

Chapter 9 Global Inequality

- Getu Mulleta, 33, and his wife Zanebu, 28, of rural Ethiopia live in a manure-plastered hut with no electricity, gas, or running water. Their family survives on \$130 a year.
 - Average life expectancy for males: 48 and females: 50
- Rick Kelly, 36, and his wife Patti, 34, live in a four-bedroom house with a fireplace, central heating, air-conditioning, a basement, and a two-car garage. Their family survives on \$52, 680 a year.

Distribution of World Income

- 79.5% high-income countries
- 18% middle-income countries
- 2% low-income countries

The Global Divide

- Inequality is a significant determinant of human behavior.
- Divides in global wealth emerged as a result of the Industrial Revolution and rising agricultural productivity.
 - Resulting rise in living standards not evenly distributed across the world.

Stratification in the World System

- Stark contrasts between industrial and developing nations
 - Legacy of colonialism
 - Multinational corporations
 - Modernization

How did the World's Nations become Stratified?

- 1.) World System Theory (Immanuel Wallerstein)
 - Core nations – those that industrialized first – most developed
 - Semi-periphery – countries dependent on trade with core nations
 - Periphery – countries left out of the development of capitalism, least developed, poor countries
- 2.) **Colonialism** – the process by which one nation takes over another nation, usually to exploit its labor resources
 - Economic colonies

The Legacy of Colonialism

- **Colonialism:** foreign power maintains political, social, economic, and cultural domination for an extended period.
- **Neocolonialism:** continued dependence on more industrialized nations for managerial and technical expertise by former colonies.

- **Globalization:** worldwide integration of government, policies cultures, social movements, and financial markets through trade and exchange of ideas.

Universal Human Rights

- Initiating Policy
 - Many national policymakers hesitate to interfere in worldwide human rights issues.
 - Most initiatives come from international bodies.
 - Universal human rights remain an ideal and not a reality.

Multinational Corporations

- **Multinational Corporations:** commercial organizations headquartered in one country but doing business throughout the world.
 - Total revenue of multinational businesses on par with total value of goods and services exchanged in entire nations.
 - Over 10% of U.S. goods and services relates to exports to foreign countries.

Functionalist View

- Multinational corporations help developing nations
 - Jobs and industry
 - Maximum advantage of technology while reducing costs and boosting profits
 - Make nations more interdependent and less likely to enter conflicts

Conflict View

- Multinational corporations exploit local workers to maximize profits (abuse environment and people)
 - Investment by multinationals initially contributes to host nation's wealth
 - Eventually increases economic inequality within developing nations (China)

*Both views have points that are correct

Case Study: Stratification in Mexico

- Mexico's Economy
 - In 2009, gross national income per person in the U.S. was \$46,970; Mexico was \$14,270
 - 70% want to come to the U.S.
 - About 88% of U.S. adults have high school education; 21% of Mexicans
 - Gap between Mexico's poorest and richest citizens is one of the widest
 - 20% of Mexican population live on \$2 per day
- Race Relations in Mexico: The Color Hierarchy

- Subordinate status of Mexico's Indians one reflection of nation's color hierarchy – 14% (90% live without a sewer) – lowest class
- Social class linked to appearance of racial purity
- Widespread denial of prejudice and discrimination against people of color in Mexico
- Marked growth in the last decade of organizations and associations for rights of indigenous Indians
- The Status of Women in Mexico
 - Constitute 46% of labor force
 - More mired in lowest-paying jobs than counterparts in industrial nations
 - When Mexican women work outside the home, often not recognized as active and productive household members
 - Organizing to address economic, political, and health issues

Borderlands

- **Borderlands:** Area of common cultures along the border of Mexico and U.S.
 - **Maquiladoras:** foreign-owned factories that do not have to pay taxes or provide benefits to their workers
 - **Remittances** (migradollars): estimated to be minimum of \$22 billion a year

Stratification in Brazil

- Three nations in one
 - 1.) Rich country (about 34 million)
 - 2.) Poor country (about 111 million)
 - 3.) Indigents (about 40 million) – totally impoverished
- Social inequality compounded by racial distinction that originated in slavery

*Population increase is much larger in the lowest developing countries than the industrialized countries.

Social Stratification in Global Perspective Video

- Nationwide – still slavery – kidnap children, slavery can bring security
 - Government does not really help them abolish slavery
- India – slavery – child labor (bonded labor)
 - Make carpets to be exported
 - Trick the parents into selling their children
 - The children are never paid and work crazy hours
 - Hard to enforce them to stop and even harder to get them to be punished by the government
- Poverty – attempted to reduce poverty but didn't do much about it, millions of people are still in poverty and have dirty water