

**SOCIAL INEQUALITY**  
**FORMS, CAUSES, AND CONSEQUENCES**

**FOURTH EDITION**

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## U.S. INEQUALITY IN COMPARATIVE PERSPECTIVE

*The fact that rising earnings inequality occurred in other industrialized countries with different job creation experiences suggests that rising inequality may be related to more general phenomena occurring across nations.*

—Gordon Green, John Coder, and Paul Ryscavage

*Despite convergence in the labor market histories and qualifications of women and men, occupational distributions in many industrialized countries reveal large and persistent sex differences.*

—Maria Charles

The last several chapters have discussed several forms of inequality in the United States. This chapter helps to put the extent of that inequality in comparative perspective by addressing the extent of economic, gender, and racial/ethnic inequality on the international scene. One might expect that the United States, as a democratic nation, would exhibit less inequality than most other countries, especially those which are less developed economically and less democratic politically.

As an industrial nation, the United States is generally thought of as having a *class* system, a relatively open system of inequality based primarily on economic holdings in which positions are largely attained rather than ascribed. This contrasts with *caste* and *estate* systems, which have been more characteristic of agrarian societies. A caste system is a closed status system of hierarchically arranged groups based on ascribed characteristics; it is ultimately legitimated by religion (e.g., Hinduism) and custom. India, to be

discussed later in this chapter, has been characterized by its caste system. An estate system, as found in feudal Europe around the twelfth century, is a fairly rigid system based primarily on land ownership, and sanctioned by the state and religion (e.g., Catholic Church in medieval Europe). The clergy, nobility, and commoners made up the three major estates in early Europe. *Slavery*, a fourth system of inequality, is based on ownership of human beings. The permanence of one's position and relations between masters and slaves can vary, as it did in Brazil, the United States, and ancient Greece.

Although descriptions of these broad systems of inequality help put the U.S. system of inequality into a comparative framework, the main focus of this chapter will be on contemporary differences among countries, especially variations in economic inequality. International comparisons of economic inequality, although desirable, have been hazardous for a variety of reasons:

1. Survey data have usually been collected in different years in different countries.
2. Different measures of poverty have been used at various times. For example, some surveys have used an absolute measure, setting a particularly low threshold to define poverty, whereas others have recommended a more relative measure, defining poverty in terms of how a particular population segment compares to others in the society.
3. Families and households, which frequently are the unit of analysis in wealth and income analyses, are defined differently in different countries. For example, even within the Luxembourg Income Study, which is considered the best source for comparative income research, there are differences in the data sets between countries. Data from the Netherlands, for example, do not distinguish between households and families, whereas in Sweden, youths over age 18 who live with their parents are considered a separate family.
4. Differences in degrees of underreporting of economic resources exist between countries, and what is included in income and wealth also varies. For example, the United States includes trust funds in its determination of a family's wealth, but France does not (Kessler and Wolff 1991).

### DIFFERENCES IN QUALITY OF LIFE

There are significant international inequalities on a wide variety of conditions that measure the quality of life for people. A group experiencing one of the worst qualities of life today are the Dinka tribe in southern Sudan. Thousands of Dinkas have been and continue to be enslaved by their more powerful northern Muslim neighbors in Sudan's civil war. The number of slaves is generally estimated to be about 20,000. "Their Muslim owners ... consider it a traditional right to enslave southerners.... The slaves have been put to work as cooks, maids, field hands, and concubines.... Many are fed and kept like cattle, often sleeping beside livestock that their owners consider far

more valuable. Like cattle, they are branded, sometimes just below the eye, with the Arabic name of their owner" (Minter 1999, p. 64).

Specific differences in quality of life are especially noticeable when industrial and developing/underdeveloped countries are compared. For example, individuals in industrial countries had an average *life expectancy at birth* of over 74 years in 1995; those in developing countries averaged about 62 years. Even though it is lower than that in industrial countries, the latter is still an improvement over 46 years, which was the life expectancy in developing countries in 1960. In sub-Saharan Africa, the life expectancy is only 50 years, and in some parts of Africa, it is even lower because of the spread of HIV/AIDS (United Nations 1998).

*Child mortality rates* (i.e., the number of children under age 5 who die per 1,000 live births) also differ significantly between countries. The rate for developing countries is 6 times that found in industrial nations (95 vs. 16) (United Nations 1998). Variations in these rates are related to internal and external conditions that affect the level and rate of development in countries. Internally, economic growth, education, health-care service, women's status, and strength of central government are *directly* associated with *lower* child mortality rates, whereas externally, ties of dependency of a country to other nations (e.g., foreign investment and debt) are *indirectly* related to *higher* child mortality rates through their negative influence on women's status, economic growth, and other internal elements. Of all these, women's status appears to be the best predictor of child mortality rates (Shen and Williamson 1997).

In addition to the chances for life, extensive comparative inequalities also continue in living conditions. Ninety percent of those who become infected with HIV live in developing countries, one consequence of which was the 8.2 million orphaned children in 1997 who lost their parents to AIDS. Although HIV/AIDS rates are very high in many places in Africa (e.g., 40 percent of all adult deaths in rural Uganda are HIV/AIDS-related), India had the highest *number* of HIV victims in 1997 (2 to 3 million) (United Nations 1998).



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*A grieving emaciated mother carries a dead or unconscious child through dirt streets during a famine in Africa. Images like these are not unusual in some African countries where natural disasters have reduced living conditions to a very low level.*

Sanitation and consumption levels are also part of one's living conditions. About 60 percent of the 4.4 billion people living in developing countries lack sanitation, 25 percent lack decent housing, and 20 percent do not have access to effective health services. These figures compare to often negligible percentages for people in industrial countries (United Nations 1998). Gross inequalities in consumption of necessities also plague the poorest people on earth. "Globally, the 20% of the world's people in the highest-income countries account for 86% of total private consumption expenditures—the poorest 20% a minuscule 1.3%" (United Nations 1998, p. 2). In 1995, for example,

the United States consumed 119 kilograms of meat per capita, compared to 3 kilograms in Bangladesh; spent \$2,765 per capita on health care in 1990, compared to \$3.00 (in U.S. dollars) spent per capita in Viet Nam; and used almost as much electrical energy in 1995 as all developing countries *combined* (United Nations 1998).

Finally, inequalities in access to knowledge and information continue. Adult literacy rates vary wildly among countries, ranging from an average of over 99 percent in the United States and industrialized countries to 14 percent in Niger, 38 percent in Pakistan, and 45 percent in Haiti (United Nations 1998). The importance of access to modern informational technology in an increasingly global economic network was discussed in Chapter 2, and the apparent worldwide discrepancies in access do not bode well for reductions in economic inequality between nations. In 1995, there were 328 computers per 1,000 individuals in the United States, whereas there were only about 7 per 1,000 in developing countries. Similar extreme discrepancies exist in Internet use, fax machines, and international telephone calls (*ibid.*). Table 8.1 shows how industrial countries compare with the least developed countries on several quality-of-life measures. For example, in industrial countries, adult literacy rates are about twice as high, life expectancy one-and-a-half times as high, and child mortality only one-tenth as high as rates in the least developed countries.

## ECONOMIC INEQUALITY

Many of the inequalities just discussed are related to economic differences between countries. The way to consider how bad poverty levels and income inequality are in the United States is to compare them with what is found in other countries. Clearly, the rate of poverty is much higher in many other countries, especially considering the fact that poverty is measured in less generous terms in these countries.

Over 1 billion people in developing countries currently have incomes of less than \$420 per year. Among developing countries, although poverty

**TABLE 8.1** Ratios on Selected Measures of Quality of Life  
Comparing Industrial with Least Developed Countries

MEASURE	INDUSTRIAL/LEAST DEVELOPED
Adult literacy rate	2 to 1
Life expectancy	1.45 to 1
Child mortality rate	1 to 10.69
Doctors (per 100,000 people)	20.5 to 1
Dependency ratio <sup>a</sup>	0.57 to 1
Electricity consumption	211 to 1
Televisions	.16 to 1
Human Development Index <sup>b</sup>	2.65 to 1

Source: Based on United Nations 1998.

