

Global Inequality

BY DOUGLAS A. HICKS

Are the world's rich and poor growing closer together or farther apart? Why should we care either way? The Christian story expands our moral vision to see every person not as a potential consumer in a global market, but as a reflection of God's image.

Critics and proponents of globalization are waging a fierce debate over the effects of globalization on inequality. Are the world's rich and the world's poor growing closer together or farther apart? Why should we care either way?

A decade ago, there was a general scholarly consensus that global disparities of wealth and income had risen between 1970 and 1990. But more recently the negative impact of globalization on inequality has been questioned, especially by economists suggesting that globalization has tended to create a more equal world. The debate rages on.¹

Proponents make claims such as "Globalization has brought the world together on a level (or flat) playing field," while critics contend that "Globalization has created an unequal world." Such general statements, from supporters of globalization and from detractors alike, are too sweeping to be accurate.

It is very clear, however, that current global inequality *levels*—whether they have been moving up or down—stand very high. Inequality of income, for instance, is as severe in global society as it is in any particular country in the world. That is, consider the degree of economic disparity in some of the most economically unequal countries in the world, like South Africa, Guatemala, and Brazil. If we envision the whole world as one society—which is precisely what globalization encourages us to do—we would see that economic inequality among the world population is greater than it is within these countries marked by economic disparity and social fractures.

It is precisely the rising consciousness of an interconnected world – the globalization of our imagination, if you will – that calls us to think anew about the social and political implications of global inequality. Global inequalities of particular kinds and of a severe degree are grave matters of moral consequence. Therefore, we should care about both poverty and inequality. The “capability approach” to understanding economic inequalities, in conversation with resources in Christian ethics, I will argue, helps us to understand precisely why and how we must focus on inequalities as a matter of human well-being. I will conclude by suggesting constructive ways for the Christian community and a wider “global citizenry” to tackle the issues surrounding economic inequalities.

GLOBAL INEQUALITY: SO WHAT?

The statistical debates about trends (and causes) of global inequality remain crucially important. We need to understand the changes in national and international economic systems that together comprise the process of globalization and their relationship to the widening or narrowing of global inequalities. The examinations of social scientists working on these issues must carefully break down the processes in order to isolate the various relevant factors, such as technological changes, population changes, climate changes, knowledge/educational changes, changes in tariffs and other barriers to trade, and movement in exchange rates.

Yet whatever our empirical investigations of inequality yield, we must not commit the logical fallacy of “is implies ought.” For instance, the fact that the global economy includes pressures that exacerbate inequality should not lead us to conclude that somehow this inequality is morally acceptable. Some proponents who view the global market as the inevitable economic system seem to accept such an assumption. Conversely, some critics of globalization seem to assume that global equality is the fundamental value that we should all prioritize; this assumption, too, must be justified morally if it is to be convincing. Why do we care about inequality, and what kinds of inequality, precisely, do we care about?

Thus, alongside the *empirical* debates – and as the context for them – it is time for leaders and citizens alike to examine global inequality in *moral* terms. In a notable *New York Times* opinion-editorial, W. Michael Cox and Richard Alm argued that Americans had little reason to “decry the wealth gap.”² Indeed, they went so far as to say that “our response [to rising inequality] is: So what?”

Notwithstanding its cavalier tone, “So what?” is just the right question to ask about disparities of wealth at both the domestic and international levels. Inequality is not necessarily inequity or injustice. Doctors, on average, receive more education in anatomy and pharmacology than other citizens, and much of this education is supported indirectly or directly by the state. This reality reflects a clear inequality in education. But such an inequality

is not unjust; rather, training a group of physicians over many years is a fair and good thing since it promotes the health of the population, for the public good. But we care deeply about *access* to the medical profession: Are medical schools and the profession of medicine open to all persons, regardless of sex, race, religion, or sexual orientation? A host of difficult moral questions

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arise here — e.g., which criteria for equal access are, in fact, morally relevant: intelligence, compassion, physical ability? The main point is that inequality in itself is neither a good or bad thing. Facts about trends, levels, and types of inequality, then, require critical moral evaluation.

Some degree of inequality will surely and necessarily exist for income, wealth,

and education. No person serious about human liberty can advocate absolute equality in any sphere. But to say that full economic equality is unattainable is not the same as accepting excessive inequality.

