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THE IMPACT OF GLOBALISATION: GLOBOSCEPTICS VERSUS GLOBOENTHUSIASTS

Social inequality implies a sense of injustice—a violation of egalitarian principles deeply ingrained in modern Western ideologies and in contemporary popular cultures that question the established hierarchies of wealth, power, privilege, honour and even taste. In the simplest formulation, social inequalities (we prefer the plural form for reasons that will become apparent below) encompass all forms of hierarchical gradations that are problematic because they are perceived as conventional (as opposed to natural), and because they violate some social norms and/or offend moral standards. This makes social inequalities relative in their cultural and historical senses: the boundaries between 'conventional' and 'natural' are fluid. Similarly, what offends in one culture and in one era may be acceptable, unproblematic and taken for granted (often rendered invisible) in another. Gender inequality was taken for granted and thus rendered unproblematic in traditional societies. Similarly, unequal treatment of citizens and non-citizens was tolerated as 'normal' until postwar reforms. But both became offensive and contested forms of inequality in the contemporary Western world—doubtless a reflection of changing values and normative frameworks.

This 'culturalist' view is often criticised by those who see inequalities as 'objective' and relatively independent of social norms, cultural values and popular perceptions. What makes inequalities social, the objectivists argue, is the fact that they arise in the processes of social interaction and reflect an uneven distribution of social resources. Consequently, social inequalities accompany unequal life chances, regardless of popular interpretations and prevalent cultural sensitivities. Thus gender inequalities are real if men and women have unequal opportunities and life chances, even if these inequalities are ignored or denied by the participants.

As discussed in more detail below, there are good reasons for seeing social inequalities as *both* objective, reflected in uneven life chances, *and* simultaneously anchored in perceptions, values and symbolic classifications. This is the point stressed by all classical thinkers, as well as by their most sophisticated contemporary students. Treating social inequalities as objective resource and opportunity gaps allows for comparison across time and between cultural universes. Seeing them as culturally embedded symbolic constructs highlights their meaningful nature and sensitises us to the variety

of their forms. Both are important in understanding the impact of social change on the way social hierarchies are reshaped or, as we maintain here, 'globalised'.

They are 'globalised' in four senses. First and foremost, social inequalities are increasingly seen in a transnational context, as regional and 'worldwide'. Nation-states cease to be exclusive moral universes with regard to equality and justice, and are less and less confining in comparisons of standards of living, power differentials and status gradations. Globalisation helps in universalising our cognitive and moral horizons by reducing the distance between 'people like us' and 'the others'. Therefore, debates on social inequalities increasingly refer to transnational categories, such as 'refugees', 'the Third World', a 'developed North', the 'Western world' and 'indigenous peoples'. Second, the causes of hierarchical social divisions are increasingly sought outside national processes. Globalisation extends causal connections beyond the borders of nation-states. Different aspects of inequalities are seen as increasingly interconnected and interdependent: social hierarchies are increasingly linked to the worldwide circulation of capital, goods, people, symbols and ideas. Third, globalisation influences the ways in which social inequalities are socially registered and contested. The spread of Western liberal-democratic values and sensitivities, and the resultant changes in social perceptions, evaluation and contestation of social hierarchies, are important (though often ignored) aspects of social change. So are the reactions to this global expansion of Western concerns and discourses, including fundamental reaffirmations of traditional hierarchy. Fourth and finally, the social consequences of inequalities are increasingly seen in the global context as crossing the boundaries between nations. Concomitantly, we are less inclined to see social inequalities as the business of national policy makers: debates about ethno-racial conflicts, illegal migration and terrorism are perhaps the most conspicuously globalised in this sense.