Note: <sup>a</sup>Dependency ratio generally refers to the proportion of the population, usually very young or old, who are not in the labor force. <sup>b</sup>The *Human Development Index* is a composite measure that includes life expectancy, educational attainment, and adjusted income. A higher score on each element indicates higher human development.

rates in Asia have declined since 1985, those in the Middle East, North Africa, Latin America, the Caribbean, and sub-Saharan Africa have increased. Just under half of the people in the latter region are poor by the above standards (International Bank for Reconstruction and Development/The World Bank 1992). In some sub-Saharan African countries such as Zaire, Sudan, Malawi, and Rwanda, at least 80 percent of the rural population is poor. In 1995, the per capita income in the U.S. was 89 times higher than that found in the least developed countries of the world (United Nations 1998).

The higher poverty levels in most nonindustrial countries might placate Americans, but when compared to other industrial countries, the poverty rate in the United States does not fare so well. Overall poverty rates and those for children, the elderly, and women are higher in the United States than in other industrial countries. Less adequate governmental programs and lower employment rates among women are two of the major reasons for these discrepancies (Smeeding 1992; Casper, McLanahan, and Garfinkel 1994).

With respect to income inequality, in most cases, the poorer a country, the greater is the in-

come discrepancy between the richest and poorest 20 percent of the population. In about half of the developing countries, the income of the top 20 percent is at least 15 times that of the bottom 20 percent. For example, in Kenya in 1992, a so-called low-income country, the poorest 10 percent owned 1.2 percent of all income, compared to 47.7 percent being owned by the richest 10 percent. In contrast, the distribution in Denmark, a so-called high-income country, the poorest 10 percent possessed 3.6 percent of income, whereas the top 10 percent held 20.5 percent (United Nations 1998; The World Bank 1999).

Income distributions also differ among industrial nations, with the United States having among the highest concentrations of income. Table 8.2 presents the shares of income going to each income quintile in various industrial countries. Keep in mind that data were collected in different years from these countries. But among them, the United States has the highest degree of income inequality (gini = 40.1). In 1994, the poorest 20 percent owned only 4.8 percent of income, compared to over 45 percent for the top 20 percent. In contrast, in Norway, for example, the corresponding figures were 10 percent and 35.3 percent, respectively.

**TABLE 8.2** Percentage Share of Income or Consumption among Population Quintiles in Selected Industrial Market Countries

COUNTRY	BOTTOM 20%	SECOND 20%	THIRD 20%	FOURTH 20%	TOP 20%	GINI INDEX <sup>a</sup>
Australia (1989)	7.0	12.2	16.6	23.3	40.9	33.7
Belgium (1992)	9.5	14.6	18.4	23.0	34.5	25.0
Canada (1994)	7.5	12.9	17.2	23.0	39.3	31.5
Denmark (1992)	9.6	14.9	18.3	22.7	34.5	24.7
Finland (1991)	10.0	14.2	17.6	22.3	35.8	25.6
France (1989)	7.2	12.7	17.1	22.8	40.1	32.7
Germany (1989)	9.0	13.5	17.5	22.9	37.1	28.1
Ireland (1987)	6.7	11.6	16.4	22.4	42.9	35.9
Italy (1991)	7.6	12.9	17.3	23.2	38.9	31.2
Netherlands (1991)	8.0	13.0	16.7	22.5	39.9	31.5
Norway (1991)	10.0	14.3	17.9	22.4	35.3	25.2
Spain (1990)	7.5	12.6	17.0	22.6	40.3	32.5
Sweden (1992)	9.6	14.5	18.1	23.2	34.5	25.0
Switzerland (1982)	7.4	11.6	15.6	21.9	43.5	36.1
United Kingdom (1986)	7.1	12.8	17.2	23.1	39.8	32.6
United States (1994)	4.8	10.5	16.0	23.5	45.2	40.1

Source: Adapted from The World Bank 1999, pp. 198–199.

Note: The dates in parentheses are the years in which data were collected. <sup>a</sup>The gini index measures the dispersion of income across the whole income distribution. The index ranges in score from 0 to 1.0, with 0 representing perfect *equality*, where each person or group gets an equal share, and with 1.0 representing perfect *inequality*, where one person or group owns all the income. In other words, the higher the index score, the higher the *inequality*. Gini scores were multiplied by 100.

Industrialized countries also differ in earnings distributions. When compared to Australia, Canada, Sweden, and West Germany in the 1980s, the United States had the most unequal distribution regardless of the method used to measure earnings inequality (Green, Coder, and Ryscavage 1992). The lowest 10 percent of men, ages 25 to 54, working full time, year-round, received 3 percent of all earnings in the United States, compared to a next low of 3.4 percent in Canada and a high of 5.9 percent in Sweden. On the other end of the scale, the top 10 percent of earners received a high of 23.3 percent of all earnings in the United States, while in Canada they received 20.7 percent and in West Germany 18.9 percent.

The greater income and earnings inequalities in the United States, compared to other industrial countries, coupled with the fact that inequalities increased in most of these during the 1980s, sug-

gest that there may be underlying mechanisms common to industrial countries that are creating pressures for greater inequality, but that are accentuated in the United States. Among the possibilities are rises in the demands for various high-tech skills and declines in others. New communication technologies have also opened up new sources for *wealth and income* attainment for those with access to and skills in them. Organizational streamlining has also left many unemployed or demoted and others wealthier than before (Green, Coder, and Ryscavage 1992). These changes in technology create an impetus for growing inequality.

In addition to differences in data collection, a wide variety of factors will affect the distribution of income and wealth in a country, and therefore help account for the differences between countries: (1) Demographic factors (e.g., particular age structure, family composition, and marital disso-

lution rates) of a country, along with its (2) economic conditions (e.g., inflation, productivity, employment patterns, growth rates), and (3) tax and inheritance laws, all affect the distribution of economic resources. For example, Japan's income distribution tends to be fairly equal compared to many other countries. Part of the reason for this is its highly progressive personal income tax system. Those earning over \$160,000 (defined in terms of U.S. dollars) are taxed at the rate of 65 percent. Divorce is also much less frequent in Japan than in the United States, and divorce is a major cause in the rise of poverty rates among poor single-parent families and children. On the other hand, the proportion of the elderly population in Japan is increasing, and this will likely increase the concentration of income and wealth there as economic resources are inherited and spread among smaller numbers of offspring (Bauer and Mason 1992).

There appears to be a curvilinear relationship between development and income inequality. Early in development, inequality is low, but then it increases along with development, and eventually declines while the country continues to develop. This trend is related to shifts in the economy, population size, and educational levels of countries. Inequality, at first, increases and then decreases as (1) the industrial sector grows and eventually becomes the primary source of employment, (2) the rate of population growth increases and then decreases, and (3) educational levels increase (Nielsen and Alderson 1995). While also finding evidence of these trends, Stack and Zimmerman's (1982) study of 43 countries found, nevertheless, that the level of development was not related to the share of income received by the bottom 20 percent of the population. In other words, the trend toward greater equality in developed nations applies only to the top 80 percent. "Development does not result in the redistribution of income to low income groups" (p. 355).

A poor industrial base, high population growth rates, and low levels of education in countries foster income inequality within countries and help to maintain the gap between developed and underdeveloped nations. The income gap between

the richest and poorest of the world's population has increased over the last several decades, increasing income concentration worldwide. In 1960, the 20 percent richest countries had an income that was 30 times that of the poorest 20 percent, but by 1995, that gap had increased to 82 times. *In 1997, it was estimated that the total wealth of the richest 225 people in the world was over \$1 trillion, which equaled the combined income of the poorest 47 percent (2.5 billion people)* (United Nations 1998).

Changes in the global income gap partly reflect trends in the former Soviet Union as well as in other less developed countries. In many of the East and Central European countries, economic conditions have worsened since the collapse of the USSR, creating real difficulties within as well as increased discrepancies between them. These countries' economic profiles approximate those of developing countries. At least in the short run, per capita income has fallen in Central Europe and the former USSR, whereas unemployment has gone up and consumer prices have risen dramatically (Hauchler and Kennedy 1994). These developments further promote the large economic gaps that exist among countries. How can we account for these gaps?

