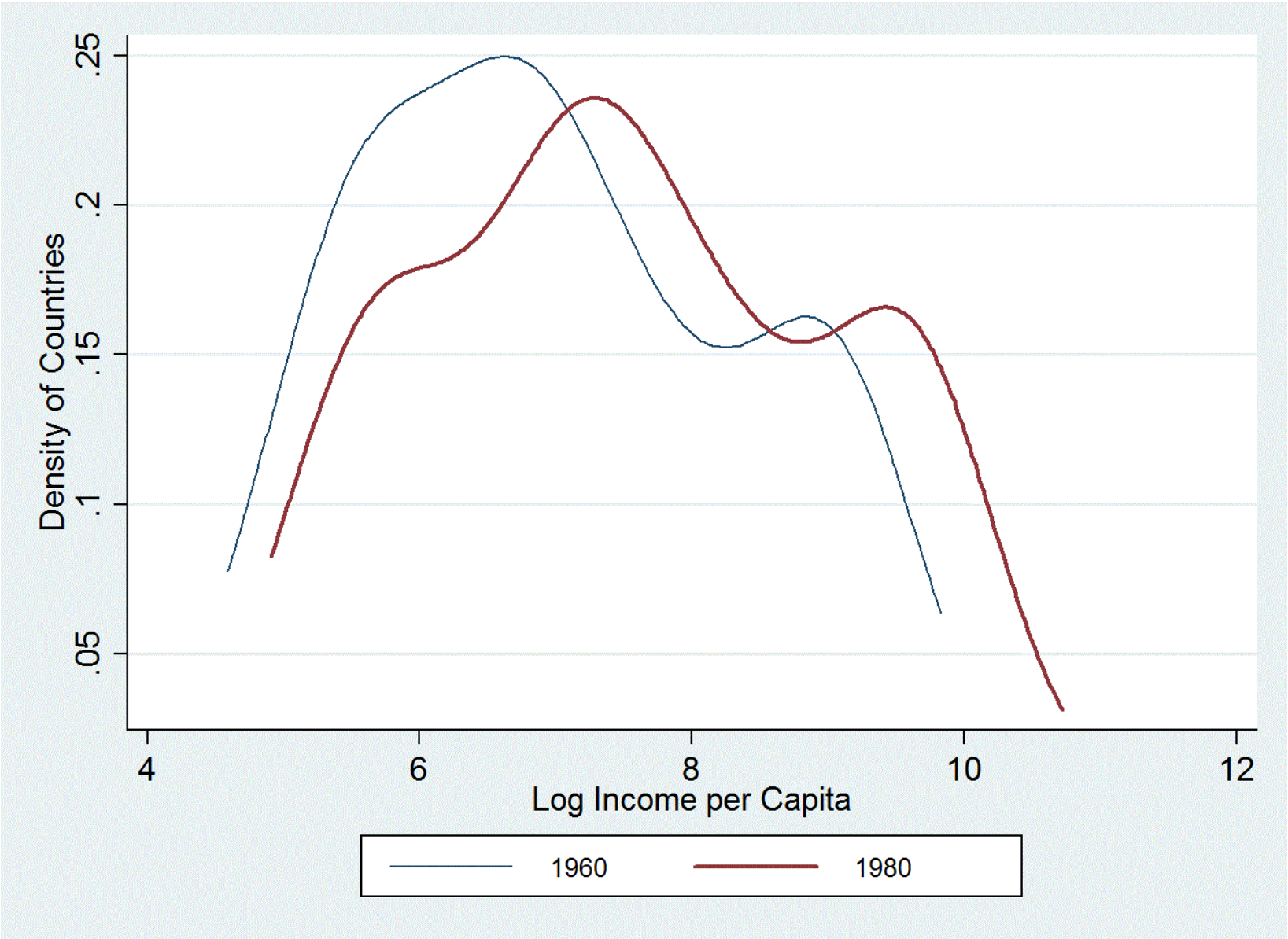
Income Distribution in 1960

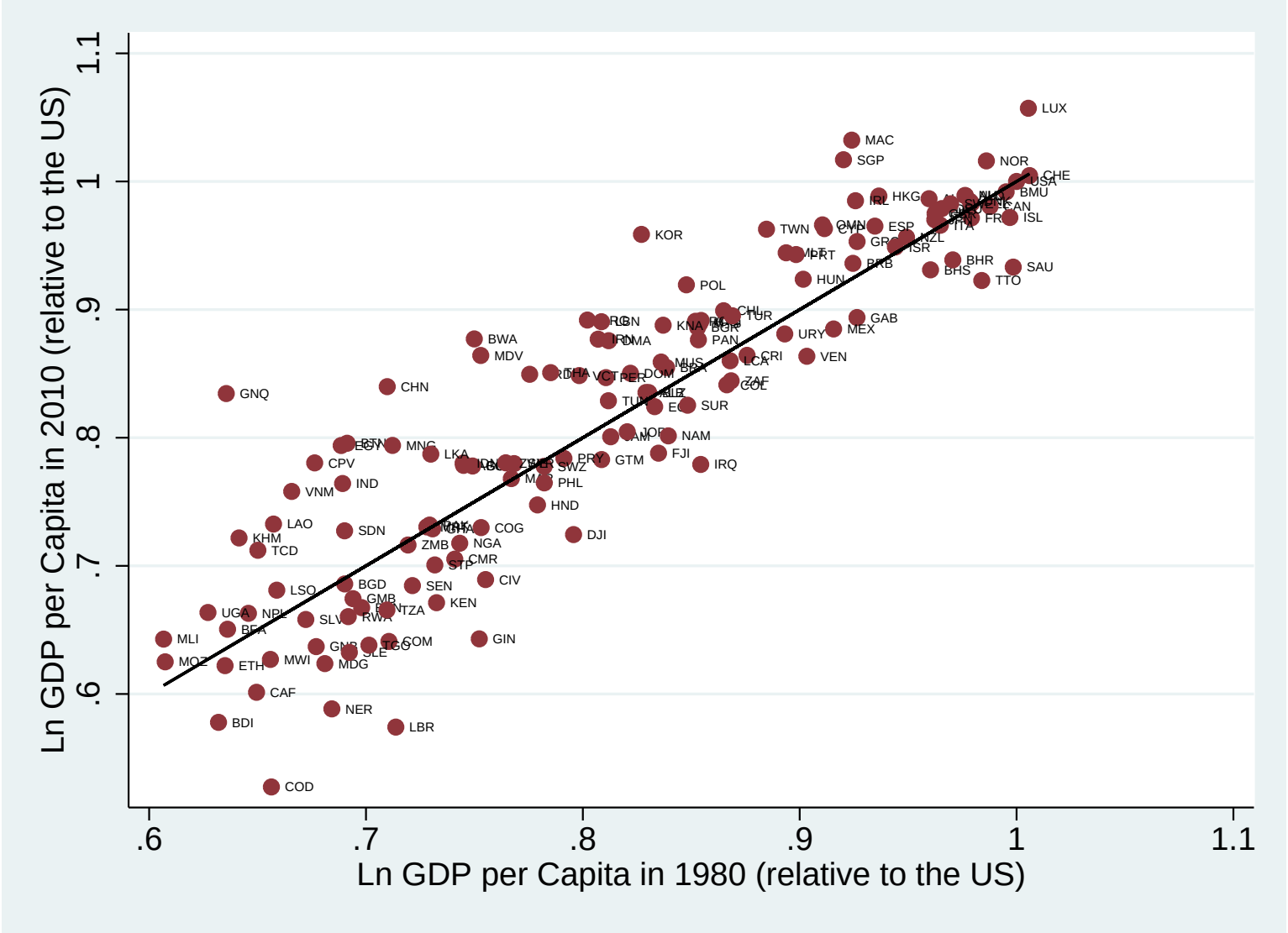


Lack of Convergence across Nations: 1960–1980



Lack of Convergence across Nations: 1960–2000

Persistent Inequality across Nations: 1980–2010



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  - What is the role of deep-rooted historical and pre-historical factors in the observed patterns of comparative development?

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Phases of Development: Timeline of the Most Developed Economies

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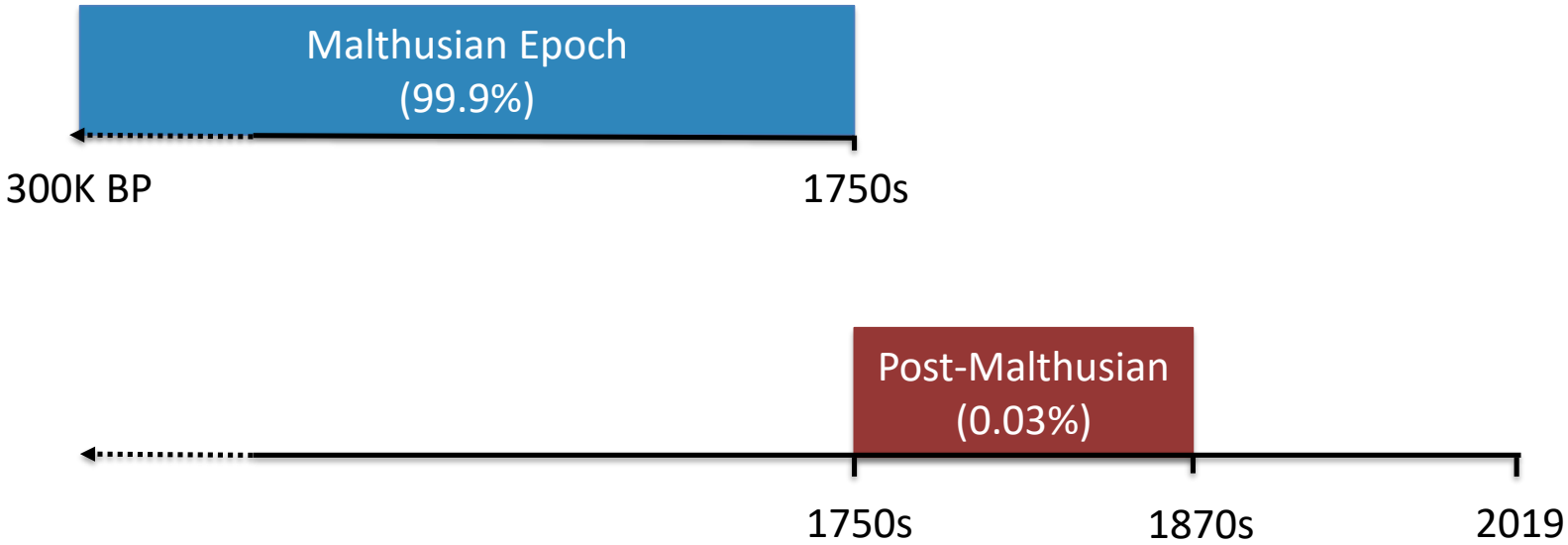

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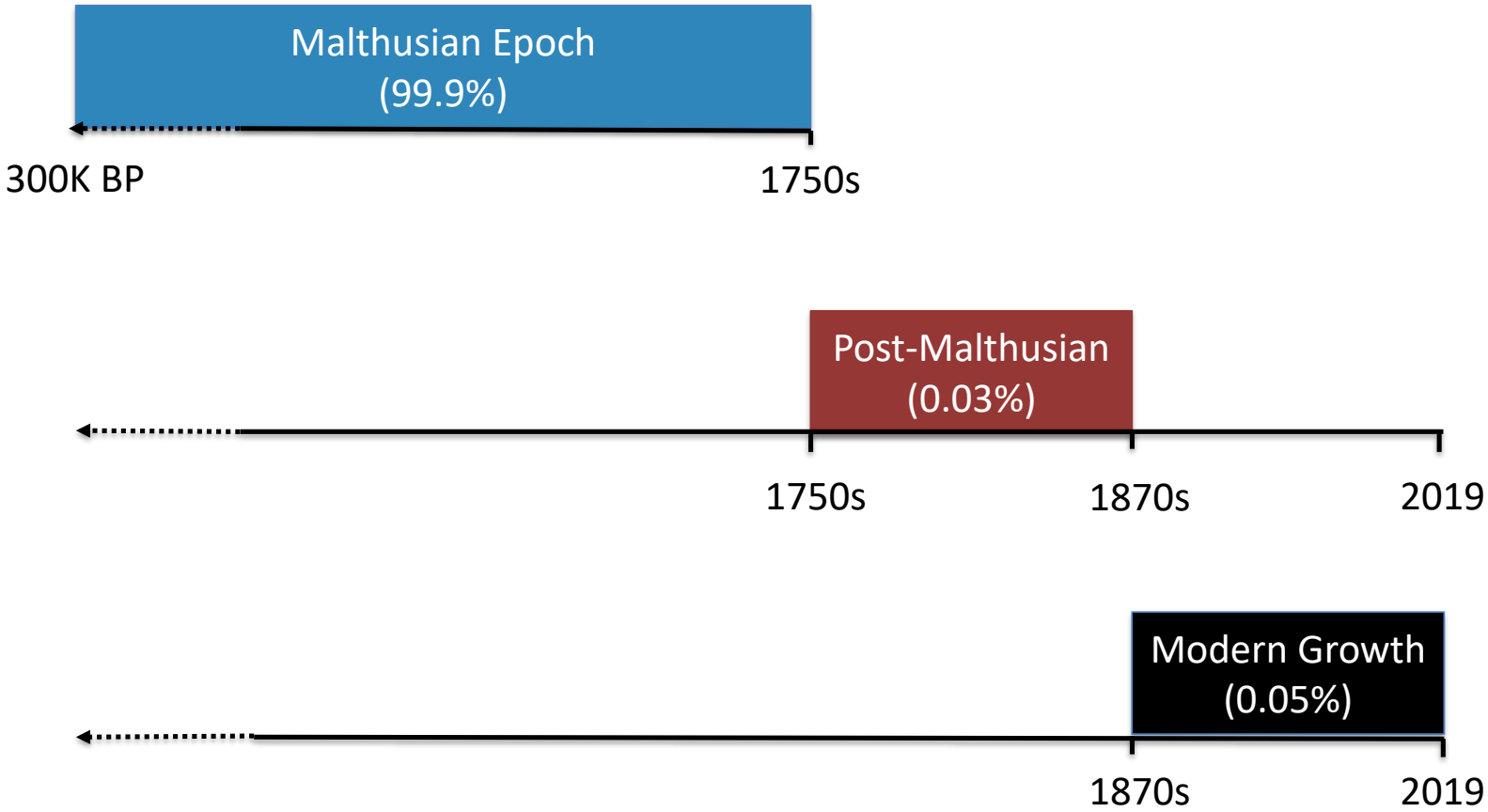

