



Current Path

Globalisation and the sense of relative deprivation

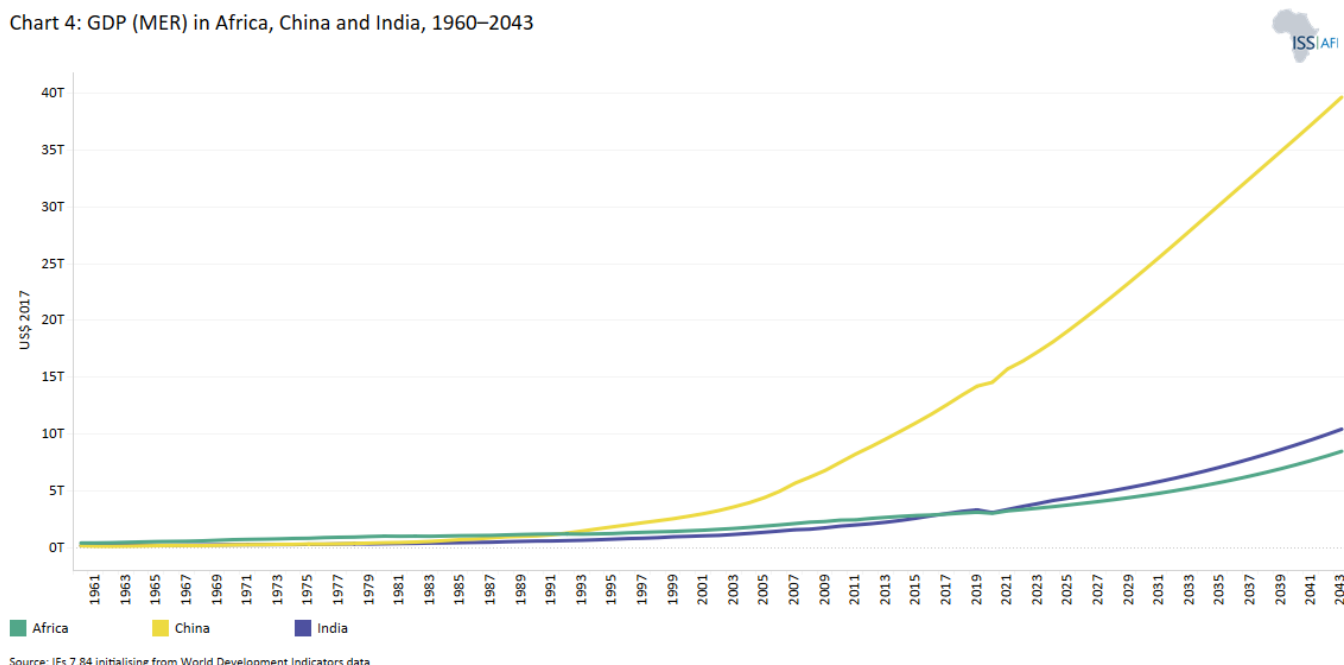
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Globalisation and the sense of relative deprivation

From this high-level perspective, the world has generally become much more prosperous and slightly less unequal, reflected in Chart 4 that presents the size of the economies of India, China and the combined size of the African economy. With this comparison it is important to remember that the chart obscures the fact that Africa consists of 54 small economies. Nigeria is Africa's largest economy but accounts for less than 0.6% of the world GDP.

Chart 4: GDP (MER) in Africa, China and India, 1960–2043



The period of globalisation after the end of the Cold War appears to have seen a convergence among a group of wealthy states, slow growth in a group of middle-income countries (the so-called middle-income trap) and stagnation among poor countries. Also, wealth is shifting from West to East as middle-class Westerners have seen less income growth than their (comparatively poorer but more populous) Asian counterparts.

It is as if [hyper-globalisation](#) reached a tipping point with the 2007/08 global financial crisis, which temporarily turbocharged income inequality within and between countries. These trends have accelerated in the wake of the COVID-19 pandemic, as advanced economies (and a few emerging markets) recover faster than developing countries, partly because of better vaccine access. In 2020, the economic contraction associated with COVID-19 probably saw about 55 million additional people classified as extremely poor compared with no-COVID forecasts—with almost half being African. The youth, low-skilled individuals, and those active in the informal sector have been disproportionately affected by the pandemic. In the words of the head of the International Monetary Fund (IMF): 'The [convergence](#) between countries can no longer be taken for granted.'

The numbers and percentages tell one story. Still, our interconnected world and access to information have intensified a sense of relative deprivation among large swathes of the global populace, from India and China to the American Midwest and Afghanistan. It is particularly evident in Africa.

The 2007/08 financial crisis initially led to anti-establishment protests such as the 'Occupy Wall Street' movement, although with significant regional variations. Financial benefits seem to flow to small urban elites, financial institutions and a handful of large corporations with little change for the middle class. Income is increasingly concentrated among top earners in almost all countries with data on [income distribution](#)—the poor (and often the middle class) are not doing very well, while the rich are getting richer. The political impact of middle-income disenchantment has most prominently seen the rise of

populist political parties and leaders in the West, perhaps best reflected by the election of Donald Trump as president of the US for a single term and, after losing to President Joe Biden, is running again the November 2024 elections.

The sense of absolute and relative deprivation—i.e. actual improvements in living standards being vastly out of kilter with expectations—is rising. Although people in high-income countries have never enjoyed a better living standard, they seem to feel particularly insecure, scared that they will not be able to maintain their standard of living and that migrants from poor countries will somehow overwhelm them. The result is a rise in [developed world](#) identity politics (or nationalist populism). All reflect a view, for different reasons, that the neoliberal model of globalisation (and democracy generally) has not managed to hold the fort against special interests. The trend is most evident in the US. Populism is accelerated by social media echo chambers such as Facebook and X that undermine democracy by serving as a platform for dis-, misinformation and conspiracy theories. We use nationalist populism vs the extent of globalisation as one of the two dimensions to present global scenarios in the theme [Africa in the World](#). Thee

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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