CONTROVERSIES ABOUT 'GLOBAL POLARISATION'

The disputed terrain of 'global polarisation' provides a good starting point for tackling the puzzle of contradictory diagnoses of contemporary trends in social inequalities and globalisation's impact. Some of these diagnoses stress the progressive 'equalisation of condition' (de Tocqueville), the levelling of social and political statuses, the erosion of social divisions and an accompanying democratisation of manners. The advocates of this argument point to the defeat of ideologies of racial superiority in World War II; a decline in patriarchy; the spread of popularly elected regimes; and an expansion of egalitarian citizenship accelerated by 'new social movements' and liberal civic reforms. The conclusion drawn from these observations is that these

modern egalitarian trends continue in the 'global era', and that the interdependencies this era brings intensify these trends. This sanguine view is rejected by advocates of 'class polarisation' (Marx), who see a widening social gap between rich and poor, powerful and powerless, both nationally and on the global scale. This polarising trend has been identified mainly in the USA and the UK. The 'Thatcherite' and 'Reaganist' reforms that reduced state redistribution have, according to the critics, also led to the widening of social gaps between the rich and the poor, the elites and the masses. Internationally, global polarisation is exemplified by an allegedly widening economic and power gap between 'advanced' and developing nations.

Both these diagnoses—the Tocquevillian and the Marxist—accompany a resurgence of public and academic interest in social inequalities, and fuel ideological debates between 'globosceptics' and 'globoenthusiasts': yet, clearly, these debates do not merely replicate the old ideological differences. Egalitarian trends are often confirmed by Marxists (e.g. Therborn 2002); global polarisation is often diagnosed by liberal scholars (e.g. Atkinson 1999). A more likely bone of contention is the *conflation* of different, and contradictory, trends. Different aspects of globalisation affect dimensions of social inequalities in different and often contradictory ways. Trade liberalisation, for example, produces new winners and new losers in advanced societies, with the latter heavily concentrated among the less educated and less skilled social categories in those areas most affected by a rapidly changing pattern of production. By contrast, the intensified circulation of information and knowledge, another key aspect of globalisation, is widely credited with the democratisation—that is, equalisation—of political status, and with a narrowing of gender and racial gaps.

The combination of these different aspects of globalisation results in a complex and dynamic pattern of inequalities. The net effect depends on the calculus used in, and on the relative weight given to, different aspects of social hierarchy and division. Moreover, such a net effect may vary with different regions, nations and segments of societies. For example, national studies of income and wealth distribution, especially in Anglo-American societies, tend to show widening social gaps and support the polarisation arguments. At the same time there is no evidence of polarisation in the rapidly globalised Scandinavian societies, France or Canada. Moreover, global studies show a declining poverty within the most populous nations and point to a reduction in 'world inequality'. Studies of gender and racial divisions also tend to reveal continuing egalitarian trends in line with the more sanguine views of globalisation, although the black–white divide in the USA and Britain shows no sign of abating. The tendency for income and wealth polarisation is strong in the USA and the UK, noticeable in Australia, negligible in Canada, and absent in France, Denmark and the Scandinavian countries. Studies of elites suggest, on the one hand, a democratisation of recruitment; on the other hand, a 'detachment' of

political and corporate leaders from mass constituencies, and a growing voter apathy. Generally, the Anglo-American trends seem to combine socioeconomic polarisation with sociocultural equalisation. The European developments are more complex. While in Western and Northern Europe egalitarian 'modern trends' appear to be ongoing, though at a much slower pace, the postcommunist societies of Central and Eastern Europe are experiencing a sudden widening of socioeconomic gaps. (This is to some extent moderated by democratisation and by the progressive erosion of traditional status divisions.)

The Anglo-American trends seem to attract more media attention: perhaps because the USA is seen as the 'sole superpower', and because the UK, especially since the reforms promoted by Margaret Thatcher, has been seen as a contemporary liberal 'trendsetter'. The resultant global power networks of corporate executives, the 'gated communities' of the super-rich and the consumption patterns of 'bohemian bourgeoisie' then become favourite topics of popular sociology and critical journalism. Similarly, there seems to be a renewal of interest in the emerging 'underclasses', the new strata of 'working poor' and the genderised enclaves of urban poverty amid affluence. Concern about socioeconomic polarisation, and its social consequences, propels inequalities 'at the heart of Western democracy' to the top of political agendas.