POVERTY OR INEQUALITY?

It is not easy for citizens deeply influenced by the modern discourse on freedom and individualism to focus on the disparities and corresponding deprivations that economic free markets allow or even exacerbate. We often take economic arguments about growth, productivity, and efficiency as a kind of immutable reality that cannot and should not be questioned. The names of Adam Smith and Alfred Marshall, the respective “fathers” of classical and neo-classical economics, are invoked to assert that the economy and its Invisible Hand should be left alone.

Less often noted is the fact that Adam Smith himself was a moral philosopher concerned that the economy should operate within a wider framework of justice and “sympathy.” More specific to the issue of economic deprivation, Smith insisted that all citizens should have the means “to appear in public without shame,” means that are always relative to the society in which one lives.³ Alfred Marshall added that poverty and its alleviation “give to economic studies...their chief and their highest interest.”⁴

Smith and Marshall would be deeply troubled by economists and others who believe that inequality and poverty are not matters of public concern. We must attend to all indicators that give some idea of the effects of the economy on persons’ actual well-being. The moral bottom line is the impact of economic policies and conditions on people’s lives.

Some analysts argue that we should be concerned about poverty (a condition of absolute deprivation) and not about (relative) inequality at all. That is, they suggest that if the rich become more affluent while the income and wealth of poor people simply do not change, there is an overall improvement. This is the standard answer in economics (in the discussions of "Pareto superiority"): a social improvement occurs when one or more persons are made better off and no one is made worse off. This calculation of being "better off" and "worse off" is made in terms of money alone. (It is precisely the limitation of the analysis to income alone that I will question, especially in the following section.) Consider this case: Bill Gates' income increases by five million dollars, while all other incomes remain the same. In this scenario, overall income rises (because Gates' income goes up); poverty remains the same; and income inequality increases. According to the standard economic analysis, this is a social improvement. Indeed, the increase in inequality does not factor in.

How would we focus on inequality in this analysis? Widening our view to include the "relative" effects upon some persons from the increasing economic status of other persons is a complicated task. There are various kinds of effects. First, if the incomes of the most affluent people go up, but the average income, say, of the poorest part of the population stays the same, the price level for goods and services would go up. Thus, in inflation-adjusted terms, the poor actually become less well-off in the Bill Gates scenario noted above. We could address this problem, though, by looking at *real* income.

A more complicated "relative" factor concerns the effects upon the poor due to a rise in incomes of the middle and upper classes that has the effect of altering consumption patterns. As an example, the rise in private automobile usage in the past fifty years had a severe impact on the availability of public transportation for those without the means to buy or lease a car. Similarly, the recent proliferation of cell phones has led to the near disappearance of public pay phones in many cities. Although the cell phone is a relatively low-cost technology (and a promising economic "equalizer" in some contexts), it can create an additional expense for persons who now cannot locate pay phones for occasional use.

More complex yet are the psychological effects of relative disparity. From a purely functional standpoint, no one "needs" an iPod in their commuting around town. But teenagers in the U.S. and Europe now are lacking something in their social circles if they do not have one. This example is not just a trivial one, and the lack that persons can experience is more than a matter of envy. It is about social belonging. Research from both the United States and the United Kingdom suggests that people's health and sense of overall well-being are more closely correlated with relative deprivation position than with absolute levels of income or wealth.⁵ Humans are, after all, social beings, as Adam Smith noted some two-and-a-half centuries ago.

For now, I suggest that even to have a poverty-vs.-inequality debate (that is, should we care more about poverty or inequality?) would in itself reflect an important opening up of our moral analysis. The perspective I will explore below offers reason to care about both poverty and inequality.

WHY DO CERTAIN INEQUALITIES MATTER?

The basic claim that humans are social beings brings us to the heart of how and why inequalities matter morally. Dollars are an abstraction, albeit a fundamental one for survival in today's economy. It is the impact of those dollars on one's everyday activities and perceptions of self and the world that really matter. We are more concerned with the intrinsic components of well-being than with dollars or automobiles. Are persons able to meet their basic and more complex human needs? Are they able to participate in their own society? Do they have the freedoms and capacities to express themselves culturally, politically, and religiously? These are questions of fundamental human well-being.