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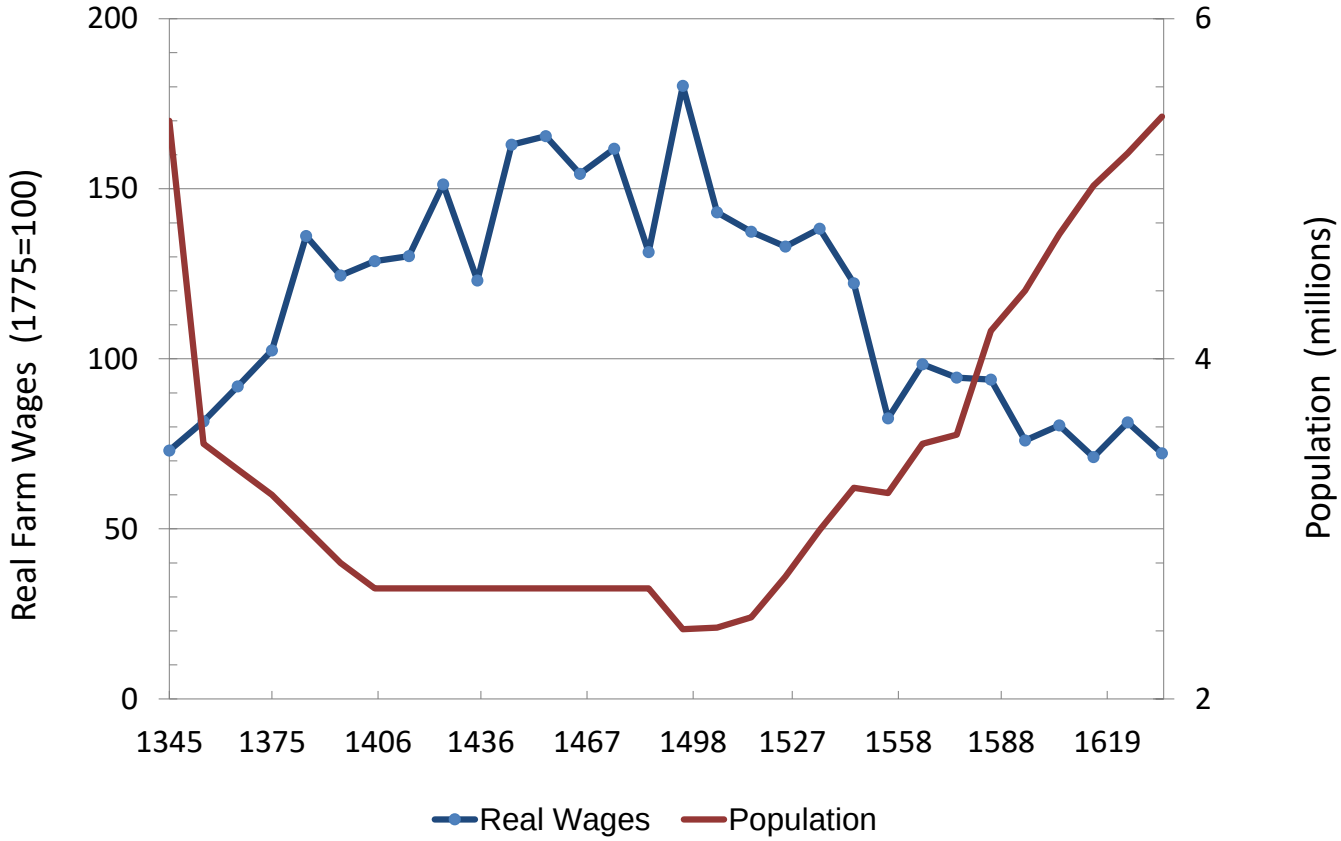
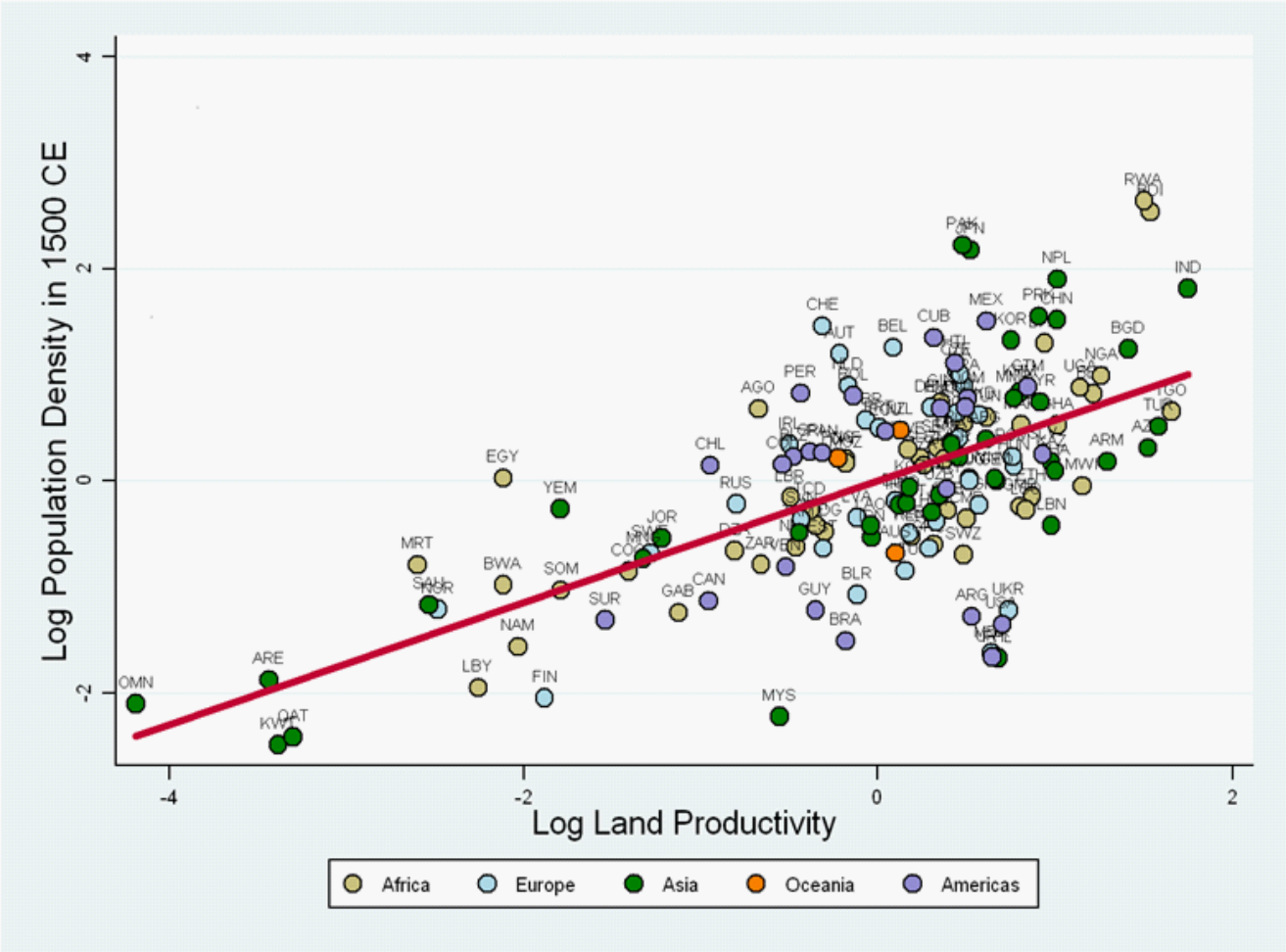
Malthusian Adjustments to the Black Death: England, 1348–1635



Land Productivity and Population Density in 1500



Conditional on transition timing, geographical factors, and continental fixed effects.

Source: Ashraf-Galor (AER 2011)

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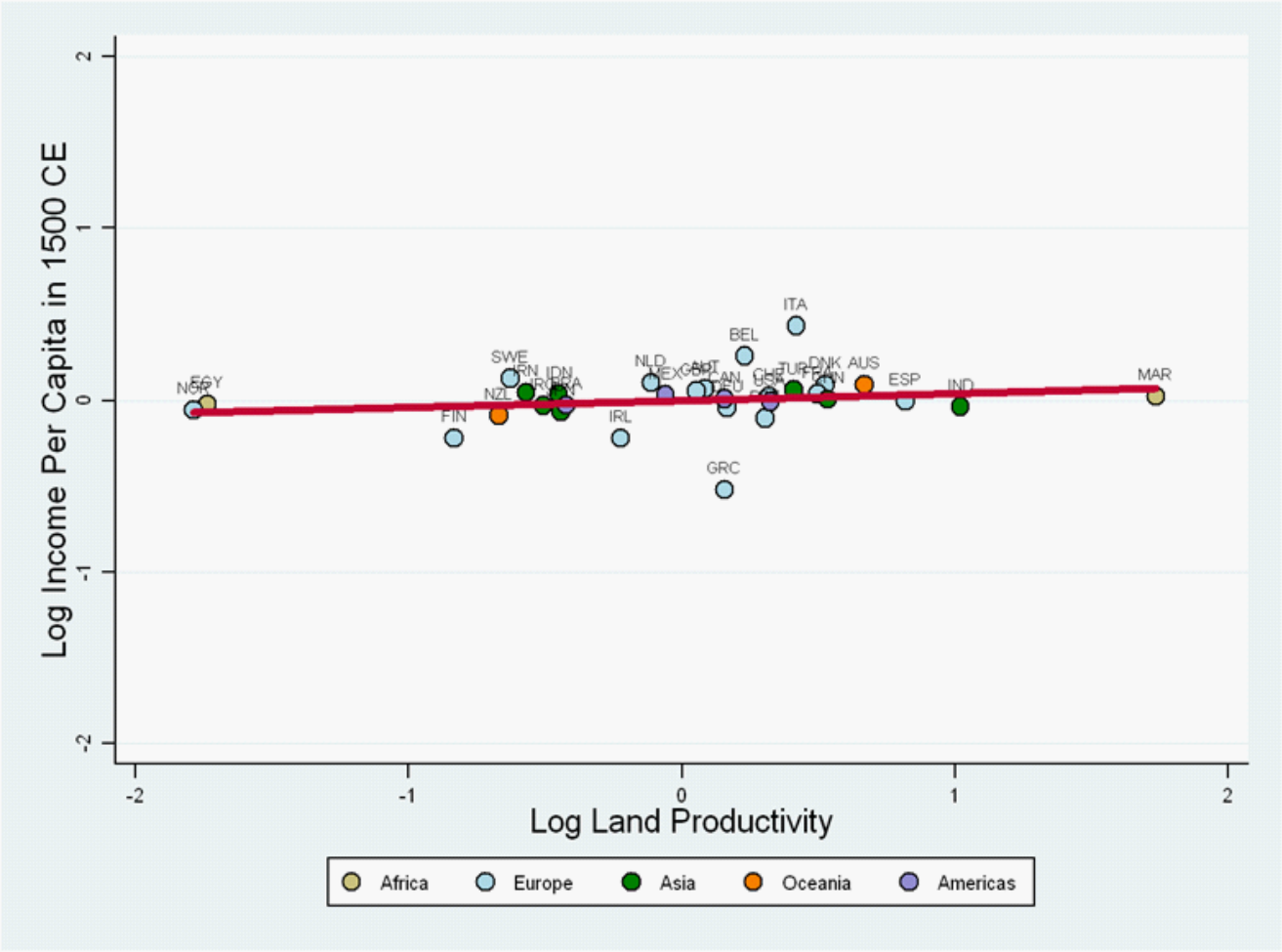