A number of theories discussed in this chapter, most notably the dependency and world system perspectives, suggest that inequality is often accelerated by relationships between countries. As Nutshell 8.1 makes clear, the gap in wealth has increased, with wealth becoming more concentrated internationally.

### Explaining International Inequality

Think about how you would account for the difference in wealth between two people. You might say it could be just a matter of time before one catches up with the other. Or it could be that the poorer individual does not have enough motivation or the right values to allow accumulation of wealth. Or it could be that the two people are differentially constrained by structures or circumstances beyond their control. One happens to be in



## NUTSHELL 8.1

**Wealth Concentrating, UN Says**

## Some Asian Growth Rates Are Called Unprecedented

COLUM LYNCH  
GLOBE CORRESPONDENT

**United Nations**—The world's 358 billionaires have amassed more assets than the combined gross domestic product of countries with nearly half of the world's people, according to a United Nations report scheduled to be released this week.

As part of an overall trend in the concentration of wealth, the report found that since 1980, 15 countries, mostly in Asia, have enjoyed rates of economic growth higher than any recorded in 200 years of industrialization, according to the UN's Human Development Report.

But the fortunes of the few have largely eluded poor nations, bringing diminishing job opportunities, falling wages and a rate of economic decline throughout much of the developing world that surpasses levels faced by the industrialized world during the Great Depression of the 1930s.

Some 1.6 billion people in 89 countries, mostly in Africa, are worse off economically today than they were 10 years ago. Since 1960, the income gap between industrialized nations and poor countries has tripled, according to the report.

"The world has become more economically polarized, both between countries and within countries," said James Gustave Speth, administrator of the UN Development Program, which published the report. "If present trends continue, economic disparities between industrial and developing nations will move from inequitable to inhuman."

Although the United States has maintained steady economic growth, high standards of living

and sustained job growth in recent decades, the gap in wages between the nation's richest and poorest citizens has been widening, according to the report. Between 1975 and 1990, the richest 1 percent of the population increased its share of the wealth from 20 percent to 36 percent.

"In the United States, and to a lesser extent in some nations of the European Union, the inequality of income and wealth seems to be increasing," Robert M. Solow, an economist and Nobel laureate, wrote in the report.

The report, which measures a nation's quality of life on the basis of an individual's life expectancy, access to education and purchasing power, found that Canada, followed by the United States, Japan and the Netherlands, has the highest standard of living in the world. At the bottom of the ladder were African countries like Somalia, Niger and Sierra Leone.

Richard Jolly, the report's principal author, said that economic growth is essential to improving the lot of the world's poorest nations. However, he warned that economic expansion without sufficient investment in social welfare programs is a prescription for disaster. In Ghana, as in many parts of Africa, the economy grew (by 4.8 percent between 1986 and 1991) while employment fell (by 13 percent).

Jolly appealed to policy makers to follow the example of many Asian governments that have invested the profits of economic expansion into education.

Source: *The Boston Globe*, July 16, 1996, p. A10. Reprinted with permission of Colum Lynch.

a better situation than the other, allowing for the accumulation of wealth.

The explanations given for the inequality that exists between nations parallel these same reasons. There are (1) evolutionary/stage, (2) psychological/value, and (3) dependency/world-system theo-

ries of international inequality. Broadly speaking, *evolutionary* or *stage explanations* contend that development results from movement up through a set of stages brought about by processes at work within the society. For example, Rostow (1960) suggested that societies go through five major

stages in their movement to development: (1) traditional stage, (2) preconditions for takeoff, (3) the takeoff, (4) the drive to maturity, and (5) the age of mass consumption. In each stage, certain events must occur in order for a society to move on to the next phase of development. Clearly, the fifth stage is modeled after the United States. A cruder version of this approach is found in earlier evolutionary theories that portray development as an almost automatic and universal process that comes with increasing population and progressive integration within the society. Leaving aside the ideological issues surrounding this approach to development, Rostow's theory, like others in this school of thought, has been heavily criticized as being ahistorical and weak in its consideration of how the ties between countries affect underdevelopment.

The second type of theory stresses that in order for development to occur, a particular set of *values* has to be present in a significant proportion of the population. Psychologist McClelland (1961), for example, stressed the importance of need for achievement as a value in individuals, and sociologists Inkeles and Smith (1974) argued for the importance of a number of values if development of a "modern man" is to occur. Among the characteristics of the modern person they list are a readiness for new experience, a democratic orientation, a belief in human efficacy, a faith in science and technology, and a disposition to form and hold opinions. Traditional values such as superstition, ethnocentrism, fatalism, norms of pride, dignity, and modesty are viewed as cultural barriers to development (Foster 1973). In these theories, the importance of structure and history for development pales next to the significance of personality and values.

Both of these sets of theories assume that there is a fundamental conflict between tradition and modernity, that one is the enemy of the other, and that the gap between them must be bridged if development is to occur. The final set of theories suggests that the degree of development of a country is tied to its position in the system of inequality in the world economy. These theories developed largely as alternatives to the kinds of

modernization theories just discussed. More specifically, advocates of the *dependency theory* contend that the principal reason some countries are underdeveloped is because they are minor players in the world market and are linked to major nations through ties of exploitation. Large, powerful nations drain less powerful countries of their resources, establish markets for their own finished products in these countries, penetrate their economies with multinational corporations, and largely determine the terms of trade and pricing in the world economy. This leaves weaker, less prosperous countries in a state of seemingly permanent underdevelopment. For example, one advocate of this position, Andre Frank (1969), refers to this dependency condition as one in which underdevelopment is developed.

More recently, there has been a great deal of interest in *world-system theory*. Wallerstein (1974, 1979) is largely credited with initiating this discussion, but earlier thinkers had already considered the idea (Hunter and Abraham 1987; Chiot and Hall 1982). Similar to dependency theory, the world-system approach views the world economy as an interdependent system in which countries play different roles and are in different economic positions. In effect, there is a geographic and functional division of labor among all of the countries. Dominance in this world economy is established through state control and legislation, economic penetration of other countries, and a lowering of a country's dependence on external markets.

Capitalism is the driving economic force that has gradually enveloped most of the world, vastly increasing the commodities for sale on the world market, and creating a large international working class. Since many of those in the working class of underdeveloped countries are non-Whites, the inequality that results takes on racial overtones. An overlapping of racial and economic inequality occurs with a vast majority of those in underdeveloped countries being both working class and members of a racial minority. Recall our discussion of a class theory of race relations in Chapter 6. The most important nations in this world economic system, the *core* nations, own most of the

capital, whereas the less developed or *peripheral* nations provide raw materials and labor for the development of finished commodities. Having developed, historically because of (1) protective trade policies, (2) conquest, and (3) economic support from the state, core nations siphon off resources and capital from peripheral nations, many of which are or have been colonies.

The dependency that appears between core and peripheral nations goes through several stages. In the first phase of dependency, core nations return to sell finished products to the peripheral nation, discouraging the development of local, indigenous manufacturers. The ultimate result of this is a spiral of deepening dependency on core nations and the progressive underdevelopment of the peripheral country. In the second phase, peripheral nations borrow capital from foreign banks and transnational corporations to build capital-intensive factories that produce goods for the local market. To create these factories, heavy machinery must be purchased from core sources. This keeps dependence alive as more capital flows from the periphery to the core. In a third phase of tighter economic ties between the core and the periphery, the low labor costs in peripheral countries attract transnational corporations that use the labor power in less developed nations to assemble products for export to developed nations. The lower labor costs, weaker unions, fewer environmental restrictions, and beneficial tax packages from host governments make movement into peripheral countries attractive to many corporations. Pharmaceuticals, electronic equipment, and clothes have been among the products created (Ward 1993). As a form of dependency, foreign investment has been found to be a drag on economic growth in many countries (Shen and Williamson 1997).