Christian thinkers through the generations have addressed economic activity as an important part of both individual and communal living. It is often stated that Jesus' recorded teachings focus more on economic matters than on any other single subject. The early Church, as described in the book of Acts and in Paul's epistles, was particularly concerned with providing for the needs of the least well-off persons and communities. The book of Acts implicitly calls for a limit on inequalities, with references to commonly held goods and to the selling of possessions to provide for the needs of others (Acts 2:42-27; 4:32-35). When the Apostle Paul asked for funds to help the saints of Jerusalem, he discussed the need to provide for each other in a reciprocal, even an equalizing, way: "Our desire is not that others might be relieved while you are hard pressed, but that there might be equality. At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need. Then there will be equality, as it is written: 'He who gathered much did not have too much, and he who gathered little did not have too little'" (2 Corinthians 8:13-15; cf. Romans 15:25-27).⁶

Over the centuries, believers developed rules and practices of Christian economy. Monastic life is a specialized expression of economic equality in communal life (though critics will note that this is voluntary poverty equally distributed). Augustine and Aquinas offered rules for constraining greed and envy while striving to maintain public order (especially in Augustine) and promote the common good (especially in Aquinas). Specific questions of practice, like what kinds of interest constitute usury, began to play an increasing role in Christian theological and moral thought. Yet these thinkers did not radically question the inequalities of station or status among different persons in society. The organic image (all are members of the Body of Christ, but some are the head and some are the feet, etc.) predominated over more democratic images in medieval times, and as a result various political,

social, and economic inequalities went unquestioned. In the Reformation, Martin Luther and John Calvin moved in a democratic direction (with key concepts such as the priesthood of all believers), but they did not tackle issues of economic inequality directly. Enlightenment Christianity, among other things, helped to bring (or restore) talk of democracy more fully into Christian theological thought and practice.

In the twentieth century, the dream of an egalitarian world (and Church) took a firmer grip. Some Christian thinkers embraced the hope of society-wide Christian socialism, which had earlier been attempted, frequently with disastrous consequences, in European and U.S. enclaves. For instance, Karl Barth accepted a socialist vision in his early writings. In a more sustained set of reflections in the 1930s, William Temple, who would become the Archbishop of Canterbury, offered what he called a workable version of Christian socialism for British society. In the post-war boom and the opening-up of the post Vatican II Catholic Church, Latin American theologians developed what became known as “a theology of liberation.” Priest-theologians like Gustavo Gutiérrez engaged in critical but appreciative conversation with Marxism, although the emphasis on socialism diminished significantly in liberationist thinking across the 1990s and into this century.

Notwithstanding these collectivist impulses (and, conversely, the overstated conservative embraces of the market as God’s will), many Christian thinkers are seeking an independently critical stance from which to judge the role of economic systems on the well-being and dignity of human persons. Some analysts misdescribe this mainstream approach as a “third way” between capitalism and socialism, but such language misses the fact that Catholic social teaching and

certain Protestant writers offer a more fundamental moral language to analyze the various expressions of both capitalism and socialism. In these frameworks, economic inequality is denounced for its dehumanizing effect on the persons at the bottom end of the economic distribution.

On occasion, the effects upon the rich from excessive materialism are mentioned as a second kind of problem created by inequality.

A number of Christian theologians and ethicists are turning to the philosophical-economic school of thought known as the “capability approach” for a richer vocabulary to analyze economic life. Pioneered by Nobel-winning economist Amartya Sen and philosopher Martha Nussbaum, the capa-

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bility approach emphasizes those aspects of human well-being that enable persons to be active participants in society and realize the ends they determine for themselves.⁷ This vocabulary helps to capture, in conversation with economics, values that are present in the Christian tradition in concepts such as human dignity, solidarity, and the preferential option for the poor. In addition, the capability approach has specified, in a way more precise