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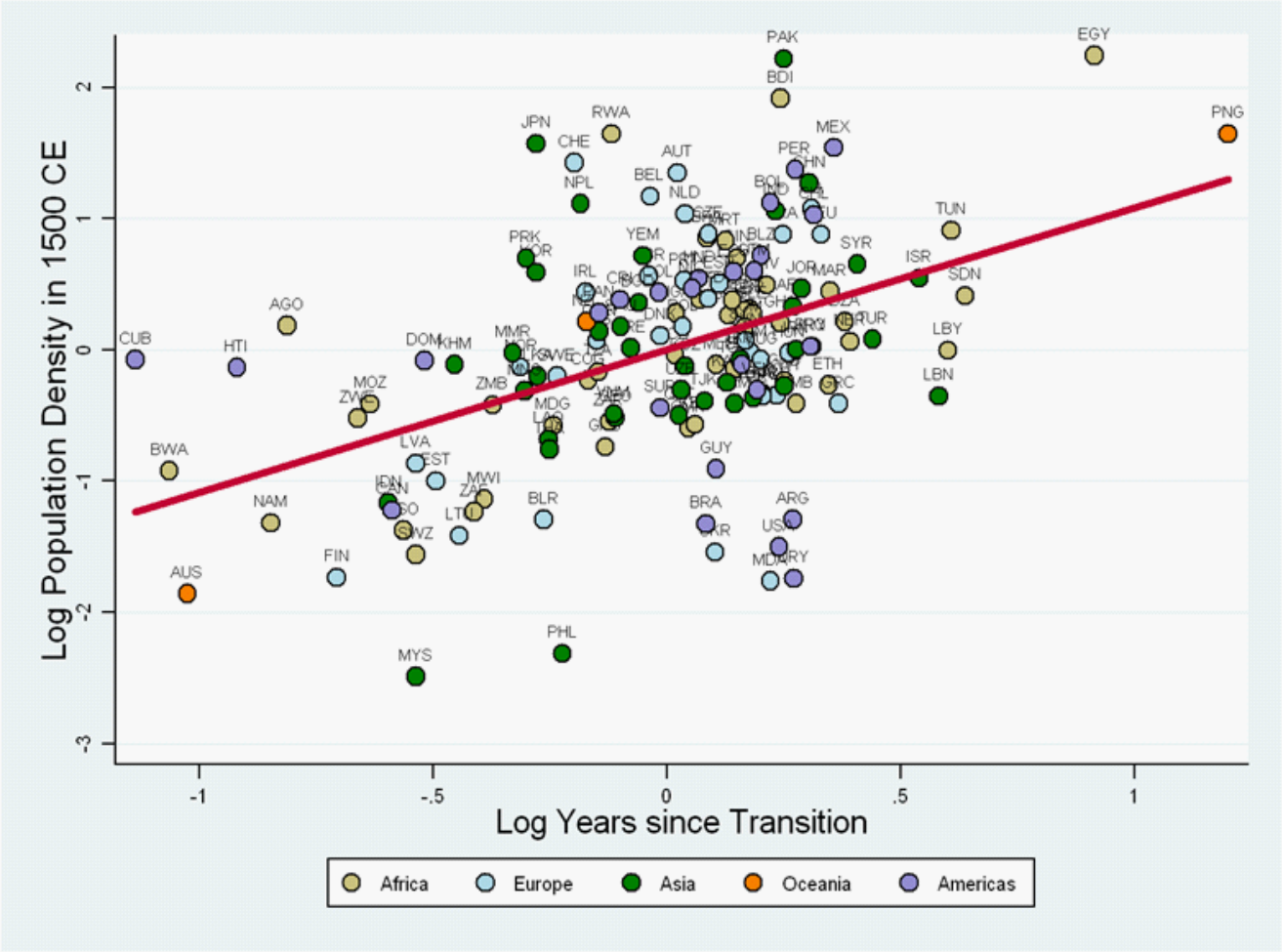

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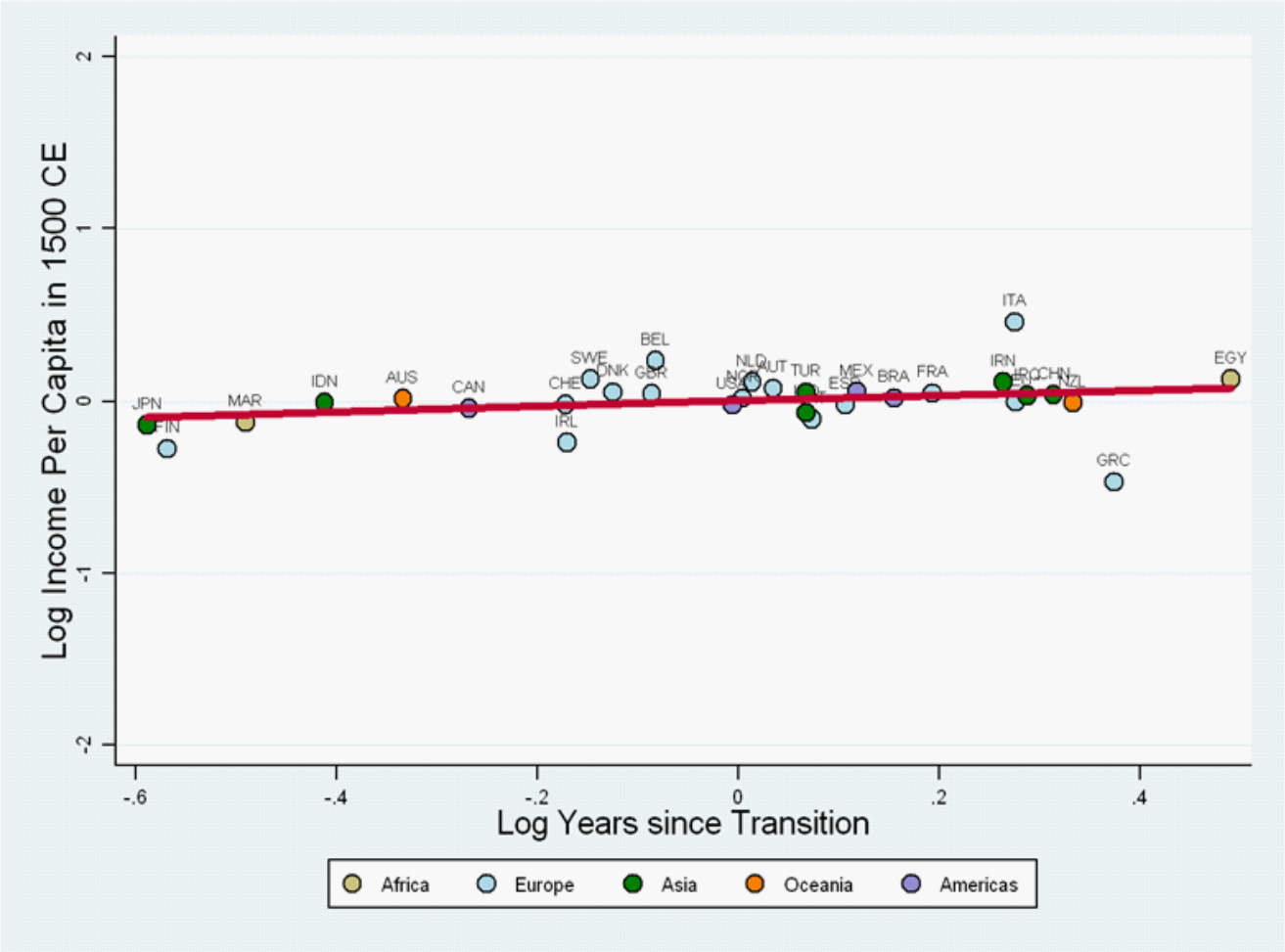

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  - Evolution in the prevalence of human capital

The Post-Malthusian Regime

- The onset of economic growth

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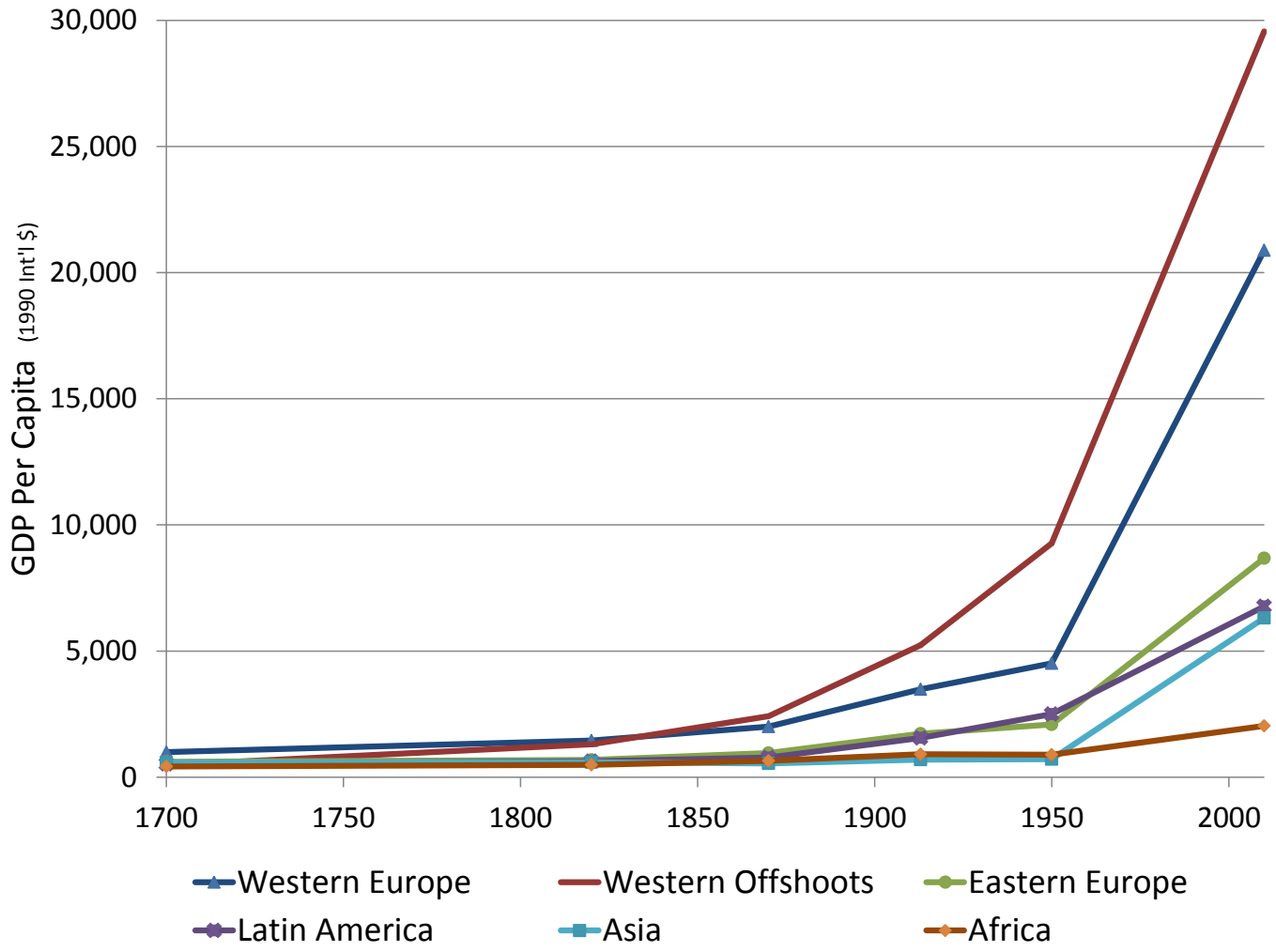
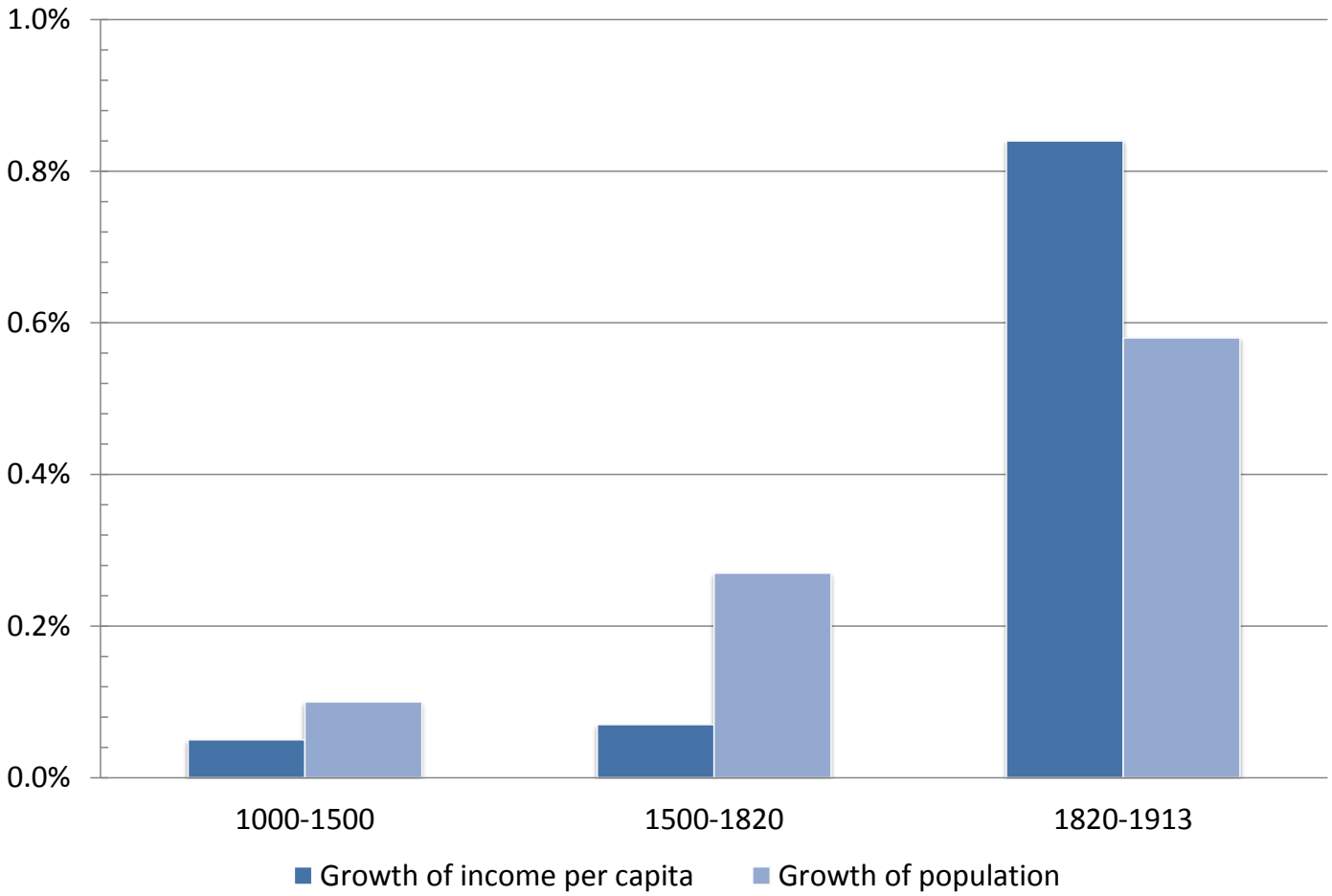
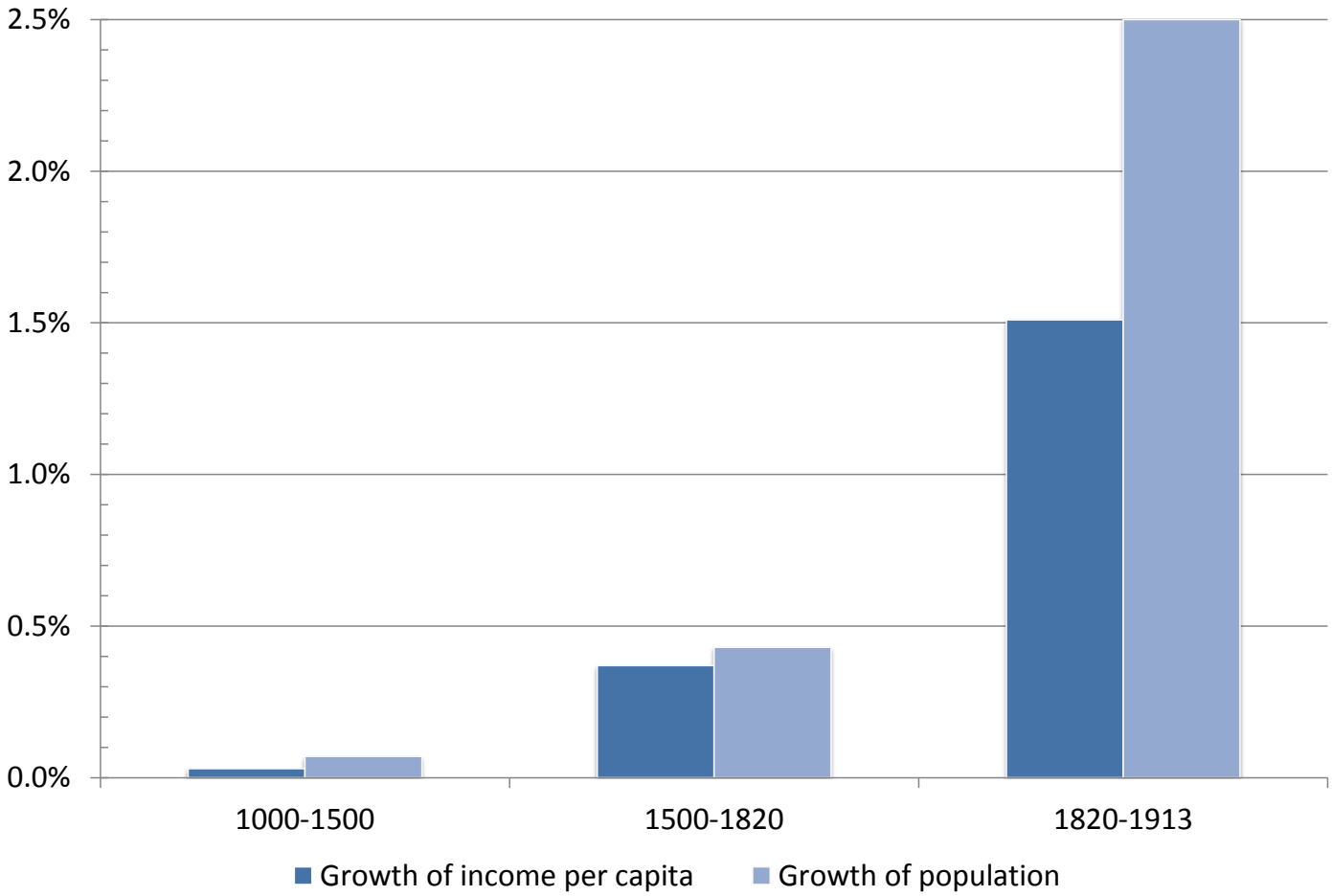
Regional Variation in the Timing of the Take-off