The Anglo-American pattern of socioeconomic polarisation attracts attention also because it is largely unexpected. It seems to defy the widely accepted 'modern trends' encapsulated in the S-shaped 'Kuznets curve' (Kuznets 1963). The theoretical underpinning of this curve purportedly explains why the modernisation of the economy led first to widening economic gaps, and then to their gradual narrowing. Indeed, this pattern was both expected and diagnosed by social scientists in almost all developing and developed societies until the early 1980s. With few exceptions, modernising societies experienced increasing inequalities followed by long egalitarian trends. This sequence was attributed to occupational shifts, expansion of taxation and welfare programs, increasing social capital, democratisation and secular reforms. Then, from the 1970s to the 80s, the socioeconomic gaps started to widen in the USA and the UK—a trend attributed to deregulation, market liberalisation, tax reduction and welfare cuts. These unexpected reversals of egalitarian trends also prompted some alarming though less well-documented diagnoses of 'civic disengagement' and declining social capital (e.g. Putnam 2000; Wilensky 2002).

Critics invariably implicate globalisation in these unexpected reversals. The widening of social gaps in the USA and the UK is, according to them, caused by the expansion of global financial and trade links. Liberalisation and deregulation benefit the wealthy and the skilled: at the same time they depress the lowest wages, and increase the vulnerability of the lower strata to structural unemployment. In the postcommunist world,

the critics argue, the impact is even more dramatic. The 'fall of the Wall' has coincided with the collapse of the old welfare system and the introduction of a market economy through corrupt practices. This results in steep stratification, widespread poverty and social pathologies. Thus, it is argued that both Western exporters and Eastern recipients of the globalising market economy experience its socially polarising and corrosive consequences.

While modernisation theorists see the widening socioeconomic gaps in the USA and the UK as a puzzling anomaly, more radical critics interpret it as a confirmation of the polarising 'logic of capitalism' (e.g. Callinicos 2000). They tend to see the symptoms of socioeconomic (class) polarisation as a consequence of unshackling the capitalist market and freeing large corporations from state controls. Some perceive it as a prelude to a worldwide broadening and sharpening of class divisions—perhaps the final fulfilment of Marx's predictions of class polarisation, the worldwide crisis of capitalism and revolutionary upheavals.

However, by far the strongest factor propelling social inequalities into the headlines is growing public concern about the disruptive social and political consequences of the widening economic gaps. There is nothing new in this concern, and in its underlying assumption of a causal link between increasing inequality on the one hand and growing social conflict and pathology on the other. Classical theories of inequality originated in moral-political concern about social disruption caused by the industrial 'great transformation'. The classic social thinkers were concerned about the unsustainability of societies in which inequality grew and lost legitimacy: poverty spread amid wealth, exploitation grew amid charity, and powerlessness widened amid spreading democratic sentiments. There are some similarities between this old concern about social order and the new concern agenda accompanying the current 'great disruption' (e.g. Fukuyama 2000).

There are also some new elements in the diagnoses of contemporary social ills attributed to widening and further delegitimation of inequality. The founding fathers of modern sociology would *not* be so familiar with the current concern about transnational terrorism, welfare dependency, deindustrialisation, people smuggling and drug-related waves of lawlessness. These new social pathologies, typically linked to globalising inequalities, have been attracting a disproportionate degree of attention from the media, especially in the aftermath of the 9/11 attacks in the USA in 2001. In the globalising world, critics argue, rich and poor, powerful and disempowered face each other in a more direct manner—and such a direct contact breeds more resentment than occasional encounters. This resentment is reinforced by spreading (mostly Western) egalitarian values, and by a cultural climate in which it is difficult to legitimise a hierarchy of power and privilege. The traditional legitimisations of hierarchy crumble. So do the abilities of states to control, organise and legitimise inequalities, and to curb their socially disruptive effects. With this decline, the risks grow of exposure to social pathologies.