The relations between core and peripheral nations have become the topic of often heated debate. One example of that controversy is reflected in discussions over the North American Free Trade Agreement (NAFTA), which phases in free and open trade relations between Canada, Mexico, and the United States. Some of the contro-

versy over this agreement has been due to its alleged impact on the environment, but there are also several economic issues that relate to the inequality between and within the nations involved. On a broad international level, some have argued approvingly that the pact would open up an area of free trade between different countries, allowing for open competition. Others have countered, however, that regional pacts of this kind only make free trade on a global level more difficult to attain. The supposed result is that the region would flourish while those outside the agreement would find it as difficult as ever to crack into the markets of the pact nations. "Regional trade agreements are discriminatory," wrote one critic of NAFTA, "as they distort trade and divert investment, but they also unleash a new dynamic on the part of outsiders: the only thing worse than a regional bloc is being on the outside of one looking in" (Aho 1993, p. 24). With respect to relations between the nations in the pact, supporters saw all three nations benefiting through open competition and the creation of more jobs in each country. The scenario for inequality suggested here is that working-class people within every country involved would benefit from the creation of jobs, resulting in less poverty and a higher standard of living. At the same time, however, given the shift to a trade surplus from increased involvement in Mexico, the pact raised the specter of a more powerful nation progressing at the expense of the less powerful. If this is the case, economic inequality between the countries would increase.

NAFTA went into effect on January 1, 1994. At the beginning of the twenty-first century, its effects are still being assessed and stirring controversy. Thus far, it appears that the impact has not been as extreme as either defenders or opponents had expected. Writing in 1999, John Robey concluded that "it may well be that both the supporters and opponents of NAFTA are overstating their cases," but that the impact on the U.S. economy in general will be less than that on the Mexican economy (1999, pp. 122–123). On the positive side, some have suggested that increased cooperation among workers' organizations has been instigated,

and that shopping along the border by Mexicans has helped maintain at least 1,000,000 U.S. jobs (Carr 1999; Brown 1997). Other U.S. critics have argued, however, that the U.S. economy has been damaged by NAFTA, which created a multibillion-dollar trade deficit between the United States and Mexico in 1998 and left "over 200,000 U.S. workers certified as NAFTA casualties under just one narrow government program," many of these workers in "high-paying manufacturing jobs" (*Public Citizen* 1999, p. 3).

Not unexpectedly, the geographic area that has so far generated the greatest amount of concern is the border region between Mexico and the United States. On the one hand, it is the place where U.S. and Mexican cultures most directly confront and mix with each other. On the other hand, it is also the location of several thousand manufacturing plants (*maquiladoras*), a proliferation that was not fully anticipated because it was believed by some that the opening of free trade between the United States and Mexico would not make it any more profitable for companies to locate along the border (Robey 1999). This concentration of industry has exacerbated existing environmental, crime, safety, and immigration problems, and has underlined variations in the standards between participating countries and the need for Canada, Mexico, and the United States to reach some compatibility on the issues (Brown 1997; Atkinson 1998).

The discussion of NAFTA is used here primarily to show how economic relations might impinge on inequality processes between and within countries. Does freedom of trade help to reduce inequality or increase it? Is it economically beneficial to workers in some countries but not others? Do regional trade agreements of this type foster greater economic inequality between blocs of nations? Will open competition between different ethnic and racial groups fuel greater intergroup hostility or will it usher in a deeper respect and tolerance of group differences? Either way, there are implications for the state of economic inequality.

In sum, the essence of the world-system perspective emphasizes the importance of the struc-

ture of the world economy and a nation's position in it as an explanation of development/underdevelopment. Despite these studies, world-system theory has been open to criticism. Most importantly, Brenner (1977) suggested that, in some cases, the general backwardness of a society can lead to its dependent position rather than vice-versa. The theory has also been attacked for not fully considering the active role of women in the economies of the world and the effects that world-system development has on gender inequality (Ward 1993). (For further critiques, see Chase-Dunn 1975; Rubinson 1976; Bornschier and Ballmer-Cao 1979; Sullivan 1983; Stack and Zimmerman 1982.)

As suggested earlier, it is not my task here to give a full assessment of each of these approaches as they bear on development. However, in recent years, the dependency/world-system perspective has been linked by many to the degree of income inequality in a country, and studies have been conducted testing the general hypothesis that the degree of dependency is directly related to the extent of income inequality. Similarly, it also has been argued that a greater level of economic development is associated with lower income inequality. Let us look at each of these propositions.

***Dependence and Economic Inequality.*** Non-core nations are tied to core nations by a dependent relationship. Their economies, labor markets, levels of development, and political structures are partially shaped by the direct and indirect influence of core nations. This dependent position also helps produce greater income inequality within these nations, in part through its creation of uneven development within these economies.

A variety of studies using various measures of economic dependency indicate that greater dependency produces greater income inequality within the dependent country. More specifically, multinational corporate penetration, foreign debt dependency, and export patterns of concentration all have been found to be positively linked with income inequality (Kuznets 1963; Lenski 1966; Jackman 1975; Bornschier and Ballmer-Cao

1979; Stack and Zimmerman 1982). This relationship has been found even when the country's level of development has been taken into consideration in the analysis. In essence, these studies suggested that both level of development and dependency in the world economy have independent effects on income inequality.

A link also has been found between the level of economic development and dependency on the one hand, and the extent of political democracy on the other. Bollen's (1983) analysis of 100 nations revealed that political democracy, as measured by the degree of popular sovereignty and the presence of certain political liberties, is hindered by lower levels of development and greater dependency. Muller (1988), in turn, found that political democracy is related to the degree of the income inequality. His study of about 50 countries revealed that the more stable and longer the democratic tradition in a country, the less income inequality there tends to be. Conversely, when income inequality continues for a number of years, political democracy is undermined. These relationships persist even when a country's level of development is considered (Jackman 1975; Stack and Zimmerman 1982; cf. Rubinson and Quinlan 1977; Weede 1982; Muller 1988).

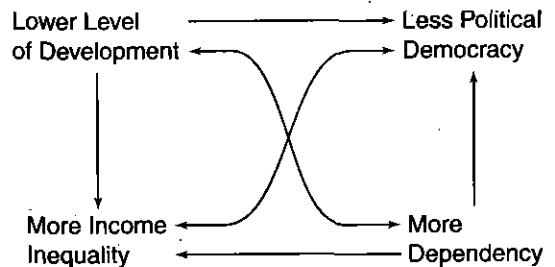
In sum, the proposed relationship is illustrated in Figure 8.1. There appears to be a network of relationships between dependency, level of development, political democracy, and income inequality. Of these, the relationship between political democracy and income inequality is the least settled. Some have found little or no relationship between these two factors, while others have found the predicted relationship (Brenner 1977).

**GENDER INEQUALITY**

The discussion of the world-system perspective noted that the role of women is usually not considered in that approach. How do international development processes affect the status of women in societies? It appears that the increased foreign investment and the introduction of cash crops and advanced manufacturing has the effect of weaken-

ing their economic position vis-à-vis men in their countries. Ward's (1993) study of 126 countries revealed that increased involvement in the world system lowered women's shares of the labor force, agricultural sector, and industrial sector of the economy.

Women's status is related not only to the level of involvement in the world economic system but also to the type of economy in the society. Women have always participated in the economies of countries. This has certainly been the case in hunting and gathering societies, which have been among the most egalitarian, in part because of (1) the lack of a large surplus, (2) the nomadic nature of life, (3) the minimal presence of private property, and (4) the absence of distinct specialized institutions. Structured classes are not present even though there are differences in prestige based on age, sex, and personal skills. In these societies, the division of labor is organized on the basis of age and sex. Although women are not primarily engaged in the more honorific adventure of hunting, they often have been responsible for foraging. More often than not, the economic activities of women contribute more to the daily diet than the animals brought in by hunters. Hunting by males, however, generally carries greater prestige because (1) it involves an element of challenge and excitement, (2) meat has more value than vegetables, and (3) it can be shared with the entire group rather than just the immediate family. The risk involved in hunting, the lower mobility of women due to reproduc-



**FIGURE 8.1** Macroprocesses and Income Inequality

tive and nursing obligations, and differences in physical strength are possible reasons for the domination of hunting activities by men.