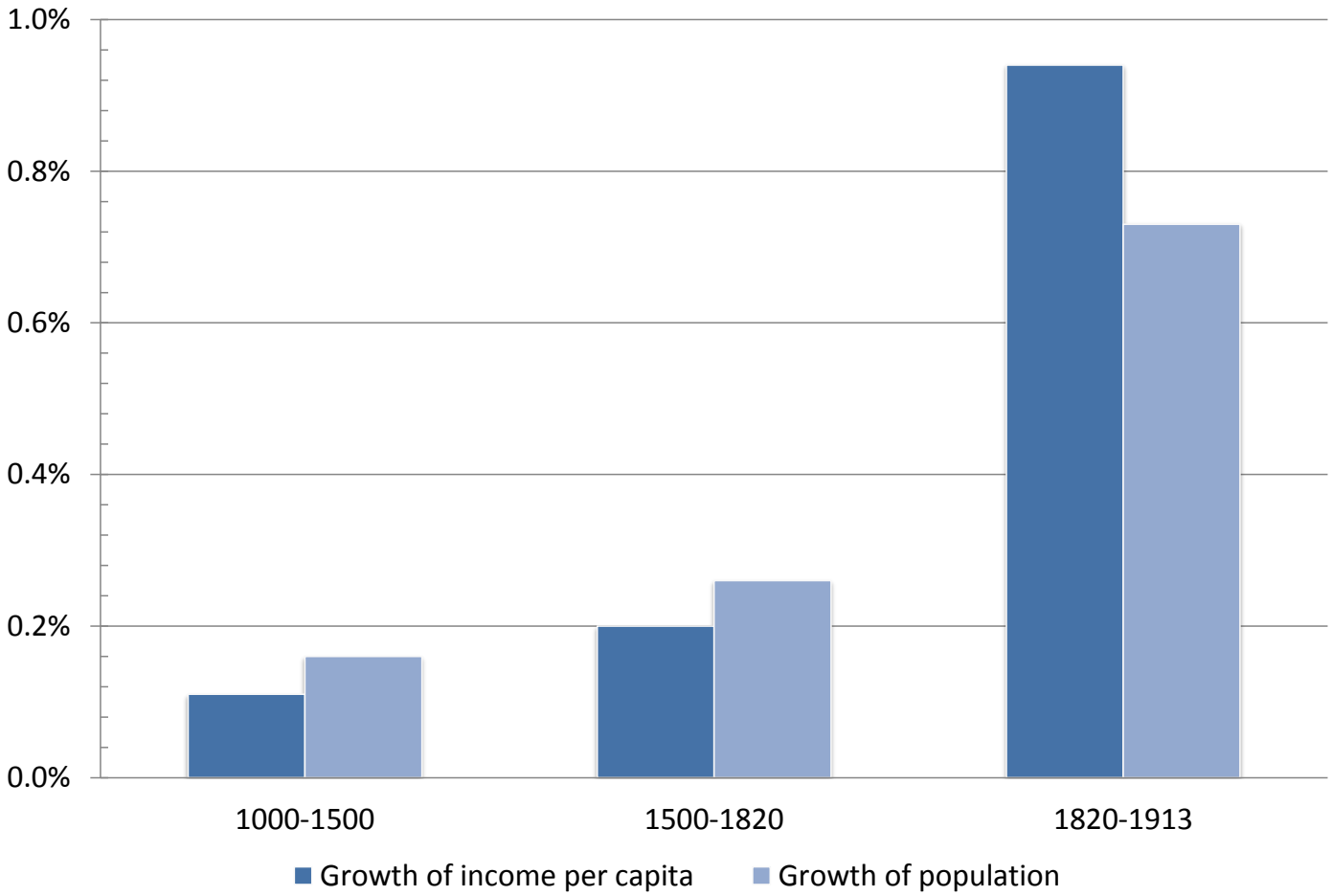
Take-off: Growth of Population & Income per Capita – World



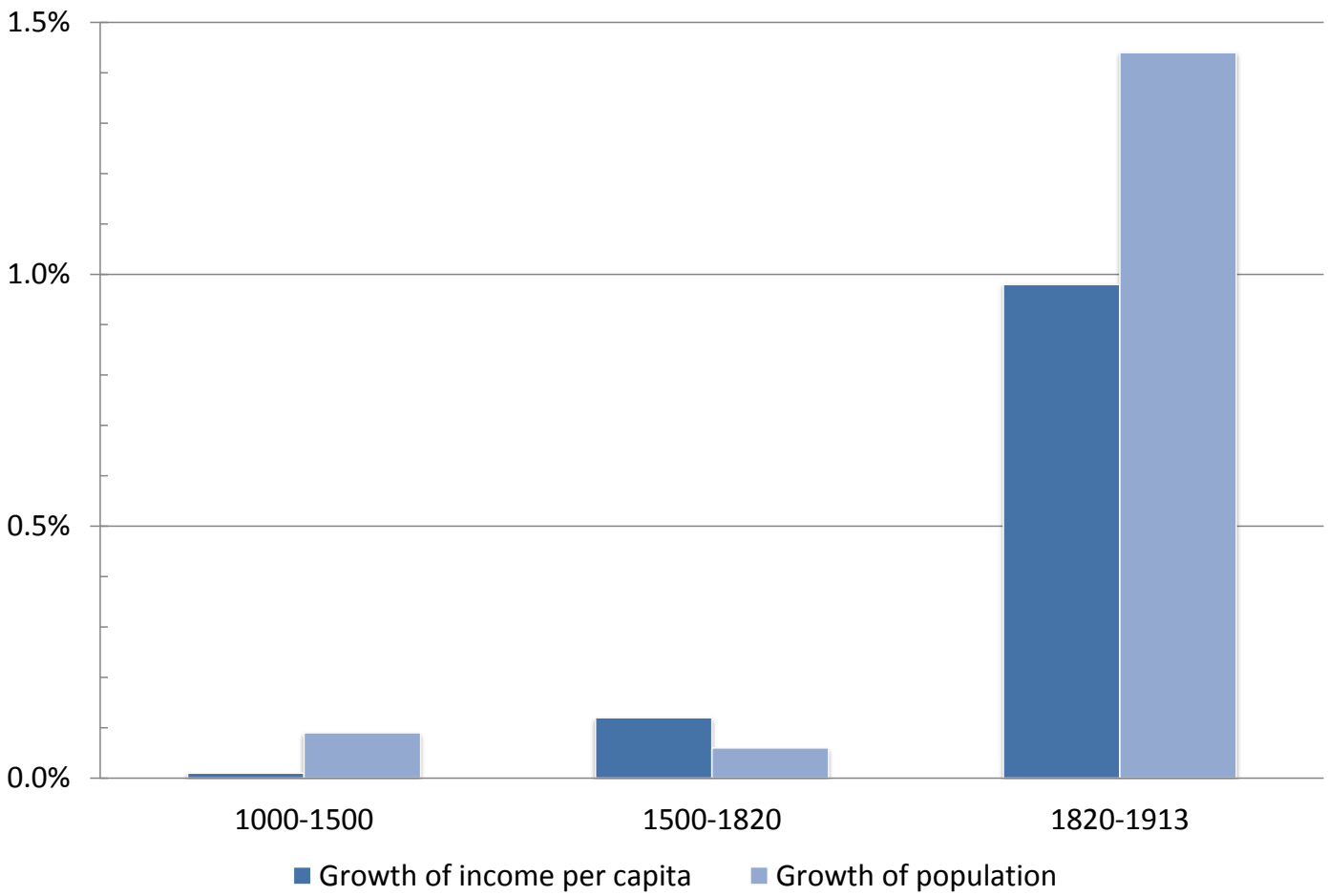
Take-off: Growth of Population & Income per Capita – Western Offshoots