GLOBALISING TRENDS

Globalising trends, as the name implies (and we stress throughout that these are *tendencies* and *processes* rather than structures and accomplishments), operate internationally, on a world scale. They involve a giant leap in cross-national interdependencies caused by the intensified circulation of money (capital), goods and services (products), ideas and symbols (information), and people (labour). The first of these, increasing economic interdependence, is arguably the most important aspect of globalisation. It is brought about by widening networks of investment, production, trade and consumption; by the increasing international mobility of capital and integration of the financial markets; by links in production and trade; and by the circulation of ideas and people. The interconnection and interdependence of national economies are driven by trade liberalisation and financial links, especially within supranational free-trade blocs such as NAFTA, the European Union, ASEAN and Mercasur.

Economic globalisation is accompanied by political globalisation, triggered by the acceleration of European unification, the collapse of the Soviet bloc, and the rapid expansion of American influence on a global scale. Contemporary politics has been losing its state-centred character. A new world politics is in many respects similar to the emerging world economy: increasingly complex and international. The power of the political 'core' states, especially the USA, is growing in terms of both diplomatic influence and military might. But in a globalising world politics even the most powerful national actors still have to rely on alliances and coalitions.

Finally, globalising trends affect contemporary culture, especially popular culture. The key elements of this trend, often labelled 'postmodern', are a diversification of values ('value polytheism' in Durkheim's argot), progressive individualism, and rationalistic universalism. Under their impact, early modern trends towards massification and homogenisation are in many ways reversed. The increasingly diverse popular cultures that spread through the media/communication/entertainment networks are aggressively plural, fragmented and syncretic. They are also more fickle. Tastes, consumption patterns and lifestyles, especially in the metropolitan centres of advanced societies, are regularly subjected to international pressure. Culture industries are increasingly multiform and heterogeneous, though they continue to be heavily dominated by the American culture and entertainment industries. But this domination is far from homogenising; what spreads throughout the interaction and communication networks are diverse 'niche' subcultures that are further hybridised through adaptation to local social environments. In a popular phrase, globalisation always accompanies localisation.

The globalising trends, as noted above, have a clearly 'postmodern' colouring. The observers of these trends emphasise that what is new is not so much the content as the form: globalisation enhances interdependence,

synchrony, simultaneity. The modern expectation of national sociocultural convergence is replaced by enhanced diversity through localisation and customisation. Therefore, the concept of 'globalisation' has quite different connotations and contextual meanings from the concept of 'modernisation', which it starts to replace. In popular usage, especially in the hands of critics, it implies unpredictability and subjection of human life to uncontrollable 'external' forces, especially of the 'untamed market'. These forces are seen as liberating, as freeing individual initiatives from administrative constraints: but also as socially disruptive, overpowering centres of social organisation and control, including the governments of nation-states, and widening the 'risk society' syndrome. While modernisation admits powerful actors—modernising states and elites—one can only 'adjust', 'adapt' and 'take a flexible position' in the face of the globalising juggernaut (e.g. Bauman 1998).

GLOBOSCEPTICS VS GLOBOENTHUSIASTS

Clearly, globalisation has both integrative and egalitarian as well as divisive and polarising effects. It boosts economic growth but also contributes to a deterioration of working conditions at the lower end of occupational hierarchies. It facilitates the spread of democratic regimes but also frees corporate elites from state controls. It enhances the 'global village' effect but also exacerbates cultural marginalisation of minorities. Which effects are more pronounced? This question pitches globosceptics—those who are critical of globalisation as stratifying and divisive—against globoenthusiasts, who see the increasing interconnectedness as if not an equalising force, then at least a socially benign process.