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than any writings in Christian ethics, those spheres of well-being in which equality and inequality matter. Martha Nussbaum's list of ten capabilities is one very detailed specification (more universally dictated than Sen would prefer) of human

capabilities for which we should have moral concern.⁸

Stated succinctly (and in negative terms), inequalities matter to the extent that they obstruct at least some persons from realizing their human dignity within their own communities. Sen talks of an equality of "basic capability" as a precondition for allowing individuals to pursue their own valued ends.⁹ The Christian tradition includes what liberationists have termed the preferential option for the poor, by which individuals, churches, and societies are called to focus special attention to those persons in jeopardy of being marginalized in their communities or of not realizing their human dignity. In this Christian perspective drawing from the capability approach, we would look at global inequality in various forms—such as income, wealth, political and cultural participation, educational attainment, and health and longevity.¹⁰

Such a moral approach to global inequalities does not answer, of course, the specific question of how much inequality, and of what forms, is morally acceptable. Rather, it provides a moral vocabulary for addressing the "so what?" question. It accepts the fact that the descriptive-empirical questions of global income and wealth inequalities are important ones, while it also calls for more careful examination—even empirical analyses—of inequalities of more intrinsic importance, such as disparities in health and lifespan, in educational attainment, and in access to global media and markets.

The Christian story is a global one, and Christian theology and ethics can contribute to the stretching of the global imagination. It expands our vision not in terms of seeing every human as a potential consumer in a global market. Rather, Christian ethics views every person as a reflection of God's image endowed with human dignity. In opposition to narratives that portray national identity or even religious identity as primary, the Christian narrative views all human beings fundamentally as moral equals.

This Christian perspective requires us to explore how certain forms of

inequality impede human dignity and a corresponding human solidarity. Economic processes of globalization have the promise to enhance, in some ways, the conditions of dignity and solidarity. But this is not a given, and economic systems should always be subject to moral evaluation. Intrinsic moral goods include human well-being, capability, and community; we evaluate economic indicators such as productivity, growth, and even distribution in terms of their effects on these goods.

NOTES

1 The most definitive survey on the topic is Branko Milanovic, "Global Income Inequality: What It Is and Why It Matters," World Bank research paper WPS 3865 (Washington, DC: The World Bank, March 2, 2006). Available at go.worldbank.org/XSKB9QVEE0, accessed April 16, 2007. Another important recent paper by a respected economist is Nancy Birdsall, "The World is Not Flat: Inequality and Injustice in our Global World," WIDER Annual Lecture 2005 (Helsinki, Finland: World Institute of Development Economics Research, 2005). Available at www.wider.unu.edu/publications/publications.htm, accessed April 16, 2007.

2 W. Michael Cox and Richard Alm, "Why Decry the Wealth Gap?" *New York Times* (January 24, 2000) Late Edition-Final, Section A, Page 25, Column 2.

3 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, reissue edition (London: Everyman Edition, Home University Library, 1991 [1776]), 351-352.

4 Alfred Marshall, "Introduction," *Principles of Economics*, eighth edition (London: Macmillan, 1920).

5 See, for instance, Richard Wilkinson, "The Epidemiological Transition: From Material Scarcity to Social Disadvantage?" *Daedalus*, volume 123, issue 4 (Fall 1994).

6 Scripture taken from the HOLY BIBLE, NEW INTERNATIONAL VERSION®. NIV®. Copyright© 1973, 1978, 1984 by International Bible Society. Used by permission of Zondervan. All rights reserved.

7 Amartya Sen presents the capability approach succinctly in "Capability and Well-Being," in Martha C. Nussbaum and Amartya Sen, eds., *The Quality of Life* (New York: Oxford University Press, 1993), 30-53.

8 Nussbaum describes the central human capabilities under ten headings: "life," "bodily health," "bodily integrity," "senses, imagination, and thought," "emotions," "practical reason," "affiliation," "other species," "play," and "control over one's [political and material] environment." See Martha C. Nussbaum, *Women and Human Development: The Capabilities Approach* (New York: Cambridge University Press, 2000), 78-80.

9 Amartya Sen, "Equality of What?" in *The Tanner Lectures on Human Values*, volume 1, edited by Sterling M. McMurrin (Salt Lake City, UT: University of Utah Press and Cambridge University Press, 1980), 195-220.

10 For a fuller discussion, see Douglas A. Hicks, *Inequality and Christian Ethics* (New York: Cambridge University Press, 2000), especially 167-196.



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