Take-off: Growth of Population & Income per Capita – Western Europe



Take-off: Growth of Population & Income per Capita – Latin America



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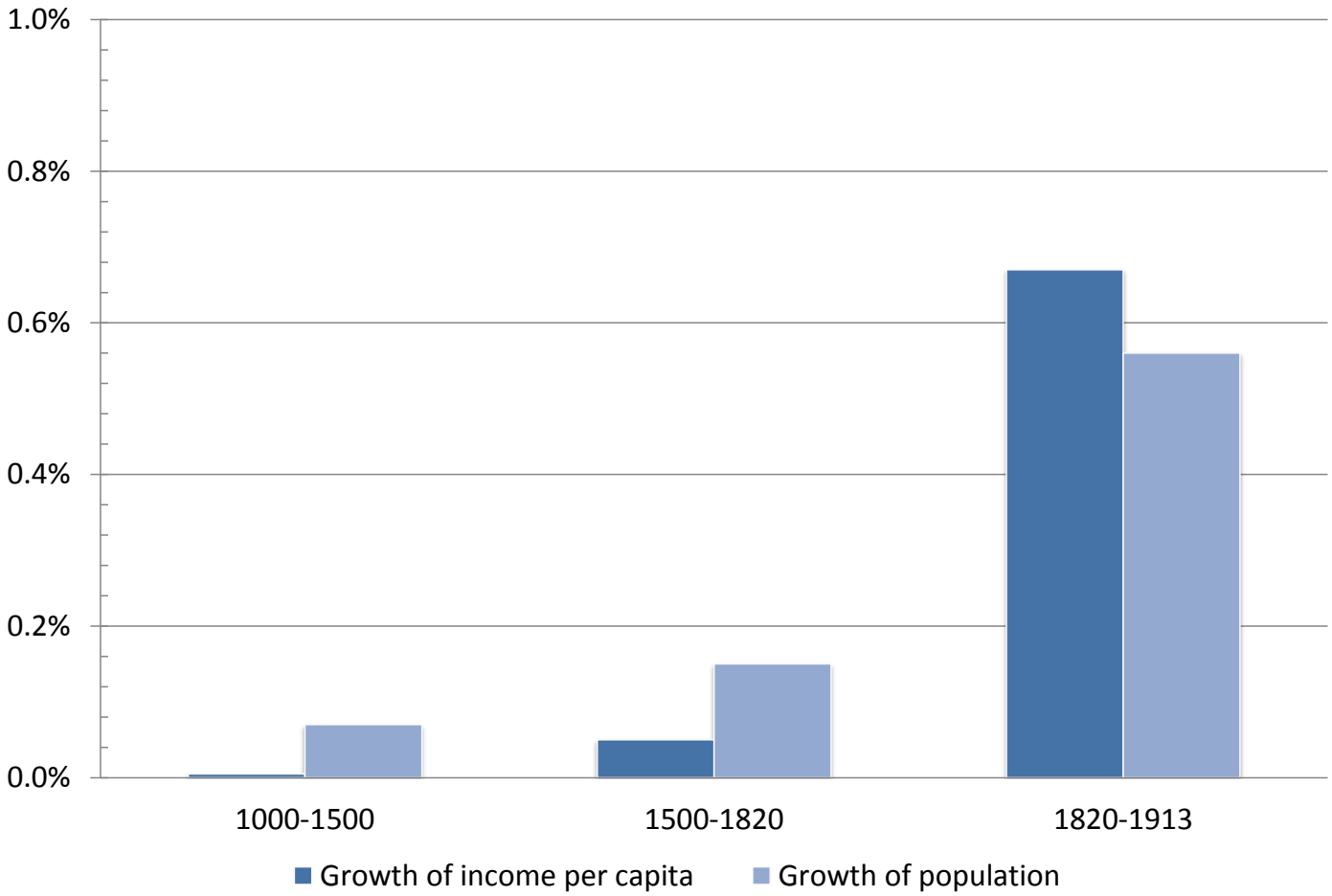
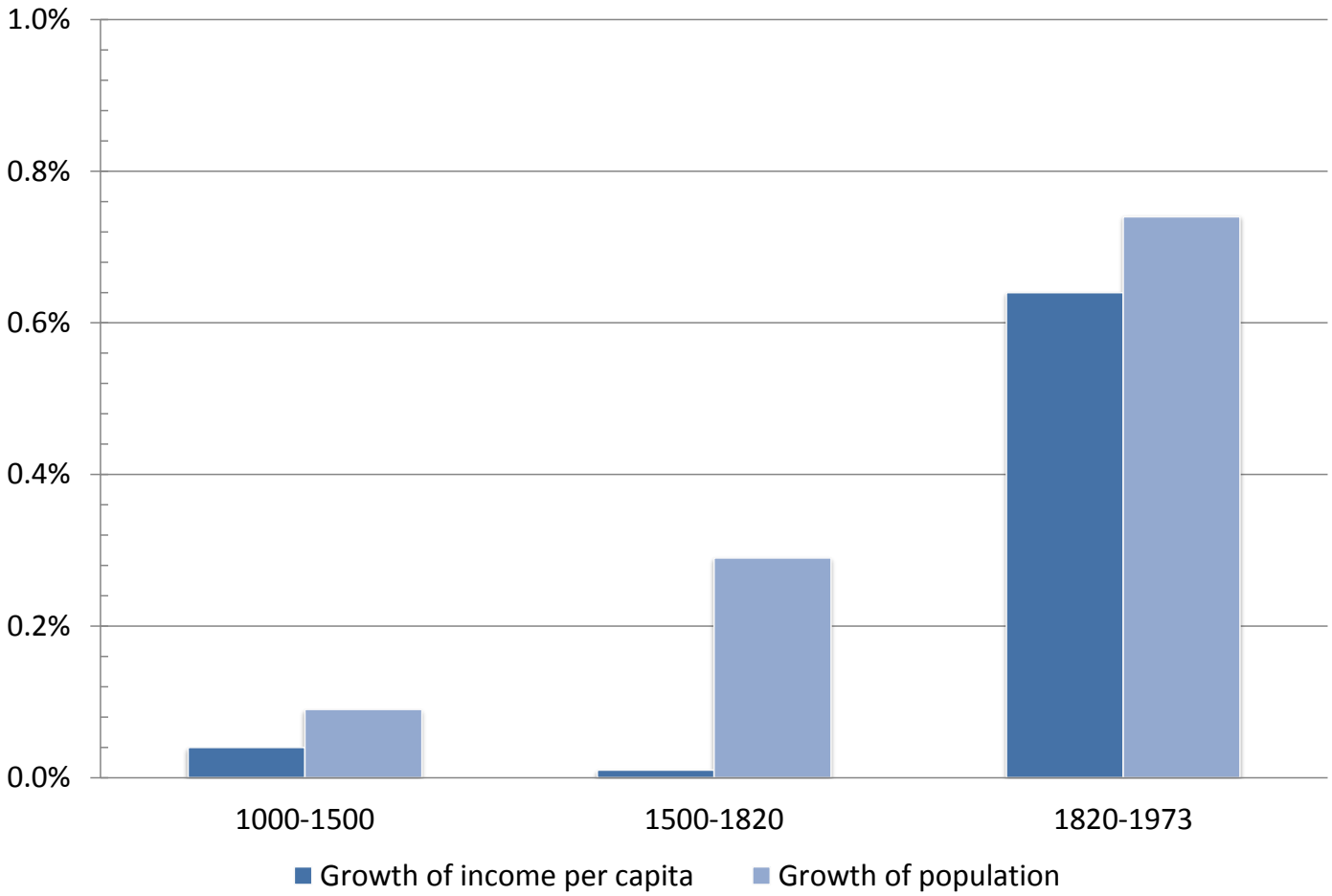
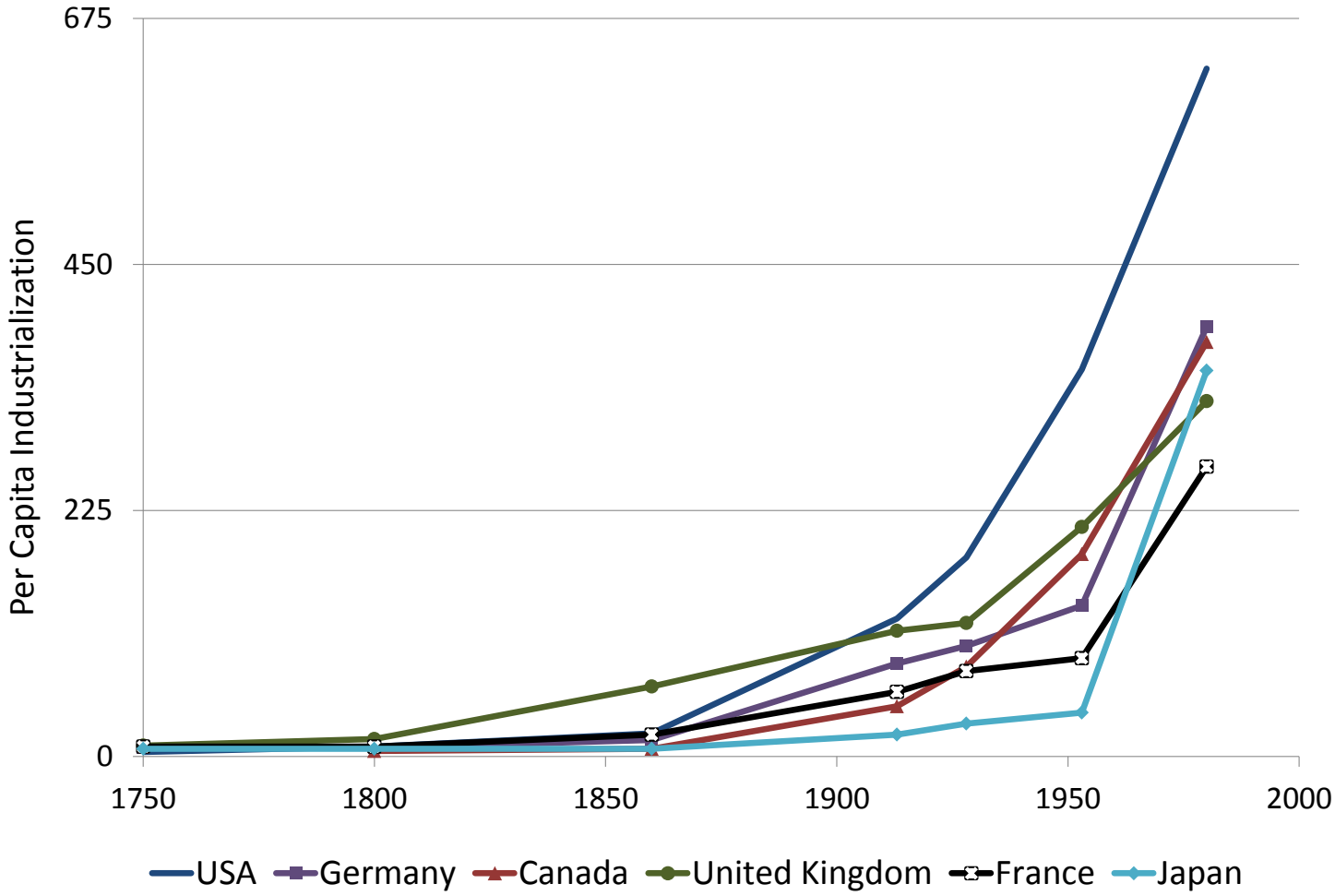


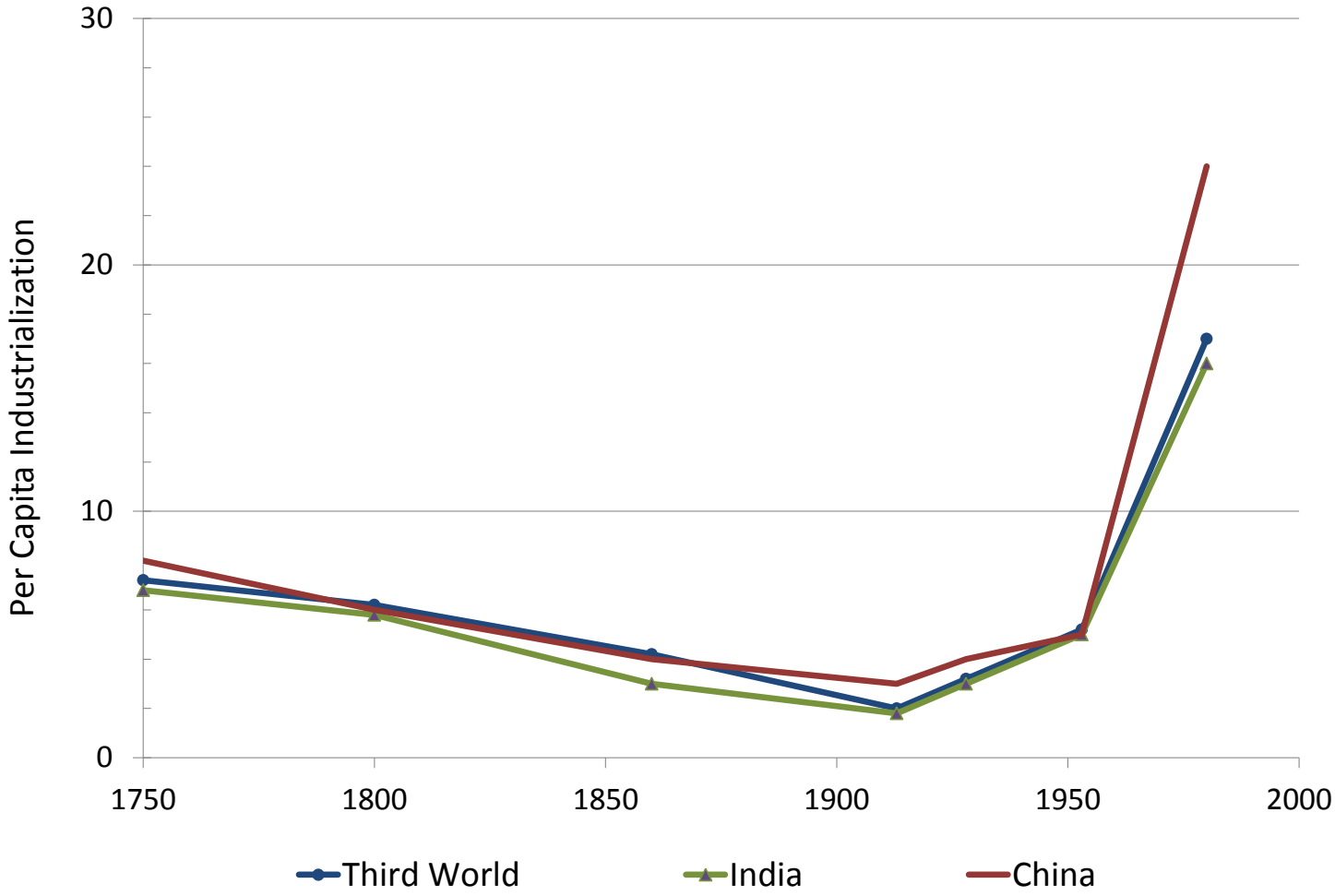
Take-off: Growth of Population & Income per Capita – Asia