Both globosceptics and globoenthusiasts agree that globalisation is implicated in shaping social inequalities. They disagree on the implications. For most globosceptics, globalisation marks the triumph of international capitalism over the social constraints imposed by national governments.[1] It widens socioeconomic gaps, and the resulting globalising inequalities are the most serious suspects in a theoretical line-up of possible causes of social disruption and pathology, including transnational terrorism and drug trade. Thus, the globosceptics single out the processes of financial and trade liberalisation as the underlying causes of deindustrialisation and the accompanying formation of 'unemployable' urban strata and marginalised 'underclasses'. Globalisation-triggered migrations, including wave-like flows of refugees from conflict-torn regions, are seen by globosceptics as major factors eroding wages among the low-paid workers. Globosceptics also blame global competition, especially in its focus on attracting capital investment, for deregulatory policies resulting in the 'race to the bottom'. The obverse of this process is the unchecked (and untaxed) growth of wealth and influence. Sceptics further

argue that worldwide inequalities follow the expansion of multinational corporations that exploit local resources, including cheap labour, and damage the natural environment. They also follow tax cuts, reductions in income transfer and tightening of welfare provisions. While the wealthy and influential capture the opportunities created by liberalisation and evade social disruption, the poor and unskilled are caught in 'poverty traps' and carry the social and environmental costs.

Globosceptics point not only to the causal nexus between globalisation and widening socioeconomic gaps but also to the socially destabilising consequences of the latter, including social pathologies and political conflicts. The 'rust belt' regions of advanced societies, for example, are seen as breeding grounds for crime, including drug abuse, and for such social dislocations as family breakdown, child illegitimacy and domestic violence. Similarly, the widening gap between affluent 'North' and impoverished and conflict-ridden 'South' is seen as spawning instability and violence, which increasingly spills over into the developed world. This is because globalisation dissolves the territorial and social barriers insulating the winners and the losers. The 'export' of illegal drugs, corrupt practices (including people smuggling and black market employment) and, more recently, the intensifying transnational terrorist violence are seen as a reflection of global social gaps, a price for *excessive* or unchecked globalisation.

Globoenthusiasts, by contrast, emphasise the integrative and poverty-reducing impact of liberalised trade, investment and information.[2] The fall of European communism, one of the key consequences of globalising trends, extended democracy and facilitated European integration. It prompted the collapse of the apartheid regime in South Africa and strengthened pro-democracy movements in Asia. Countries embracing a globalisation path, such as South Korea and Taiwan, have democratised and expanded civil rights. Moreover, there is a strong causal link between globalisation, economic growth and the reduction of poverty. Critics of globalisation, arguably, often overlook the fact that the worst contemporary tragedies of mass starvation—the ultimate forms of 'vital inequality'—have been brought about by the political failures of isolated, dictatorial and ideologically fundamentalist regimes. Such regimes resent and oppose globalisation because global connections promote openness, transparency, public accountability and democratic public pressures. The free flow of information and mobility of people also help in publicising corruption. Therefore, the progress of globalisation aids civic control. Global integration makes dictatorial rule harder to sustain because dictatorships thrive on isolation. Globalisation also enhances the role of pro-democratic organisations, transnational regulatory agencies, NGOs and civic groups, such as ILO and Greenpeace. If socioeconomic inequalities widen in the process, this is primarily caused by new technologies and not by the forces of globalisation. The latter cannot be blamed for growing income gaps between the 'knowledge workers' operating in the

information and communication technologies (ICTs) and the marginalised unskilled strata. Such gaps mirror productivity gaps, and are bridged under the impact of globalising pressures for human and civil rights. Sweatshops and child labour are not, in this view, a *product* of globalisation but *symptoms of isolation*, poverty and underdevelopment. They are also not exported by global corporations but thrive in small, local businesses, typically those most immune to union control.

