

Global Inequality Chapter 9

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

Stratification on the world system

- Stark contrast between industrial and developing nations.
 - Legacy of colonialism
 - Multinational corporations
 - Modernizations

How did the world nation become stratified?

1. World systems Theory (Immanuel Wallerstein)
 - a. Core nations- those that are industrialized first
 - b. Semi- periphery- countries dependent on trade with core nations.
 - c. Periphery- countries left out of the development of capitalism
2. Colonialism- the process by which one nation takes over another nation, usually for the purpose of exploiting its labor resources
 - a. Economic colonies

The Legacy of Colonialism

- Colonialism: foreign power maintains political, social, economic, and cultural dominations 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 policy makers 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- Commercial organizations headquarters 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.
- Multinational corporations help developing nations through
 - 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
 - Investment by multinationals initially contributes to host nations wealth

- o Eventually increases economic inequality within developing nations

Case Study: Stratification in Mexico

- Mexico's Economy
 - o In 2009, gross national income per person in the US was \$46,970; Mexico was \$14,270
 - o About 88% of adults have high school education in the US while only 21% have a high school education in Mexico.
 - o Gap between Mexico's poorest and richest citizens is one of the widest in the world.
 - o 20% of Mexican population lived on 2 dollars a day
- Race Relations in Mexico: The Color Hierarchy
 - o Subordinate status of Mexico's Indians one reflection of nations color hierarchy
 - o 90% live in a house without a sewer or running water
 - Social class linked to appearance of racial purity
 - Widespread denial of prejudice and discrimination against people of color in Mexico
 - Marked growth in last decade of organizations and associations for rights of indigenous Indians.
- The Status of women in Mexico
 - o Constitute 46% of labor force
 - o More mired in lowest paying jobs than counterparts in industrial nations
 - o When Mexican women work outside home, often not recognized as active and productive household members
 - o Organizing to address economic, political and health issues.
 - o Borderlands- areas of common cultures along border of Mexico and the U.S.
 - o Maquiladoras - Foreign - owned factories that do not have to pay taxes or provide benefits to workers.
 - Remittances: Estimated to be minimum of \$22 billion a year.
- Stratification of Brazil
 - o 3 Nations in one
 - Rich Country - about 34 million people
 - Poor Country - about 111 million people
 - Indigents (totally impoverished) - about 40 million people
- Social Inequality - Compounded by racial distinctions that originated in slavery.