Take-off & Increased Industrialization per Capita



Take-off in Developed Economies & Decline in Industrialization in LDCs



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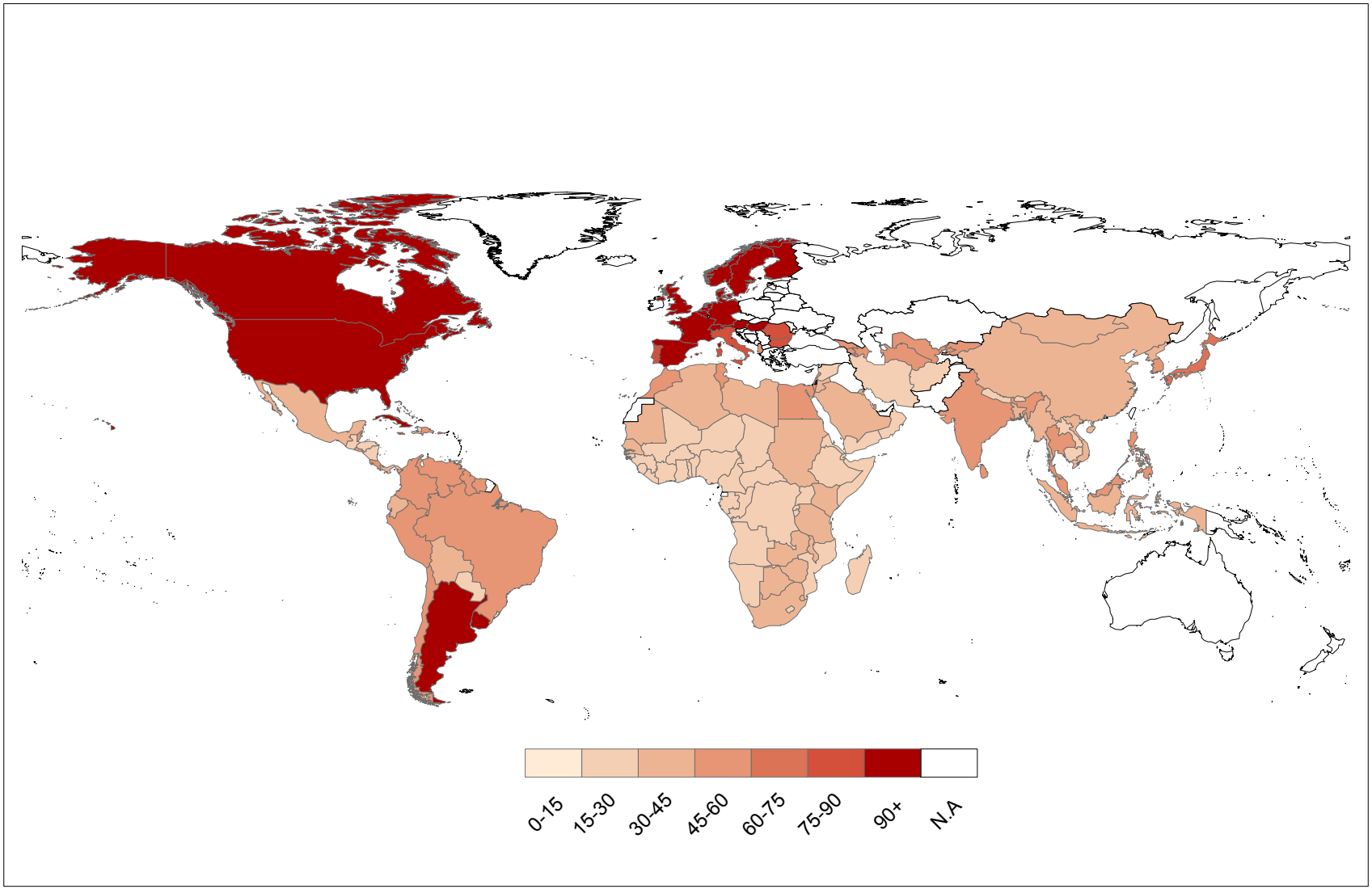
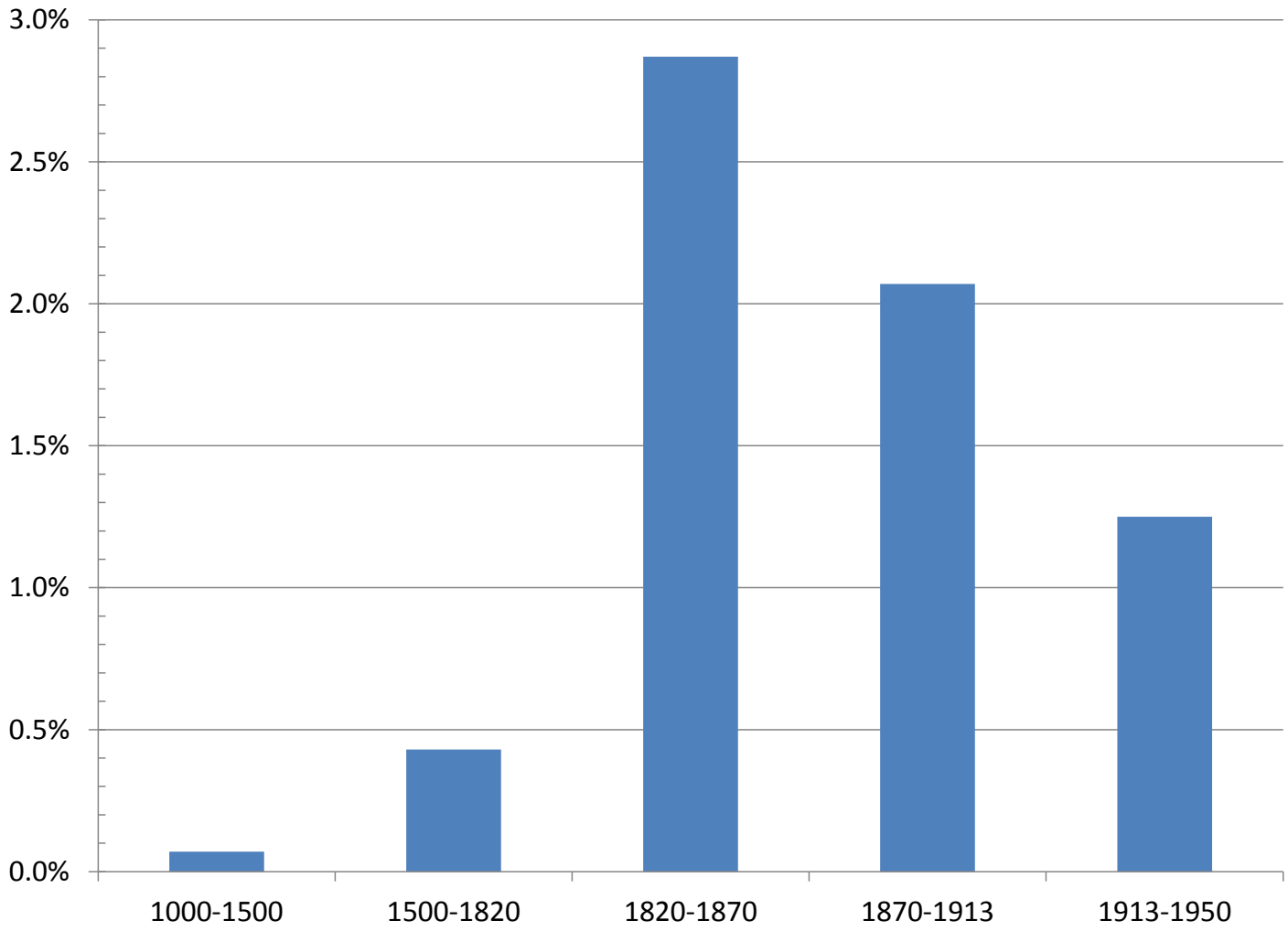
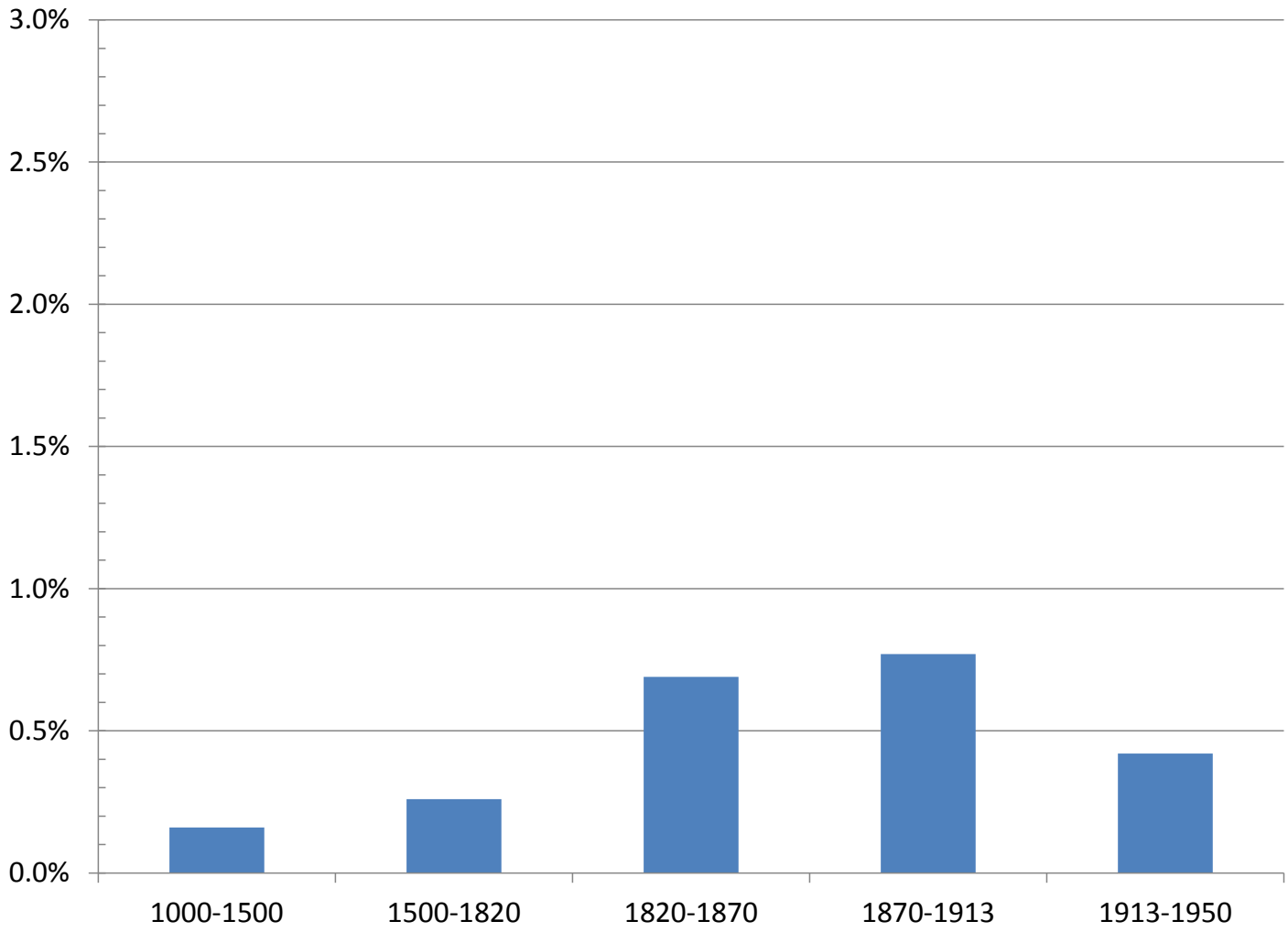
Years Elapsed since the Onset of the Fertility Decline



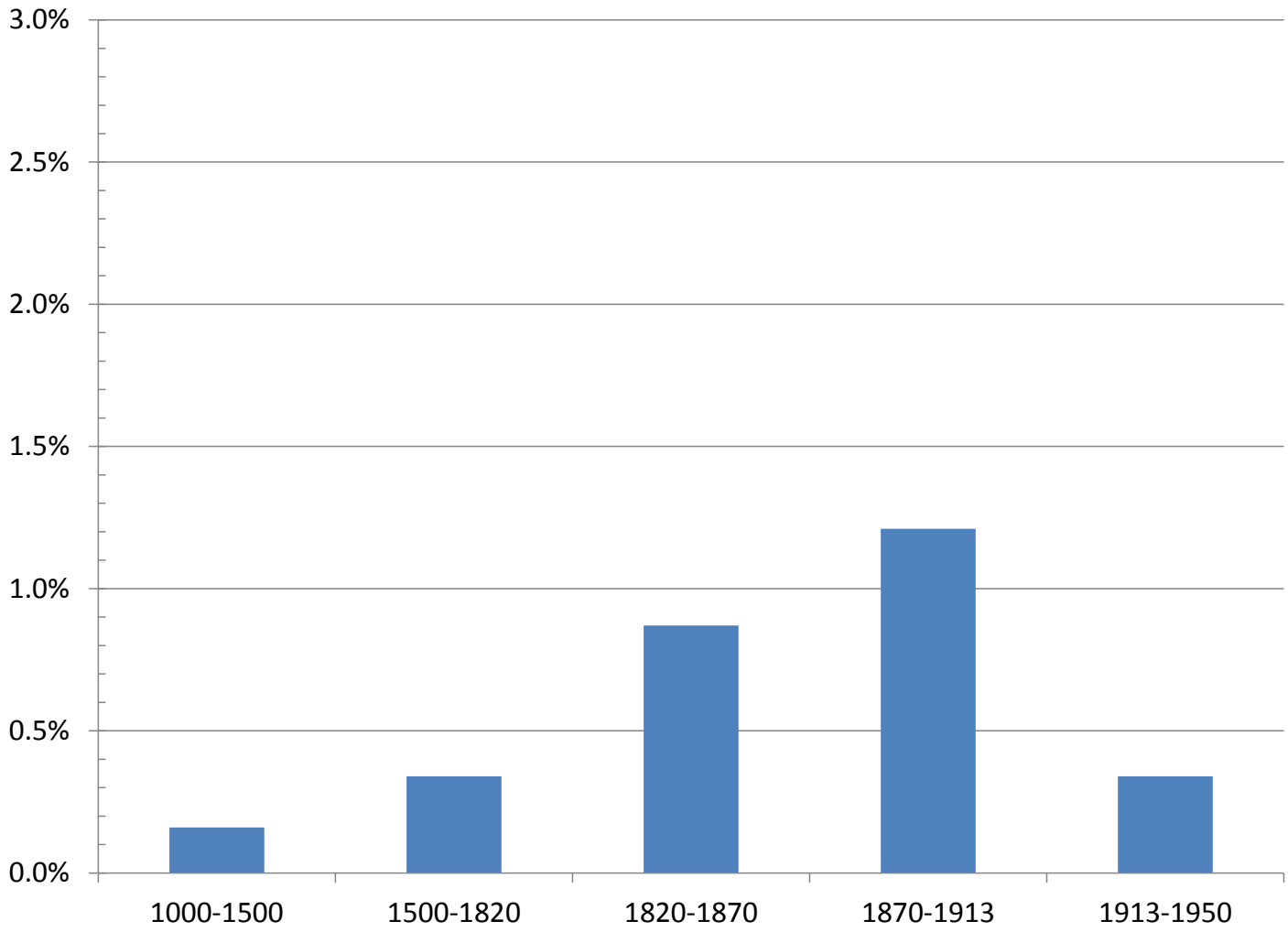
Early Fertility Decline – Western Offshoots