Globoenthusiasts further conclude that the picture of widening global inequalities is either incorrect or exaggerated. When we compare incomes on the aggregate (worldwide) levels, they argue, we find that globalisation accompanies a reduction in poverty, especially in the most populous regions (e.g. China and India). Poverty deepens in those regions of Africa, Asia and South America that shun global trends or are insufficiently globalised. Similarly, the disruptive side-effects of globalisation, according to globo-enthusiasts, are minor and contingent. They reflect *insufficient* or *defective* globalisation.

GLOBALISING INEQUALITIES—THE ARGUMENT

Which argument looks more plausible? How does globalisation affect social hierarchy and division? How does it affect the architecture of social strata, classes, status groups and political elites in advanced societies?

In answering these questions we follow four leads. First, in order to provide empirically informed answers, we focus on advanced—that is, highly industrialised—societies. Such societies are well researched and provide high-quality empirical information. Second, we acknowledge a multi-aspectual nature of both social inequalities and globalisation. That means that no simple generalisation can accurately encapsulate the complex nature of the globalisation-inequality connection. More specifically, we argue that globalisation has different impacts on each of the three major aspects or dimensions of inequality. Third, this diversity and complexity of trends reflects complex causalities. Economic globalisation, for example, tends to widen socioeconomic gaps, as postcommunist developments suggest, when occurring rapidly and in a politically liberal environment. By contrast, cultural and political aspects of globalisation—an increased circulation of values, information and institutional norms—seem to have predominantly egalitarian effects. They undermine traditional inequalities of gender and race, and facilitate a civic activism that animates democratic regimes. In sum, globalisation promotes *complex* inequalities—that is, inequalities that are less cumulative and less socially articulated.

The inquiries into these complex inequalities lead us to the following propositions:

- Socioeconomic inequalities have been increasing within the most rapidly globalising advanced societies, especially in the Anglo-American democracies that embrace deregulation and economic liberalisation.
- The key trend in these societies is towards growing ranks of the affluent and very rich, most of whom are 'corporate-rich' and represent 'new wealth'.
- Sociopolitical inequalities seem to change in two opposed directions: one trend is towards democratisation and a further extension of citizenship, the other is towards the concentration of power in the hands of non-elective elites.
- There has been also a trend towards the increasing American hegemony that encompasses economic, military, diplomatic and cultural dimensions.
- In the sociocultural sphere, inequalities 'narrow down', and this egalitarian trend is clearly linked to declining traditionalism. The established hierarchies of status, in particular gender and ethno-racial hierarchies, are either crumbling or coming under growing critical scrutiny.
- Some aspects of racial divisions persist, but racial discrimination per se has been losing legitimacy and public support, especially among educated and affluent city dwellers.
- Established hierarchies of taste have been undermined by an increasing 'polytheism of values', individualism, and rapidly diversifying lifestyles. While sumptuary capacities and lifestyles vary, claims to a unilateral 'cultural superiority' are hard to sustain.

Globalisation is implicated in all these trends. It assists in proliferating universalistic orientations, rationalism, individualism and egalitarian values. These effects are reinforced by the spread of a popular culture hostile to hierarchy. Moreover, the increasing pluralism of values and tastes makes all hierarchical claims highly contestable. It also erodes the social divisions anchored in tradition. In sum, globalisation promotes complex inequalities. It is both hierarchical and egalitarian in its consequences—a fact overlooked by both globosceptics and globoenthusiasts. By enhancing social and cultural differentiation, globalising trends contribute to the decomposition of social classes. The abandonment of a class idiom by political and cultural elites is symptomatic of this decomposition.

Do globalising trends, and the complex inequalities they promote, undermine the value of egalitarianism? We address this question in chapter 12. We argue that complex inequalities open the way to a philosophical elaboration of egalitarian liberalism couched in popular theories of justice. While socialist egalitarianism is critical of market liberties, liberal egalitarianism, increasingly embraced by 'third way' socialists and neo-liberals alike, highlights the interdependence of liberty, democracy and economic equality. In order to develop these arguments, we have to start with some basic analytical distinctions in chapter 2.