In hunting and gathering societies, the degree of inequality between the sexes is much less than is found, for example, in agricultural societies. Generally, where women contribute heavily to the economy, there is less inequality between the sexes, and in hunting and gathering societies, gathering has provided the bulk of the diet in the majority of cases. Among the !Kung in Africa, for example, women are very important economically, and there is a great degree of equality between the sexes (Sanderson 1988). In some societies of this type, however, males are still distinctly higher in prestige and power. In several Australian groups—the Tiwi, for example—men are dominant and use their daughters through a betrothal system to establish economic and political ties. A greater number of wives is an economic asset because it means not only more food but also a wider network of support. However, even here, women traditionally contribute more food than men because of their gathering activities (Hart and Pilling 1966).

In horticultural societies, the status of women varies with the form of kinship descent and the specific society in question. In societies where lineage is traced through the female line and land is owned matrilineally, women tend to have higher status than in societies where lineage and ownership are linked with males (Martin and Voorhies 1975). Among the Yanomamo, on the other hand, which is a distinctly masculine society but one that relies heavily on garden-grown crops, women are held in low esteem. Female children are given household chores before males are, and women have little prestige and power. Female children are promised to others in marriage at an early age, with little consideration of their own wishes. Once married, women are expected to cater to the desires of their husbands, and a husband can beat his wife ferociously for any infraction, however minor (Chagnon 1977). In stark contrast, Iroquois women held positions of high prestige within their society (Brown 1975).

The status of women within horticultural societies is mixed, but it is low in agrarian societies. The invention of the plow, argued Joan Huber, affected gender stratification because (1) wherever it was introduced, it was controlled by men; (2) it made land the primary source of wealth; and (3) it made life more sedentary than in horticultural societies where periodic moving was mandatory because of soil depletion. The sedentary nature of life meant that the number of potential inheritors of land had to be controlled, and this translated into greater constraints on the behavior of women (Huber 1989). As men gained greater control over production of food, the status of women fell, and a clearer distinction developed between the familial and economic spheres, or between the domestic (inside) and public (outside) areas of life. The outside life—which entails meaningful involvement and influence in religious, economic, political, and educational institutions—was male dominated, whereas the more intimate inside sphere was more fully the province of women (Martin and Voorhies 1975). To maintain this fundamental separation, women's behavior was strictly limited, and social and ideological beliefs supported appropriate roles for each of the sexes.

### Current Comparisons across Countries

The review in Chapter 4 on gender inequality in the United States showed that women are generally below men in their earnings, income, and occupational statuses, and the families that they head are more likely to be poor. Clearly, such inequality is not restricted to the United States.

There are great variations between countries in the quality of life experienced by women. In its analysis of gender inequality in 163 countries, a recent United Nations study took into account women's (1) life expectancies, (2) educational attainment, and (3) incomes in its measure of gender-related development. Results showed that, *compared to men*, women are worst off in Oman, Saudi Arabia, Iran, Syrian Arab Republic, Algeria, Libya, and the United Arab Emirates. But in no society are women as well off as men. The

country with the least gender inequality is Armenia, followed by Latvia, Slovakia, Sri Lanka, Kazakhstan, Czech Republic, Bulgaria, and Poland. This list of countries show that less gender inequality is not directly related to a country's income. Keep in mind that the "gender-related development index" used by the United Nations merely measures the *relative disparity* between men and women on the above three variables; it does not directly tap the level of quality of life in an *absolute* sense. In *absolute* terms, women are best off in Canada, Norway, Sweden, Iceland, Finland, United States, France, New Zealand, Australia, and Denmark, respectively. In terms of women's opportunities to participate fully in the economic and political life of a country, Sweden, Norway, and Denmark rank highest. The United States is 11th among 102 countries. Most of the top-20 on this measure are industrial countries (United Nations 1998).

Across the world, a significant proportion of women are active in the economy. In 1995, women 15 years of age or older made up 41 percent of the world's labor force. The rate for industrial countries was slightly higher (44 percent) (United Nations 1998). Many of the countries in which women make up at least 45 percent are in eastern Europe. Conversely, Muslim nations in the Middle East, sub-Saharan Africa, and South Asia dominate those economies in which women make up a significantly smaller proportion of the labor force (Neft and Levine 1997). In addition to their involvement in the formal economy, women throughout the world also spend significantly more time than men on *unpaid housework*. In industrial countries, women spend at least 30 hours per week on housework, compared to 10 to 15 hours for men. In developing countries, the figures are 31 to 42 hours and 5 to 15 hours, respectively. Despite their heavy participation in both paid and unpaid work, however, women's unemployment rates tend to be higher in most countries (United Nations 1995).

As in the *United States*, the world's employed women are unevenly distributed across occupational categories. About half of them are

in various services (e.g., retail, restaurants, communications, insurance, personal services, etc.) and over one-third are involved in agricultural work. The rest are in manufacturing (Neft and Levine 1997). Overall, women are heavily represented in professional, technical, clerical, and service positions. By and large, these patterns follow those found in the United States. In Europe, Latin America, and the Caribbean, women occupy about half of all professional and technical positions and about two-thirds of clerical and service jobs (United Nations 1995).

With respect to distributions among specific occupations, some countries have few female-dominated positions, while others are overwhelmingly occupied by females. For example, in Malaysia, 81 percent of women are in positions in which less than half the workers are women, whereas in Finland, 68 percent of women work in jobs in which 70 percent of the employees are women. Most countries, however, appear to have several occupations in which women dominate. As we saw in Chapter 4, the United States is among these. As a representative illustration, women make up at least 97 percent of:

- Chimney sweeps in Austria
- Nurses in Bulgaria and Japan
- Child day-care workers in Finland
- Secretaries in France and Sweden
- Maids in Luxembourg
- Cashiers in Poland
- Kindergarten teachers in Bahrain
- Sewing machine operators in Cyprus
- Housekeepers in Malaysia (United Nations 1995)

These patterns, as well, follow those generally found in the United States.

Although women are concentrated in some positions, they are underrepresented in others. Women are most underrepresented in administration, managerial, production, and transport occupations. Underrepresentation applies to positions of political importance, as well. In 1997, only about 9 percent of parliamentary seats in developing nations were occupied by women. About 15

percent of such positions were held by women in industrial countries (United Nations 1998).

When compared to those in European countries and Canada, U.S. women are much less likely to be in national legislative positions. In 1990, for example, 38 percent of such positions were held by women in Sweden, yet only 5 percent of comparable positions were occupied by women in the United States. However, worldwide, most women who hold positions of leadership in government are in areas traditionally and stereotypically associated with women (e.g., education, culture, and social welfare) (United Nations 1991).

Among industrial countries, the gender gap in authority in the private economy appears to be lower in the United States than in many other countries. A recent study of employed individuals in Canada, the United Kingdom, Australia, Sweden, Norway, Japan, and the United States revealed that the gap was smallest in the United States and Australia, whereas Japan showed the widest difference in male and female authority. These differences persisted even after differences in characteristics in workplaces, jobs, and individual characteristics were taken into account (Wright, Baxter, and Birkelund 1995).

As in the United States, the expected attitudes and behavior of women in their occupations reflect cultural values. Kanter (1977a) found that U.S. women in corporations were often expected to perform the social duties of a wife or servant, even though their job descriptions did not specify these as part of their work. But these expectations are consistent with beliefs about women's general roles and place in society. The same is the case in other societies.

