

## **Abstract for “Inequality in Global Production and Trade: A Proposal for Measurement”**

**Utz-Peter Reich (Mainz University of Applied Sciences, Germany)**

Inequality is traditionally considered as a problem concerning the distribution of disposable income. Production and trade, in contrast, are deemed to be distributionally neutral. With the new World Input Output Database, at hand, it is now possible to challenge such division of topics. The paper shows how, by joining Purchasing Power Parities to WIOD, one can define and substantiate a measure of inequality in international trade. The measure is then used to review two old theories about inequality in world trade, in the first part of the paper, and in its second part an experimental compilation of trade between eight major countries demonstrates how the size of real value added, in each country, is affected by inequality of the terms at which its products are traded with other countries.