

Kenneth Rogoff writes: Europe's migration crisis exposes a fundamental flaw, if not towering hypocrisy, in the ongoing debate about economic inequality. Wouldn't a true progressive support equal opportunity for all people on the planet, rather than just for those of us lucky enough to have been born and raised in rich countries?

Many thought leaders in advanced economies advocate an entitlement mentality. But the entitlement stops at the border: though they regard greater redistribution within individual countries as an absolute imperative, people who live in emerging markets or developing countries are left out.

If current concerns about inequality were cast entirely in political terms, this inward-looking focus would be understandable; after all, citizens of poor countries cannot vote in rich ones. But the rhetoric of the inequality debate in rich countries betrays a moral certitude that conveniently ignores the billions of people elsewhere who are far worse off.

One must not forget that even after a period of stagnation, the middle class in rich countries remains an upper class from a global perspective. Only about 15% of the world's population lives in developed economies. Yet advanced countries still account for more than 40% of global consumption and resource depletion. Yes, higher taxes on the wealthy make sense as a way to alleviate inequality within a country. But that will not solve the problem of deep poverty in the developing world.

Nor will it do to appeal to moral superiority to justify why someone born in the West enjoys so many advantages. Yes, sound political and social institutions are the bedrock of sustained economic growth; indeed, they are the sine qua non of all cases of successful development. But Europe's long history of exploitative colonialism makes it hard to guess how Asian and African institutions would have evolved in a parallel universe where Europeans came only to trade, not to conquer.

Many broad policy issues are distorted when viewed through a lens that focuses only on domestic inequality and ignores global inequality. Thomas Piketty's Marxian claim that capitalism is failing because domestic inequality is rising has it exactly backwards. When one weights all of the world's citizens equally, things look very different. In particular, the same forces of globalization that have contributed to stagnant middle-class wages in rich countries have lifted hundreds of millions of people out of poverty elsewhere.

By many measures, global inequality has been reduced significantly over the past three decades, implying that capitalism has succeeded spectacularly. Capitalism has perhaps eroded rents that workers in advanced countries enjoy by virtue of where they were born. But it has done even more to help the world's true middle-income workers in Asia and emerging markets.

Allowing freer flows of people across borders would equalize opportunities even faster than trade, but resistance is fierce. Anti-immigration political parties have made large inroads in countries like France and the United Kingdom, and are a major force in many other countries as well.

Of course, millions of desperate people who live in war zones and failed states have little choice but to seek asylum in rich countries, whatever the risk. Wars in Syria, Eritrea, Libya, and Mali have been a huge factor in driving the current surge of refugees seeking to reach Europe. Even if these countries were to stabilize, instability in other regions would most likely take their place.

Economic pressures are another potent force for migration. Workers from poor countries welcome the opportunity to work in advanced countries, even at what seem like rock-bottom wages. Unfortunately, most of the debate in rich countries today, on both the left and the right, centers on how to keep other people out. That may be practical, but it certainly is not morally defensible.

And migration pressure will increase markedly if global warming unfolds according to climatologists' baseline predictions. As equatorial regions become too hot and arid to sustain agriculture, rising temperatures in the north will make agriculture more productive. Shifting weather patterns could then fuel migration to richer countries at levels that make today's immigration crisis seem trivial, particularly given that poor countries and emerging markets typically are closer to the equator and in more vulnerable climates.

With most rich countries' capacity and tolerance for immigration already limited, it is hard to see how a new equilibrium for global population distribution will be reached peacefully. Resentment against the advanced economies, which account for a vastly disproportionate share of global pollution and commodity consumption, could boil over.

As the world becomes richer, inequality inevitably will loom as a much larger issue relative to poverty, a point I first argued more than a decade ago. Regrettably, however, the inequality debate has focused so intensely on domestic inequality that the far larger issue of global inequality has been overshadowed.

That is a pity, because there are many ways rich countries can make a difference. They can provide free online medical and education support, more development aid, debt write-downs, market access, and greater contributions to global security. The arrival of desperate boat people on Europe's shores is a symptom of their failure to do so.