Jeannie Lo's fascinating study of "office ladies" (OLs) and factory women in a Japanese company reveals similar expectations. Office ladies are expected to "carry out their 'domestic' responsibilities: they serve tea to their superiors (the men in the office), keep themselves presentable and feminine, and do the cleaning" (Lo 1990, p. 100). These ladies are careful to maintain the delicate network of relationships ("shigarami")

underlying the work system, and expect to leave their jobs and marry before the age of 30. Female factory workers find their work more physically exhausting, but do not put up with as much harassment on the job as OLs do. Women's pay is low, even for those in senior worker positions. They work to save money for their dowries and quit to marry. "Marriage is the ticket out of suffering and hard work" (Lo, p. 101). The patrimonial system is further evidenced in the dormitories which provide living quarters for workers who live far from home. As residents, like those in early American factories, female workers "are expected to act like 'obedient daughters,' do housekeeping, and observe strict rules on curfews, morality, and general tidiness" (p. 102). In addressing his mostly female employees, the president of an apparel company, Azumi, reiterated the message that women should follow traditional paths:

*Azumi is a company founded with the grand purpose of making women beautiful, but beauty is not only a matter of form. A splendid heart and beautiful spirit are even more important.... [In the past], as fitting complements to such splendid women, there were great men. However, when the women changed the men began to fall as well. Men no longer have strength. There are few manly men nowadays and I feel that is the result of this kind of [modern] woman. (quoted in Smith 1987, p. 8)*

A memorandum from another large Japanese firm similarly warned those responsible for hiring new employees to "be wary of young women who wear glasses, are very short, speak in loud voices, have been divorced, or are daughters of college professors" (Smith 1987, p. 17). Clearly, nontraditional women are viewed as sources of trouble.

Earnings is another area in which gender inequality is prominent. In none of the 50 countries in which men's and women's earnings have been analyzed are women's earnings equal to those of men. Unfortunately, these studies focus on earnings from manufacturing or nonagricultural occupations. Since many women work in agricultural jobs, especially in developing nations, the picture given of wage discrepancies between the genders



in these studies is, at best, incomplete. Those countries in which women receive earnings that are at least 85 percent of what men receive include Norway, Sweden, and Australia among industrial nations, and Tanzania, Vietnam, Sri Lanka, Colombia, Kenya, and Turkey, among developing countries. As noted in Chapter 4, U.S. women earn about 75 percent of what men do, which puts the United States near the middle in earnings differences between men and women. Among industrial countries, the United States lags behind Australia, Norway, Sweden, France, New Zealand, Denmark, Finland, Netherlands, Germany, Belgium, Italy, Portugal, Greece, Austria, and Poland in gender earnings equality. Among the nations with the greatest earnings inequality are Russia, Bangladesh, Japan, and Guam, where women's earnings equal no more than half those of men (Neft and Levine 1997; United Nations 1995). In sum, women's involvement in the economy, occupation segregation by sex, and lower authority for women are common around the world, but when compared to many other industrial countries, earnings differences between men and women are higher in the United States.

### RACIAL/ETHNIC INEQUALITY

Having surveyed conditions for women in various countries, we turn now to a brief overview of racial and ethnic inequality in selected countries. Race and ethnic problems exist in all parts of the globe, from South Africa to the Middle East, through Central Europe, and into Asia and Japan. In this brief discussion, we will touch on only a few of these areas.

#### South Africa

Since the early 1990s, South Africa's government has attempted to move the country in the direction of greater racial equality. The accepted presence and power of the African National Congress and Nelson Mandela's election have helped solidify determination to create better lives for all of the nation's citizens. At this point, the future re-

mains open and serious internal hostilities must be resolved if progress toward racial equity is to continue.

One problem is that old habits die hard, for while apartheid has been officially outlawed, many of its remnants remain in everyday intercourse (Marger 1997). Until very recently, apartheid dominated economic, social, cultural, and political life in South Africa. For that reason, apartheid represented a situation of extreme racial inequality, which contrasts with the much more fluid racial relations present today. The dominance of Whites, who today are outnumbered by Blacks six to one, was rooted in the seventeenth- and eighteenth-century European conquest and colonization of the region. The process of increasing encroachment and control by Dutch and other White settlers as they moved into the country was not unlike that which occurred in the United States when early settlers pushed American Indians off their lands (Farley 1988).

Basically, South Africa had a caste system in which skin color was the criterion used to distinguish caste membership. The system was backed up by law and a government dominated by Afrikaners (Dutch descendants), right-wing Whites who felt they had a manifest destiny and biblical right to South Africa. There were four official castes, with Whites (Afrikaners and English) on top, followed by Coloureds, Asians, and Africans. However, since the latter three are non-White, they are usually lumped together, making the caste system essentially a White/non-White dichotomy (Marger 1997). Apartheid was a system of segregation that kept Blacks and Whites separate. Blacks were required to live in certain areas and lacked formal political rights. As earlier in the American South with its Jim Crow laws, Blacks and Whites had their own facilities so that contact between the races could be minimized. On the job, Whites typically earned more than 15 times what Blacks earned (Schaefer 1988). Under apartheid, the poorest 40 percent of the population, who were mostly Black, lived in conditions that were far below those of the richest 20 percent (mostly White). For example, in 1993, households

for the poorest were much more crowded, only about one-fifth lived in households with electricity, about one-quarter had inside water, and less than one-fifth had a toilet in the house (United Nations 1998).

Current attempts to destroy vestiges of apartheid have been met with resistance by White extremist groups in South Africa, most of which are composed of Afrikaners. Those who have benefited from apartheid are feeling more desperate as pressure for Black involvement in Nelson Mandela's government grows. Said one White extremist: "Now the Boer (an earlier name for Afrikaner) really feels his back [is] up against the wall" (Ransdell 1993, p. 43). Whites possess critical economic skills and still control central positions in the economy. To be successful, Mandela's government must negotiate a balancing act between obtaining cooperation from Whites and improving conditions for Blacks who expect nothing else (Marger 1997).

Social class has also been implicated in South African struggles in that many of those who heavily profited from the White government and the system of segregation have been working-class Whites whose race gave them an advantage in getting jobs. These groups make up the majority of membership in extremist groups. A small cadre of religious fundamentalists have also organized themselves to defend apartheid (Rarsdell 1993).

It is clear that, as in the case of early U.S. colonists' justification for severe treatment of slaves and American Indians, defenders of racial inequality in South Africa had much to gain politically and economically from the apartheid system. The elements of Noel's theory of race inequality—competition for resources, ethnocentrism, and unequal power—still lurk in South Africa. As we head into the twenty-first century, serious discrepancies continue to exist between the races in South Africa. The life expectancy of Whites is still 14 years longer than that for Blacks, and when compared to that of Blacks, human development in general is twice as high among Whites (United Nations 1998).

## Canada and Great Britain

South Africa is only the most glaring example of racial inequality. Even industrial Western countries that we normally consider to be free and democratic have their own versions of racial/ethnic inequality. Canada and Great Britain are two examples. Canada's ethnic composition has been described as a "vertical mosaic" (Porter 1965) made up of three elements: (1) English- versus French-speaking groups; (2) Native Aboriginal persons, or "First Nations" as they preferred to be called; and (3) other ethnic groups that are neither French nor English. The latter "visible minority," as they have been officially designated, consists of Black, Chinese, Japanese, Indo-Pakistan, Middle Eastern, Asian, and other culturally different individuals. In 1986, there were over 1,500,000 persons who were members of visible minorities, and about half as many who were classified as Aboriginal (Richmond 1990).

The main reason for referring to this mosaic of cultural groups as "vertical" is that there is a clear ranking system among them. Historically, English-speaking Whites have been the dominant group, monopolizing high-level economic and political positions. In recent years, French-speaking Whites have made some headway, but differences remain. Those at the top of businesses and other large financial firms are still most likely to be English or American. But institutional leadership appears to be becoming more ethnically diverse as economic conditions have improved. Still, some groups are much worse off than others. As in the United States, Native or Aboriginal people have the worst life chances. They rank lowest on scales of education, housing, occupational status, and income, and have disproportionately high rates of suicide, poor health, and functional illiteracy. For instance, the unemployment rates of Inuit men are more than 3 times those of other Canadian men (United Nations 1998).

As in other developed countries whose natives feel economically insecure because of recent recessions and high unemployment, immigration has been used as a tool of protection and for

screening appropriate and desirable new residents in Canada. In recent years, the largest group of immigrants has been from Asia (48 percent in 1989), Hong Kong being the single-most important source. Europe is the next most prolific source (27 percent), with the rest being scattered among other continents and regions. Care has been taken in the last few years to encourage business immigrants and discourage other kinds of workers. The restrictions placed on immigration in Canada, as elsewhere, have been compared to apartheid in South Africa. "Restrictive immigration policies implicitly label non-White immigrants as less desirable and provide a spurious legitimation for racist attitudes. Immigrants themselves are seen as a 'problem' and policies are then directed toward exclusion" (Richmond 1990, p. 158). Richmond has referred to the use of immigration to exclude others as "global apartheid" (1990). The use of policy to maintain control over economic restrictions and to limit competition, together with labeling certain groups as "undesirables," again echoes Noel's point about the roles of power, competition, and ethnocentrism in generating racial and ethnic inequality.