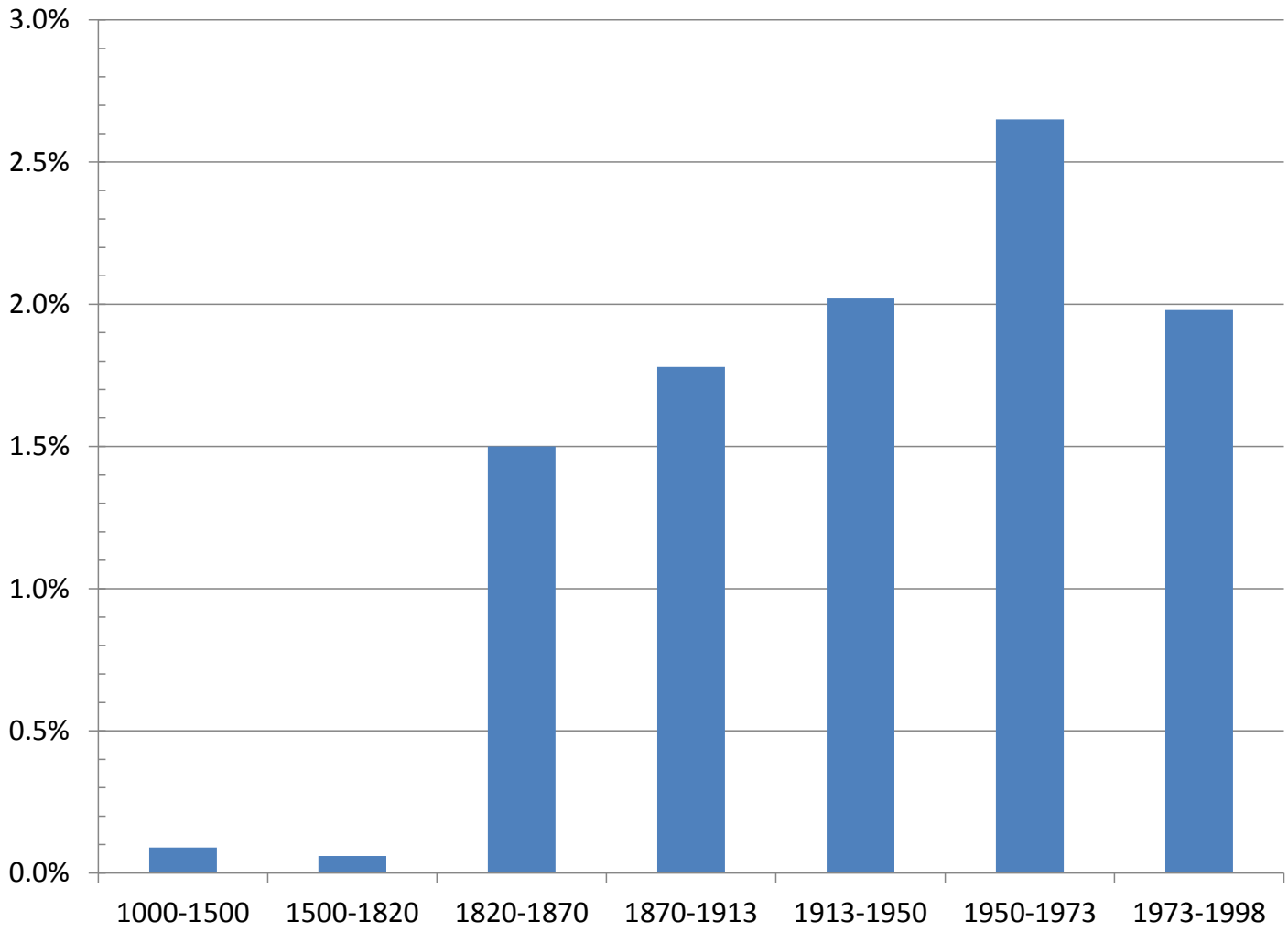
Early Fertility Decline – Western Europe



Early Fertility Decline – Eastern Europe



Late Fertility Decline – Latin America



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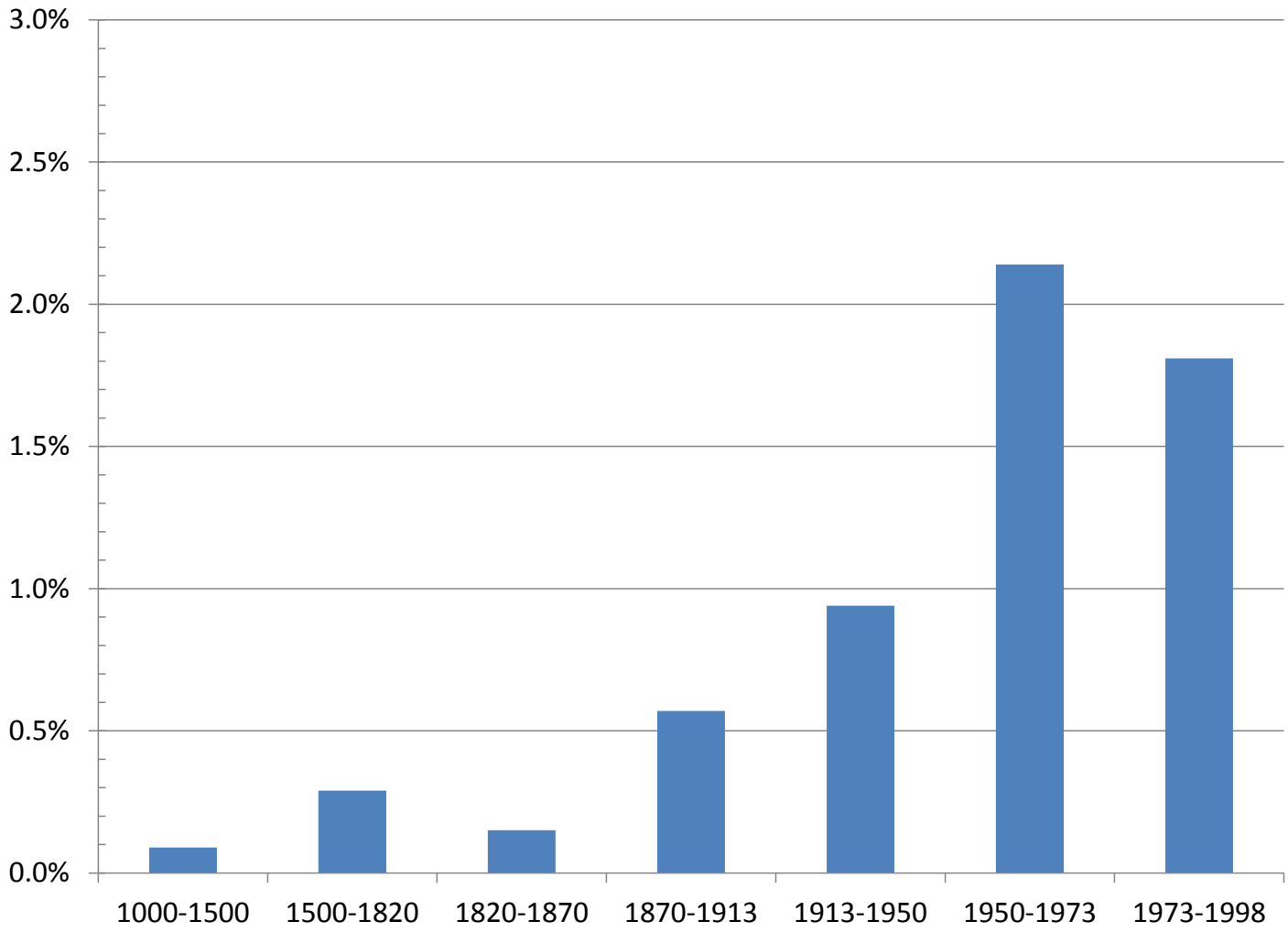

