



“No magic bullet for inequality” - Stiglitz



Medellin 8 April 2014—Nobel Economics Laureate Professor Joseph Stiglitz on Tuesday warned that there was no magic bullet to end inequality but laid down a series of measures he said could help to mitigate the problem.

Speaking to the press in the sidelines of the Seventh Session of the World Urban Forum in Medellin, Colombia, Prof. Stiglitz said tackling inequality required innovation by the world’s governments.

“Unfortunately, there is no magic bullet to end inequality but there are different sets of steps which the world’s governments need to undertake to address the problem. These include investing in education, creating new jobs as well as providing new opportunities for enterprises,” he said.

In his wide ranging Question and Answer session with journalists, the 2001 Nobel Economics laureate cautioned that fighting inequality should not be confused with reducing measured income. “It should include issues like insecurity and things that affect those at the bottom and the middle of the pile,” he said.

On addressing youth unemployment which he said had reached alarming proportions, the Columbia University don listed skills improvement as being the key. “In the earlier days one would get the skills for the job while in school but nowadays they are forced to relearn the skills while on the job,” he said.

Answering a question on Latin America’s prospects, Prof. Stiglitz said that traditionally the region had often witnessed the highest levels of inequality in the world although other regions of the world were also now recording huge equality gaps. However, he expressed optimism saying that deliberate efforts by some countries had seen a drop in inequality.

“This is quite evident in Brazil where measures by the government are yielding results and this gives me hope for Latin America and that even here in Colombia we will see better results,” he said.

He said the recent decision by the BRIC countries – Brazil, Russia, India and China – to form a bank was welcome news considering that they had more combined GDP than the countries that formed the Bretton Woods institutions at the end of World War II.