Great Britain has similarly used immigration to restrict the entrance of certain ethnic minorities that it views as a threat to societal harmony. Recent estimates show that about 5 percent of the British population consists of ethnic minorities, the majority of whom have Indo-Pakistani or West Indian origins. As in Canada, employment rates, educational levels, and housing quality are lower for these groups than for other British residents.

Historically, race relations in Britain have been much more violent than in Canada, although instances of ethnic violence have occurred in the latter country as well. England experienced race riots following World War I and into the 1980s in Brixton, Bristol, Liverpool, and other British cities. Racism is often blatant. Observed one minority resident: "Liverpool is a very racist city.... Racism? It means shopkeepers don't even place the change in your hand, but throw it down on the counter" (Seabrook 1992, p. 16). In both Canada and Britain, the police have been viewed by mi-

norities as agents and protectors of the dominant group. But rather than being a solution, the use of police underlines the questions being raised about social, economic, political, and other inequalities that persist in those societies (Richmond 1990; Schaefer 1988).

## Japan

Japan provides an interesting variation on racial and ethnic inequality. About 4 percent of Japan's population are treated as minorities and are discriminated against. Among these are Okinawans, Koreans, Ainu, and a group called the *burakumin* ("hamlet people"). In contrast to most minority groups elsewhere, the roughly 3 million burakumin are physically indistinguishable from other Japanese. Thus, they are sometimes called an "invisible race" (DeVos and Wagatsuma 1966). The only way to really know that a person is a burakumin is to know where he or she lives (DeVos and Wetherall 1983).

Historically, the roots of the burakumin go back to feudal times of 400 years ago. At that time, a rigid system of stratification prevailed, consisting of four clear strata (warrior, farmer, artisan, and merchant). The burakumin formed an outcaste group outside this system. Similar to outcastes in India, these people were viewed as being ritually unclean because their work involved touching the dead or animals. Their occupations included grave digging, butchery, leather tanning, and so on. They were forced to live in certain areas. Consequently, knowing where one lived provided a strong clue to his or her identity. Even in recent years, individuals with such a heritage have been systematically discriminated against socially and economically. In fact, at one point, their villages were not even shown on maps, reinforcing their invisibility and the custom of not recognizing them (Rowley 1990).

The burakumin still live in their own communities. In 1986, there were about 6,000 buraku districts, containing about 3 million people (Takagi 1991). Attempts have been made to legally ban discrimination against the burakumin, and some

improvements have been made in their living conditions, but serious problems remain. Prejudice based on feelings of disgust and fear is still prevalent and carries over into everyday concerns. As late as the mid-1980s, companies actively discriminated against burakumin. Procuring secretly created lists of buraku residential areas, and then comparing applicants' addresses against those lists, company interviewers have been able to screen out burakumin as employees (Takagi 1991). There continue to be significant problems in securing good employment. Some argue that burakumin are three to four times more likely to have physical problems because of being forced by discrimination into brute manual work (Rowley 1990). The mean buraku family income is only 60 percent of Japan's average (Guest 1992).

In addition, it is still difficult for burakumin to marry freely. There are detective agencies that specialize in researching backgrounds of potential mates to see if they have a "degraded" heritage. Relatives routinely and actively oppose the marriage to another with a burakumin heritage, and if the marriage is carried out, social ties with the couple are usually cut. In some cases, when a buraku residence has been uncovered, even suicide has resulted.

Since one's physical appearance does not betray buraku membership, one dilemma for those from buraku communities is in deciding whether to freely and openly admit one's heritage. For a young person, this can be a difficult problem, similar to that felt by anyone having a serious stigma. Hiromi is a young Japanese woman who chose to hide her heritage (i.e., she decided to try to pass as a member of the majority) while her sister took the opposite route to fight the discrimination openly. It is easy to understand Hiromi's choice when listening to one of her non-buraku friends: "I would never marry a burakumin.... It's not that I'm prejudiced or anything. But just think what my family would say if I went and did a thing like that." "I know what you mean," said another, "burakumin are different. Most of them can't even read" (Guest 1992, p. 28). Conversations of this kind help to provide explanations

and legitimation for the continuing plight of the burakumin in Japan.

## India

The caste system in India provides an example of an extreme case of status stratification. But rather than being simply a system of social inequality, it is also a hierarchical system in which castes are mutually dependent—a "harmony unifying diversity," to use Lannoy's description (1975, p. 138). Thus, castes are a source of integration as well as inequality. One's position in a caste is most often determined by birth and, and at least theoretically, cannot be altered. This gives the basis for position an "ethnic" quality in that birthright is taken into account. The legitimation of the caste system is rooted the earliest of Hindu texts in which the four "varnas" are described. A hymn in the *Rig Veda*, an ancient religious script, describes society as a body in which the Brahmins represent its head, the Kshatriyas its arms, the Vaishyas its trunk, and the Sudras, the feet. As in any organism, all the parts need to work together for the whole system to function properly. Kolenda (1978) has commented that although some Western social scientists view the caste system as basically exploitative of those at the bottom, others see it as a system that includes and functions for all. The latter analysts regard the exploitative view as being too narrow and even ethnocentric.

At the top of the varna system, the Brahmins are considered the most pure. They are engaged in teaching as priests, giving sacrifices, and receiving gifts. Brahmins have privileges not open to the members of other castes in classical Hinduism. Theoretically, Brahmins cannot be fined or beaten, for example. Because of their duties and abilities, Brahmins can transmit the sacred and religious element to the king, through whom it then radiates out into the rest of society. The whole caste hierarchy is infused with religious beliefs that tie the various castes together.

As is the case with Brahmins, every other varna is associated with specific duties and tasks (the dharma of the caste). The Kshatriyas, below

the Brahmins, are associated with political and top military positions; that is, they function to protect society. The distinction between Kshatriyas and Brahmins is essentially between religious and political functions. The Vaishyas make up the next varna and earn their living from the land as farmers or in grazing livestock or in commerce and usury. Members of these first three varnas are said to be "twice born" in that adolescent boys undergo a particular initiation ceremony when they are just beginning to study the sacred religious texts. The task of the Sudras, the last of the four varnas, is simply to serve those above them. There is a qualitative difference between the Sudras and the three varnas above them. Unlike the other three, the Sudras do not "participate in initiation, second birth, or the religious life in general" (Dumont 1970, p. 67). In most areas of the country, Sudras compose the majority of the populations and are associated with a large number of specific occupations involving physical labor and service for those in the top three classes (Milner 1994). A fifth stratum, the Untouchables, are left out of the formal classification system entirely. In a ritual sense, they are outside the caste system.

The four major varnas make up the classic hierarchical system of Indian society. But the real, concrete system of castes (jati) is actually more complex. Any given village may have had a few or large number of castes, and these may vary in nature from village to village. There also may be kinship or other ties between similar castes in different villages. In other words, in everyday life, the operating caste system is very complicated. However, most Indians still associate specific castes in a village with one of the four varnas. In this way, the latter form a sort of "all-India caste system" (Kolenda 1978, p. 94).