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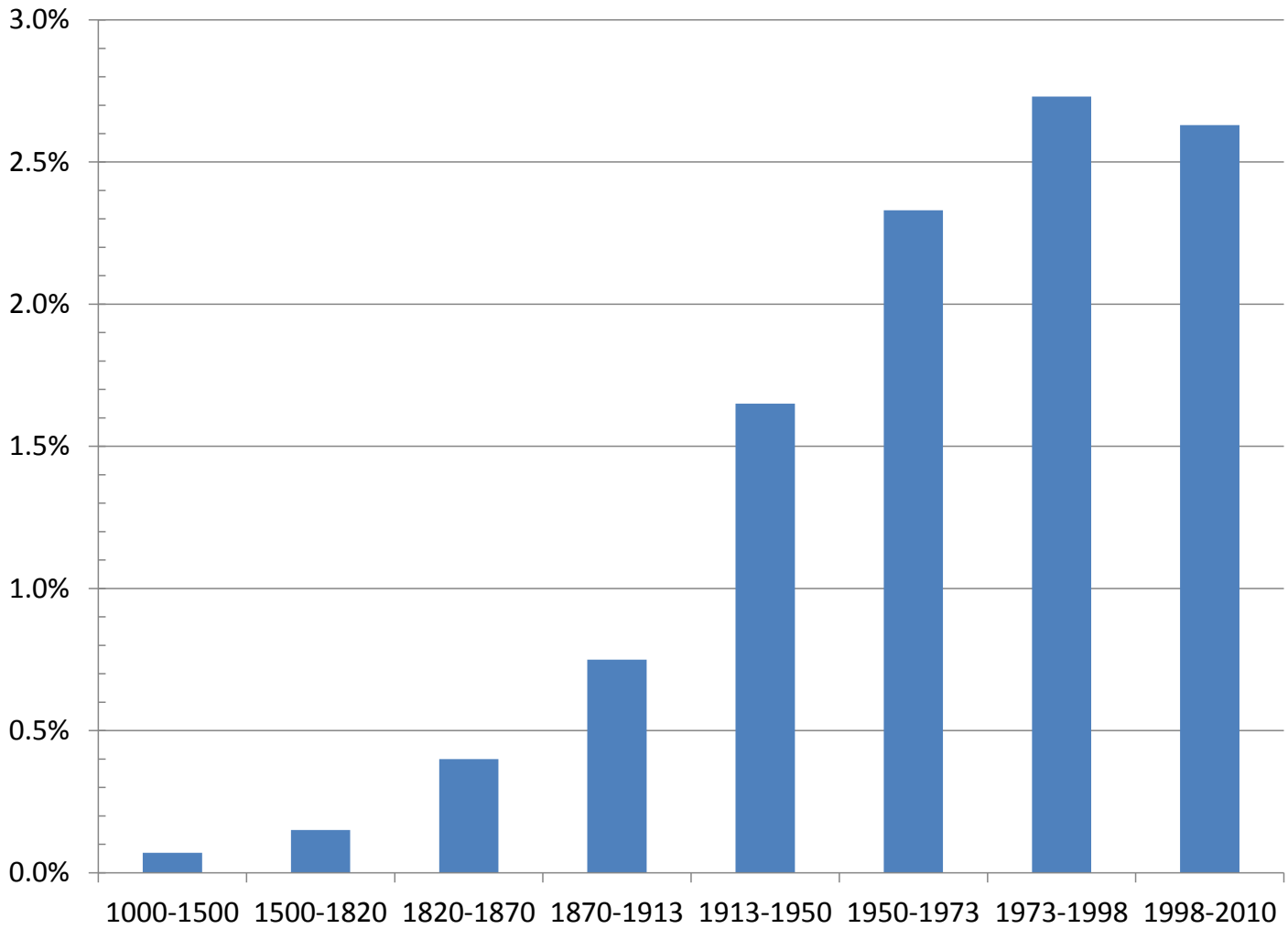
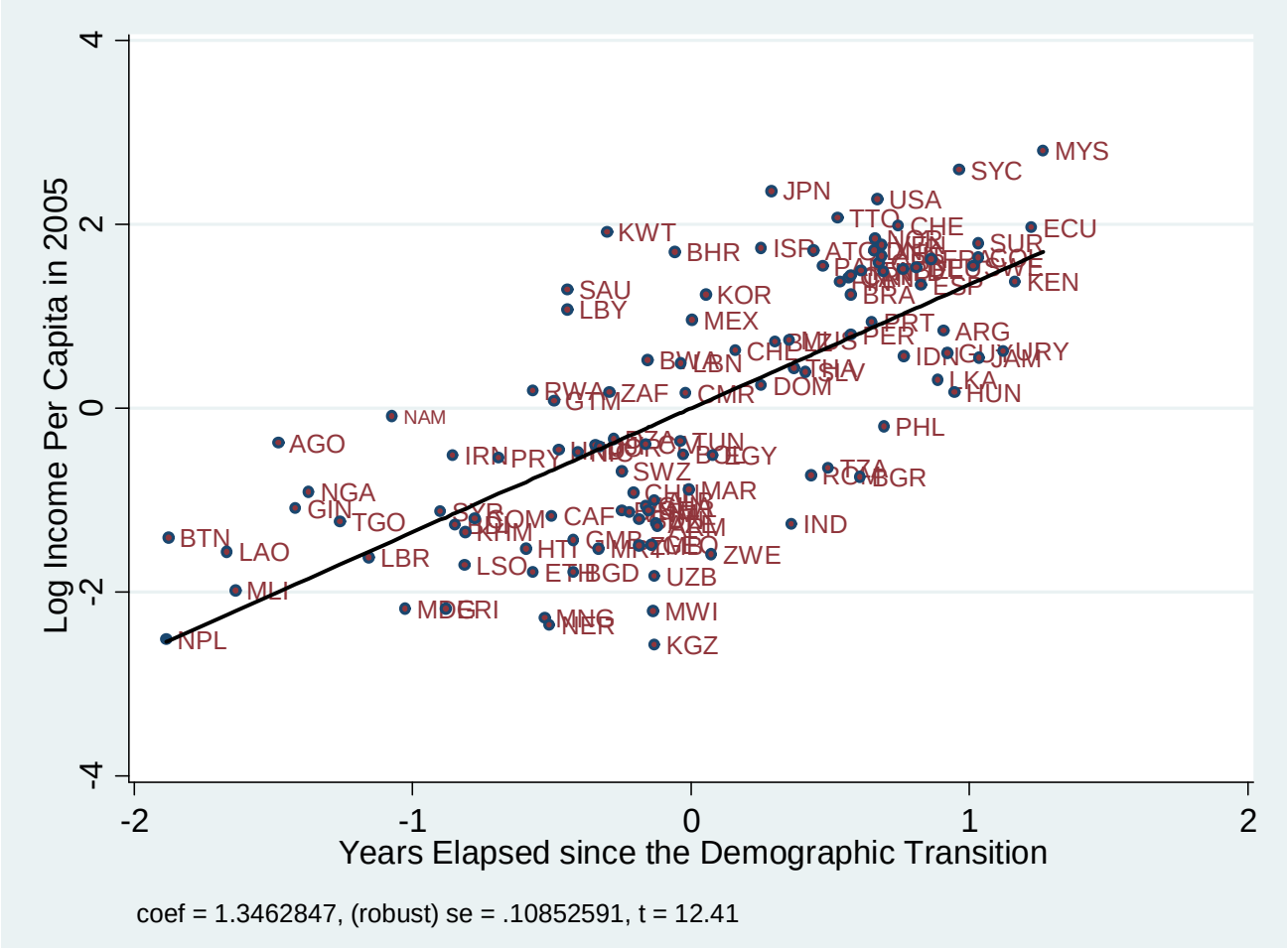
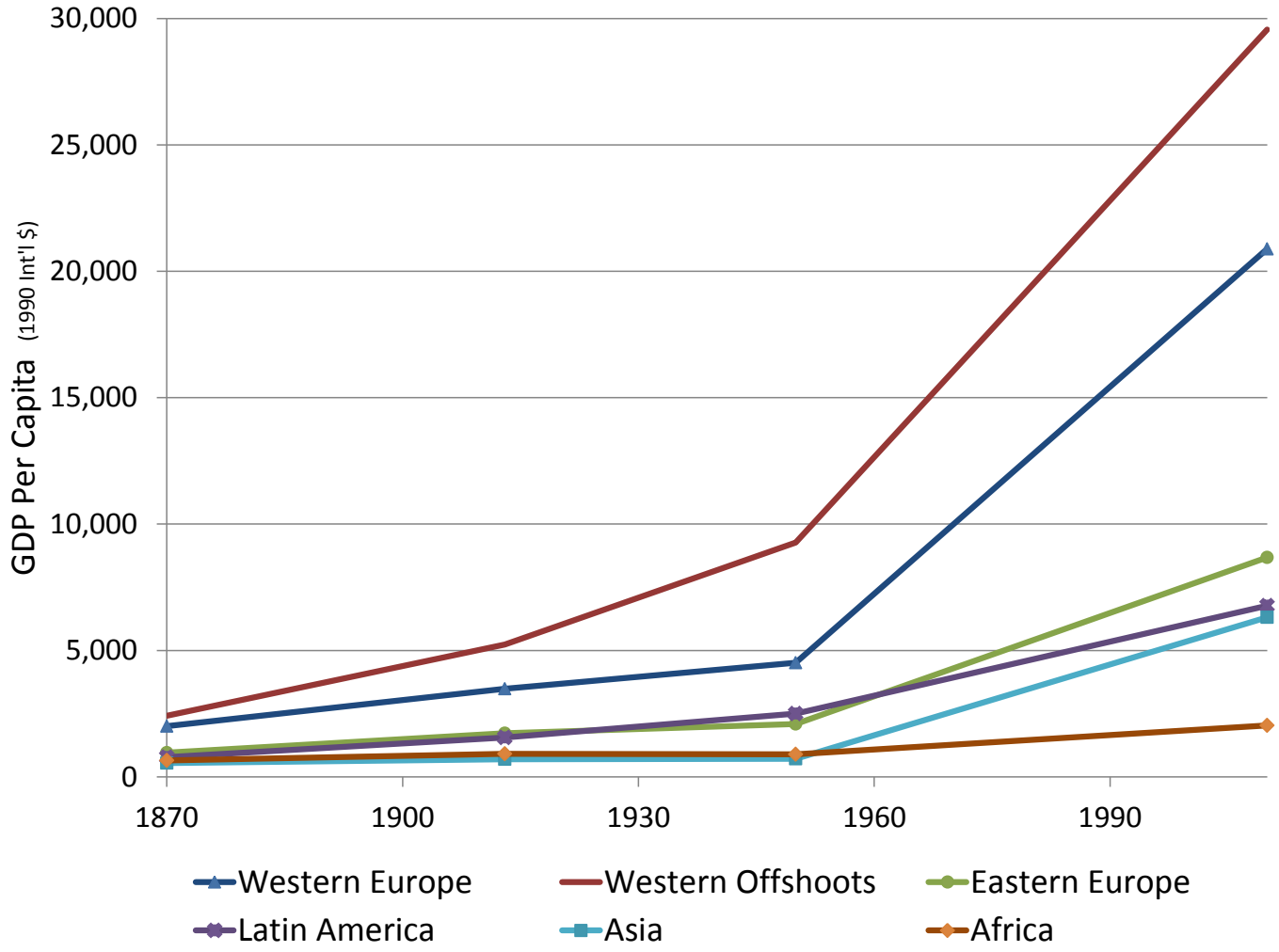


Timing of the Demographic Transition and Current Income per Capita

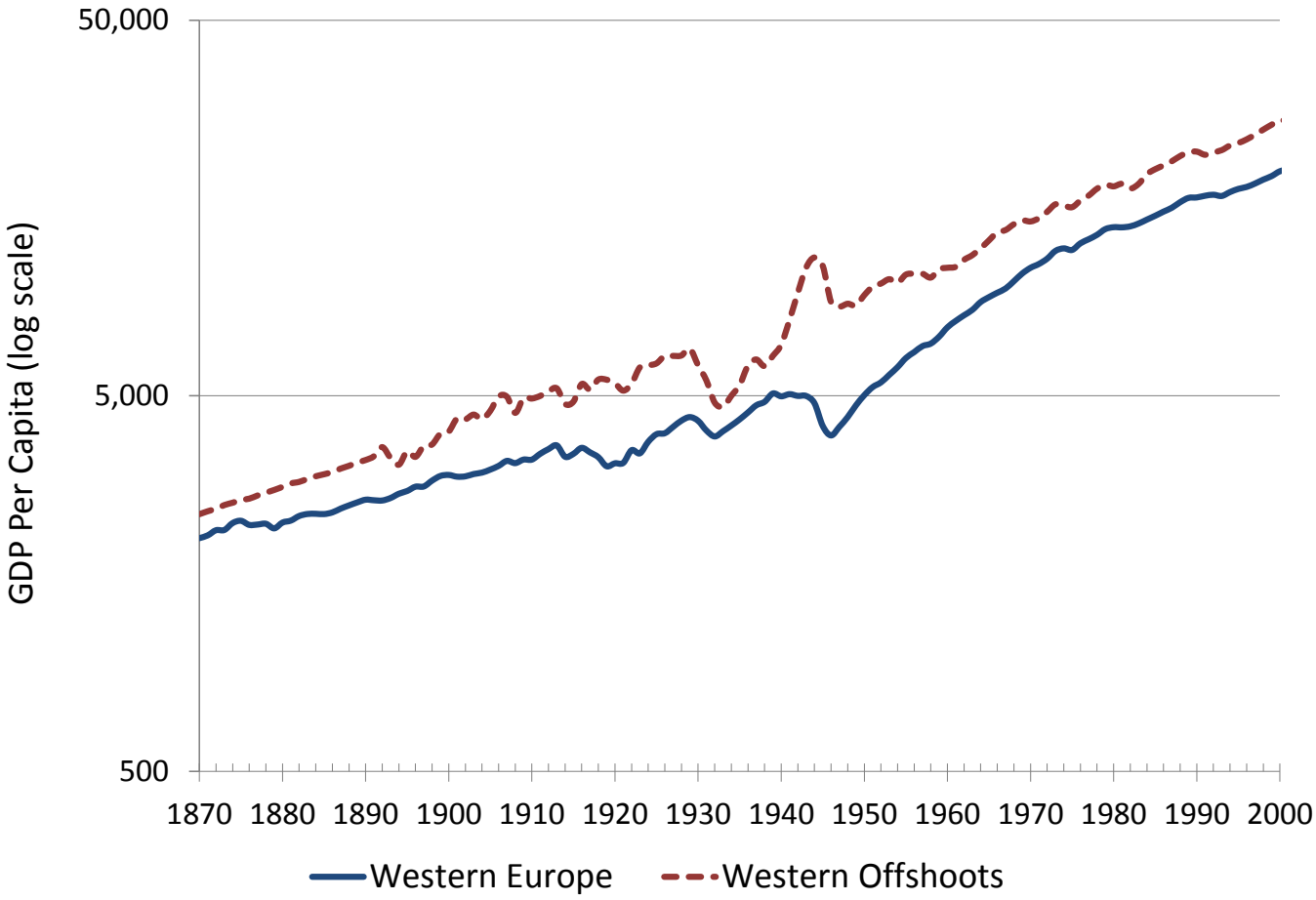


Conditional on absolute latitude.

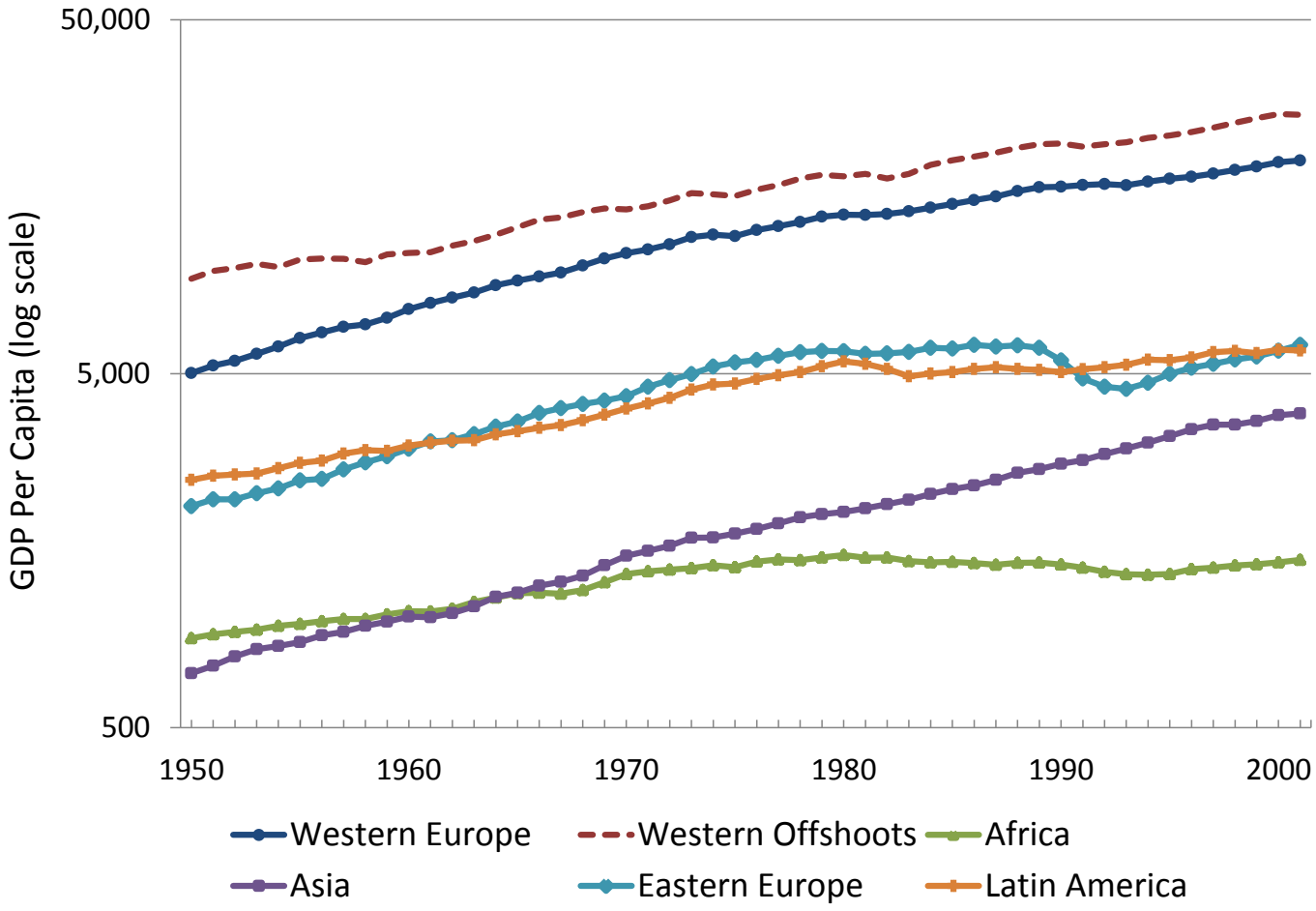
Timing of the Demographic Transition and Divergence across Regions



Sustained Economic Growth: 1870–2000



Regional Variation in Growth of Income per Capita: 1950–2000



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