Dumont described an actual caste system as a situation in which "the society is divided into a large number of permanent groups which are at once specialised, hierarchised, and separated (in matter of marriage, food, physical contact) in relation to each other" (Dumont and Pocock 1961, pp. 34-35). Summarizing a number of social-

anthropological studies, Kolenda (1978) distilled what she considers to be the core features of the local caste system in India:

1. It operates as a system only in a confined locality and may consist of a few or many more specific, mutually exclusive castes.
2. A dominant caste or family usually has economic and political control in the area. Its dominance is based on control of land and force.
3. Each caste has an occupational specialty associated with it and offers its services to members of other castes in exchange for food, services, or other products (the *jajmani* system). This exchange system performs not only an economic function but also serves to keep the higher castes pure, allowing those in the bottom castes to absorb pollution.
4. Castes are ranked according to pollution and purity.
5. Each caste segment tends to live in its own area. Untouchables are isolated from the rest of the village, either living in a separate setting altogether or on the edge of a given village.
6. The caste is an endogamous descent group, and the local contingent of a caste are usually kin related.
7. Efforts to improve caste rank are made by the lower ranks. These include emulating the Brahman lifestyle (Sanskritization) and eliminating certain polluting customs. Mobility is also attempted through (a) arguments that the low rank of one's caste is really the result of a historical error or having really been deprived of one's rightful place, (b) allusions to having been the descendant of a great or high-ranking person or caste, and (c) gaining wealth, allowing a caste to change its name and live an honored lifestyle.
8. Disputes within a village are settled either by a council or by an elder in the dominant caste.

It should be evident that the basic element of separation pervades the system (in associations

with others, marriage, and residence). This fundamental trait should not be surprising. In our earlier discussion of Weber's concept of status group, we noted the importance of social distance and exclusivity. The separation underlying the castes is based on religious and ritualistic notions of purity and pollution. The term *caste*, in fact, comes from the Latin root word *castus*, which means pure (Lannoy 1975). Formally, the caste hierarchy contains the purest castes at the top and the most polluted at the bottom. One must remain ritualistically pure if one is to perform religious duties effectively, and contamination from the outside environment as well as pollutants from the inside (bodily waste) can endanger the purity of the body. One must avoid proximity to the contaminant, because prolonged closeness can mean permanent pollution if the contaminant is strong enough. It can then be passed on through one's children. In other words, pollution can be hereditary, even though there are both permanent and temporary types of pollution. Castes associated with polluting jobs (e.g., leather workers, barbers, sweepers, funeral workers—all occupations that involve working with body parts, excrement, or dead organisms) have permanent pollution. Temporary pollution, on the other hand, can be overcome with various rituals of purification. Everyone is exposed to potential contaminants every day because all people eat, go to the bathroom, have sexual relations, and so forth—all activities that bring them into contact with impurity.

Rules determine from whom one can receive food or water without becoming polluted. Thus, commensality, eating only with members of one's own caste, encourages the maintenance of purity. Certain foods are believed to be more open to contamination than others or are associated with certain castes. With respect to the latter, for example, some foods are believed to promote lightness and purity, whereas others supposedly encourage physical strength and passion. There is a concern for maintaining bodily purity because it is believed that spiritual development requires purity through the avoidance of impure relationships and

objects, including not only food but also clothing and homes (Lannoy 1975, pp. 145–152). Thus, in this ritual sense, strangers and foreigners are major sources of pollution for the strict caste member. Certainly notions of racial purity underlaid many of the justifications for racial inequality early in U.S. society.

There is increasing evidence that the Indian caste system is not the monolithic, simple system it is sometimes portrayed to be. For example, educated, westernized Indians are less likely to believe in the purity/pollution theory (Lannoy 1975, p. 148). As suggested earlier, there is also some evidence that even in India, there are avenues of social mobility. To move up, for example, some lower-caste persons have started their own religious movements, while others have married upward. By gaining political power or mobilizing, a group can also raise (or lower) its caste rank, and some individuals can increase their statuses because of increased economic resources (Kumar 1982; Das and Acuff 1970; Berreman 1960). But these are movements to change one's position *within* the system, not revolutions *against* the system (Kolenda 1978). Moreover, the actual caste system is made up of many subcastes, often varying from region to region. In other words, as we have seen, some have suggested that the manner in which a caste system works in theory is not the same as it works in reality.

In 1975, Richard Lannoy wrote that the caste system is still "the most distinctive feature of Indian culture; it has remained the bedrock of the social structure from ancient times to the present day" (p. 137). Nineteen years later, Murray Milner, Jr., agrees: "In sum, while the caste system has undergone great changes over the long period of its existence, it has been relatively stable compared to most human institutions" (1994, p. 56). Hindu religious beliefs have helped to maintain the stability of stratification in India. Most notably, the emphasis on dharma, karma, and reincarnation have encouraged believers to abide by the status quo. Individuals have been expected to follow the duties of their castes (dharma). They also

have been taught to believe that their present behavior has a direct causal linkage with what happens to them in their next lives (karma). However, there is evidence that the caste system, although still operative, may be weakening in the face of changes in technology, urbanization, and education; economic and political systems that are increasingly international and competitive in nature also put tradition at risk (Kolenda 1978). These may be creating permanent fissures within the caste system, but at the same time, the new formal democracy and constitution have not meant the erasure of real caste inequalities in the Indian system (Sivaramayya 1983).

#### SUMMARY

This chapter has provided a comparative context into which to place the degree of economic, gender, and racial/ethnic inequality in the United States. When making comparisons across countries, one has to be careful because of differences in data collection. Nevertheless, some general conclusions were reached. On the international scene, we noted that poorer countries have both higher rates of poverty and economic inequality than the United States. The United States generally fares well when compared to poorer countries, but when compared to other developed industrial countries, the United States has one of the highest rates of poverty, especially for children and the elderly, and one of the highest rates of economic inequality. Japan has among the lowest degrees of inequality. The reasons for differences of this sort include variations in population composition, economic conditions, government programs, and tax and inheritance laws.

Explanations for economic inequality between nations include those that stress the importance of psychological, cultural, and world-economic conditions. Dependency and world-system theories are the most recent and emphasize the nature of the interrelationship among countries in the world economy. The basic argument is that through trade, assistance, internationally sponsored attempts at development, and economic penetration by trans-

national corporations, underdeveloped, peripheral countries enter into an ever-deepening relationship of dependency with powerful core nations, weakening their chances of development.

Gender inequality also varies across types of societies. Generally, such inequality is usually less in hunting and gathering than in agricultural societies. Across the world, women have been and are heavily involved in economies, and in fact their involvement has increased while that of men has decreased in recent years. When their housework is taken into account, with few exceptions, women work more hours per week than men. Despite women's extensive economic activity, occupational segregation and differences in authority by sex exist in virtually all countries. Stereotypes of gender-appropriate work and behavior can also be found among other industrial countries. However, the United States does not compare favorably on sex-earnings differentials to many other industrial nations such as Australia, Sweden, Norway, and Canada.

Racial/ethnic inequality is also found elsewhere. Although a worldwide survey of such conditions was not possible here, a brief description of predicaments in South Africa, Canada, Great Britain, Japan, and India demonstrated that racial and ethnic inequality exist in all parts of the globe. Although they were not discussed, the Middle East and Central Europe are also regions that are currently undergoing significant ethnic strife. South Africa's apartheid system had been the most glaring international example of racial inequality. Analyses of Canada and Great Britain show how countries have used immigration policies to control shifts in the racial composition of populations. Japan's burakumin provide an interesting case of low caste status involving a group thought to be qualitatively different from the rest of the population. Finally, India's caste system has served as a frequently cited exemplar of a rigid status system that has resisted radical change. For this reason, it was described in detail. Although systems of inequality vary drastically throughout the world, that in the United States is extensive enough to produce a variety of personal and social effects. The next two chapters examine those impacts.

**CRITICAL THINKING**

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1. Why are the women in so many other industrial countries better off economically than they are in the United States? What can be done to improve conditions in the United States?
2. Is it inevitable that the economic gap between developing and developed nations will increase? If yes, why? If no, what has to change to reduce the gap?
3. What are the connections between racial inequality within different countries and the income gap between them? Do increased income gaps intensify racial inequalities? Explain your answer.

**WEB CONNECTIONS**

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The United Nations provides a wealth of information on socioeconomic conditions in countries across the world. This includes the site for the United Nations Development Fund for Women, which displays variations among women in health, education and literacy, age distribution, economic activity, and participation in govern-

ment. Compare the differences in the conditions for women across continents and nations by exploring the following two websites:

<http://www.undp.org/unifem/>

<http://www.un.org/womenwatch/world/index.html>